



ANNUAL REPORT 2020

Retail lies at the core of BinDawood Holding

BinDawood Holding (the Company) is one of the leading grocery retail operators of hypermarkets and supermarkets in the Kingdom of Saudi Arabia (KSA). The Company has 74 stores, of which 51 are hypermarkets and 23 are supermarkets, each located strategically across KSA, operating two complementary brands: BinDawood and Danube.

BinDawood Holding employs over 10,000 people. The Company's principal activities comprise FMCG trading, fresh food and non-food products, including household consumables, and the ownership and management of in-store bakeries.



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Introduction

Proud heritage

BinDawood Holding has a rich Saudi heritage, spanning over 50 years, 35 years of which have been in grocery retail. The Company has grown from a small trading business to one of the leading retailers in Saudi Arabia. Its success story has been driven by constant innovation and commitment to building long-term relationships with suppliers, partners, and customers.

The Company then operating as 'BinDawood Superstores Company' opened its first branch in Makkah under the 'BinDawood' brand in 1984. Following its success, the Company opened additional outlets and continued expanding its increasingly well-known supermarket network in the Western Region of Saudi Arabia. The Company then opened further stores in Makkah and Jeddah in the early 1990's and, by 2000, the BinDawood Superstores Company had expanded to operate eight stores under the 'BinDawood' brand.

As the business looked to take its customer proposition further afield to new communities, it acquired a 72% equity stake in Danube Co. Ltd in 2001, which operated

four stores in the Western Region of Saudi Arabia. It then acquired the remaining equity stake in Danube Co. Ltd in 2011, which then became Danube, a wholly owned subsidiary of the BinDawood Superstores Company.

The acquisition of Danube enabled the BinDawood Superstores Company to enter the premium segment of the retail grocery market in Saudi Arabia, providing it with the capacity to open further stores across the Kingdom. Its first outlet in Riyadh marked the expansion of its business to the Central Region of the country and was the start of its evolution as a growing national player.

In 2011, the BinDawood Holding Company was created to facilitate the development of a subsidiary operating model. Since then, the Company's businesses have gone on to cement a firm reputation as a national favourite, winning multiple awards and creating the Kingdom's first retail grocery operator in Saudi Arabia to offer online sales, with the launch of Danube Online in 2017, followed by the BinDawood App in 2019.



BinDawood is one of Saudi Arabia's most popular grocery retail brands. With 27 easy-to-access hypermarkets and supermarkets across Saudi Arabia, the brand focuses on providing excellent value for money and outstanding customer service with a strong presence in and around Makkah (where the first store opened in 1984). To many, it is affectionately known as 'the Pilgrim's Brand', and many religious visitors to Saudi Arabia like to pay a visit to BinDawood stores.



Danube Stores is one of the leading retail chains in the Kingdom of Saudi Arabia. It has branches in major locations throughout the country. In December 2020, Danube announced its first international store opening in Bahrain, due to open late 2021/early 2022. The Danube supermarket brand is synonymous with quality, with a wide variety of premium offerings and hand-picked exclusive imported goods. Since becoming part of BinDawood Holding in 2001, Danube has grown to 47 current locations, with an ongoing program of expansion.



A BinDawood Holding subsidiary, The Danube Star Bakeries and Marketing Company's principal business activities are the management and operation of restaurants and bakeries. It also manufactures bakery products and sells its range of confectionary products through Danube and BinDawood stores.

74

Stores across several major Saudi Arabian cities



Our Vision

The Company's vision is to be the best grocery retail brand in KSA and the GCC, and a leader in this growing market sector. The Company aspires to be known by its customers and partners for its commitment to quality products, outstanding customer service and strong supplier relationships. The Company's people enable its success, and the Company always aims to recruit, train, and retain the best available talent.



Our Mission

The Company's mission is to offer an exceptional shopping experience to its valued customers. The Company strives to provide its customers with unmatched standards of quