



# Annual Report 2022

Steady Rising



الأندلس العقارية  
Alandalus Property

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

The Chairman and members of the Board of Directors of Alandalus Property Company are pleased to present to our honorable shareholders the annual report for the fiscal year ending on December 31, 2022. The report has been prepared in accordance with the requirements of the Governance Regulations issued by the Capital Market Authority, the Companies Law, and the Company's Articles of Association.

The report provides information on the Company's activities, financial results, performance, achievements and future plans during the fiscal year ending on December 31, 2022.

# Table of contents:

01

## Introduction

- Chairman Statement
- CEO Statement

04

## Company's Activities and Investments

- Business Sectors
- Investment in Subsidiaries, Affiliates and Sister Companies
- Future Projects

07

## Transactions with Related Parties

10

## Governance and Risk

- Governance
- Risk
- Conclusion

02

## Executive Summary

- Executive Summary
- Strategic Objectives
- Achievements 2022
- Existing Projects
- Future Projects
- Certifications and Accreditations

05

## Corporate Communication

- Human capital
- Saudization and Recruitment

08

## Financial Results and Business data

- Income Statement
- Revenue Analysis
- Balance Sheet
- Accounting Standards
- Islamic Securitization (Tawarruq) Facilities
- Statutory Payments

03

## About Alandalus

- Establishment
- Key objectives
- Business Activities and Investments
- Vision, Mission and Values
- Board of Directors
- Organizational Structure

06

## Sustainability in Alandalus Property

- Commitment to Accountability and Transparency
- Valuing Our People
- Engaging Our Stakeholders
- Social Responsibility
- Reducing Our Environmental Impact

09

## Board of Directors

- Board of Directors, Committees and Executive Management
- Remunerations of Board Members
- Major shareholders and change in ownership shares



# 01

## Introduction

- Chairman Statement
- CEO Statement

## Chairman Statement



Mr. Abdulsalam bin  
Abdulrahman Al-  
Aqeel  
Chairman of Board of  
Directors

Dear shareholders and partners

We are delighted to present our annual report for the fiscal year 2022, which highlights key milestones and successes, supported by data and facts which demonstrate our renewed direction towards new horizons. We remain dedicated to developing the Company's operational, administrative, and financial systems at all levels to keep pace with the rapid changes and developments occurring worldwide.

Thanks to Allah, the Company continues to develop its operational practices aimed at continuous improvement of its operational performance, seeking to achieve the highest occupancy rates in its commercial centers. Additionally, we continue to implement our smart strategy, using various financing models to invest in future opportunities and projects, after careful study, in order to achieve profitable returns for all shareholders and partners.

In this context, we are pleased to announce the near completion of Al-Jawhara «The Village» project in Jeddah, in which Alandalus Company holds 25% ownership. Meanwhile, preparations are currently underway to commence operations on this significant project. Moreover, the opening of Dr Sulaiman Al-Habib Medical Hospital project in Jeddah, in which Alandalus Company owns 50%. These projects enhance the Company's financial and investment standing, thereby increasing profits and returns for all shareholders and partners. Progress also continues in other investment projects within the specified timeline.

The Company has implemented the decision of its Board of Directors, which was issued based on the authorization of the sixteenth Ordinary General Assembly held on May 15, 2022, to distribute interim cash dividend to shareholders for the first half of the fiscal year 2022. We also succeeded in stabilizing our financial position and enhancing the cash flow balance during this year, while working on establishing a new phase in line with the data of the coming years and according to well-studied scientific and practical foundations.

Here it shall be noted that, in accordance with the Corporate Governance Regulations, the Board of Directors of Alandalus Property acknowledges and commits to the integrity, fairness, and transparency of the financial statements and all reports presented to shareholders, and that they include all financial aspects of the Company's data and operational results.

In conclusion, I extend my sincere thanks and appreciation to our esteemed shareholders, for their valuable trust in us. I also express my great gratitude to all members of the Board of Directors for their support and guidance in enhancing the Company's growth journey. Additionally, I would like to recognize and appreciate our staff for their tireless efforts to raise the Company's status and brand to higher levels and achieve its objectives towards further success, with the help and guidance of Allah.

## CEO Statement



Arch. Mashal bin  
Ibrahim Abuneef  
Acting Chief Executive  
Officer  
01 / 09 / 2022

Respected shareholders and partners,

As per our annual tradition, we are pleased to present to you the Company's achievements for the year 2022. These accomplishments would not have been possible without your valuable trust, which is the cornerstone of our commitment to excellence, consistency, and contribution. We value your continuous support, which represents an important incentive for the Company to continue growing and developing.

The Company has made significant progress in its financial and operational performance by implementing its long-term strategy, which involves conducting precise market research and enhancing its operational practices to meet the needs of its customers and partners.

By the grace of Allah, the Company maintains a stable pace in operational revenues generated from leasing activities, resulting from our efforts to achieve high occupancy rates in income-generating projects and increase its direct and indirect revenues. Furthermore, we continue to maintain a diversified portfolio of assets distributed geographically and rely on different types of returns to uphold the Company's business model.

As part of our strategic vision, we are committed to building solid foundations for future aspirations by enhancing and diversifying our investments in new sectors, markets, and tools while maintaining transparent, credible, and sustainable management and operational standards. We are embarking on a new growth journey by launching several promising investment projects and starting their operational work, such as Al-Jawhara Al-Kubra project (The Village) in Jeddah, nearing completion of Dr. Sulaiman Al-Habib Hospital project in Jeddah as well, while accelerating the pace of implementation of other investment projects to deliver them within the specified time. Additionally, Alandalus Property has distributed profits to its shareholders for the first half of the fiscal year 2022 with greater transparency and commitment to our approved dividend policy.

The Company keep continues to invest in its human capital by attracting top-notch skills, talents, and national expertise, and supporting them with training programs to refine and develop their knowledge. This enables them to execute their entrusted tasks with maximum efficiency and effectiveness. We are working to develop a sustainable work environment and to establish it as an attractive competitive environment.

We appreciate your trust and promise to work towards achieving the expected growth of Alandalus Property while upholding the rights of shareholders and contributing to the progress and development of the Company for the better. Our aim is to achieve leadership and creativity in providing unique products that fulfill our goals and aspirations of our valued shareholders and partners.

# 02

## Executive Summary

- Executive Summary
- Strategic Objectives
- Achievements 2022
- Existing Projects
- Future Projects
- Certifications and Accreditations

## Executive Summary

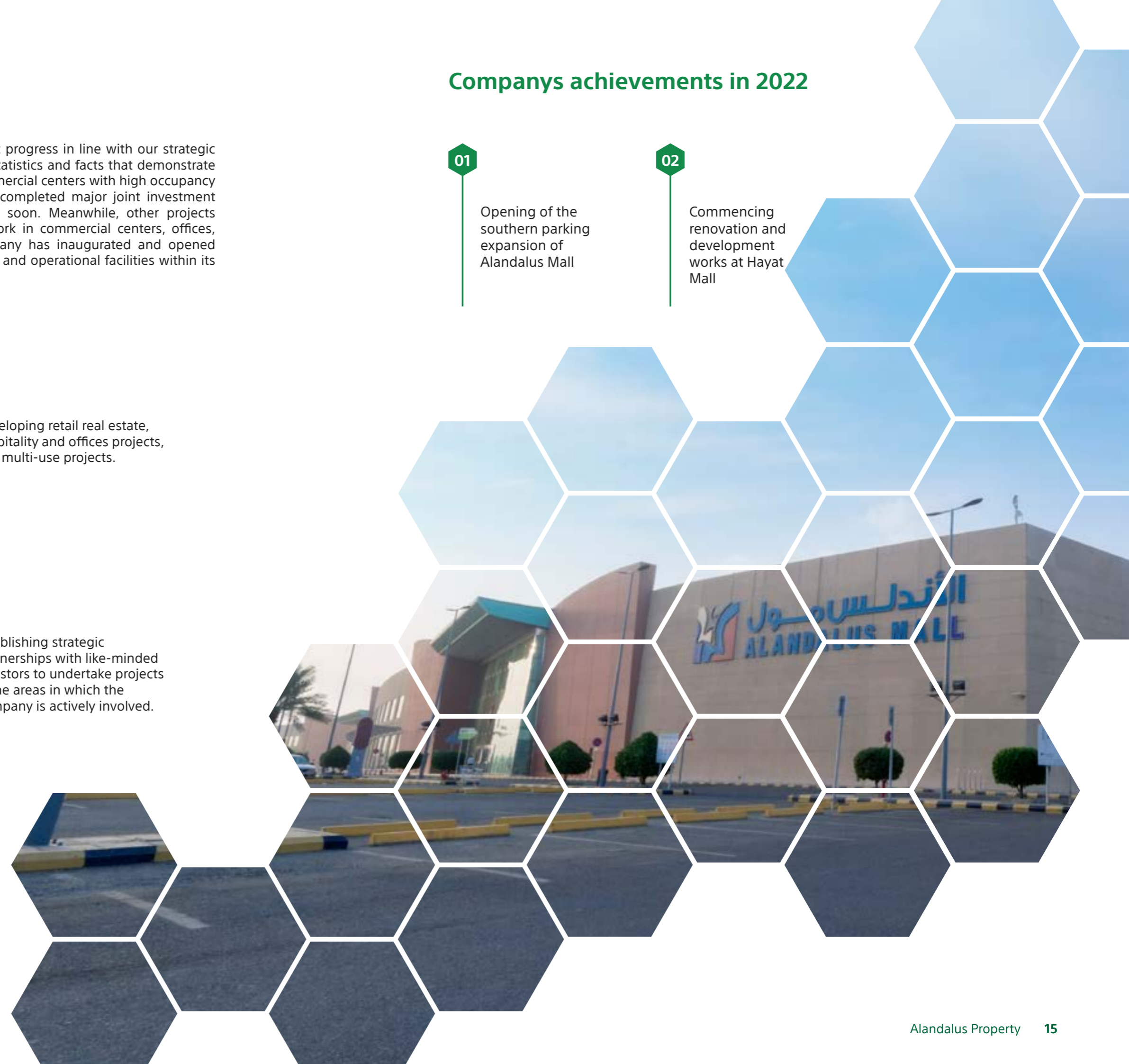
In 2022, Alandalus Property has made significant progress in line with our strategic goals. This progress is evidenced by a range of statistics and facts that demonstrate improvements in managing and leasing our commercial centers with high occupancy rates. Moreover, the Company has successfully completed major joint investment projects, which are set to launch and operate soon. Meanwhile, other projects show good completion rates in construction work in commercial centers, offices, and hospitality sectors. Furthermore, the Company has inaugurated and opened several development projects to enhance service and operational facilities within its commercial centers.

## Strategic objectives

- 01** Consistently striving to enhance the Company's operational performance, as well as the development, management, and leasing of malls, with the ultimate goal of achieving optimal occupancy rates and a well-balanced tenant mix.
- 02** Developing retail real estate, hospitality and offices projects, and multi-use projects.
- 03** Acquiring, wholly or partially, other high-performing projects, or those that the management believes will significantly contribute to the Company's outstanding performance.
- 04** Establishing strategic partnerships with like-minded investors to undertake projects in the areas in which the Company is actively involved.

## Company's achievements in 2022

- 01** Opening of the southern parking expansion of Alandalus Mall
- 02** Commencing renovation and development works at Hayat Mall





## Existing projects

### Retail Real Estate Sector and Commercial Complexes

#### Alandalus Mall

Wholly owned by AlAhli REIT Fund (1), of which Alandalus Property owns 68.73%.

 Jeddah  68.73 %

#### Hayat Mall

Wholly owned by Al Hayat Property Company, of which Alandalus Property owns 25%.

 Riyadh  25 %

#### Dareen Mall

Wholly owned by Alaswaq AlMutaturh Company, of which Alandalus Property owns 50%.

 Dammam  50 %

### Office Sector

#### Salama Office Tower

Wholly owned by AlAhli REIT Fund (1), of which Alandalus Property owns 68.73%.

 Jeddah  68.73 %

#### Qbic Plaza Office Complex,


Wholly owned by AlAhli REIT Fund (1), of which Alandalus Property owns 68.73%.

 Riyadh  68.73 %




### Strip Malls


#### Sahafa Center

 Sahafa district, Riyadh


#### Tilal Center

 Al-Malqa district, Riyadh

#### Yarmouk Center

 Yarmouk district, Riyadh

#### Al-Marwa Center

 Marwa district, Jeddah

### Hospitality Sector

#### Alandalus Mall Hotel

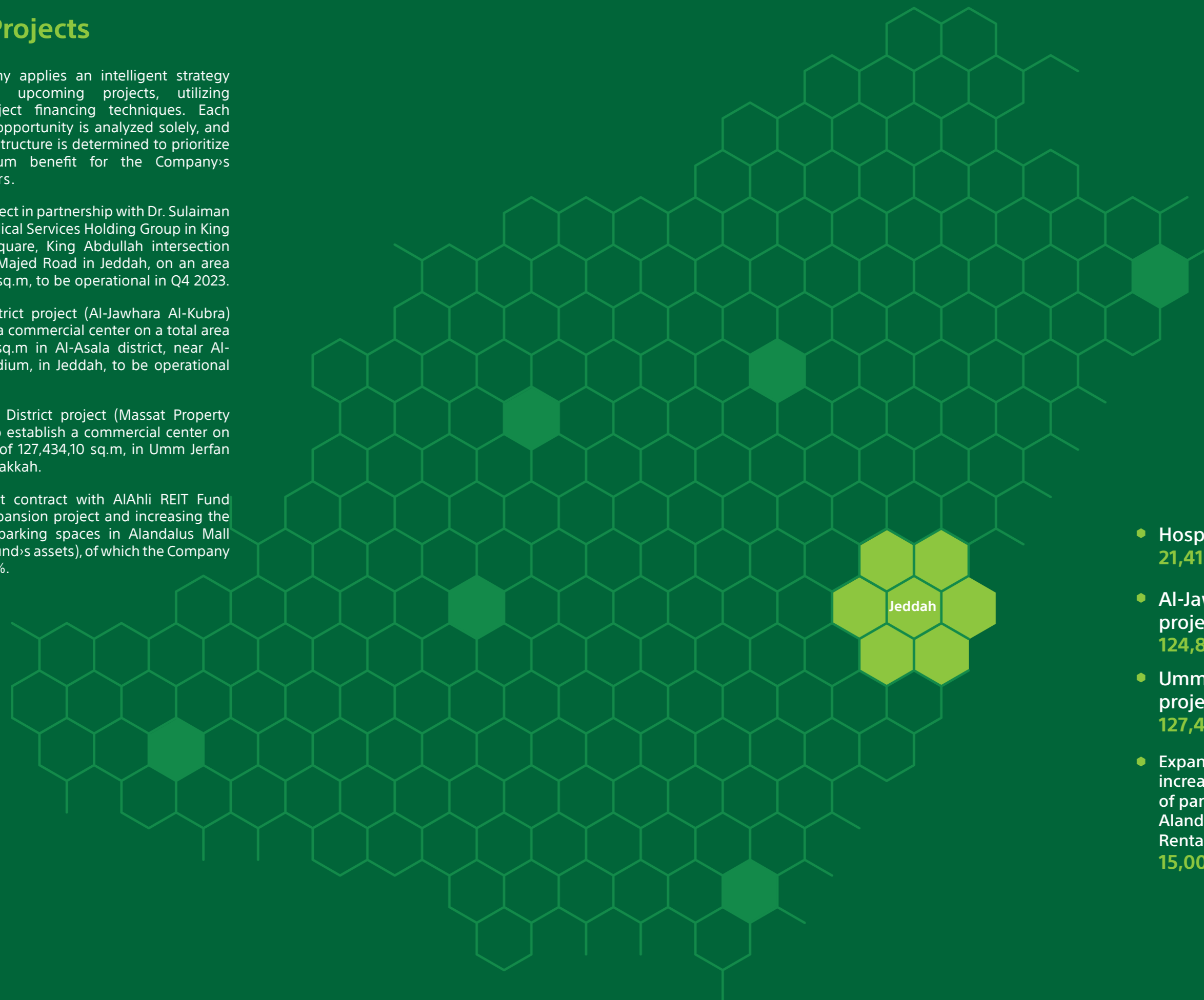
Wholly owned by AlAhli REIT Fund (1), of which the Company owns 68.73%.

 Jeddah  68.73 %

## Future Projects

The Company applies an intelligent strategy to funding upcoming projects, utilizing various project financing techniques. Each investment opportunity is analyzed solely, and a financing structure is determined to prioritize the maximum benefit for the Company's shareholders.

1. Hospital project in partnership with Dr. Sulaiman AlHabib Medical Services Holding Group in King Abdulaziz Square, King Abdullah intersection with Prince Majed Road in Jeddah, on an area of 21,415.35 sq.m, to be operational in Q4 2023.
2. Al-Asala District project (Al-Jawhara Al-Kubra) to establish a commercial center on a total area of 124,880 sq.m in Al-Asala district, near Al-Jawhara Stadium, in Jeddah, to be operational in 2023.
3. Umm Jerfan District project (Massat Property Company) to establish a commercial center on a total area of 127,434.10 sq.m, in Umm Jerfan district in Makkah.
4. Development contract with AIAhli REIT Fund (1) for an expansion project and increasing the number of parking spaces in Alandalus Mall (one of the fund's assets), of which the Company owns 68.73%.



- Hospital project  
21,415.35 sq.m
- Al-Jawhara Al-Kubra project  
124,880 sq.m
- Umm Jerfan district projec  
127,434.10 sq.m
- Expansion project to increase the number of parking spaces in Alandalus Mall, Rental area of about 15,000 sq.m

# Certificates and Accreditations



## Cityscape International

Alandalus Mall received the Best Commercial and Retail Project in the Kingdom Award 2010

2009



## Recon | Middle East Shopping Centers Council

Hayat Mall Food Court area was ranked as the best design and development in MENA.

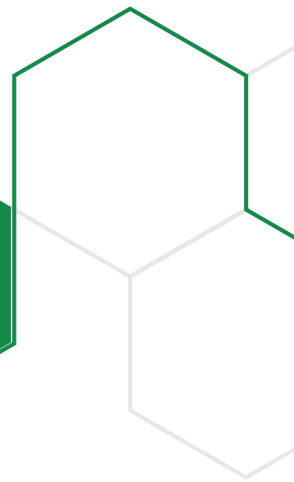
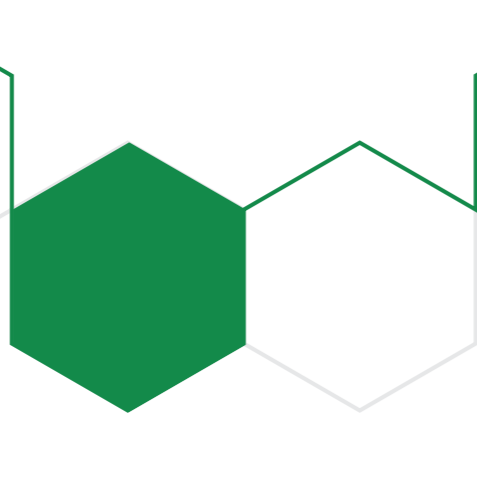
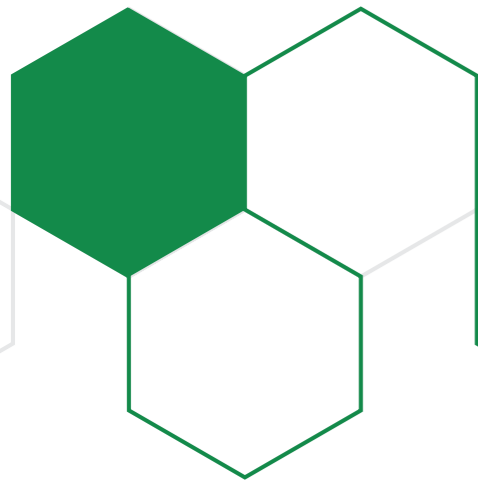
2017



## Forbes Middle East

Alandalus Property crowned the Best Real Estate Developer Award for the retail sector

2019



2010

## Cityscape International

Hayat Mall received the Best Commercial and Retail Project in the Kingdom Award



2018

## Recon | Middle East Shopping Centers Council

Alandalus Mall received a certificate of accomplishment for redesigning and revamping the food court.



2019

## Corporate Governance | Al-Faisal University

Alandalus Property was ranked among the top 20 listed companies in implementing corporate governance principles



# Certifications and Accreditations



## Recon Middle East Shopping Centers Council

Hayat Mall received Performance Improvement Excellence Award for Digital Transformation Initiative.

**2019**



Andalus Mall crowned with the Innovation Award for Entertainment Events in of Live Shows and Events category presented by Stevie Awards in MENA

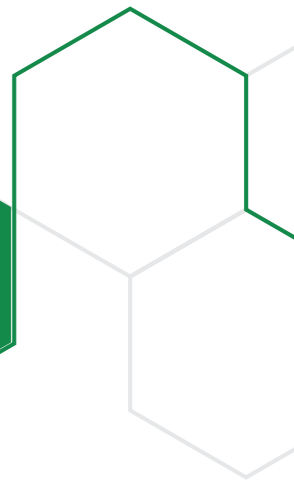
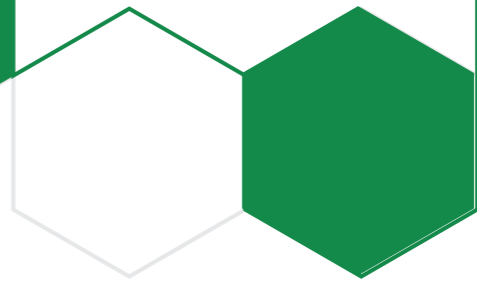
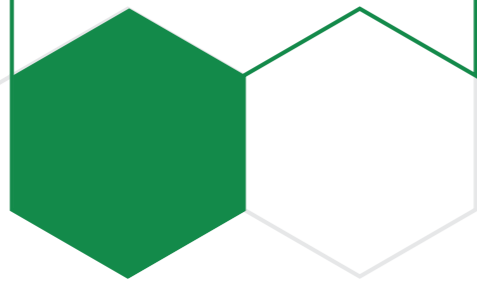
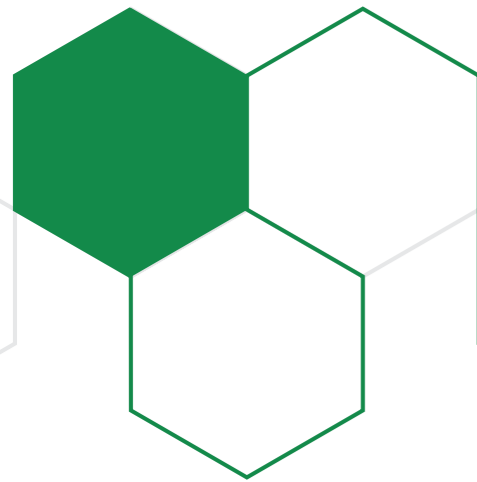
**2020**



## MECSC | Council of Shopping Centers in MENA

Alandalus Mall received the Excellence Award for Operations

**2021**



**2020**

## Corporate Governance | Al-Faisal University

Alandalus Property was ranked among the top 30 listed companies implementing the principles of corporate governance



**2021**

Alandalus Property was ranked among the most powerful real estate companies for the year 2021 out of 50 real estate companies according to Forbes MENA



**2021**

## Guinness | Guinness Book of Records

Alandalus Mall sets the highest record for greeting cards in Guinness.



# 03

## About Alandalus

- Establishment
- Key objectives
- Business Activities and Investments
- Vision, Mission and Values
- Board of Directors
- Organizational Structure



## Establishment

Alandalus Property Company ("The Company") is a Saudi joint stock company by virtue of Commercial Register No. 1010224110 dated 17/09/1427H (corresponding to 10/10/2006G) and Ministerial Resolution No. 2509 dated 03/09/1427H (corresponding to 26/09/2006G).

The Company was established as a Saudi closed joint stock company with a capital of two hundred and thirty eight million and nine hundred thousand (238,900,000) Saudi Riyals, divided into twenty three million and eight hundred and ninety thousand (23,890,000) ordinary shares, with a nominal value of ten (10) Saudi Riyals per share, fully paid.

At the Extraordinary General Assembly of 15/10/1428H (corresponding to 27/10/2007G), the shareholders decided to increase the Company's capital from two hundred and thirty eight million and nine hundred thousand (238,900,000) Saudi Riyals to three hundred and forty three million (343,000,000) Saudi Riyals, divided into thirty-four million and three hundred thousand (34,300,000) ordinary shares. The capital increase, being one hundred and four million and one hundred thousand (104,100,000) Saudi Riyals, was covered by issuing new shares that were paid in cash by the shareholders.

At the Extraordinary General Assembly of 19/05/1436H (corresponding to 10/03/2015), the shareholders decided to increase the Company's capital from three hundred and forty-three million (343,000,000) Saudi Riyals to seven hundred million (700,000,000) Saudi Riyals, divided into seventy million (70,000,000) ordinary shares. The capital increase, being three hundred and fifty seven million (357,000,000) Saudi Riyals, was covered from the retained earnings. In December 2015, after the approval of the Capital Market Authority, the Company offered 30% of its shares for public subscription. The number of offered shares was twenty one million (21,000,000) ordinary shares, with a fully paid nominal value of ten (10) Saudi Riyals per share.

At the Extraordinary General Assembly of 17/01/1442 H (corresponding to 25/08/2021), the shareholders decided to increase the Company's capital from seven hundred million (700,000,000) Saudi Riyals to nine hundred and thirty-three million three hundred and thirty-three thousand three hundred and thirty (933,333,330) Saudi Riyals, divided into ninety-three million three hundred and thirty-three thousand three hundred and thirty-three (93,333,333) ordinary shares. The capital increase, being two hundred and thirty-three million three hundred and thirty-three thousand three hundred and thirty (233,333,330) Saudi Riyals, was covered from the statutory reserve account and retained earnings by granting one share for every three shares held by the Company's shareholders.

The current capital of the Company is nine hundred and thirty-three million three hundred and thirty-three thousand three hundred and thirty (933,333,330) Saudi Riyals, divided into ninety-three million three hundred and thirty-three thousand three hundred and thirty-three (93,333,333) ordinary shares.

## Key Objectives

The Company is primarily focused on real estate development and investment. However, the key objectives of the Company, as outlined in its Articles of Association, includes:

1. Establishing, owning and managing malls, commercial and residential centers and complexes.
2. General contracting for residential and commercial buildings, educational, recreational and health facilities, roads, dams, water and sanitation projects, and electrical and mechanical works.
3. Maintenance and operation of real estate facilities and commercial buildings.
4. Owning, developing and investing lands and real estate properties for the Company within the limits of its objectives.
5. Establishing, owning, investing, maintaining and operating medical, hotel, tourist and recreational centers and complexes.
6. Importing materials, devices, furniture, tools and equipment for use in its projects.
7. Investing the Company's funds in stocks and other securities subject to the legal and regulatory controls. The Company exercises its activities after obtaining the necessary licenses from the competent authorities, if any.

## Business Activities and Investments

01

### Retail Properties

Alandalus Property depends on investing in real estate businesses related to the retail sector, such as shopping centers and strip malls.

#### Malls

The Company is a co-owner of three (3) commercial centers with different ownership percentages:

- Alandalus Mall, Jeddah, wholly owned by AIAhli REIT Fund (1), in which the Company owns 68.73%.
- "Hayat Mall", Riyadh, in which the Company owns 25%.
- "Dareen Mall", Dammam, in which the Company owns 50%.

#### Strip Malls

In addition to the aforementioned malls, the Company has developed four strip malls with ownership varying between 70% and 100% of these projects which are located on leased lands (Yarmouk Center, Tilal Center, Al-Sahafa Center, Al Marwa Center).



02

### Hospitality

Alandalus Mall Hotel in Jeddah, wholly owned by AIAhli REIT Fund (1), of which the Company owns 68.73%. Alandalus Property Company has constructed and developed a hotel tower adjacent to Alandalus Mall, with a total area of 28,225 sq.m. The hotel was opened and became operational in the second quarter of 2017. Alandalus Mall Hotel consists of 164 suites in addition to leisure facilities, meeting rooms, international restaurants and a health club.



03

### Offices

Salama Office Tower, wholly owned by AIAhli REIT Fund (1), of which the Company owns 68.73%

Qbic Plaza Office Complex, wholly owned by AIAhli REIT Fund (1), of which the Company owns 68.73%



## Vision, Mission and Values



### Vision

To emerge as the foremost and distinguished real estate developer, specialized in construction projects, iconic destinations, and developments that spearhead the transformational process in the Kingdom of Saudi Arabia. This entails creating destinations that focus on shopping and conducting business, as well as destinations that promote interaction and communication among people.



### Mission

Develop and manage a portfolio of exceptional and exclusive destinations that foster a sense of community and engagement among guests, clients, and society. Through unparalleled experiences that reinforce their loyalty, increase their visitation frequency, and deliver sustainable value, the Company aims to achieve unparalleled growth and solidify its position as a leading real estate developer.



### Values

The Company adopts corporate values through which it seeks to achieve its goals, namely:



Ambition



Passion



Determination



Confidence



Participation



## The Board Of Directors



**Mr. Abdulsalam bin Abdulrahman Al-Aqeel**

Chairman of the Board of Directors  
Member of the Executive Committee  
Member of the Nomination and Remuneration Committee



**Eng. Saleh bin Muhammad AlHabib**

Deputy Chairman of the Board Of Directors  
Chairman of the Executive Committee  
Member of the Nomination and Remuneration Committee



**Dr. Abdulrahman bin Mohammed Al-Barrak**

Chairman of the Audit Committee  
Member of the Board of Directors



**Dr. Sulaiman bin Ali Al-Hudhaif**

Chairman of the Nomination and Remuneration Committee  
Member of the Board of Directors



**Mr. Ahmed bin Abdulrahman Al-Mousa**

Member of the Board of Directors  
Member of the Executive Committee



**Mr. Mohammed bin Abdul Mohsen Al-Zakari**

Member of the Board of Directors  
Member of the Executive Committee



**Mr. Emad bin Hamoud Al-Otaibi**

(Representative of GOSI)  
Member of the Board of Directors



**Mr. Abdullah bin Abdul-Aziz Al Mishaal**

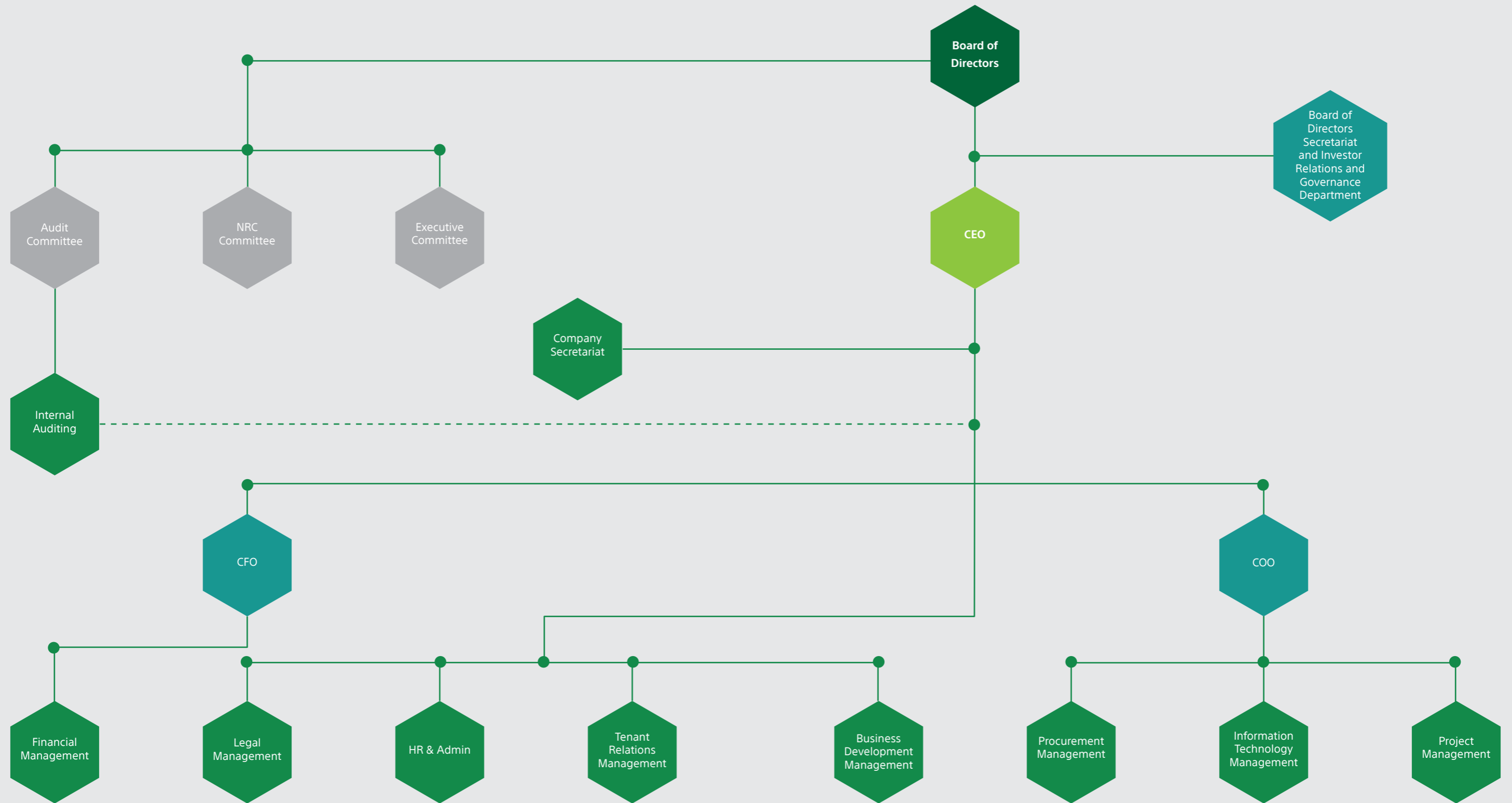
Member of the Board of Directors



**Mr. Hathal bin Saad Al-Otaibi**

Member of the Board of Directors  
Chief Executive Officer  
\* Resigned as CEO and member of the Board of Directors in: 31/08/2022 G

# Organizational Structure





# 04

## The Company's activities and investments

- Business Sectors
- Investment in Subsidiaries, Affiliates and Sister Companies
- Future Projects



## Business Sectors

The Company's main business is currently focused on real estate development and investment on:



### First: Retail real estate sector

1. Malls
2. Strip malls



### Second: Hospitality

Alandalus Mall Hotel



### Third: Offices

1. Salama Office Tower
2. Qbic Plaza Office Complex

First:

## Retail Real Estate

### Malls

#### 1.1 Alandalus Mall

Alandalus Mall was opened in 2007, located in Jeddah on King Abdullah Road, opposite to King Abdulaziz Square, new city center, with a total area of 148,481 sq.m (built up areas and parking).

Alandalus Mall comprises 342 stores that are leased to 298 tenants, encompassing a total rental area of 88,863 sqm, which is spread across two floors. The mall is wholly owned by AIAhli REIT Fund 1, where the Company has a majority stake of 68.73%.

The leasing concept of Alandalus Mall is characterized by diversification, as it includes several well-known international brands such as H&M, Mothercare, Guess, Starbucks, Terronova, Calliope, Center Point, American Eagle, Max, Kiabi, and many others. Additionally, the mall features a luxurious restaurant area that includes some of the finest dining options in Jeddah, such as La Casa Pasta Restaurant, AlBaik, McDonald's, and I'M Hungry Restaurant. Furthermore, the entertainment area offers a variety of activities for people of different age groups, such as Red Sea and GOAL.

In addition to the aforementioned stores and dining options, Alandalus Mall has also opened Empire Cinemas, featuring 15 screens, a VIP section, and a dedicated area for children.

A notable accomplishment of Alandalus Mall was achieving a remarkable occupancy rate of 95%. Based on current data, the mall has registered a footfall of over 8.2 million visitors in 2022.










Alandalus Mall is notable for its strategic location directly overlooking King Abdulaziz Square, situated just 800 meters away, as well as its surrounding high population density. The project is situated at the intersection of two bustling streets, King Abdullah Street and Prince Majid Street, both of which are considered to be among the most important streets in Jeddah.

Due to its high-quality services and prime location, Alandalus Mall has established itself as the premier shopping destination in the region. As a result, many companies have been eager to secure rental spaces within the mall, leading to an increase in leasing activity both in terms of area and price. The Mall's impressive mix of international and high-profile brands has further cemented its reputation as a sought-after retail hub.

#### Alandalus Mall events 2022

- Roaming Bands
- Foundation Day
- 20 days of Joy
- Virtual Reality (VR)
- Eid Al-Fitr with Cartoon Characters
- Alandalus Mall Summer
- Saudi National Day
- Beauty Week
- Saudi Coffee Year
- World Cup

#### Project components

 Jeddah city	 <b>148,481</b> 1sqm total area
 <b>324</b> stores	 <b>298</b> tenants
 <b>8.2</b> million visitors	 <b>84,651</b> leased area
 <b>5,575 2ρ</b> cinema space	 <b>68.73 %</b> owned by the Company
 Wholly owned by AIAhli REIT Fund (1), managed and developed by Alandalus Property Company	

## 1.2 Hayat Mall

Hayat Mall is located in Riyadh on King Abdulaziz Road, with a total area of 226,108 sqm (built up area and parking). It includes 356 stores occupied by over 331 tenants, with a leasable area of 89,613 sqm. It is strategically located on King Abdul Road with a range of high-profile tenants such as, Jarir Bookstore, Swarovski, Victoria's Secret, Marks and Spencer, Paul Cafe and many other leading brands, in addition to the elegant restaurants area, for which the Mall received the Excellence and Development Award from RECON MENA 2017 and hosts several distinguished names such as Applebee's, Copper Chandni, Ushal Restaurant, and Pizza Company Restaurant.

Hayat Mall Center is owned by Hayat Property Company, of which Alandalus Property owns 25%.

Hayat Mall maintained high operational levels with high occupancy rates of 98%, while the number of visitors exceeded 7.66 million in 2022.

### Hayat Mall events 2022

- International Mother's Day
- Foundation Day
- Saudi Coffee
- Back to School
- Life of Art Event
- Saudi National Day
- Roaming Bands
- Coupon Campaign
- World Cup Event
- Entertainment in Education

### Project components



Riyadh city



**226,108**  
total area



**356**  
stores



**331**  
tenants



**7.66**  
million visitors



**89,613**  
leased area



**25%**  
owned by the Company



Owned by Hayat Property Company, managed and developed by Alandalus Property Company



### 1.3 Dareen Mall

Dareen Mall was opened in 2009. It is strategically located on Dammam Corniche, with a total area of 99,960 sqm, of which 61,326 sqm are built up.

The parking space is 38,634 sqm, and the land area is 59,050.79 sqm. It is equally owned by the Alaswaq AlMutaturh Company and Alandalus Property.

Dareen Mall includes 192 stores occupied by over 148 tenants, with a rental area of 47,594 sqm which is divided into two floors as follows:

Supermarkets, entertainment centers, anchor tenants, small stores, gaming areas and restaurants overlooking the sea.

Renowned brands: Hyper Panda, Mango, Mothercare, Cinema, Saco, H&M, GAP, Adidas, and many others.









Dareen Mall witnessed a great demand for rent and hit an occupancy rate of 93%, with more than 3 million visitors in 2022.

### Dareen Mall events 2022

- International Mother's Day
- Back to School
- Gergaia'an
- Dareen Al-Khair
- Eid Al-Fitr
- The Return of Sinbad
- Temporary Leasing
- Saudi National Day
- Men's Day
- World Cup



#### Project components

 Dammam city	 <b>99,960</b> 1sqm total area
 <b>192</b> stores	 <b>148</b> tenants
 <b>3</b> million visitors	 <b>47,594</b> leased area
 <b>50 %</b> owned by the Company	 Owned by Alaswaq AlMutaturh Company

# First: Retail Properties Strip shopping centers

## 2.1 Sahafa Center

Sahafa Center is located on a land parcel leased by the Company, located at the intersection of King Abdulaziz Road and Prince Nasser Bin Saud Street, in the Sahafa District in the northern part of Riyadh. The center has a total area of 12,395 sqm which includes both built-up area and parking facilities.

Development of Sahafa Center was completed in the fourth quarter of 2014 and became operational in the first quarter of 2015. The center was designed to take into account the strategic location of Sahafa in Riyadh, surrounded by a densely populated area with a high number of service firms. It was developed to keep pace with the urban development within the area. The Sahafa Center boasts 28 commercial units which are occupied by over 27 tenants. The rental units in the center offer a variety of options between commercial stores and administrative offices. Starbucks, Bread & Nawashif, Abdulssamad Al Qurashi, Kaak wa Joben, are some of the prominent brands housed in Sahafa Center. Furthermore, Al Sahafa Center achieved an occupancy rate of 99% in 2022.



### Project components



Riyadh city



12,395 m<sup>2</sup>  
sqm total area



28  
stores



27  
tenants



99%  
occupancy rate



7,272 m<sup>2</sup>  
sqm leased area



Managed and  
developed by Alandalus  
Property Company.



## 2.2 Tilal Center








Alandalus Property set its foot in Al-Malqa district, Riyadh, to establish the Tilal Center on land leased by the Company. Development works were completed in quarter 4, 2014, and the center became operational in quarter 3, 2015.

Tilal Center is located on Anas Bin Malik Road, north of Riyadh, with a total area of 9,021 sqm (built up area and parking). It includes 20 commercial units occupied by 20 tenants, divided into three types: large "Danube" markets, major tenants, and other stores, such as: Starbucks and Whites Pharmacies, Elite Oud and Bread Talk.

Tilal Center achieved high occupancy rates of 100% in 2022.



### Project components

 Riyadh city	 <b>9,021</b> 1sqm total area
 <b>20</b> stores	 <b>20</b> tenants
 <b>100%</b> occupancy rates	 <b>5,104</b> leased area
 Managed and developed by Alandalus Property Company	

## 2.3 Yarmouk Center

Located in Yarmouk district on the Dammam Road, northeast of Riyadh, Yarmouk Center occupies a land leased by the Company, with a total area of 10,822 sqm (built up and parking). The development of the center was completed in quarter 4, 2014 and it became operational in quarter 2, 2015.

The Yarmouk Center offers 27 commercial units occupied by more than 26 tenants, including three types: large stores ("Panda"), major tenants, and other small stores. Along with Panda, other popular brands such as Baskin Robbins, Saadeddin Sweets, Al Tazaj Restaurant, Ka'ak Wa Joben, Crispish, and more can be found at the center.

In 2022, the Yarmouk Center achieved an occupancy rate of 94%.

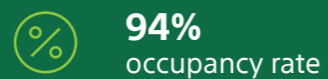
### Project components



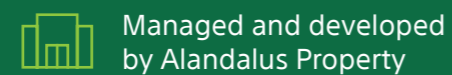
**10,822**  
1sqm total area



**26**  
tenants



**5,137**  
leased area



## 2.4 AlMarwa Center

AlMarwa Center is located in AlMarwa district on Prince Majed Road in the northern part of Jeddah. The center covers a total area of 17,030 sqm, including built-up area, parking, and offices. Development work was completed in the fourth quarter of 2018, and the center began operations in the first quarter of 2019. There are 71 commercial units in Al-Marwa Center, which are divided into 45 stores and 31 offices. The center features a Farm Superstores outlet and various brands, including Lomar, McDonald's, Chuck E Cheese's, Faris Breakfast, Starbucks, and others.

Manafea Alandalus for Real Estate Development and Investment owns the center, with Alandalus Real Estate holding a 70% and Mohammed Abdulaziz Al Rajhi and Sons Investment owning 30% of the company. The land on which the center is located is owned by Mohammed Abdulaziz Al Rajhi and Sons Investment, and it is leased by Manafea Alandalus Company.

As of 2022, the stores in AlMarwa Center have achieved an impressive occupancy rate of 97%.

### Project components



Jeddah city

**17,030 m<sup>2</sup>**  
sqm total area



**45**  
stores

**31**  
offices



**97%**  
occupancy rate

**9,490 m<sup>2</sup>**  
sqm leased space



**76**  
commercial units

Managed and developed by Alandalus Property Company

## Second: Hospitality

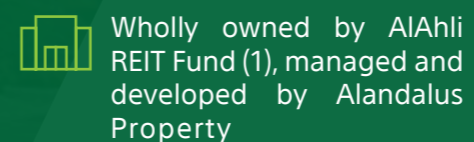
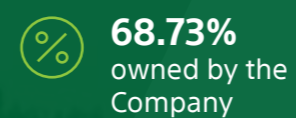
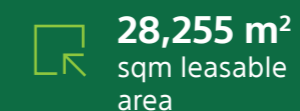
### Alandalus Mall Hotel, Jeddah

Alandalus Company expanded its business sectors by constructing a 5-star hotel tower called Alandalus Mall Hotel, adjacent to Alandalus Mall in Jeddah. The total area of the hotel tower, including built-up and parking areas, is 28,255 sqm. The hotel is wholly owned by AIAhli REIT (1) Fund, in which the Company owns 68.73%.

The hotel tower started operating in quarter 2 of 2017 and. It includes 164 suites, recreational facilities, meeting rooms, international restaurants, and a health club.

In 2022, the hotel achieved a 52% occupancy rate with an average room revenue of 183 Saudi Riyals.

#### Project Components



## Third: Offices

### 3.1 Salama Office Tower

The Salama Tower boasts a unique location in the Salama district on Madinah Road, proximate to the intersection of Hira Street. It is situated approximately 25 minutes from the city center and less than 10 minutes from the new King Abdulaziz International Airport in Jeddah. The tower consists of 13 floors above ground level, as well as a basement floor and mezzanine floor. Within its premises, there are 84 offices, 4 halls, and 4 warehouses. The tower hosts an impressive array of prestigious brands, including Samsung Gulf Electronics, Al-Rajhi Cooperative Insurance Company, Al-Rajhi Takaful Insurance Company, Taajeer Group, Tim Hortons, National Aviation Company, and Salama Company (Arab Islamic Insurance Company).

The tower is wholly owned by AIAhli REIT Fund (1), in which the Company owns 68.73%.

#### Project Components



Jeddah city



Built up area  
**58,919.3 sqm**



Leased areas  
**31,420 sqm**



Land area  
**7,682 sqm**



Wholly owned by AIAhli REIT Fund (1), in which the Company owns 68.73%



### 3.2 Qbic Plaza Office Complex - Riyadh

Qbic Plaza is situated in a highly advantageous location in Al-Ghadeer district of Riyadh city, positioned on King Abdulaziz Road in close proximity to the Northern Ring Road intersection. It is approximately 2 kilometers from the King Abdullah Financial Center and 20 kilometres from King Khalid International Airport. The complex consists of three interconnected buildings that have been meticulously designed and developed to offer state-of-the-art multi-use office space and is presently leased in its entirety to the Ministry of Housing

It is wholly owned by AlAhli REIT Fund (1), in which the Company owns 68.73%

#### Project Components



Riyadh city



Built up area  
**42,145.31 sqm**



Leased areas  
**21,253 sqm**



Land area  
**17,444 sqm**



Wholly owned by AlAhli REIT Fund (1), in which the Company owns 68.73%



## Investment in subsidiaries, affiliates and sister companies

### Subsidiaries and Affiliates

The Company's ownership percentage in Manafea Alandalus Company, and AIAhli REIT Fund (1) and its main activity as of December 31, 2022:

Name of affiliate	Main Business	Fund size and capital	Country of Origin and business	Company Ownership %
Manafea Alandalus Company	Managing and leasing owned or leased properties (residential)	500,000	Saudi Arabia	70 %
	Managing and leasing owned or leased properties (non-residential)			
	Real estate management activities for a commission			
	Real estate development and investment activities for the Company's interest			
AIAhli REIT Fund	Investing mainly in developed income generating real estate assets	1,350,000,000	Saudi Arabia	68.73 %

### Sister Companies

Alandalus Property Company's investments include owning stakes in a number of sister companies, in which the Company owns 25% - 50% of their capital, as of December 31, 2022:

Name of sister company	Main Business	Capital	Country of Origin and business	Company Ownership %
Alaswaq AlMutatorh Company	Purchasing, selling and zoning lands and properties off-plan selling activities Managing and leasing owned or leased properties (non-residential) Real estate management activities for a commission, General constructions of non-residential buildings (such as schools, hospitals, hotels... etc.) Operating fixed cinemas	25,000,000	Saudi Arabia	50 %
Gharb Jeddah Hospital Company	Establishing and managing hospitals, medical centers and governmental and private clinics	179,424,000	Saudi Arabia	50 %
Hayat Property Company	General constructions of residential buildings General constructions of non-residential buildings, such as (schools, hospitals, hotels ...etc.) Restorations of residential and non-residential buildings	5,000,000	Saudi Arabia	25 %
Sorouh Al-Marakez Company	Managing and leasing owned or leased properties (residential) Managing and leasing owned or leased properties (non-residential) Selling, purchasing and zoning lands and properties	500,000	Saudi Arabia	25 %
Al-Jawhara Al-Kubra Real Estate Development and Investment Company	Managing and leasing owned or leased properties (non-residential) Managing and operating hotel apartments Managing and leasing owned or leased properties (residential) Real estate agents and broker activities Real estate management activities for a commission	271,838,224	Saudi Arabia	25 %
Massat Property Company	Managing and leasing owned or leased properties (residential) Managing and leasing owned or leased properties (non-residential)	174,100,000	Saudi Arabia	25 %

## Future Projects

### First: Establishing a hospital in partnership with Dr. Sulaiman Al Habib Medical Services Holding Group

The project is situated on King Abdulaziz Square, at the intersection of King Abdullah Road with Prince Majid Road in Jeddah, adjacent to Alandalus Mall and Alandalus Mall Hotel. The primary objective of the project is to build an integrated hospital that offers top-notch healthcare services under the name of Dr Sulaiman Al Habib Hospital. Currently, under construction, the latest report from the developer partner indicates that construction works are expected to be completed in the third quarter of 2023, with plans to commence operations in the fourth quarter of the same year. The estimated total cost of implementing this project amounts to SAR 1.6 billion according to the latest report received from the developer partner, Dr Sulaiman Al Habib Medical Group. As of the date of this report, the completion rate of the project has reached 50%. The hospital will feature 330 beds and 245 clinics. Funding for this project will be primarily obtained through bank loans in addition to the partners' own resources.

However, this project is wholly owned by Gharb Jeddah Hospital Company, in which Alandalus owns 50%.

### Second: The Village Mall Project

The project is located in Al-Asala district of Jeddah, near Al-Jawhara Stadium (King Abdullah Sports City), with a total area of 124,880 sqm. The project aims to establish a commercial center in partnership with other landowners. Recently, the project was named "The Village". The landowners established the project company, Al-Jawhara Al-Kubra Real Estate Development and Investment Co. The title deed of the project's land was transferred to Al-Jawhara Al-Kubra Real Estate Development and Investment Co. The ownership percentage of the partners, according to the Company's amended Articles of Association, is as follows:

- Alandalus Property Company 25%
- Jarir Commercial Development Company 42%
- The developer partner/ Mohammed Abdulaziz Al Habib & Partners Real Estate Investment Company 33% (related parties).
- According to the latest report received from the developer partner, the completion rate has reached 93% of the total project, and it is expected to be completed in quarter 4 of 2022, accordingly, to be operational during the first quarter of 2023.





### Third: Sawari District Land Project, Jeddah

The Company owns 25% of the land located in Jeddah, Al-Sawari district, Al-Madina Road, with an area of 130,477 square meters, which was designated for the establishment of a commercial center (Panorama Jeddah Mall) through Sorouh Al-Marakez Company, which was established by the land co-owners to own the project.

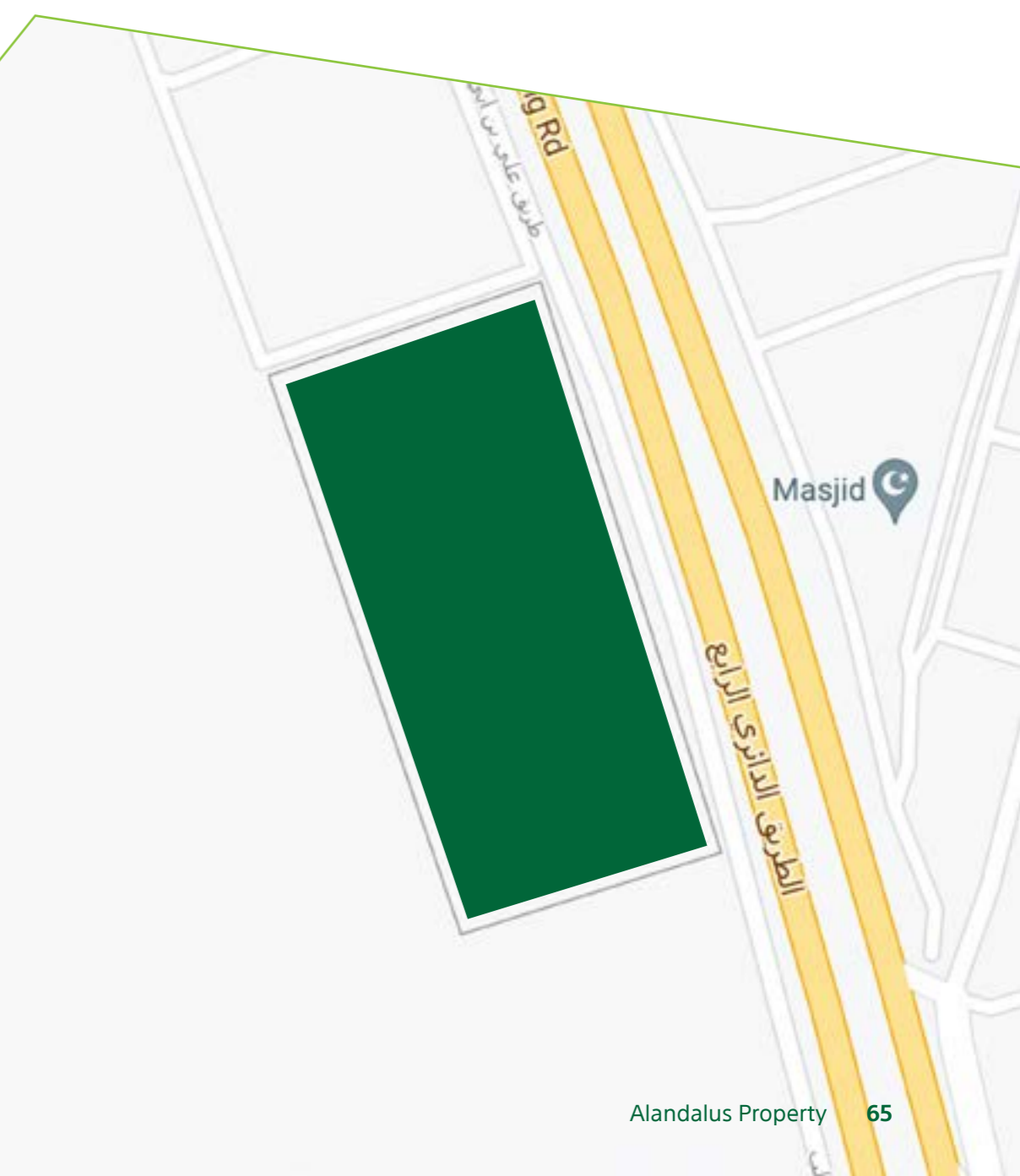
Upon an agreement with the other partners, Alandalus Property Company decided on 04/11/2018 to abandon this joint project based on a revised feasibility study of the project. Considering the interest of the partners, the board of directors of Sorouh Al-Markaz Company was assigned to determine the best investment use of the land, taking into account the location and characteristics of the land.

However, the land title has not yet been transferred to Sorouh Al-Markaz Company. The partners (related parties) still hold direct ownership of their shares in the land



### Fourth: Umm Jarfan district project in Makkah Al-Mukarramah

The Company owns 25% of the land located in Umm Jarfan ( New Naqa ) west southern Makkah. The land spans a total area of 127,434.10 sqm and has been allocated for the establishment of a commercial center through Massat Property Company, a joint venture established by the land's partners to own the project. The Company is set to participate in a joint real estate project with its partners that will generate additional revenues once the land is developed in the coming years. Any future developments related to this project will be disclosed in due course.



## Fifth: Expanding and Increasing the number of parking spaces in Alandalus Mall Project

Alandalus Mall Center (one of AlAhli REIT Fund (1) assets), of which the Company owns 68.73%. The fund will expand and increase the parking spaces in Alandalus Mall Center, where the Company will undertake the tasks of expanding and building parking spaces in Alandalus Mall Center in Jeddah by assigning such works to qualified contractors. The Company is entitled to receive a commission of 10% of the development cost under this contract. Such a project will add to the mall – according to the project's work plan – a leasing area of about 15,000 sqm. However, the estimated cost of the project is 131 million SR, and the fees payable to the Company are equivalent to 10% of the said development cost, not exceeding 11.5 million SR. The expected period for completion of the construction works is 130 weeks from the date of signing the contract on December 14, 2021.





# 05

## Corporate Communication

- Human capital
- Saudization and Recruitment

## Human Capital

Alandalus Company believes in the importance of the staff and their central role in its development, and took into account the importance of human resources and the need to support them. The human cadre is considered the most important element of the production process in the organization. Thus, the Company is keen on attracting distinguished talents and providing them with an appropriate atmosphere in an effort to boost performance level, enhance the production effort to the highest levels of efficiency, quality and effectiveness. The Company puts training and development at the top of its priorities where employees are trained according to a plan that considers the needs of both the Company and the employee, and the appropriateness of the training provider.

The Company's programs and courses cover all job levels, monitored and coordinated by the Human Resources Department, in terms of the duration and conditions of the programs and courses based on the needs of employees and their different fields, as follows:

- In-house training, which is carried out by professionals from the Company or outside.

- International Training (outside the Kingdom): This is conducted by specialized centers and institutes, after selecting courses and programs that meet the needs of employees, and help them perform their work professionally. As part of the Company's commitment to its employees, being the primary development tool and the cornerstone on which the improvement and enhancement of work in various levels are based, the Company held its annual ceremony this year with the presence of all employees.

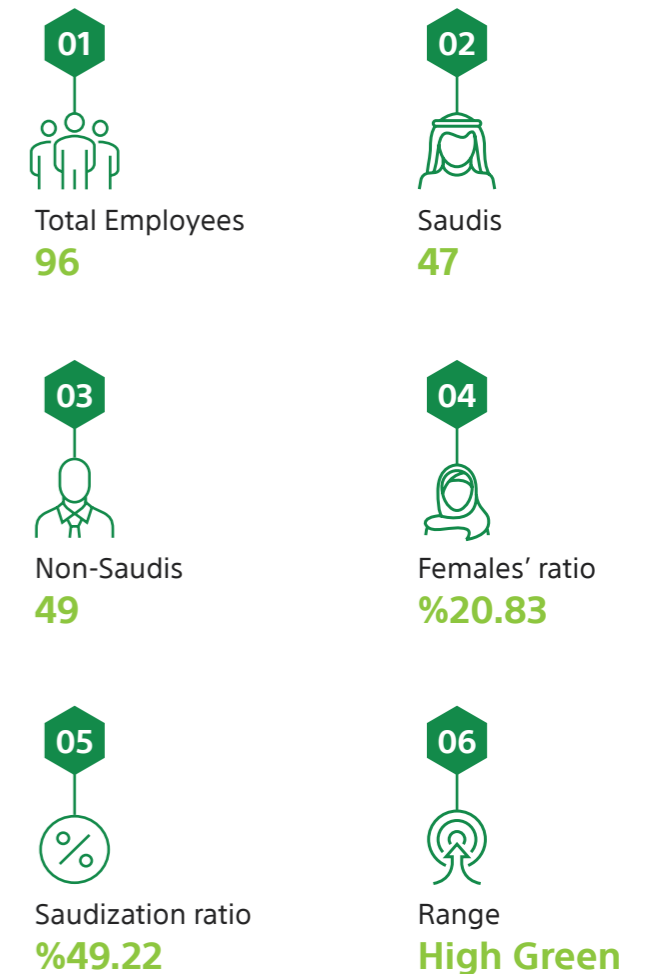
Moreover, the Company paid great attention to the health of its employees, where it contracted with major insurance companies in the Kingdom to provide superior healthcare for employees and their families.

## Saudization and Employment

Alandalus Company managed to reach the platinum (excellent) level of Saudization as Saudis occupy the highest managerial positions in the Company. The jobs localization strategy remains at the forefront of the Company's interests to form a national human base responsible for continued enhancement in accordance with the developments of the era.

Localization of jobs in the Company is not only an option to meet the requirements of the Ministry of Labor, but a national duty with positive implications on the Saudi economy, by investing in qualified national cadres which correspond to the requirements of the labor market.

The following is a statement of the number of employees in the Company and the Saudization ratio as of December 31, 2022





# 06

## Sustainability in Alandalus Property

- Commitment to Accountability and Transparency
- Valuing Our People
- Engaging Our Stakeholders
- Social Responsibility
- Reducing Our Environmental Impact

# Sustainability at Alandalus

Sustainability has become an integral part of Alandalus' business practices and operations, which aligns with the drawn-up vision of His Royal Highness, the Crown Prince of the Kingdom of Saudi Arabia in the Saudi Vision 2030.

At Alandalus, we recognize the need and demand for more sustainable practices globally in the real estate industry. Moreover, since our main activity is concentrated in retail properties (including commercial and community shopping centers) and hospitality, we recognize our significant environmental and social impact. Hence, Alandalus has made substantial progress toward establishing a firm ESG policy for sustainable development and inclusive growth in the past few years.

Embarking on a future with higher ESG progress can help Alandalus Property Company attract more customers, retain loyal employees, and lead to its unparalleled growth.

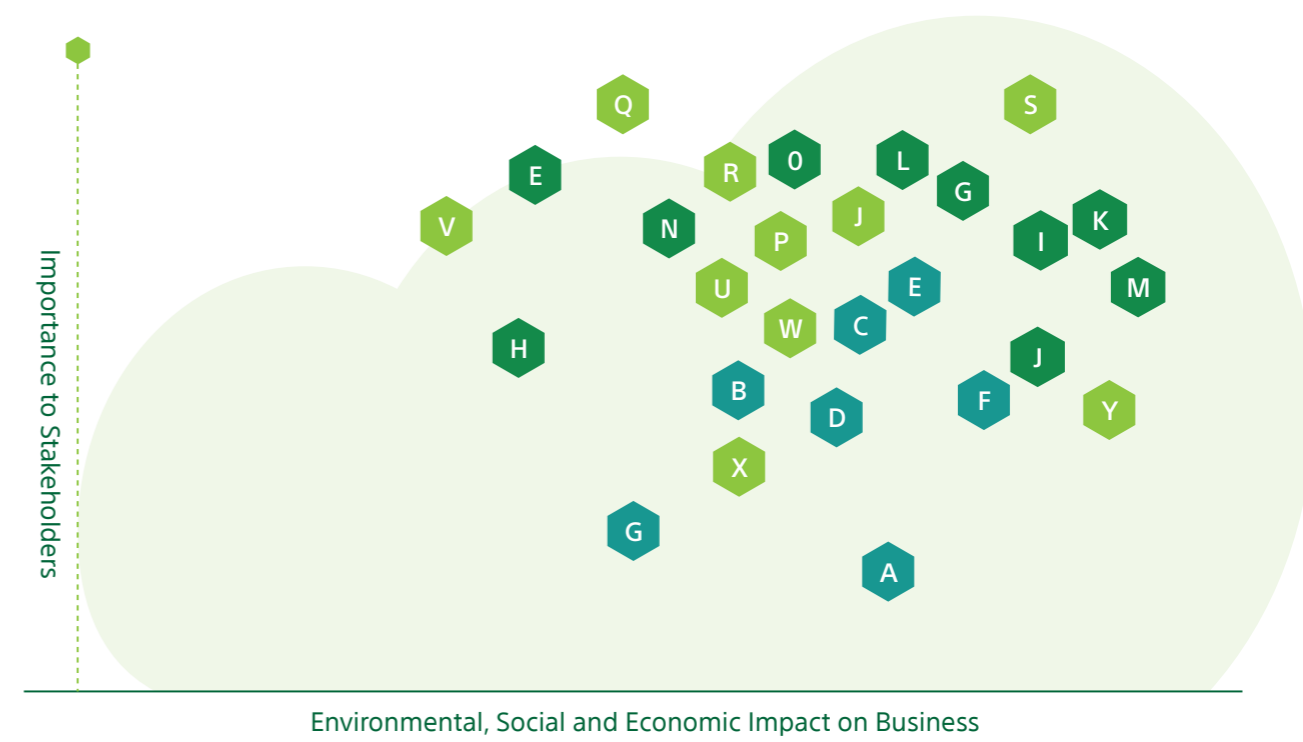
## Materiality at alandalus

A materiality assessment holds significant value when establishing an ESG policy. It is the first step to identifying and understanding the relative importance of specific ESG and sustainability issues relevant to the organization.

At Alandalus, we wanted to embark on our ESG journey the right way. We conducted our materiality assessment through two lenses: potential impact on our organization and stakeholder importance. Here are the results:

## Materiality Assessment

- A** Supplier Environmental & Management
- B** GHG Emissions
- C** Energy Consumption
- D** Fuel Consumption
- E** Water Consumption
- F** Waste Disposal
- G** Products & Services
- H** Customer Satisfaction
- I** Non-Discrimination
- J** Empowering Women
- K** Risk Management
- L** Local Community
- M** Diversity & Equal Opportunity
- N** Human Rights Assessment
- O** Travelling & Education
- P** Governance
- Q** Economic Performance
- R** Socio-Economic Compliance
- S** Anti-Corruption
- T** Data Privacy
- U** Public Policy
- V** Market Presence
- W** Diversity & Equal Opportunity
- X** Customer Privacy
- Y** Occupational Health & Safety



## Commitment to Accountability and Transparency

We at Alandalus believe that the first step towards recognizing our ESG potential is establishing a strong commitment to accountability and transparency across the organization. We also recognize that sustainable growth depends on strictly prohibiting bribery and corruption in daily corporate operations. Therefore, we put measures in place to prevent such abuses because it has a zero-tolerance policy for corrupt practices.

Alandalus is devoted to upholding strict legal, professional, and ethical standards in all corporate operations while upholding openness and responsibility. The company has established this through its strict policies on conflict of interest, risk management, internal processes, code of ethics, and professional conduct.

### Code of Conduct and Conflict of Interest

Business ethics at Alandalus has been an important part of our management's visions, which is portrayed in the development of our Code of Conduct. This committed Alandalus and all relevant stakeholders to ensure our operations and business is conducted in an ethical and responsible manner. Our code of conduct involves our internal and external stakeholders to ensure that all our upstream and downstream business is handled in a compliant manner.

Adopted by Alandalus Property in August 2019, the Conflict-of-Interest Policy was created in accordance to the recommendation of its Audit Committee and by the approval of the Board of Directors. It has been prepared in accordance with the relevant provisions of the Companies Law and the Financial Market Law and their executive regulations.

The policy aims to regulate and handle conflicts of interest that may arise or occur and impact the performance of the Board of Directors, the Executive Management, and/or other employees when they interact with the company or other stakeholders. This ensures that the company's interests are prioritized over the interests of others. Hence, the policy applies to all employees regardless of hierarchy and covers all business transactions, including contracts and works conducted on the company's behalf that require a licensing regulation.

### The policy includes the following examples of Conflict of Interest:

- 01 Having a direct or indirect interest in the company's transactions and contracts
- 02 Participating in an activity that competes with the company or trading in a branch of activity that the company operates in
- 03 Accepting gifts of value with the company's business relationships, except for symbolic and commemorative gifts given in the context of official company relations
- 04 Utilizing the company's assets and rights for personal gain
- 05 Using company information or investment opportunities for personal gain
- 06 Providing the company with any form of loans to members of the Board of Directors or guaranteeing loans given to them

The policy also highlights the Disclosure Procedures in the possibility of a Conflict of Interest. It also includes regulations on managing Company Competition and abstention from Voting in Cases of Conflicting Interests for Board of Directors. The policy also outlines the consequences of violating the policy and highlights that the company has the right to seek compensation from the violator for any damage that may result because of violating the policy.

## Valuing Our People

At Alandalus, our people are pivotal to building our successful organization. Hence, we want to provide them with the best benefits of our industry to make them feel recognized and valued. Therefore, we have adopted several policies and programs for our employees and their dependents' well-being and welfare.

These benefits begin with monthly allowances that are competitive to market standards and provide each employee with social Insurance as per their salary. As a commitment to education, employees' children also receive a Tuition Fee allowance for their schooling.

Along with these competitive compensation packages, we award our well-performing employee's certificates and bonuses for their loyalty and perseverance, such as Excellence Awards, Moral Appreciation certificates, and abundant Financial Remunerations, which can value up to a maximum of three basic salaries.

Moreover, we also give special leaves to our employees around the year, including a Pilgrimage Leave, Iddah Vacation for Muslim females, and maternity leave for all female employees.

## Providing Equal Opportunity

Alandalus managed to reach the platinum (excellent) level of Saudization as Saudis hold the highest managerial positions in the Company. The localization strategy remains at the forefront of the Company's interests in order to form a national human base that will undertake the responsibility for continued enhancement in line up to date with market development. Localization of jobs in the Company is not only an option to meet the requirements of the Ministry of Labor, but is deemed as national duty that has positive implications on the Saudi economy, by investing in qualified national staff in line with the requirements of the labor market.

As of December 31st, 2021, our total number of employees is 86 and our Saudization ratio is at 52.5%, reinforcing our belief in equal opportunity within our company.

Our progress is significantly accelerated by inclusive representation in leadership. Our next generation of leaders at Alandalus are being developed internally by leaders from various backgrounds. We're dedicated to expanding the proportion of managers from underrepresented

populations because we believe having diverse experiences, identities, and ways of thinking will make our teams more effective and creative.

## Preparing for the Future

At Alandalus, we are a young organization with 100% of our employees aged between 30 and 50 years. This ensures we are progressive and prepared to meet the needs of the next generation of customers.

In our company, we believe that the professional development of our employees is beneficial not only to the employees as individuals but also to the entire community and our organization. Hence, at Alandalus, we aim to provide our employees with professional learning and advancement opportunities such as E-Learning Solutions, Outside Kingdom Training Trips, and Administrative and Specialized Training. We ensure that our employees are trained and updated with the latest technologies in our industry, especially in HR, IT, and data privacy. In 2022, all employees were trained using revisions and updates on implementing commitments, policies, and code of conduct. Further, this year, four employees were trained on IT and Data Privacy Policies, while one was trained on anti-corruption policies training for the region.

As mentioned earlier, we believe in equal opportunity for all our employees and ensure that the ratio of senior, mid, and junior-level employee training is 1:1:1 to maintain equality throughout the organization. Further, an equal number of males and females were engaged in training hours across the company.



100% of our employees aged between 30 and 50 years



# Engaging Our Stakeholders

## Our Social Responsibility

At Alandalus Property Company, we recognize the social responsibility we have towards all our stakeholders. Since its inception, the Company has been committed to a strong social responsibility strategy to support several social programs. Through our commercial centers, in cooperation with government agencies, awareness and charitable societies, we have sponsored many programs aimed at community service. It is a responsibility and commitment that the Company is pleased to undertake and fulfill in confirmation of its mission towards society.

## Giving Back

At Alandalus, we firmly believe that we can be the agents of change in our society by creating a positive impact on society through our products and services – and we begin with our local communities. We actively engage in community development and have arranged several recreational events for all. Through this, we add to the economic development, tourism attraction, and social development of the cities we impact within the Kingdom.

As a proof of our gratitude to these communities, Alandalus has also participated in several thanksgiving drives and movements that are aimed at uplifting communities, improving their quality of life through educational programs, access to better healthcare, and state-of-the-art leisure activities for quality family time at our centers.

Here are some of our noteworthy events in 2022:

### Alandalus Mall:



Khairuk Project in cooperation with Human Resources & Social Development



World Intellectual Property Day in cooperation with Saudi Authority for Intellectual Property



Iftaar Initiative for 350 people, in cooperation with the Municipality of Jeddah



Dawirha Campaign – the National Platform for Donations



Souq Al-Dar event in cooperation with the Social Development Bank



World Rabies Day in cooperation with the Ministry of Health



An educational campaign on genetic diseases with King Abdulaziz University



World Diabetes Day – a joint effort with Ministry of Health



Vaccination drives for seasonal flu – a joint effort with Ministry of Health

### Hayat Mall:



International First Aid Day in cooperation with King Saud University.



Organizing an International Breast Cancer Awareness Day with Al-Mareefa University



Breast Cancer Awareness Campaign with King Saud University.



International Antibiotic Awareness Week with the Riyadh Health Cluster



Access to medical services in cooperation with Prince Sultan City for Humanitarian Services



Seasonal flu vaccination drive in collaboration with the Saudi Society for Health Administration



Awareness campaign on the importance of breastfeeding in cooperation with King Saud University



World Diabetes Day – joint effort with King Saud University



No Tobacco International Day in collaboration with King Fahd Medical City



Diabetes International Day with King Fahad Medical City



The Pharmacy Club campaign for education and awareness with King Saud University

## Social Responsibility

Alandalus Property Company is committed to its social responsibility strategy by supporting social programs. Hence, the Company's commercial centers, in cooperation with government agencies, awareness and charitable associations, sponsor many programs aimed at serving the community. This is a responsibility and commitment that the Company is pleased to undertake and fulfill in confirmation of its mission towards the society.

In 2022, Alandalus Property, through its commercial centers, hosted many different social and humanitarian activities, confirming its role in the society, the most prominent of which were:

- World Breast Cancer Day in cooperation with the Knowledge University.
- World First Aid Day in cooperation with King Saud University.
- World Diabetes Day in cooperation with King Fahad Medical City.
- providing medical services in cooperation with Prince Sultan bin Abdulaziz Humanitarian City.
- World No Tobacco Day in cooperation with King Fahad Medical City.
- World Intellectual Property Day in cooperation with the Saudi Intellectual Property Authority.
- Whole two years Campaign to raise awareness of the importance of breastfeeding for infain cooperation with King Saud University.
- World Antibiotic Awareness Week in cooperation with the Riyadh Health Cluster 2.
- World Rabies Day in cooperation with the Ministry of Health.
- Awareness campaign on genetic diseases in cooperation with King Abdulaziz University.
- Seasonal flu vaccination project in cooperation with the Ministry of Health.
- "Khayrak" Project in cooperation with the Ministry of Human Resources and Social Development.
- Pharmacy Club event for education and awareness in cooperation with King Saud University.



## Our Customers

- 68% of the respondents said they would recommend Alandalus Mall to their friends.
- More than 75% of the respondents are happy with the efficiency of lighting at the mall, especially in the sidewalks and food court areas.
- At Alandalus, we value our customers and want to ensure the best possible experience for them at any of our real estate projects. We are always committed to improving our customer experience based on the needs and expectations of customers.
- At our company, we keep up with our evolving customer base by taking regular customer feedback through surveys, focus groups, or social media to gain insights into their preferences of our products and services. This helps us to identify areas for improvement and make changes accordingly. In 2022, we conducted a customer satisfaction survey, targeted at visitors and employees of the Alandalus Mall of all backgrounds, including citizens and residents between the ages of 10 and 45. A group of 25 people conducted the survey and we received positive feedback and reactions on our services by our customers.
- The respondents were generally happy with the customer service at the mall, but also requested for the complaints reception or Call Center to be activated.
- Respondents enjoy activities at the mall, but would like the mall to use more creative ideas in order to create sustainable activities to motivate more people to visit and spend more time at the mall.
- Majority of respondents also shared that they would appreciate more promotional campaigns and additional international brands to attract more visitors.
- Respondents shared feedback regarding improving the cleanliness of the mall's toilets and sanitation facilities, while using visual display screens through Wave Media and interactive mall maps to make time spent at the mall more enjoyable for all.
- We also customize the customer experience using data to personalize interactions with your customers and adopt extraordinary customer service through well-trained and prepared customer service representatives. For our businesses, we also provide an added ease of business by streamlining our services and providing online options.

# Reducing Our Environmental Impact

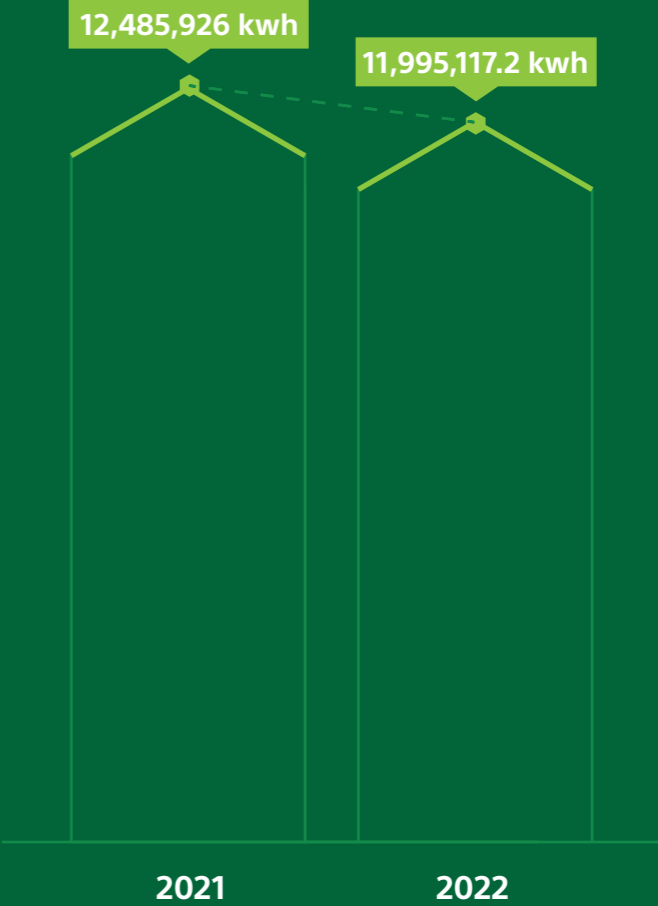
At Alandalus, we recognize that the environment is a crucial component of human well-being and economic prosperity, and its protection is crucial for the long-term sustainability of our people and ecosystems.

## Practicing Sustainability at our Properties

### a. Prioritizing Energy Efficiency

We recognize that our biggest environmental impact is through our energy consumption on our properties. Hence, we are always working on improving our energy efficiency and have slowly been reducing our consumption by each month, and annually, as shown in the graphs below:

Alandalus Mall



**This decrease in consumption was achieved through multiple energy efficiency measures taken in our malls.**

#### **Replacement of Sky Light in Corridors**

The newly replaced Sky Light in the corridors of Hayat and Alandalus Malls has helped significantly by reducing electricity consumption due to the use of sunlight in all corridors, instead of conventional lights. The ETFE of the replacements also provide more proofing from sun heat This decreases the burden on the air conditioning systems of the mall, further reducing our electricity consumption. It also adds a unique and more open ambience to the property.

Before



After



#### **Installation of LED Lights at Hayat and Alandalus Malls**

By installing LED lights in all exterior and interior lighting equipment, this project aims to save electricity by 10% annually, simply by swapping conventional lights with LED lights.

Before



After



## b. Managing Water Consumption

### Installation of Sensor tap-based Water Mixers

In our commitment to the conservation of water, we have installed sensor tap-based water mixers in our shopping malls. This prevents the unnecessary consumption of water by customers and only allows the necessary amount of water to be used. These have been installed in all the washbasins of our malls. Sensor-based water taps have been proven to reduce up to 60% of water consumption.



## c. Recycling Waste

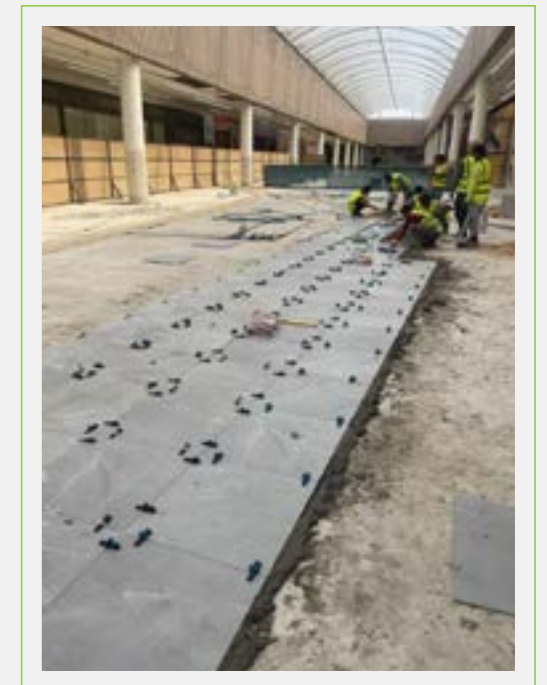
At Alandalus properties, we are actively collecting all the waste boxes for the purpose of recycling them at the appropriate facilities to reduce the amount of waste that ends up in a landfill or incinerator.

## Replacement of PACU at Hayat Mall and Alandalus Mall

By replacing PACU technologies in the malls, the properties have made significant savings of up to 10% while improving cooling across the facilities. The entire project of two phases at the malls was completed in 2022 and are now operational. For this, the properties have received several awards on the excellence of design and improvement, as mentioned in the earlier section.

## Renovation of Interior Flooring

The entire flooring of Hayat Mall has been renovated using porcelain tiles to match the requirements of the Leadership in Energy and Environmental Design (LEED) certification. Porcelain is a sustainable and energy-efficient material used in building design.



## Managing our Carbon Footprint

We can only manage what we measure. Hence, we, at Alandalus, believe in measuring all our Scope 1, Scope 2, and Scope 3 emissions to understand the complete impact of our carbon footprint.

We have started calculating and monitoring our Carbon Footprint in 2021, as we have made an initial assessment to create a baseline of the carbon emissions to acknowledge the major contributing parameters to our emissions.

A study was performed that analyses and examines the carbon emissions and the high-level measures to achieve carbon emissions reductions. The GHG Protocol and DEFRA Emission Factors were the standards used to calculate the amount of carbon emitted in the three scopes as accurate as possible using the available national emission factors, and international standard factors.

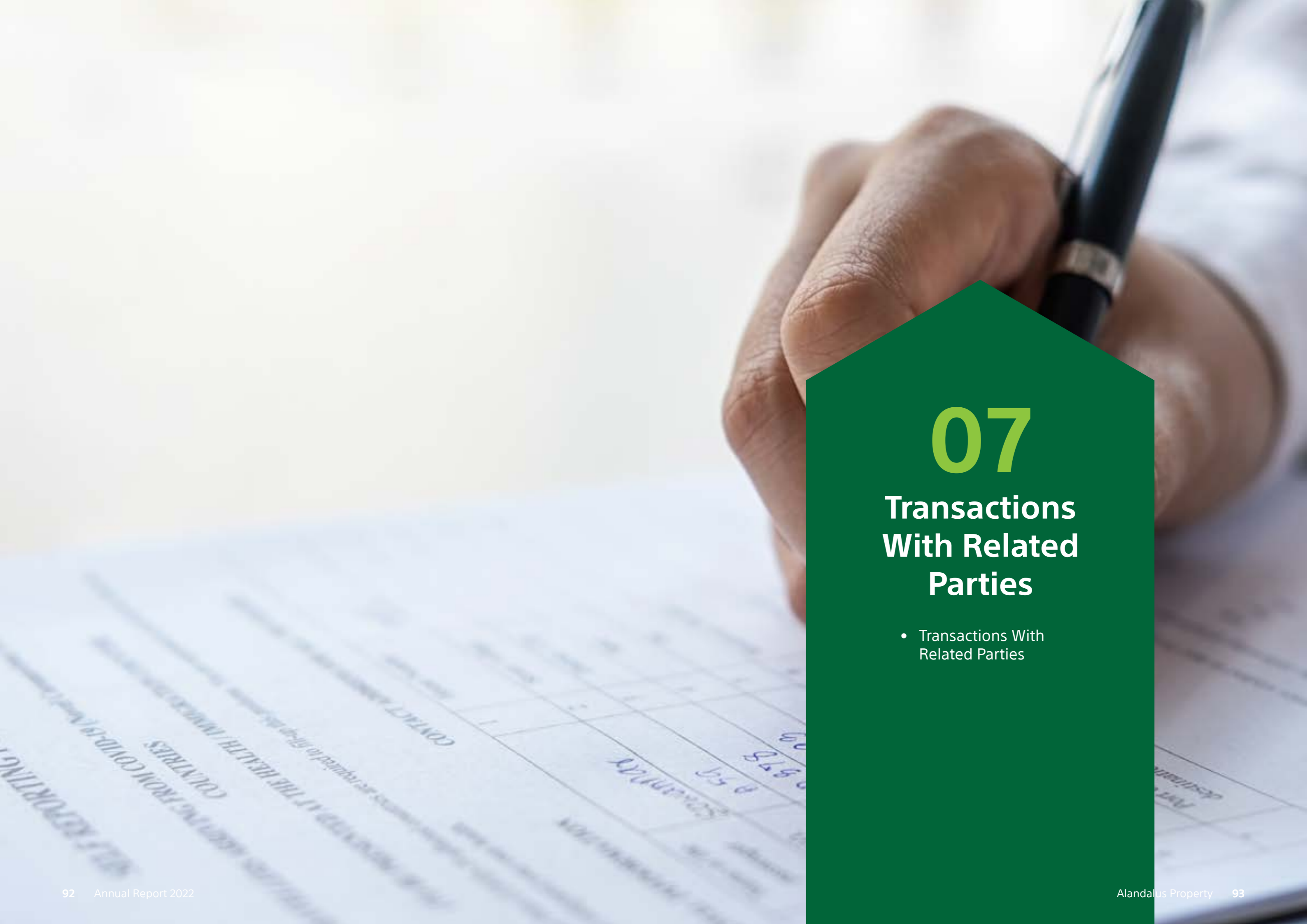
The results of the study highlighted the high contribution of electric consumption which classifies under Scope (2) Indirect Emissions, on our carbon emissions, hence have validates any mitigation measures to reduce our consumption and increasing our energy efficiency.

After implementing the energy efficiency practices, we have performed the study again for the year of 2022. And the results have shown a decrease in our Scope (2) emissions which are mainly produced by the electric consumption.

In the figure below you will see the Total Carbon Footprint generated classified into the three Scopes compared between 2021 and 2022.



This reduction in our carbon emissions helped us envision the possibilities to reduce our environmental impact and ensuring a development of a sustainability strategy to align with national agendas.



# 07

## Transactions With Related Parties

- Transactions With Related Parties

## Transactions with related parties:

### A. Description of all transactions between the Company and any related party

Related Party	Relationship with the Company	Type of transaction	Duration	Value
---------------	-------------------------------	---------------------	----------	-------

Alandalus Property Company did not conduct any transaction and any related party during the fiscal year ending on December 31, 2022.

### B. Information related to any business or contracts to which the company is a party, or in which there was an interest of a member of the Board of Directors of the Company or its senior executives or any person related to any of them

Nature of work or contract	Related Party	Subject-matter of contract/ work	Duration of contract/ work	Annual amount in SR (during FY 2022)
Managing, Operating and Leasing Services Contract, for Hayat Mall Center in Riyadh, signed between the Company and AlHayat Property Co.	Hayat Property Company a sister company of which the company owns 25% There is an indirect interest for the deputy Chairman of the Board of Directors, Eng. Saleh AlHabib, as he acts as a member of the Board of Directors of AlHayat Property Co.	Under this contract, Alandalus Property Co. manages, operates and leases Hayat Property Company's commercial center in Riyadh "Al-Hayat Mall" for a Fee specified in the contract	Five years starting from 1-1-2022, and automatically renewed for a same period,	Specified percentages of the center's total income and the payment The total receivables owed to Al-Andalus Property during the year 2022 for managing, operating and leasing services amounted to 4,757,961 SR
Business between Alandalus Company and Hayat Property Company (sister company)	Hayat Property Company a sister company of which the Company owns 25% There is an indirect interest for the deputy Chairman of the Board of Directors, Eng. Saleh AlHabib, as he acts as a member of the Board of Directors of AlHayat Property Co.	Alandalus Company charges Hayat Property Company its respective share of the direct general and administrative expenses.	Five years started on 2-8- 2020	The total amounts charged to AlHayat Property Company for the fiscal year 2022 amounted to 4,019,032 SR
Lease contract for a real estate unit at Alandalus Mall entered into with Imtiaz Al Arabia Co.	Imtiaz Al Arabia Co. There is an indirect interest for the Chairman of the Board, Mr. Abdulsalam AlAqeel, as he acts as the Chairman of the Board of Directors of Imtiaz Al Arabia Co.	A contract under which Imtiaz Arabia Company Limited rents G041 unit with an area of 105 sqm at Alandalus Mall	Three years, from 01/02/2022 to 31/01/2025, renewable only by written agreement.	Rental Value 220,500.00 SR

Nature of work or contract	Related Party	Subject-matter of contract/ work	Duration of contract/ work	Annual amount in SR (during FY 2019/2022)
Lease contract for a real estate unit at Alandalus Mall entered into with Imtiaz Al Arabia Co.	Imtiaz Al Arabia Co. There is an indirect interest for the Chairman of the Board, Mr. Abdulsalam AlAqeel, as he acts as the Chairman of the Board of Directors of Imtiaz Al Arabia Co.	A contract under which Imtiaz Arabia Company Limited rents G95 - G096 unit with an area of 218 sqm at Alandalus Mall	Two years, from 15/04/2021G to 14/04/2023, renewable only by written agreement.	Rental Value 436,000.00SR
Lease contract for a real estate unit at Alandalus Mall entered into with Imtiaz Al Arabia Co.	Imtiaz Al Arabia Co. There is an indirect interest for the Chairman of the Board, Mr. Abdulsalam AlAqeel, as he acts as the Chairman of the Board of Directors of Imtiaz Al Arabia Co.	A contract under which Imtiaz Arabia Company Limited rents the unit G008- with an area of 321 sqm at Alandalus Mall	Three years, from 15/01/2022 to 14/01/2025, renewable only by written agreement.	Rental Value 513,600 SR
Lease contract for a real estate unit at Alandalus Mall entered into with Imtiaz Al Arabia Co.	Imtiaz Al Arabia Co. There is an indirect interest for the Chairman of the Board, Mr. Abdulsalam AlAqeel, as he acts as the Chairman of the Board of Directors of Imtiaz Al Arabia Co.	A contract under which Imtiaz Arabia Company Limited rents G102 unit with an area of 135 sqm at Alandalus Mall	Three years, from 15/03/2021 to 14/03/2024, renewable only by written agreement.	Rental Value 297,000.00 SR
Lease contract for a real estate unit at Alandalus Mall Center entered into with Global Health and Beauty Co. in which Eng. Saleh Al Habib (Deputy Chairman) is a member of the Board of Directors.	Global Health and Beauty Co. There is an indirect interest for the Chairman of the Board, Mr. Abdulsalam AlAqeel, as he acts as a member of the Board of Directors of Global Health and Beauty Co.	A Contract under which the Global Health Care Co. rents unit GX01, with a total area of 206 sqm at Alandalus Mall Center	One year from 01/05/2021 to 30/04/2023, renewable only by written agreement	Rental Value 515,000.00 SR
Lease contract for a real estate unit in Tilal Center, which is owned by the Company, entered into with International Pharmacies Company, in which Eng Saleh Al Habib (Vice Chairman) is a board member	International Pharmacies Co. There is an indirect interest for the Chairman of the Board, Mr. Abdulsalam AlAqeel, as he acts as a member of the Board of Directors of International Pharmacies Company.	Beauty Pharmacy Company rents G14- G15 units with a total area of 350 square meters to be used as a pharmacy under the brand name "Whites" at Tilal Center in Riyadh	One year from 01/04/2022 to 31/03/2023, renewable only by written agreement	Contract Value 385,000.00 SR





# 08

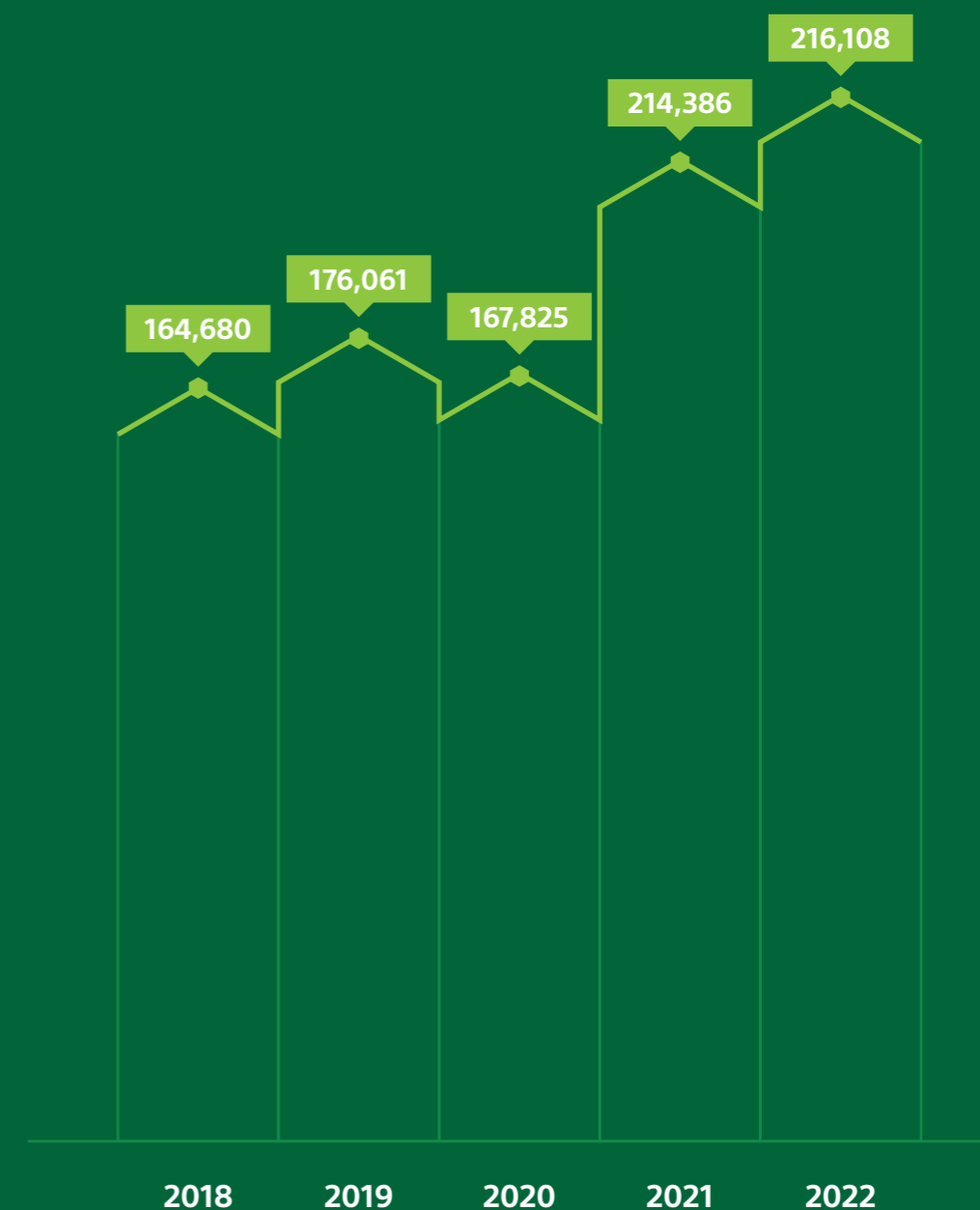
## Financial Results and Business Data

- Income Statement
- Revenue Analysis
- Balance Sheet
- Accounting Standards
- Islamic Securitization (Tawarruq) Facilities
- Statutory Payments

## Income statement

The following table sets out the Company's actual income statements for the years: 2018, 2019, 2020, 2021, 2022:

(SR '000)	2018	2019	2020	2021	2022
Revenues	164,680	176,061	167,825	214,386	216,108
Cost of revenues	(70,995)	(73,659)	(72,170)	(69,360)	(73,700)
<b>Gross profit</b>	<b>93,685</b>	<b>102,402</b>	<b>95,655</b>	<b>145,026</b>	<b>142,408</b>
General and administrative expenses	(31,786)	(33,044)	(39,444)	(41,241)	(41,617)
Selling and marketing expenses	(1,785)	(2,423)	(2,118)	(1,805)	(1,640)
Company's share of profit from associates	33,260	37,020	26,148	27,247	25,803
Decrease in rent receivables from operating leases	(5,068)	(5,607)	(1,000)	(7,240)	(4,863)
Impairment loss of property, equipment and real estate investments	(6,014)	-	(31,829)	-	-
Refund of impairment / impairment loss of investment properties	-	-	-	1,949	1,840
Other income	4,258	5,846	919	1,204	5,335
<b>Operating profit</b>	<b>86,550</b>	<b>104,194</b>	<b>48,331</b>	<b>125,140</b>	<b>127,266</b>
Interest expense on lease liabilities	-	(11,735)	(12,548)	(12,264)	(11,955)
Gains on investment properties transferred to associates	-	-	-	-	-
Cost of Islamic Tawarruq Financing	(4,004)	(4,470)	(12,673)	(14,057)	(20,850)
<b>Profit before zakat</b>	<b>82,546</b>	<b>87,989</b>	<b>23,110</b>	<b>98,819</b>	<b>94,461</b>
Zakat	(13,584)	(4,435)	(6,120)	(7,169)	(7,167)
<b>Profit for the year</b>	<b>68,962</b>	<b>83,554</b>	<b>16,990</b>	<b>91,650</b>	<b>87,294</b>
<b>Return on:</b>					
Company owners	47,972	64,821	14,341	67,976	66,774
Non-controlling interests	20,990	18,733	2,649	23,674	20,520
<b>Other comprehensive income</b>					
Re-measurement of end-of-service benefits	24	(254)	(244)	236	(706)
<b>Total comprehensive income</b>	<b>68,986</b>	<b>83,300</b>	<b>16,746</b>		<b>86,588</b>
<b>Return on:</b>					
Company's shareholders	47,996	64,567	14,097	68,212	66,068
Non-controlling interests	20,990	18,733	2,649	23,674	20,520
	68,986	83,300	16,746		86,588
<b>Earnings per share</b>					
Basic and diluted earnings per share from net profit for the year	0.69	0.93	0.15	0.73	0.72



## Revenue Analysis

The table below shows the changes in operating results between 2021 and 2022:

(SR '000)	2021	2022	Change	% change
Revenues	214,386	216,108	1,722	0.8%
Cost of revenues	(69,360)	(73,700)	4,340	6.3%
<b>Gross profit</b>	<b>145,026</b>	<b>142,408</b>	<b>-</b>	<b>-1.8%</b>
General and administrative expenses	(41,241)	(41,617)	376	0.9%
Selling and marketing expenses	(1,805)	(1,640)	-165	-9.1%
Company's share of profit from associates	27,247	25,803	-1,444	-5.3%
Decrease in rent receivables from operating lease contracts	(7,240)	(4,863)	-2,377	-32.8%
Impairment loss of property, equipment and real estate investments	-	-		
Refund of impairment / impairment loss of investment properties	1,949	1,840	-109	-5.6%
Other income	1,204	5,335	4,131	344%
<b>Operating profit</b>	<b>125,140</b>	<b>127,266</b>	<b>2,126</b>	<b>1.7%</b>
Interest expenses on lease contract liabilities	(12,264)	(11,955)	-309	-2.5%
Cost of Islamic Tawarruq Financing	(14,057)	(20,850)	6,793	48.3%
<b>Profit before Zakat</b>	<b>98,819</b>	<b>94,461</b>	<b>-4,357</b>	<b>-4.4%</b>
Zakat	(7,169)	(7,167)	-2	-0.02%
<b>Profit for the year</b>	<b>91,650</b>	<b>87,294</b>	<b>-4,356</b>	<b>-4.7%</b>
<b>Return on:</b>				
Company owners	67,976	66,774	-1,202	-1.8%
Non-controlling interests	23,674	20,520	-3,154	-13.3%
<b>Other comprehensive income</b>				
Re-measurement of end-of-service benefits	236	(706)	-942	-399%
Comprehensive income	91,886	86,588	-5,298	-5.77%
<b>Return on</b>				
Company's investors	68,212	66,068	-2,144	-3.1%
Non-controlling interests	23,674	20,520	-3,154	-13.3%

By Company's activities:

	(SR '000)	City	2017	2018	2019	2020	2021	2022
Revenues	Andalus Mall	Jeddah	121,373	124,232	125,376	101,712	126,525	125,266
	Sahafa Center	Riyadh	6,077	5,620	5,326	4,901	4,769	5,860
	Yarmouk Center	Riyadh	5,577	5,320	4,869	4,500	4,551	5,007
	Tilal Center	Riyadh	5,542	4,126	4,675	4,468	4,820	4,996
	Head Office Building	Riyadh	1,032	1,006	1,027	513	433	433
	Alandalus Mall Hotel, Jeddah	Jeddah	7,226	24,376	16,890	8,547	11,459	14,384
	Marwa Center	Jeddah			8,468	7,650	10,276	10,019
	Salama Tower	Jeddah			9,430	19,250	23,100	23,100
	Qbic Plaza	Riyadh				11,783	22,285	22,285
	Operating Commercial Centers	Riyadh				3,781	4,734	4,273
	Leasing Commercial Centers	Riyadh				720	1,434	485
	<b>Total revenues</b>			<b>146,827</b>	<b>164,680</b>	<b>176,061</b>	<b>167,825</b>	<b>214,386</b>

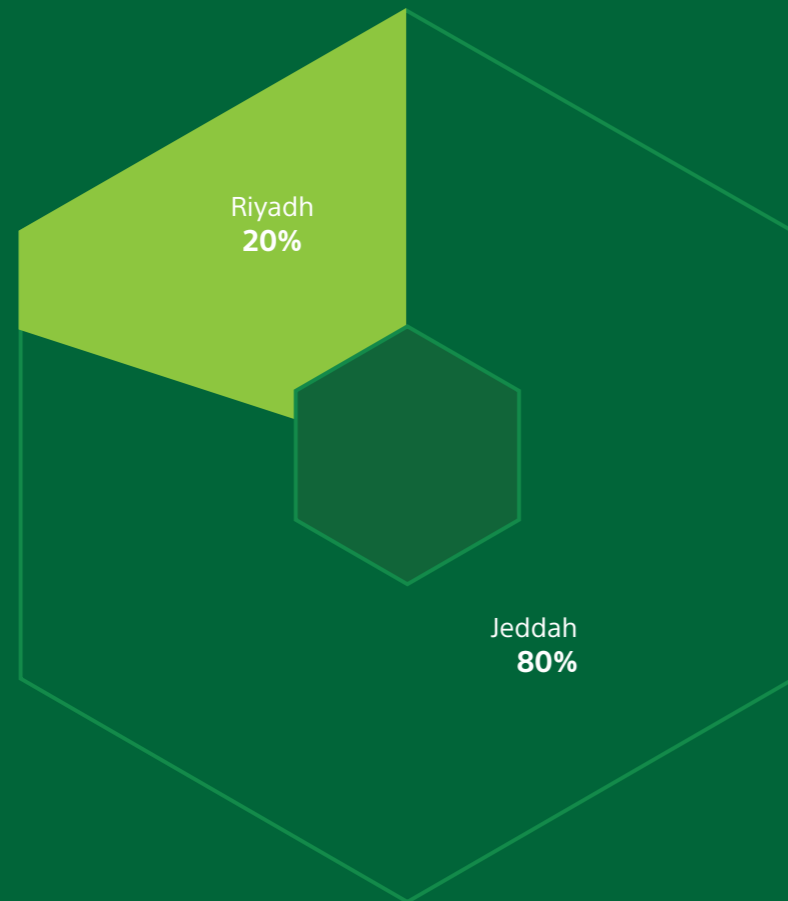
	(SR '000)	City	2017	2018	2019	2020	2021	2022
Revenues	Andalus Mall	Jeddah	82.7 %	75.5 %	71.2 %	60.6 %	59.1 %	58 %
	Sahafa Center	Riyadh	3.8 %	3.4 %	3.0 %	3 %	2.2 %	2.7 %
	Yarmouk Center	Riyadh	0.7 %	3.2 %	2.8 %	2.7 %	2.1 %	2.3 %
	Tilal Center	Riyadh	3.8 %	2.5 %	2.7 %	2.7 %	2.2 %	2.3 %
	Head Office Building	Riyadh	4.1 %	0.6 %	0.6 %	0.3 %	0.2 %	0.2 %
	Alandalus Mall Hotel, Jeddah	Jeddah	4.9 %	14.8 %	9.6 %	5 %	5.3 %	6.7 %
	Marwa Center	Jeddah			4.8 %	4.5 %	4.8 %	4.6 %
	Salama Tower	Jeddah			5.4 %	11.5 %	10.8 %	10.7 %
	Qbic Plaza	Riyadh				7 %	10.4 %	10.3 %
	Operating Commercial Centers	Riyadh				2.2 %	2.2 %	2 %
	Leasing Commercial Centers	Riyadh				0.5 %	0.7 %	0.2 %
	<b>Total Revenues</b>			<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>

The Group's revenues for the fiscal year 2022 increased by 1% to 216.1 million SAR, compared to 214.3 million SAR in the fiscal year 2021. This slight improvement was mainly driven by an increase in the hospitality sector revenues by 25%, due to an improvement in occupancy rates at Alandalus Mall hotel, while maintaining stable revenues from the retail and office sectors.

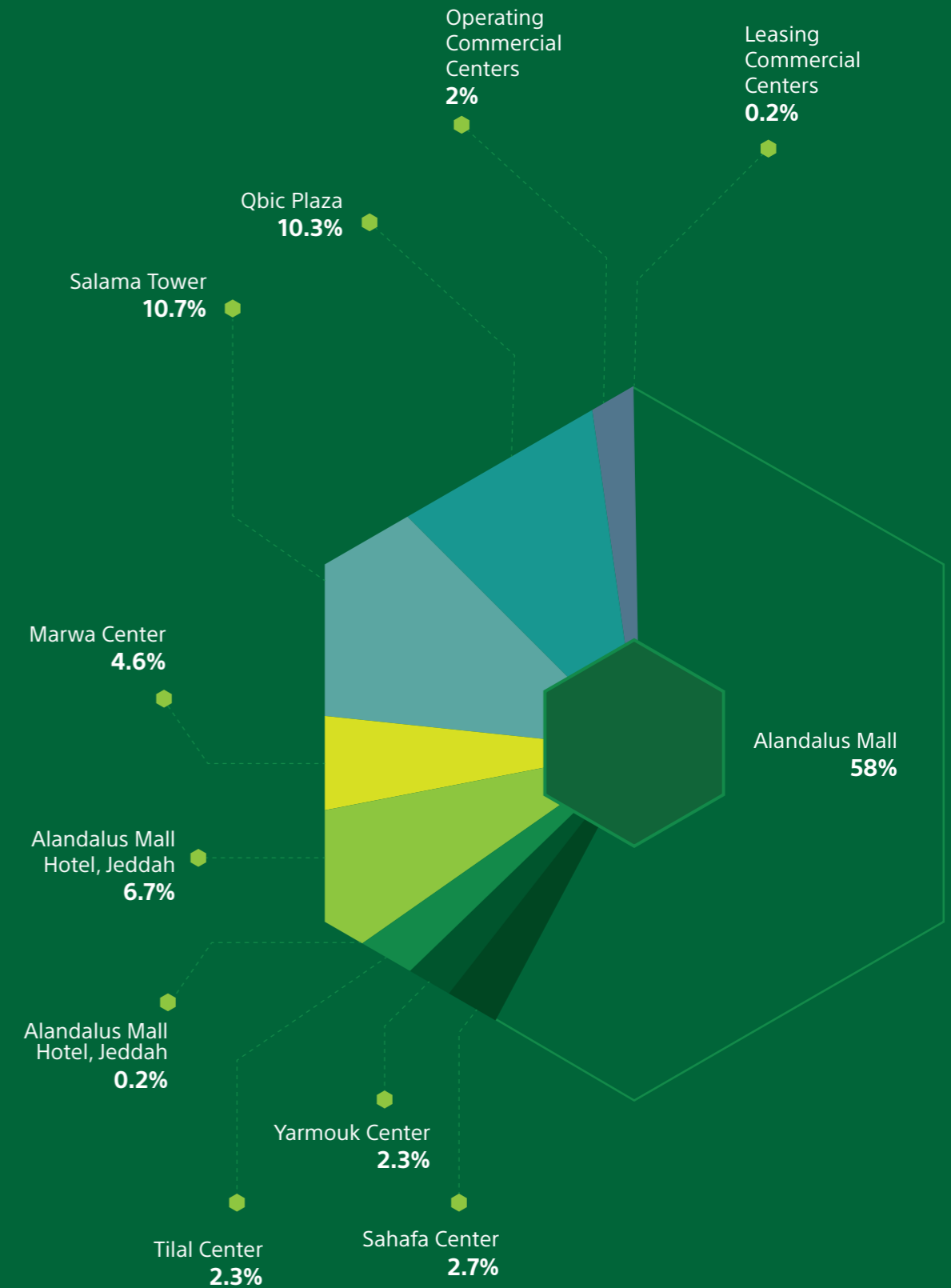
Despite this, the gross profit decreased by approximately 1.8% to reach 142.4 million Saudi riyals compared to 145 million Saudi riyals in the fiscal year 2021, mainly due to the increase in the cost of revenue in the retail sectors, which increased by 3%, and the

hospitality sector, which increased by 13.6% as a result of high occupancy rate.

The operating profit of the company increased by approximately 1.7%, to reach 127.3 million Saudi riyals, compared to 125.1 million Saudi riyals in the fiscal year 2021. This is due to the increase in other revenues of the group by 343%, as well as the decrease in the item of decline in lease receivables by approximately 33%. This is despite the decline in the Company's share in the profits of the sister companies by 5.3%.



## Revenue Analysis of the Company 2022



## Balance Sheet

The table below shows the Company's financial position statements for the years: 2018, 2019, 2020, 2021, and 2022:

(SR '000)	2018	2019	2020	2021	2022
<b>Assets</b>					
<b>Non-current assets</b>					
Properties and equipment	195,759	188,383	155,822	149,939	144,947
Investment properties (*)	505,867	756,941	990,386	976,765	1,003,439
Right of use Assets		95,260	89,109	82,957	76,806
Investment in associates	493,988	464,835	481,483	521,004	515,034
<b>Total non-current asset</b>	<b>1,195,614</b>	<b>1,505,419</b>	<b>1,716,800</b>	<b>1,730,665</b>	<b>1,740,226</b>
<b>Current assets:</b>					
Receivables due from operating leases	26,098	38,640	50,999	59,542	81,213
Prepaid and other receivables	3,978	26,698	15,192	8,085	10,817
Due from related parties	17,124	37,946	14,847	1,345	2,509
Financial instruments at fair value through profit or loss	58,112	42,264	0	40,031	81,104
Cash and cash equivalent	145,112	148,233	182,483	200,761	139,138
<b>Total current assets</b>	<b>250,424</b>	<b>293,781</b>	<b>263,521</b>	<b>309,764</b>	<b>314,781</b>
<b>Total assets</b>	<b>1,446,038</b>	<b>1,799,200</b>	<b>1,980,321</b>	<b>2,040,429</b>	<b>2,055,007</b>
<b>Capital</b>					
Statutory Reserve	88,925	95,382	96,841	90,306	96,983
Retained earnings	347,411	313,698	256,336	39,416	52,140
Equity attributable to the Company's Shareholders	1,136,336	1,109,080	1,053,177	1,063,055	1,082,456
Non-controlling interests	211,455	199,658	182,939	177,588	168,008
<b>Total shareholder equity</b>	<b>1,347,791</b>	<b>1,308,738</b>	<b>1,236,116</b>	<b>1,240,643</b>	<b>1,250,464</b>

(SR '000)	2018	2019	2020	2021	2022
<b>Non-current liabilities</b>					
Employees' benefits - obligations	5,075	5,773	8,491	9,460	8,968
Islamic Tawarruq facilities	-	253,050	514,995	558,728	589,203
Lease contract liabilities under right-to-use assets		123,723	117,730	114,294	103,844
Rentals due from operating leases	9,724	-	-	-	-
<b>Total non-current liabilities</b>	<b>14,799</b>	<b>382,546</b>	<b>641,216</b>	<b>682,482</b>	<b>702,015</b>
<b>Current liabilities</b>					
Prepaid on lease contracts and deferred earnings	34,663	38,308	36,047	45,931	45,780
Lease obligations related to right-to-use assets, current portion	-	15,700	15,700	15,700	16,193
Current portion of Islamic Tawarruq facilities	1,823	-	-	-	-
Due to related parties	330	15,972	16,396	14,487	5,180
Zakat Provision	13,306	11,631	6,508	8,390	8,784
Due and other credit balances	33,326	26,305	28,338	32,796	26,591
<b>Total current liabilities</b>	<b>83,448</b>	<b>107,916</b>	<b>102,989</b>	<b>117,304</b>	<b>102,528</b>
<b>Total liabilities</b>	<b>98,247</b>	<b>490,462</b>	<b>744,205</b>	<b>799,786</b>	<b>804,543</b>
<b>Total liabilities and equity</b>	<b>1,446,038</b>	<b>1,799,200</b>	<b>1,980,321</b>	<b>2,040,429</b>	<b>2,055,007</b>

As of December 31, 2022, the fair value of the Group's investment properties amounted to 1.9 billion Riyals. In addition, the Group's share in the fair value of the associate real estate was 903 million Riyals, resulting in a total fair value of the Company's real estate investments of 2.8 billion Riyals. External evaluators accredited by the Saudi Council of Certified Residents (Valuation) conducted the evaluation of the properties.

## Total Assets, Equity and Liabilities



## Accounting Standards

The Company's financial statements for the year ending December 31, 2022 were prepared in compliance with the International Financial Reporting Standards (IFRS) applicable in the Kingdom of Saudi Arabia and other relevant standards and regulations issued by the Saudi Organization for Certified Public Accountants (SOCPA).

## Islamic Tawarruq facilities

In year 2022, one of the subsidiary companies withdrew an amount of SR 30.4 million to finance the expansion and construction works of parking spaces for Alandalus Mall

The following table set out the details of all paid and outstanding facilities during the fiscal year 2022:

	Loan provider	Principal loan amount	Term	Amounts paid in settlement of the loan in FY ended 31/12/2020	Outstanding portion of the loan	Total indebtedness of Company and its subsidiaries
1	Alahli Commercial Bank**	591,000,000.00	15 years	24,443,1395	743,730,150	743,730,159
* Alahli REIT Fund (1) only						

## Regulatory Payments

Regulatory payments due as of the year ended on December 31, 2022:

Description	Paid amount	Due but unpaid until the end of the year
Zakat	6,773,342	7,167,471
Taxes	14,312,935	32,172
GOSI	1,716,094	141,801
Visas and passport expenses	172,750	-
Labor Office fees	411,750	-

## Employee's Related Payments

End of service benefits as of December 31, 2022:

(SR '000)	
Balance at the beginning of the year	9,460
Provision for the year	1,479
Payments made during the year	(2,677)
Actuarial losses due to re-measurement	706
<b>Balance as of December 31</b>	<b>8,968</b>



# 09

## Board of Directors

- Board of Directors, Committees and Executive Management
- Remunerations of Board Members
- Major shareholders and change in ownership shares



## Company Board of Directors, Committees, and Executive Management:

### Board Members:

#### A.Members' names, current and previous positions, qualifications and experience

#	Name	Current Positions	Previous Positions	Qualifications	Experience
1.	Mr. Abdulsalam bin Abdulrahman Al-Aqeel	Chairman of the Board, Alandalus Property Co.	Vice Chairman, Alandalus Property Co.	B.Sc. Industrial Management, King Fahd University of Petroleum and Minerals, 1990	Member of the Board of Directors of many companies, charities and societies, Member of the Board of Directors, Audit and Risks Committee, General Manager of many real estate and commercial companies, Managing Director of Jarir Commercial Investment Co.
2.	Eng. Saleh bin Muhammad AlHabib	Vice-Chairman of the Board, and Chairman of the Executive Committee, Alandalus Property Co.	Managing Director, Mohamed Al-Habib Real Estate Investment Co.	B.Sc, Architecture, King Saud University, 2000	Member of the Board of Directors of Dr. Sulaiman Al Habib Medical Group, Managing Director of Mohammed Al Habib and Sons Holding Co. Managing Director of Hamat Holding Co., Managing Director of Global Health Care Co., Managing Director of Muhammad Al Habib Real Estate Investment Co., Member of the Board of Directors of Hayat Property Co.
3.	Mr. Ahmed bin Abdul Rahman Al-Mousa	Board Member, Alandalus Property Co.	Board Member, Al-Jazirah Markets Co,	B.A, Business Administration, London College of Economics, 1999	Board Member, Abdul Rahman Abdullah Al-Mousa & Sons Co., Board Member, Abdulrahman Al-Mousa Holding Co., Board Member, Real Estate and Tourism Development Co. and board member, Al-Jazirah Markets Co.
4.	Mr. Muhammad bin Abdulmohsen Al-Zakari	Board Member, Alandalus Property Co.	Executive Director, Al-Zakri Industry and Trading Co.	MA, Financial Management, Laverne University 2011	Practical experience in financial management, operational management, business development management, and executive management
5.	Dr. Sulaiman Bin Ali Al-Hudhaif	Board Member and Chairman of the Nomination and Remuneration Committee, Alandalus Property Co.	General Manager, Human Capital Sector, Inmaa Bank	PhD, Business Administration, Northeastern University 2006	General Manager, Human Capital Sector, Inmaa Bank, CEO, Elite World for Management & Organization Consulting, and executive General Manager of Human Resources and Development, Al-Rajhi Bank.

#	Name	Current Positions	Previous Positions	Qualifications	Experience
6.	Dr. Abdulrahman bin Muhammad Al-Barrak	Board member, and Chairman of Audit Committee, Alandalus Property Co.	Vice Chairman of the Capital Market Authority	PhD, Finance, Newcastle University, United Kingdom. MA, Finance, University of Colorado, USA. BA, Accounting, King Faisal University, Saudi Arabia	Chairman of Tharaa Consulting Co. Acted as Vice Chairman of the Capital Market Authority. Worked as Head of Finance Department and Associate Professor, and Dean, King Faisal University, Saudi Arabia,
7.	Mr. Hathal bin Saad Al-Otaibi Resigned as a member of the Board and CEO on 31/8/2022	Board member, Alandalus Property Co.	Acting CEO, Alandalus Property Co., and Business Development Manager	MPA in Business Management, King Saud University 2016	Board member, Hayat Property Co. Marketing Officer, National Industries Co. and Training Department, Al-Jazira Bank, and Product Manager, Al-Marai Co.
8.	Mr. Emad bin Hammoud AlOtaibi*	Member of the Board of Directors of Al-Andalus Property Co.	Director of Risk Management (Public Pension Agency)	Master of Risk Management from Glasgow Caledonian University (UK) 2015	General Manager of Governance, Risk and Compliance at GOSI, Retirement Affairs Member of many internal committees in the Organization, such as human capital, policies and procedures Managed several projects, such as developing board and committee regulations, risk management methodology, and many more.
9.	Mr. Abdullah bin Abdulaziz Al-Mishal*	Member of the Board of Directors of Al-Andalus Property Co.	Member of the Board of Directors of the Saudi Industrial Export Co.	Bachelor's degree in Sharia from Imam Muhammad bin Saud Islamic University 1415 AH	Experience in restructuring troubled companies and completing acquisitions, merging and marketing solutions.

**B- Companies inside and outside the Kingdom at which the Company's Board member currently serves or previously served as a director or officer:**

#	Member Name	Companies at which the director currently serves as board member or executive officer	Inside/ outside KSA	Legal status (listed/ unlisted joint-stock, limited liability / ....)	Companies at which the director served as a board member or executive officer	Inside/ outside KSA	Legal status (listed/ unlisted joint-stock, limited liability/ ....)
1.	Mr. Abdulsalam bin Abdulrahman AlAqeel	Riyadh Najd Schools Co.	Inside KSA	Unlisted joint stock	General Investment Authority	Inside KSA	Government entity
		Kinan Int'l Real Estate Dev. Co.	Inside KSA	Unlisted joint stock	Jarir Market-ing Co.	Inside KSA	Listed joint stock
		Horma Na-tional Co.	Inside KSA	LLC.	Ita'am chaity	Inside KSA	Charity Org.
		Asala Holding Co.	Inside KSA	Unlisted joint stock	Imtiaz International LLC	Inside KSA	LLC
		Hamat Hold-ing Co.	Inside KSA	Unlisted joint stock			
		Sorouh Cen-ters Co.	Inside KSA	LLC.			
		Jarir Commer-cial Invest-ments Co.	Inside KSA	Unlisted joint stock			
		Jarir Real Es-tate Develop-ment Co.	Inside KSA	LLC.			
		Imtiaz Al Ara-bia Co.	Inside KSA	Unlisted joint stock			
		Borouj Inter-national Co	Inside KSA	LLC.			
		Borouj Acqui-sition Limited Co.	Inside KSA	LLC			
		Future Mar-kets Co. LLC	Inside KSA	LLC			
		Advanced Markets Co.	Inside KSA	LLC			
		Afras Arabia Co. LLC	Inside KSA	LLC			
		EtiHAD Jarir Co.	Inside KSA	LLC			
		Future Home Co.	Inside KSA	LLC			
		Khomasia Taba Co.	Inside KSA	LLC			
		Khomasia Tiba Co.	Inside KSA	LLC			
		Robin Arabia Co.	Inside KSA	LLC			
		Int'l Real Es-tate Invest-ment Co.	Inside KSA	Unlisted joint stock			
		Ideal Suburb Co. for Real Estate Dev. & Investment	Inside KSA	LLC			
		Caddy AlJanoub Co. (Sole)	Inside KSA	LLC			
		Eastern Health Medical Co.	Inside KSA	LLC			
		Central Medi-cal Co.	Inside KSA	LLC			
		Jawaher Oraib Investment	Inside KSA	Unlisted joint stock			
		Khayrat Noura Investment	Inside KSA	Unlisted joint stock			
		Osool Harma Investment Co.	Inside KSA	Unlisted joint stock			
		Osool Brothers Co.	Inside KSA	Unlisted joint stock			
		High Arrow Investment Co.	Inside KSA	LLC- Sole Corpo-ration			
		Uniqe Arrow Co.	Inside KSA	Sole Corpo-ration			
		Harma Interna-tional Co.	Inside KSA	LLC			

#	Member Name	Companies at which the director current-ly serves as board member or execu-tive officer	Inside/ outside KSA	Legal status (listed/ un-listed joint-stock, lim-ited liabil-ity / ....)	Companies at which the director served as a board member or executive officer	Inside/ outside KSA	Legal status (listed/ unlisted joint-stock, limited liability/ ....)
2.	Eng. Saleh bin Muhammad AlHabib	Global Health Care Co.	Inside KSA	LLC	Nitaq Capital	Inside KSA	LLC
		Dr. Sulaiman Al-Habib Medical Group	Inside KSA	Listed joint stock	Qawaem Al-tanmiah Real Estate	Inside KSA	LLC
		Mohammed Ab-dulaziz Al-Habib & Sons Holding Co.	Inside KSA	Unlisted joint stock	AI Ahly REIT Fund 1	Inside KSA	Real estate traded fund
		Massat Property Co.	Inside KSA	LLC			
		Int'l Real Estate Investment Co.	Inside KSA	LLC			
		Hayat Real Es-tate Co.	Inside KSA	Unlisted joint stock			
		Mohammed AlHabib Real Estate Co.	Inside KSA	Unlisted joint stock			
		Advanced Mar-kets Co.	Inside KSA	LLC			
		AlJawhara AlKubra Co.	Inside KSA	LLC			
		Sorouh Centers Co.	Inside KSA	LLC			
		West Jeddah Hospital Co.	Inside KSA	LLC			
		Hamat Holding Co.	Inside KSA	Unlisted joint stock			
		Manafea Alanda-lus Co.	Inside KSA	LLC			
		Borouj Interna-tional Co.	Inside KSA	LLC			
		Saleh AlHabib Real Estate De-velopment Co.	Inside KSA	LLC			
		Saleh Al Habib Real Estate In-vestment Co.	Inside KSA	LLC			
		Qawaem Real estate dev. Co.	Inside KSA	LLC			
		Ghiras Alakhlaq Schools Co.	Inside KSA	LLC			
		North Abhor Co.	Inside KSA	LLC			
		High Stars Co.	Inside KSA	LLC			
		Asala Centers Co.	Inside KSA	LLC			
		Araqa Centers Co.	Inside KSA	LLC			
		Western Ja-waher Co.	Inside KSA	LLC			
		Green Diamond Co.	Inside KSA	LLC			
		First Energy Solutions Company	Inside KSA	LLC			
		Jawharat Al Bahr Investment Company	Inside KSA	LLC			
		Modern Technology Bases Company for Information Technology	Inside KSA	LLC			
		Ebdaa Taibah Real Estate Development Company	Inside KSA	LLC			
		Palm Residences Company	Inside KSA	LLC			

#	Member Name	Companies at which the director currently serves as board member or ex-ecutive officer	Inside/ outside KSA	Legal sta-tus (listed/ unlisted joint-stock, limited liability / ....)	Companies at which the director served as a board mem-ber or execu-tive officer	Inside/ outside KSA	Legal status (listed/ unlisted joint-stock, limited liability/ ....)
3.	Mr. Ahmad bin Ab-dulrahman Al-Mousa	Al-Jazirah Markets Co.	Inside KSA	Unlisted joint stock			
		Real Estate and Tourism Dev. Co	Inside KSA	Unlisted joint stock			
		Abdulrahman Abdullah Al-Mousa & Sons Co.	Inside KSA	Unlisted joint stock			
		Abdulrahman Al-Mousa Holding Co.	Inside KSA	Unlisted joint stock			
		Alahli REIT Fund (1)	Inside KSA	Trading real estate fund			
4.	Mr. Moham-med bin Ab-dulmohsen Al-Zakari	Al-Zakari Holding Co.	Inside KSA	Unlisted joint stock	Mi'yar Capital Co.	Inside KSA	LLC
		Azm Investments Holding Co.	Inside KSA	LLC			
		Daman Projects Real Estate Company	Inside KSA	Unlisted joint stock			
		Architectural Group Company Engineering Consultancy.	Inside KSA	Unlisted joint stock			
5.	Dr. Abdulrahman bin Muhammad Al-Barrak	Tharaa Investment Co.	Inside KSA	LLC	Lejam Sport Co.	Inside KSA	Listed JS.
		Healthcare Holding Co.	Inside KSA	Government corporation	Medgulf Insurance	Inside KSA	Listed JS.
		BinDawood Holding Co.	Inside KSA	Listed JS.			
		Simah Saudi Credit Bureau	Inside KSA	Unlisted JS			
		Gulf System Group	Inside KSA	Unlisted JS			
		Transport General Authority	Inside KSA	Government Entity			
		Alwataneya Co.	Inside KSA	Closed JS			
		Theqa Business Solu-tions Co.	Inside KSA	Closed JS			
		Qarar Consulting Co.	Inside KSA	Closed JS			
		Almajedeyah Proper-ty Co.	Inside KSA	Closed JS			
6.	Mr. Hathal bin Saad Al-Otaibi * Resigned as a member and CEO of the Board on 31/08/2022	SIFI Co.	Inside KSA	Unlisted JS			
		Advanced Markets Co.	Inside KSA	LLC	Hamat Real Estate Company	Inside KSA	LLC
		Sorouh Centers Co.	Inside KSA	LLC			
		Manafea Alandalus	Inside KSA	LLC			
		Hayat Property Co.	Inside KSA	Unlisted joint stock			
		West Jeddah Hospital Co.	Inside KSA	LLC			
		Massat Property Co.	Inside KSA	Unlisted joint stock			
7.	Mr. Abdullah bin Abdulaziz Al-Mishal	Alahli REIT Fund (1)	Inside KSA	Trading real estate fund			
		Aljawhara Alkubra Co.	Inside KSA	Closed joint stock			
		Arabian Shield Co.	Inside KSA	Listed joint stock	Saudi Industrial Export Co	Inside KSA	Listed joint stock
		Dooma Education	Inside KSA	Listed joint stock	Saudi Security Services Co. (AMNCO)	Inside KSA	Unlisted joint stock

### C. Board of Directors and type of membership

- Executive Board Member
- Non-executive board member
- Independent Board Member

Member Name	Membership Classification
Mr. Abdulsalam bin Abdulrahman Al-Aqeel	Non-executive
Eng. Saleh bin Muhammad Al-Habib	Non-executive
Mr. Ahmed bin Abdulrahman Al-Mousa	Non-executive
Mr. Mohammed bin Abdulmohsen Al-zakari	Non-executive
Dr. Sulaiman bin Ali Al-Hudhaif	Independent
Dr. Abdulrahman bin Muhammad Al-Barrak	Independent
Mr. Hathal bin Saad Al-Otaibi * Resigned as a member and CEO of the Board on 31/08/2022	Executive
Mr. Imad bin Hammoud Al-Otaibi* * Representative of the GOSI * Membership type changed to independent member of the Board 12/05/2022 * Ownership of GOSI ("The Organization") in AlAndalus Property Company ("The Company") has decreased to less than (5%)	Independent
Mr. Abdullah bin Abdulaziz Al-Mishaal	Independent

### D. Number, dates and attendance record of the Board meetings held in 2022:

#	Member's name	Membership Type	1st meeting 10-03-2022	2nd meeting 18-05-2022	3rd meeting 24-08-2022	4th meeting 28-12-2022
1	Mr. Abdulsalam bin Abdulrahman Al-Aqeel	Chairman	✓	✓	✓	✓
2	Eng. Saleh bin Muhammad AlHabib	Deputy Chairman	✓			✓
3	Mr. Ahmed bin Abdulrahman Al-Mousa	Member	✓	✓	✓	✓
4	Mr. Muhammad bin Abdulmohsen Al-Zakari	Member	✓	✓	✓	✓
5	Dr. Sulaiman bin Ali Al-Hudhaif	Member	✓	✓	✓	✓
6	Dr. Abdulrahman bin Muhammad Al-Barrak	Member	✓	✓	✓	✓
7	Mr. Hathal bin Saad Al-Otaibi* * Resigned on 31/08/2022	Member	✓	✓	✓	
8	Mr. Imad bin Hammoud Al-Otaibi* * Representative of GOSI	Member	✓	✓	✓	✓
9	Mr. Abdullah bin Abdulaziz Al-Mishal	Member	✓	✓	✓	✓

## Executive Committee

### A- Terms of reference and functions of the Executive Committee:

The Executive Committee plays a crucial role in the Company's decision-making process. Members of which are responsible for discussing matters reserved for the Board of Directors and making recommendations to the Board. They also make decisions on matters assigned to them by the Board, such as investment policies, strategies, business plans, and annual budget proposals presented by the executive management team.

The Executive Committee is also responsible for overseeing the organization and employment structure of the Company, including any reorganization or restructuring efforts, except for those matters falling under the purview of other Board committees such as financial and accounting policies, compensation and remuneration policies, and internal audit guidelines.

Additionally, the Executive Committee considers joint ventures, mergers, and acquisitions in line with the Company's plans. It also has the authority to approve the sale of the Company's lands and properties, cash and stock dividends, write off accounts receivable, and approve workflow rules and regulations. The Executive Committee receives regular progress reports on key project and expansion plans, as well as reports on the corporate risk profile and the effectiveness and efficiency of the Risk Management Unit. They also address any matters or obstacles related to the Company's business.

In accordance with the approved terms of reference, the Executive Committee has the power to approve investments in new projects, amendments to budget items, capital purchases, and operational expenses that exceed the Company's approved budget. It also reviews the valuation of the Company's assets.

### B- Members' Names, current and previous positions, qualifications and experience:

#	Name	Current Position	Previous Positions	Qualifications	Experience
1.	Eng. Saleh bin Muhammad AL-Habib	Deputy Chairman of the Board and Chairman of the Executive Committee, Alandalus Property Co.	Managing Director of Mohammad Al-Habib Real Estate Investment Co.	Bachelor's degree, Architecture, King Saud University, 2000	Member of the Board of Directors of Dr. Sulaim-an AL-Habib Medical Group, Managing Director of Mohammed Al Habib and Sons Holding, Managing Director of Hamat Holding Co, Managing Director of Global Healthcare Co, Managing Director of Muhammad AL-Habib Real Estate Investment Co, Member of the Board of Directors of Hayat Property Co.
2.	Mr. Abdulsalam bin Ab-dulrahman AL-Aqeel	Chairman of the Board of Directors of Alandalus Property Co.	Deputy Chairman of the Board of Directors of Alandalus Property Co.	Bachelor's degree, Management Science in Industry, King Fahd University of Petroleum and Minerals, 1990	Member of the boards of directors of many companies and charities, member of the board of directors and audit and risk committee. Director general of a number of real estate and trade companies. Managing Director of Jarir Commercial Investment.
3.	Mr. Ahmad bin Ab-dulrahman AL-Mousa	Member of the Board of Directors of Alandalus Property Co.	Member of the Board of Directors of Jazeera Mar-kets Co.	Bachelor degree, Business Administration, London School of Eco-nomic Science, 1999	Member of the Board of Directors of Abdulrah-man bin Abdullah Al-Mousa and Sons Co, member of the Board of Directors of Abdulrah-man Al-Mousa Holding Co. Member of the Board of Directors of Real Estate and Tourism Development Co, member of the Board of Directors of Aljazera Mar-kets Co.
4.	Mr. Muhammad bin Ab-dulmuhsen AL-Zakri	Member of the Board of Directors of Alandalus Property Co.	Executive director, Al-zakri Industry and Trading Co.	Master degree, Financial Management, University of Lafrin, 2011	Practical experience in financial management, operational management, business development and executive management.

### C. Number, dates and attendance record of the Executive Committee meetings held in 2022:

#	Member's name	Membership Type	Number of meetings: (4) meetings			
			1st meeting 17/05/2022	2nd meeting 23/08/2022	3rd meeting 09-11-2022	4th meeting 22-11-2022
1	Eng. Saleh bin Muhammad Al-Habib (Chairman of the Committee)	Chairman	✓	✓	✓	✓
2	Mr. Abdulsalam bin Abdulrahman Al-Aqeel	Member	✓		✓	✓
3	Mr. Ahmed bin Abdulrahman Al-Mousa	Member	✓	✓	✓	✓
4	Mr. Mohammed bin Abdulmohsen Al-Zakari	Member	✓	✓	✓	✓

## Nomination and Remuneration Committee

### a. Terms of Reference and Responsibilities

The Nomination and Remuneration Committee is responsible for:

- Proposing clear policies and criteria of membership of the Board of Directors and the Executive Committee
- Recommending nominations and re-nominations to the Board of Directors in accordance with the approved policies and standards taking into account that nomination shall not include any person who was previously convicted of any crime of dishonesty.
- Preparing descriptions of the capacities and qualifications required to join the Board or hold an executive management position;
- Determining the time to be allocated by the member for the activities of the Board of Directors;
- Conducting annual reviews of the skills and experiences required for Board membership and executive management positions;
- Reviewing the structure of the Board and the Executive Management and recommending possible changes;
- On an annual basis, ensuring independence of the independent members and the absence of any conflict of interest in case a board member also acts as a member of the board of directors of another company.
- Developing job descriptions for the executive and non-executive members, independent members and senior executives;
- Developing procedures to fill in any vacant position in the Board or the executive management;
- Determining the strengths and weaknesses of the Board and recommending solutions that are compatible with the Company's interests.

## b.Members' Names, Current and Previous Positions, Qualifications and Experiences:

#	Name	Current Position	Previous Positions	Qualifications	Experience
1.	Dr. Sulaiman Ali Al-Hudaif	Member of the Board of Directors and Chairman of Nomination and Remuneration Committee	Director General of Human Capital Sector, Alinma Bank	PhD. Business Administration, Northwest Eastern University, 2006	Vice chairman and chairman of the strategy and Business Excellence, Alinma Bank, CEO of Alam Al-Nukhba Management and Organization Consulting Co. Executive Director of Human Resources and Development, Al-Rajhi Bank.
2.	Mr. Abdul-salam bin Abdulrahman AL-Aqeel	Chairman of the Board of Alandalus Property Co.	Vice Chairman of the Board of Directors of Alandalus Property Co.	Bachelor degree, Management Science in Industry, King Fahd University of Petroleum and Minerals, 1990	Member of the Boards of Directors of many companies and charities, member of the board of directors and audit and risk committee. General Director of a number of real estate and trade companies. Managing Director of Jarir Commercial Investment
3.	Eng. Saleh bin Mohammad AL-Habib	Vice Chairman of Board and Chairman of the Executive Committee, Alandalus Property Co.	Managing Director of Mohammad Al-Habib Real Estate Investment Co.	Bachelor degree, Architecture, King Saud University, 2000	Member of the Board of Directors of Dr. Sulaiman AL-Habib Medical Group, Managing Director of Mohammed Al Habib and Sons Holding Co, Managing Director of Hamat Holding Co. Managing Director of Global Healthcare Co, Managing Director of Muhammad AL-Habib Real Estate Investment Co, and member of the Board of Directors of Hayat Property

## C- Number, dates, and attendance record of the Nomination and Remuneration Committee meetings held in 2022:

#	Member's Name	Type of Membership	Number of Meetings: (6)					
			1st meeting 10-03-2022	2nd meeting 05/07/2022	3rd meeting 08/08/2022	4th meeting 28/08/2022	5th meeting 10/11/2022	6th meeting 27/12/2022
1	Dr. Sulaiman bin Ali Al Hudaif	Chairman	✓	✓	✓	✓	✓	✓
2	Mr. Abdul-salam bin Abdulrahman AL-Aqeel	Member	✓	✓	✓	✓	✓	✓
3	Eng. Saleh bin Muhammad AL-Habib	Member	✓	✓	✓	✓	✓	✓

## Audit Committee

### A- Description of the terms of reference and responsibilities of the Audit Committee

The Audit Committee plays a critical role in overseeing the Company's activities and ensuring the integrity and fairness of its financial reports, statements, and internal control systems. Specifically, the Committee is responsible for reviewing the Company's initial and annual financial statements prior to their presentation to the Board of Directors, sharing their opinions on these statements, and recommending procedures that ensure their integrity, fairness, and transparency. If requested by the Board, the Committee is also responsible for providing its technical opinion on the fairness, balance, intelligibility, and comprehensiveness of the Board's report and the Company's financial statements to enable shareholders and investors to evaluate the Company's financial position, performance, business model, and strategies. Additionally, the Committee examines any critical or unusual issues in the financial reports, carefully considers any concerns raised by the Company's financial manager, deputy, compliance officer, or auditor, verifies the accounting estimates on significant matters reflected in the financial reports, reviews the Company's accounting policies, and provides the Board with its views and recommendations on these matters.

The Audit Committee plays an important role in ensuring the integrity and effectiveness of the Company's internal audit function. The Committee is responsible for examining and reviewing the Company's internal control systems and evaluating the internal audit reports. In addition, the Committee supervises and oversees the internal auditor's performance and activities, ensuring that the necessary resources are available and that the assigned tasks and duties are performed effectively.

Regarding the external auditor, the Committee will recommend the Board of Directors to nominate or remove auditors, determine their fees and evaluate their performance after verifying their independence and reviewing the scope of their work and their engagement terms. Moreover, the Committee will ensure the auditor's independence, objectivity and fairness as well as the extent of effectiveness of the audit taking into consideration all relevant rules and standards. Furthermore, the Committee shall review the plan and the activities of the Company's auditor and make sure that all technical and administrative auditing reports are within the scope of their auditing tasks, present its view on the same, and respond to the auditor's queries. It will also examine the auditor's report and any observations on the financial statements and follow up on any actions taken in this regard.

The Committee is responsible for ensuring that the Company's compliance with all applicable laws, regulations, policies, and instructions is maintained. To this end, it shall review reports from regulatory bodies and ensure that any necessary actions are taken. Additionally, the Committee shall review all proposed contracts and transactions involving related parties and provide its views to the Board. If the Committee identifies any issues that require further action, it shall report these to the Board along with its recommended course of action.

In regards to the Audit Committee's obligations, the Committee will express its opinion, if any, on the financial statements and the sufficiency of the Company's internal control system and other duties performed within its scope. The Committee will also discuss and review its performance at least once a year to evaluate its effectiveness and agree on the necessary steps to enhance its efficiency. Ultimately, a report on the Committee's performance must be submitted to the Board.

**A- Members' names, current and previous positions, qualifications and experience:**

#	Name	Current Position	Previous Positions	Qualifications	Experience
1.	Dr. Abdulrahman bin Muhammad AL-Barak	Member of The Board of Directors and Chairman of the Audit Committee – Al Andalus Property	Vice chairman of CMA	PhD in Finance, Newcastle University, UK Master's Degree, Finance, Colorado University, USA Bachelor's degree, Accounting, King Faisal University, SKA	Chairman of Thara'a Consulting Company. Deputy Chairman of the Capital Market Authority of Saudi Arabia. Chairman, Associate Professor and Dean of Finance at King Faisal University, KSA
2.	Mr. Alaa bin Abdullah AL-Fadda	Member of the Audit Committee, Al Andalus Property	Member of the Audit Committee, Eastern Cement Co.	Master's degree, funding, Newcastle University, 2009	Member of the Audit Committee at King Saud University Endowments. Executive consultant of financial planning and budget, Ministry of Finance. Member of audit committee in Eastern Cement Co.
3.	Mr. Saleh bin Abdullah AL-Yahya	Member of the Audit Committee Al Andalus Property	Senior manager, Earnst & Young, USA	Bachelor's degree, accounting, King Saud University, 2002	Partner, Alluhaid & Alyahya Chartered Accountants. Partner Ernst & Young, KSA. Senior Manager, USA

**B. Number, dates and attendance for the Audit Committee meetings held in the year 2022:**

#	Member's Name	Type of Membership	Number of Meetings (6)					
			1st meeting 08/03/2022	2nd meeting 27/04/2022	3rd meeting 11/08/2022	4th meeting 09//10/2022	5th meeting 03/11/2022	6th meeting 26-12-2022
1	Dr. Abdulrahman bin Muhammad AL-Barak	Chairman	✓	✓	✓	✓	✓	✓
2	Mr. Alaa bin Abdul-lah AL-Fadda	Member	✓	✓	✓	✓	✓	✓
3	Mr. Saleh bin Abdul-lah AL-Yahya	Member	✓		✓	✓	✓	✓

**Chief Executive Officer**

#	Name	Current Positions	Previous Positions	Qualifications	Experiences
1.	Mr. Hathal bin Saad AL-Otaibi* * Resigned as a member and the CEO of the Board on 31/08/2022	CEO of Alandalus Property Co.	CEO of business development of Alandalus Property Co.	Master degree, Business Administration, King Saud University, 2016	Marketing Officer of National Industries Co. from 2003-2004. Head of Training Dept. in Aljazira Bank 2004-2005. ALMarai Co. Product Manager, 2005-2008, Head of Business Development, 2008-2017, CEO of Alandalus Property 2017-2022
2.	Arch. Ma-shal Ibrahim Abuneeef* Acting CEO 01/09/2022	Acting CEO	Director of Project Management	Bachelor's degree in Architecture from the College of Architecture and Planning from King Saud University in 2008	13 years of experience in the field of real estate development, and he is currently the Director of Project Management at Alandalus Property Co.
3.	Eng. Faisal Abdulrahman Al-Nasser* Appointed CEO since 01/02/2023	CEO of Alandalus Property Co.	Acting CEO Bedayah of home financing	Bachelor's degree in Computer Engineering from King Saud University in 2000	22 years of experience in administrative fields, during which he held a number of leadership positions and moved between many major companies and Saudi banks.

## Reporting Shareholders' Suggestions and Remarks to the Board of Directors

In 2022, the Board of Directors provided a briefing to its members, with a particular focus on non-executives, regarding all inquiries and suggestions received from shareholders. The Board considered and discussed those suggestions that were in line with the Company's policies and applicable rules and regulations.

### Remuneration Policy:

The Company's remuneration policy was approved by the Company's General Assembly. The policy takes into account, in determining and paying remunerations to each member of the Board, committee, or the Executive Management of the Company, all relevant provisions of the Companies Law and its implementing regulations related to listed joint-stock companies, and the Corporate Governance Regulations issued by the Capital Market Authority, in addition to the following criteria:

1. The policy must be in conformity with the Company's strategy, objectives and risk profile.
2. The remuneration must be based on a recommendation from the Nominations and Remuneration Committee.
3. The remuneration must be fairly sufficient to attract, motivate and retain competent board members with proper experience.
4. Remuneration must be provided to motivate the Board members and the Executive Management to ensure long-term success and advancement of the Company, taking into account linking the variable portion of the remuneration with long-term performance.
5. The remuneration must be fair and commensurate with the members' role and responsibilities, with due consideration to the targets set by the Board to be achieved during the fiscal year.
6. For new appointments, remuneration must be determined in coordination with the Nominations and Remuneration Committee.
7. Market remuneration practices must be taken into account, while avoiding any unjustifiable increase in remuneration and compensation.
8. Any plan to grant shares in the Company to the board members, Executive Management and employees, either by issuing new shares or purchasing shares by the Company, must be coordinated with the Nominations and Remuneration Committee subject to relevant applicable regulations.
9. The remuneration will be stopped or recovered if not approved by the General Assembly.

### Remunerations and compensations of the Board of Directors and its committees will be determined based on the following:

Members of the Board and Committees are entitled to the following remunerations:

1. The chairman is entitled to receive an annual bonus of SR 200,000.
2. Each board member is entitled to receive an annual bonus of SR 200,000.
3. The chairman of any committee is entitled to receive an annual bonus of SR 100,000.
4. Each committee member is entitled to receive an annual bonus of SR 50,000.
5. Members of the Board and the committees is entitled to an attendance allowance as follows:
6. Each member of the board, including the chairman, is entitled to receive an attendance allowance of SR 3,000 for each meeting attended.
7. Each member of any committee, including the chairman of such committee, is entitled to receive an attendance allowance of SR 3,000 for each meeting attended.
8. Members of the Executive Committee, including the Chairman of the Committee, are entitled to receive an attendance allowance of SR 5,000 for each meeting attended.
9. Remuneration shall be paid at the beginning of each calendar year, while the attendance allowance shall be paid every six months of the calendar year.
10. Entitlement to the annual bonus is qualified by attending -at least- two-thirds of the meetings held during the year.
11. The amount of the annual bonus will be estimated based on the date of joining and leaving the respective committee or the board, taking into consideration the minimum attendance of two-thirds of the meetings held within that period.
12. Any member of both the board and any committee is entitled to receive remuneration for board membership and the chairmanship or membership of a board committee or the Audit Committee.
  - The fixed annual remuneration is exclusive of travel and other related expenses.
  - Travel expenses and airline tickets (business class).
  - Hotel accommodation business related costs.

Expenses will be reimbursed based on actual bills.

### **Executive Management remunerations:**

The Nomination and Remuneration Committee regularly reviews the benefits of the Executive Management and incentive programs and plans. Upon receiving the executive management recommendations, the Committee shall review such recommendations and submit its final recommendation to the Board of Directors for approval, taking into account the annual budget, the Company's capabilities and the liquidity available. The Executive Management remuneration includes:

1. Basic salary (paid monthly at the end of each calendar month)
2. Housing allowance, transportation allowance, and any other allowances approved by the Board of Directors.
3. Medical insurance for the employee and his/ her family.
4. Annual bonus if approved by the Board of Directors (based on performance, appraisal and measurement matrix).
5. End of service benefits.

### **Other provisions related to remuneration policy:**

The Board members are not permitted to vote on their remuneration at the General Assembly meeting.

1. If a Board member is absent from three consecutive meetings without valid justification and the General Assembly decides to terminate their membership, that member will not be entitled to any bonuses for the period following the last meeting attended. Furthermore, they must return any bonuses received during that period.
2. The Board shall disclose in its report the details of remuneration policies, mechanism of determination, and the financial and in-kind benefits paid to each Board member for any executive, technical, managerial or advisory roles.



**Disclosure of directors remuneration for their membership in the Company's Board of Directors from January 01, 2022 until December 31, 2022**

#		Fixed Remuneration						Varying Remuneration					Grand total	Expenses allowance	
		Certain Amount	Board Meeting Attendance Allowance	Total Committee Meeting Attendance Allowance	In-kind Benefits	Amounts received by directors as employees or officers, or for technical, administrative or advisory services	Remuneration of the chairman of the Board, Managing Director, the secretariat, if a director	Total	Percentage of profits	Regular Bonus	Sort-term incentive plans	Long-term incentive plans			Bonus shares (value)
<b>First: Independent Members</b>															
1.	Dr. Abdul Rahman Al-Barrak	300000	12000	18000	-	-	-	330000							
2.	Mr. Sulaiman Al-Hudhaif	300000	12000	18000	-	-	-	330000							
3.	Mr. Imad Al-Otaibi* * Representative of GOSI	200000	12000	-	-	-	-	212000							
4.	Mr. Abdullah AlMishal	200000	12000	-	-	-	-	212000							
<b>Second: Non-Executive Members</b>															
1.	Mr. Abdul Salam Al-Aqeel	300000	12000	33000	-	-	-	345000							
2.	Eng. Saleh Al Habib	350000	6000	28000	-	-	-	384000							
3.	Mr. Ahmed Al-Mousa	250000	12000	20000	-	-	-	282000							
4.	Mr. Mohamed Al-Zakri	250000	12000	20000	-	-	-	282000							
<b>Third: Executive Members</b>															
1.	Mr. Hathal Al Otaibi*	133333	9000	-	-	-	-	142333							
<b>Total</b>		<b>2,283,333</b>	<b>99,000</b>	<b>137,000</b>				<b>2,519,333</b>							

\* Resigned as a Board member and CEO on 31/08/2022, and received remuneration for the period from 01/01/2022 to 31/08/2022.

## Senior Executives Bonuses:

A breakdown of the remunerations paid to five senior executives who received the highest remunerations, including the CEO and Chief Financial Officer, during the fiscal year 2022.

Fixed Remuneration	
Salaries	2,704,839
Allowances	946,694
In-kind benefits	
<b>Total</b>	<b>3,651,533</b>
Varying Remuneration	
Regular Bonus	1,100,000
Profits	
Short-term incentive plans	
Long-term incentive plans	
Bonus shares (value)	
End-of-service benefit	1,916,395
Total remuneration of Board executive mem-bers	2,120,000
<b>Total</b>	

Senior Executives Posts	Fixed Remuneration				Variable Remuneration						End of services Remuneration	Total remuneration of Board executive mem-bers	Grand Total	
	Salaries	Allowance	In-kind benefits	Total	Regular bonuses	Profit	Short-term incentive plans	Long-term incentive plans	Bonus shares	Total				

Alandalus Property has committed to disclose the bonuses granted to senior executives in total in accordance with the statutory requirements contained in subparagraph (4/b) of Paragraph (a) of Article (93) of the Corporate Governance Regulations, without disclosing it in detail, as such details may negatively affect the Company's interests by creating an atmosphere of competition and job instability, which will reflect on the Company's performance and hence the shareholders.

## Key Shareholders and Change in Equity Ownership

Change in Shareholders' Ownership and Interests excluding the Board members and Senior Executives and their relatives:

Shareholder's Name	Number of shares at Offering	Number of Shares as of 01/01/2022	Number of Shares as of 31/12/2022	Change in Number of Shares	% Change
Borouj Global Ltd CO.	19,354,020	25,805,360	25,805,360	0	0 %
Al-Zakri Industry and Trading Co.	12,096,262	16,128,349	16,128,349	0	0 %
Abdulrahman Abdullah Al-Mousa & Partners Co.	4,838,506	6,451,341	6,451,341	0	0 %

## Change in Ownership and Interests of Board Members, Senior Executives and their relatives:

Shareholder Name	Number of shares at Offering	Number of Shares as of 01/01/2022	Number of Shares as of 31/12/2022	Change in Number of Shares	%Change
Dr. Sulaiman bin Ali Al-Hudhaif	-	62,400	62,400	0	0 %

## Shareholders' Assemblies

Meetings held in 2022:

Board Members General Meeting Attendance Record		
#	Member's Name	16th Ordinary General Meeting 15/5/2022
1	Mr. Abdulsalam bin Abdulrahman Al-Aqeel	✓
2	Eng. Saleh bin Mohammad Al-Habib	✓
3	Mr. Ahmad bin Abdulrahman Al-Mousa	✓
4	Mr. Mohammed bin Abdulmohsen Al-Zakri	✓
5	Dr. Sulaiman bin Ali Al-Hudhaif	✓
6	Dr. Abdulrahman bin Mohammad Al-Barrak	✓
7	Mr. Hathal bin Saad Al-Otaibi * Resigned as a member and CEO of the Board on 31/08/2022	✓
8	Mr. Imad bin Hammoud Al-Otaibi* * Representative of GOSI	✓
9	Mr. Abdullah bin Abdulaziz Al-Meshal	✓

## Shareholders Registers Requests in 2022:

Request Date	Justification
09/01/2022	Corporate Action
09/01/2022	Corporate Action
09/05/2022	Company's General Assem-bly



# 10

## Governance and Risk

- Governance
- Risk
- Conclusion

## Corporate Governance

- The Company has always been committed to implementing the best corporate governance practices. In fact, it was ranked among the top 30 companies for applying corporate governance principles, according to the results of a study announced during the Corporate Governance Conference organized by the Corporate Governance Center of Al-Faisal University on December 22, 2021. The classification was based on independent and reliable criteria used to assess the quality of corporate governance.
- In accordance with the requirements of Paragraph (1) of Article Ninety of the Corporate Governance Regulations issued by the Board of the Capital Market Authority on 13/2/2017 G, as amended, the following table sets out the provisions of the said Governance Regulations that were implemented during the fiscal year ending 31/12/2022, and those that were not implemented and justification thereof:

The Company represents that all the provisions of the Corporate Governance Regulation issued by the Capital Market Authority on 13/2/2017, as amended under CMA Board Resolution dated 22/08/2022, have been implemented except those listed below:

Article/ Clause No.	Article/Clause statement	Notes on implementation
Clause (B) of Article (32) Board Meetings	B. The Board shall convene at least four meetings a year, with no less than one meeting every three months	As this clause is still indicative, therefore it is not included in the updated version of the Corporate Governance Regulations and the Board of Directors Regulations, both of which state that the Board shall convene no less than twice a year. Nevertheless, the Company has implemented this Clause as the Company's Board convened 5 times in 2021. The Company will incorporate this Clause in its internal Governance Regulation and the Board's Regulation once it becomes obligatory.
Article 38 Secretary	The Board of Directors shall set the prerequisites to be met by the Board Secretary, including 1. Bachelor's degree in law, finance, accounting, administration or equivalent, with relevant work experience of no less than five years. 2. Relevant practical experience of no less than five years.	As this clause is still indicative, therefore it is not included in the updated version of the Corporate Governance Regulations and the Board of Directors Regulations. However, the Company has implemented this Clause; the Board Secretary, in 2021, holds a university degree and has a work experience of more than 5 years. The Company will incorporate this Clause in its internal governance regulation and the Board's Regulation once it becomes obligatory.
Article 39 Training	The Company shall pay adequate attention to training and qualifying its the Board members and Executive Management and provide all necessary programs, taking into account the following: 1. Preparing programs for the newly assigned members of the Board and Executive Management in order to familiarize them with the status of the Company's business and activities regarding the following aspects: <ul style="list-style-type: none"> <li>The Company's strategy and objectives.</li> <li>The financial and operational aspects of the Company's activities.</li> <li>The Board members' obligations, duties, responsibilities and rights.</li> <li>The committees' responsibilities and terms of reference.</li> </ul> 2. Developing the necessary mechanisms for Board members and the Executive Management to regularly attend training programs and courses in order to develop their skills and knowledge in the fields related to the Company's activities.	This Article is still indicative and will be implemented by the Company once it becomes obligatory.

Article/ Clause No.	Article/Clause statement	Notes on implementation
Article 41 Assessment	<ol style="list-style-type: none"> <li>Based on the Nomination Committee's recommendation, the Board will develop the necessary procedures to assess the performance of the Board, its members and committees and the Executive Management annually using efficient key performance indicators (KPIs) based on the achievement by the Company of its strategic objectives, the effectiveness of risk management and the efficiency of the internal control and other systems, provided that weaknesses and strengths are identified and addressed, and a solution is proposed based on the Company's interest.</li> <li>The performance assessment procedure must be in writing and clearly stated and disclosed to the Board members and the persons concerned with the assessment.</li> <li>The performance assessment shall cover the skills and experiences of the Board, identify their weaknesses and strengths, and suggest methods to address weaknesses, such as nominating competent professional personnel capable of improving the performance of the Board. The performance assessment will also include mechanisms of assessment of the Board's activities in general.</li> <li>The individual assessment of the Board members will take into account the extent of participation of the member and his/her commitment to performing his/her duties and responsibilities, including attending the Board and committees' meetings and dedicating adequate time thereto.</li> <li>The Board will make the necessary arrangements to obtain an assessment of its performance from a competent third party every three years.</li> </ol>	This Article is still indicative and will be implemented by the Company once it becomes obligatory.
Clause (B) of article 54 Formation of the Audit Committee	The Chairman of the Audit Committee shall be an independent member	This clause is still indicative; therefore, it is not included in the updated version of the Corporate Governance Regulations and the Audit Committee Terms of Reference. Nevertheless, the Company has implemented this article in 2021; the chairman of the Audit Committee is an independent member. The Company will incorporate this article in its internal corporate governance regulation and the Audit Committee's Terms of Reference once it becomes obligatory.
Article 70: Formation of the Risk Management Committee	The Company's Board of Directors form a (Risk Management Committee), whose chairman and majority of its members are non-executive directors. The committee members must have an appropriate level of knowledge in risk management and finance.	The Company has not implemented this article (formation of Risk Management Committee) as the article is still indicative. The Company will comply with this article once it becomes obligatory. The Company has a risk management policy approved by the Board of Directors.
Article 71 Functions of Risk Management Committee	Matters reserved to the Risk Management Committee	This Article is still indicative. The Company will implement it once it becomes obligatory.

Article/ Clause No.	Article/Clause statement	Notes on implementation
Article 72 Meetings of the Risk Management Committee	The Risk Management Committee meets regularly at least every six months and on a need basis.	This Article is still indicative. The Company will implement it once it becomes obligatory.
Article 85 Employee Motivation	<ol style="list-style-type: none"> <li>Forming committees or holding specialized workshops to hear the employees' views on the Company and discuss key subject matters of decisions.</li> <li>Programs granting employees shares in the Company, a share of the profits earned, and retirement programs.</li> <li>Establishing social programs for the Company's employees.</li> </ol>	This Article is still indicative. The Company will implement it once it becomes obligatory.
Article 87 Social Responsibility	The General Assembly will, upon a recommendation of the board of directors, establish a policy to ensure balance between its objectives and those of the society in order to develop the social and economic conditions of the society.	This Article is still indicative. The Company will implement it once it becomes obligatory.
Article 88 Social Role Initiatives	<p>The Board of Directors develops programs and specifies the necessary means to launch the Company's initiatives in the field of social work, including the following:</p> <ol style="list-style-type: none"> <li>Developing measurement indicators that link the Company's performance to its social contribution, and comparing the same with that of other companies in the same industry.</li> <li>Disclosing the Company's social responsibility objectives to the employees and ensuring their awareness thereof.</li> <li>Disclosing social responsibility fulfillment plans in periodic reports on the Company's activities.</li> </ol>	This Article is still indicative. The Company will implement it once it becomes obligatory. Nevertheless, the Company has participated in many social initiatives for community service during the year 2021 AD, through its sponsorship and commercial centres, for many purposeful activities and programs set up by awareness and charitable societies. The Company will include this article in its Corporate Governance Regulations once it becomes obligatory.
Clause (3) of Article 89 Disclosure Policies and Procedures	The Company's website shall include all the information that needs to be disclosed and any data or information published through other means of disclosure.	This is still an indicative article, which the Company will implement once it becomes obligatory. However, the Company has provided all required mandatory information on its website, such as the general meeting invitation, candidacy announcement and other required information. In addition, the company has published most of the policies related to the governance regulations on its web site.
Article 95 Formation of the Corporate Governance Committee	If the Board of Directors forms a Corporate Governance Committee, such committee must be tasked with the terms of reference established under Article (94) of this Regulation. This committee shall follow up on any matters related to the implementation of corporate governance and provide the Board of Directors at least annually with reports and recommendations in respect thereof.	This is still an indicative article, which the Company will implement once it becomes obligatory.

## Risk:

Driven by the Company's awareness of the importance of effective management of risks it faces, which contributes to protecting the Company's assets, ensuring its sustainability, achieving its strategic objectives and avoiding any potential losses, the Company considered a proactive approach to identifying, assessing, evaluating, addressing and prioritizing risks. Accordingly, the Company has adopted a clear policy and practical method, based on identifying, analyzing, evaluating and addressing risks of which the company is exposed, determining the acceptable levels of risks related to all its activities, appointing the members responsible for risk management with a statement of assigned tasks and responsibilities and overseeing of which.

### In particular, this policy is designed to:

- Promote a culture of risk at the Company-wide through the principles of risk management in its operations, systems and employees;
- Align the key features of risk management with the Company's vision, mission and objectives;
- Align the Company's acceptable levels of the risks with its strategy;
- Enhance the Company's risk management capabilities and effectiveness;
- Optimize capital utilization and cost performance;
- Boost a proactive risk management;
- Facilitate the process of decision-making regarding risks. Enhance risk governance, prepare a clear structure of risk management, determine related tasks and responsibilities;
- Protect the Company's assets, ensuring its sustainability and achieving its objectives and expectations;
- Solidify credibility of wide-base Stakeholders;

### Risk management methodology consists of the following stages:

Classifying, identifying, analyzing, assessing, addressing, monitoring and reporting risks in a way which allows the Company to make decisions and respond in a timely manner to risks as they arise.

As part of the Company's obligation to disclose the risks facing the Company in the annual report of the Board of Directors, the risks described below are the key risks. However, they are not inclusive of all the risks that the Company may face, as there may be additional risks that are either unknown to or deemed by the Company to be insignificant.

01

### Coronavirus pandemic related risk:

The pandemic has posed a great challenge to most economic sectors globally, including the real estate sector. The precautionary measures taken to confront this pandemic have led to a decrease in the rate of revenue. However, if the crisis worsens, God forbid, and the precautionary measures by the official authorities are tightened, the Company's operations and outcomes will be affected. Hence, in order to limit the pandemic impact, the Company applies a number of measures to control costs and expenses.

02

### General real estate risk:

The Company's performance may decline due to fluctuations in the value of its assets, and the Company's properties and investee projects may be affected by changes in market conditions, the economy, property prices and governmental regulations. The Company's assets may be expropriated by the competent authorities, or the government may take any action on such assets for public interest. Furthermore, the implementation and constructions of some government projects may lead to obstructing access to the Company's centers and this affects the number of visitors to the centers, which affects the Company's business and outcomes.

03

### Projects' development and execution risk:

Real estate development projects may face different risks, including, delayed completion and delivery of works, estimated cost overrun, failure to secure leases at expected levels and delayed governmental approvals and permits for land zoning and other governmental authorizations required

04

### Retail sector interaction:

If the retail sector declines or its overall growth slows down, this will directly impact tenants' performance and ability to continue leasing the stores in the Company's malls and to meet their financial obligations, which will in turn adversely and materially affect the Company's business and operations outcomes.

05

### Risks related to leasing contracts:

Upon termination of any lease contract, there is no assurance that the contract will be renewed or that the tenant will be replaced. The terms of any subsequent lease may be less favorable than the current one. This constitutes a type of potential risk the Company may face as regards leasing, and in order to address these risks, the Company considers the continuous development of shopper services to meet customer expectations, maintaining an ideal mix of tenants and constantly improving lease terms.

06

### Competition:

Generally, malls depend on footfall. Hence, the upgrading of existing malls or the entry of new malls into more accessible areas with features and services competitive with those of the Company's malls will have a significant adverse impact on the number of visitors of the Company's malls, which in turn will result in lower income for tenants, non-renewal of lease contracts, and consequently lower occupancy or rental rates, or the tenants demand a reduction in rental rates. And to limit the impact of such risks, the Company is constantly developing and upgrading its existing projects with the establishment of new projects which represent unique and distinctive destinations attracting customers and visitors.



07

### Increase of operating and maintenance expenses:

The Company's recurring expenses include the costs of operation and maintenance of its complexes and malls. These facilities require continuous maintenance to keep them in good operating conditions at optimal levels and retain their attractiveness to tenants and visitors. If expenses increased more than expected, the Company's business, financial position and future prospects will be adversely and materially affected. The Company balances between reducing expenses and maintaining the high-quality services provided in its centers.

09

### Liquidity risk:

The Company may face difficulties in funding to meet its obligations. Liquidity risk may result from the Company's inability to sell a financial asset quickly and at a value close to its fair value. However, the Company manages liquidity risk by providing the necessary funding in the Company as needed.

08

### Litigation and penalties:

The Company is exposed to risks of litigation from many counterparties, including tenants, customers, mall visitors, guests, partners, suppliers, employees, regulators, operators, owners of the lands leased by the Company to set up its projects, and real estate brokers. Not to mention the fact that the company sometimes has to file lawsuits against some delaying tenants to collect the rent, and this costs the company litigation expenses.

Rulings in such cases against the Company may cause the Company to incur heavy related litigation costs or large penalties that may be imposed by regulators – all of which will have significant adverse impact on the Company's business, operations outcomes, financial position and future prospects. The company faces such risks through internal legal advisors and qualified external attorneys to protect its rights and interests.

10

### Risks of high financing cost:

The high-interest rates that the company may have to pay in order to finance its existing and future projects can increase the cost of financing, which could negatively impact profitability and cash flows. To mitigate this effect, the company aims to adopt an appropriate financing policy that includes selecting favorable financing terms and ensuring that its debts do not exceed the appropriate rate.

## All disclosures during the year 2022

Disclosure Title	Publish Date
Alandalus Property Company announces the latest updates related to Al Jawhara Alkubra project in Jeddah, of which the Company owns 25%.	24/01/2022
Alandalus Property announces the annual consolidated financial results for the period ending on 31-12-2021	13/03/2022
Alandalus Property Company announces the distribution of interim cash dividends to shareholders for the second half of the fiscal year 2021	13/03/2022
Alandalus Property announces that it has scheduled a phone meeting to discuss the financial results for the year 2021 AD with financial analysts and investors.	17/03/2022
Alandalus Property announce a call for its shareholders to attend the 16th Ordinary General Assembly meeting (the first meeting) through modern technology	20/04/2022
Alandalus Property announces its interim consolidated financial results for the period ending on 31-03-2022 -Three Months	28/04/2022
Alandalus Property Company announces the results of the 16th Ordinary General Assembly Meeting (First Meeting)	16/05/2022
Andalus Property Company announces the resignation of a Board member	18/07/2022
Alandalus Property Company announces the resignation of its CEO	18/07/2022
Alandalus Property announces its interim consolidated financial results for the period ending on 30/06/2022 (Six Months)	14/08/2022
Alandalus Property Company announces the appointment of a CEO	17/08/2022
Alandalus Property Company announces the distribution of interim cash dividends to shareholders for the first half of the fiscal year 2021	25/08/2022
Alandalus property Company announces the latest developments related to Al-Jawhara Al-Kubra project in Jeddah (The Village), of which the Company owns 25%	19/09/2022
Alandalus Property Company announces its interim financial results for the period ending on 30/9/2022 (Nine Months)	06/11/2022
Alandalus Property Company Company announces the appointment of a CEO for the Company	20/12/2022

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

During the fiscal year that ended on December 31, 2022, Al-Andalus Property's operations were subjected to periodic reviews by the Internal Audit Department, which was supervised by the Board of Directors' Audit Committee. The purpose of these reviews was to ensure the effectiveness of the Company's internal control system and procedures through internal audits designed to examine administrative and financial policies and procedures, as well as the output of financial.

## According to the results obtained from the implementation of the audit plan, the committee concluded the following:

There are no fundamental deficiencies in the internal control systems, and they are effective to prevent and detect errors, and there was no major breach of the internal control systems during the year, bearing in mind that the necessary measures were taken to follow up on the observations included in the internal audit reports in order to verify that the necessary corrective measures were taken. The Company makes a continuous effort periodically and regularly to develop systems and policies, in order to improve the Company's business, and develop methods of administrative control, to ensure the efficiency and effectiveness of the control activities, and the management of risks in the Company. This is in accordance with the direction of the Board of Directors, and under the supervision of the Audit Committee.

## Profit Distribution Policy:

### • A.Profits will be distributed according to the Company's Articles of Association as follows:

1. (10%) of net profits will be set aside to set up the Company's statutory reserve. The Ordinary General Assembly (OGA) may decide to discontinue such deduction when the said reserve equals 30% of the Company's paid-up capital.
2. The Ordinary General Assembly (OGA), based on a proposal of the Board of Directors, may set aside (10%) of net profit to set up an additional general reserve.
3. The OGA may decide to establish other reserves to the extent that would serve the Company's interest or ensure distribution of fixed dividends to shareholders. It may also deduct amounts from net profits to establish social entities for the Company's employees or to support existing ones.
4. From the balance, an amount representing 5% of paid-up capital will be distributed to shareholders.
5. Subject to the provisions stipulated in Article (20) of Alandalus Articles of Association and Article (76) of the Companies Law, after the foregoing, up to (5%) of the balance will be allocated to the Board of Directors, provided that in all cases, such distribution shall not exceed the maximum limits allowed by the Companies Law and its regulations, and shall be in accordance with the rules, decisions and official instructions issued by relevant authorities in this regard. However, the entitlement to such remuneration must be based on the number of meetings attended by the member.
6. The Board of Directors may, after fulfilling the requirements set by the relevant authorities, distribute semi-annual and quarterly dividends as it deems fit.

### • B.Details of Company's dividend distribution policy:

1. The shareholder shall be entitled to his share of the profits in accordance with the General Assembly resolution on the distribution of dividends to shareholders or the resolution of the Board of Directors to distribute interim dividends. The resolution shall specify the due

date and distribution date. The shareholders registered in the Shareholders Register at the end of the due date shall be entitled to receive dividends.

2. The Board of Directors shall implement the General Assembly resolution regarding the distribution of profits to the shareholders registered within 15 days of the dividend due date specified in the General Assembly or Board resolution to distribute interim dividends.

3. The Board may decide to distribute interim dividends to shareholders semi-annually or quarterly, subject to fulfilling the following requirements:

- The General Assembly will authorize the Board to distribute interim dividends under a resolution to be taken annually.

- The Company's profitability must be healthy and stable.

- The Company must have reasonable liquidity and can reasonably predict its level of profit.

- The Company must have distributable profits, according to the latest audited financial statements, that are sufficient to pay the proposed dividends, after deducting the amount distributed and capitalized from such profits following the date of these financial statements.

- The Company intends to distribute 60% of the annual net profits for the years 2022,2023 to be distributed semi-annually

- 4.Dividend distribution generally depends on several factors, including:

- The Company's profitability (i.e., realizing sufficient profits to allow statutory distribution) and its financial condition.

- Cash flow, new capital investments and future expected external financing, taking into account the importance of maintaining a strong liquidity policy to address any unforeseen changes.

- Any restrictions on distribution under the financing loans intended to be entered into by the Company.

- Any other legal or regulatory considerations.

**Dividends previously distributed during the year 2022 represent the second half of 2021 and the first half of the year 2022**

Dividends distributed during the fiscal year 2022			Proposed dividends percentage to be distributed at the end of the fiscal year 2022	Gross profit
	Annual dividends for the second half of the fiscal year 2021	Interim dividends for the first half of the fiscal year 2022		
	13-03-2022	25-08-2022		
Percentage	2.5 %	2.5 %	2.5 %	5 %
Total	23,333,333.25	23,333,333.25	23,333,333.25	46,666,666.5

## Acknowledgments

### The Board of Directors of Alandalus Property Company represents that:

- Neither the Company nor any of its affiliates has previously issued any debt instruments or approved the issuance of such instruments;
- The accounting records were prepared in appropriate manner;
- The Company's internal control system was prepared properly and implemented effectively; and
- There is no significant doubt regarding the Company's ability to continue its business.

## Ambitions and Aspirations

Despite the enormous challenges and the growing significant changes in the Saudi market, we are well positioned to achieve more remarkable successes, thanks to our unique capabilities to grow and expand our business over the coming years, by implementing the Company's new ambitious strategy and redoubling efforts to achieve the requirements of this stage.

## Conclusion

We would like to extend our sincere thanks to the members of the Board of Directors of Alandalus Property Company and all its employees, investors and partners for their relentless efforts and continued support. We together look forward to proceeding hand in hand towards another milestone in the Company's success story, hoping for more major achievements, strong performance and sustainable growth.

# GRI content index

Disclosure	Location	Page number	
<b>GRI 2: General Disclosures 2021</b>			
2-1	Organizational details	About Alandalus, Establishment, Key Objectives, Business Activities and Investments, Vision, Mission and Values	24-31
2-2	Entities included in the organization's sustainability reporting	About Alandalus, Establishment, Key Objectives, Business Activities and Investments, Vision, Mission and Values	24-31
2-3	Reporting period, frequency and contact point	Executive Summary, Contact Us	14, 167
2-4	Restatements of information	Not Applicable (No Changes)	
2-5	External assurance	Not Applicable	
2-6	Activities, value chain and other business relationships	About Alandalus, Establishment, Key Objectives, Business Activities and Investments, Vision, Mission and Values	24-31
2-7	Employees	Human Capital, Valuing Our People	70-71, 78-79
2-8	Workers who are not employees	Not Applicable	
2-9	Governance structure and composition	Boards of Directors, Organizational Structure, Board of Directors, Committees and Executive Management	32-33 ,34-35.112-126, 136-139
2-10	Nomination and selection of the highest governance body	Boards of Directors, Organizational Structure, Board of Directors, Committees and Executive Management	32-33 ,34-35.112-126, 136-140
2-11	Chair of the highest governance body	Boards of Directors, Organizational Structure, Board of Directors, Committees and Executive Management	32-33 ,34-35.112-126, 136-141
2-12	Role of the highest governance body in overseeing the management of impacts	Boards of Directors, Organizational Structure, Board of Directors, Committees and Executive Management	32-33 ,34-35.112-126, 136-142
2-13	Delegation of responsibility for managing impacts	Boards of Directors, Organizational Structure, Board of Directors, Committees and Executive Management	32-33 ,34-35.112-126, 136-143
2-14	Role of the highest governance body in sustainability reporting	Boards of Directors, Organizational Structure, Board of Directors, Committees and Executive Management	32-33 ,34-35.112-126, 136-144
2-15	Conflicts of interest	Code of Conduct and Conflict of Interest	76-77
2-16	Communication of critical concerns	Code of Conduct and Conflict of Interest	76-78
2-17	Collective knowledge of the highest governance body	Boards of Directors, Organizational Structure, Board of Directors, Committees and Executive Management	32-33 ,34-35.112-126, 136-144

Disclosure	Location	Page number	
2-18	2-18 Evaluation of the performance of the highest governance body	Boards of Directors, Organizational Structure, Board of Directors, Committees and Executive Management	32-33 ,34-35.112-126, 136-144
2-19	2-19 Remuneration policies	Financial Results	98-108
2-20	2-20 Process to determine remuneration	Financial Results	98-109
2-21	2-21 Annual total compensation ratio	Financial Results	98-110
2-22	2-22 Statement on sustainable development strategy	Sustainability at Alandalus	74 - 90
2-23	2-23 Policy commitments	Sustainability at Alandalus	75 - 90
2-24	2-24 Embedding policy commitments	Code of Conduct and Conflict of Interest	76-77
2-25	2-25 Processes to remediate negative impacts	Risks	140-148
2-26	2-26 Mechanisms for seeking advice and raising concerns	Code of Conduct and Conflict of Interest	140-149
2-27	2-27 Compliance with laws and regulations	Code of Conduct and Conflict of Interest	76-77
2-28	2-28 Membership associations	Certifications and Accreditations, Engaging Our Stakeholders	22-23 , 80-81
2-29	2-29 Approach to stakeholder engagement	Valuing Our People, Engaging Our Stakeholders	78-83
2-30	2-30 Collective bargaining agreements	Not Applicable	
<b>GRI 3: Material Topics 2021</b>			
3-1	Process to determine material topics	Materiality Assessment	74-75
3-2	List of material topics	Materiality Assessment	74-76
3-3	Management of material topics	Materiality Assessment	74-77
<b>GRI 201: Economic Performance 2016</b>			
201-1	Direct economic value generated and distributed	Financial Results and Business Data	96-109
201-2	Financial implications and other risks and opportunities due to climate change	Financial Results and Business Data, Reducing Our Environmental Impact	96-110 , 84-89

Disclosure	Location	Page number
201-3	Defined benefit plan obligations and other retirement plans	Financial Results and Business Data 96-109
201-4	Financial assistance received from government	Financial Results and Business Data 96-109
<b>GRI 202: Market Presence 2016</b>		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Financial Results and Business Data 96-109
202-2	Proportion of senior management hired from the local community	Boards of Directors, Organizational Structure, Board of Directors, Committees and Executive Management 32-33 ,34-35,112-126, 136-144
<b>GRI 203: Indirect Economic Impacts 2016</b>		
203-1	Infrastructure investments and services supported	Financial Results and Business Data 96-109
203-2	Significant indirect economic impacts	Financial Results and Business Data 96-109
<b>GRI 204: Procurement Practices 2016</b>		
204-1	Proportion of spending on local suppliers	Financial Results and Business Data 96-109
<b>GRI 205: Anti-corruption 2016</b>		
205-1	Operations assessed for risks related to corruption	Code of Conduct and Conflict of Interest 76-77
205-2	Communication and training about anti-corruption policies and procedures	Code of Conduct and Conflict of Interest 76-77
205-3	Confirmed incidents of corruption and actions taken	Code of Conduct and Conflict of Interest, Risks 76-77
<b>GRI 206: Anti-competitive Behavior 2016</b>		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Code of Conduct and Conflict of Interest, Risks 76-77 , 140-148
<b>GRI 302: Energy 2016</b>		
302-1	Energy consumption within the organization	Reducing Our Environmental Impcat 84-89
302-2	Energy consumption outside of the organization	Reducing Our Environmental Impcat 84-89
302-3	Energy intensity	Reducing Our Environmental Impcat 84-89
302-4	Reduction of energy consumption	Reducing Our Environmental Impcat 84-89

Disclosure	Location	Page number
302-5	Reductions in energy requirements of products and services	Reducing Our Environmental Impcat 84-89
<b>GRI 303: Water and Effluents 2018</b>		
303-1	Interactions with water as a shared resource	Reducing Our Environmental Impcat 84-89
303-2	Management of water discharge-related impacts	Reducing Our Environmental Impcat 84-89
303-3	Water withdrawal	Reducing Our Environmental Impcat 84-89
303-4	Water discharge	Reducing Our Environmental Impcat 84-89
303-5	Water consumption	Reducing Our Environmental Impcat 84-89
<b>GRI 305: Emissions 2016</b>		
305-1	Direct (Scope 1) GHG emissions	Reducing Our Environmental Impcat 84-89
305-2	Energy indirect (Scope 2) GHG emissions	Reducing Our Environmental Impcat 84-89
305-3	Other indirect (Scope 3) GHG emissions	Reducing Our Environmental Impcat 84-89
305-4	GHG emissions intensity	Reducing Our Environmental Impcat 84-89
305-5	Reduction of GHG emissions	Reducing Our Environmental Impcat 84-89
305-6	Emissions of ozone-depleting substances (ODS)	Not Applicable
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Not Applicable
<b>GRI 306: Waste 2020</b>		
306-1	306-1 Waste generation and significant waste-related impacts	Reducing Our Environmental Impcat 84-89
306-2	306-2 Management of significant waste-related impacts	Reducing Our Environmental Impcat 84-89
306-3	306-3 Waste generated	Reducing Our Environmental Impcat 84-89
306-4	306-4 Waste diverted from disposal	Reducing Our Environmental Impcat 84-89
306-5	306-5 Waste directed to disposal	Reducing Our Environmental Impcat 84-89
<b>GRI 401: Employment 2016</b>		
401-1	New employee hires and employee turnover	Human Capital, Valuing Our People 70-71, 78-79
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Human Capital, Valuing Our People 70-71, 78-79

Disclosure	Location	Page number
401-3 Parental leave	Human Capital, Valuing Our People	70-71, 78-79
<b>GRI 402: Labor/Management Relations 2016</b>		
402-1 402-1 Minimum notice periods regarding operational changes	Human Capital, Valuing Our People	70-71, 78-79
<b>GRI 404: Training and Education 2016</b>		
404-1 Average hours of training per year per employee	Human Capital, Valuing Our People	70-71, 78-79
404-2 Programs for upgrading employee skills and transition assistance programs	Human Capital, Valuing Our People	70-71, 78-79
404-3 Percentage of employees receiving regular performance and career development reviews	Human Capital, Valuing Our People	70-71, 78-79
<b>GRI 405: Diversity and Equal Opportunity 2016</b>		
405-1 Diversity of governance bodies and employees	Boards of Directors, Organizational Structure, Board of Directors, Committees and Executive Management	32-33 ,34-35,78-79 ,70-71, 112-126, 136-144
405-2 Ratio of basic salary and remuneration of women to men	Human Capital, Valuing Our People	70-71, 78-79
<b>GRI 406: Non-discrimination 2016</b>		
406-1 406-1 Incidents of discrimination and corrective actions taken	Boards of Directors, Organizational Structure, Board of Directors, Committees and Executive Management	32-33 ,34-35,78-79 ,70-71, 112-126, 136-144
<b>GRI 413: Local Communities 2016</b>		
413-1 Operations with local community engagement, impact assessments, and development programs	Malls, Engaging Stakeholders, Our Customers, Social Responsibility	40- 45, 80-83
413-2 Operations with significant actual and potential negative impacts on local communities	Malls, Engaging Stakeholders, Our Customers, Social Responsibility	40- 45, 80-83

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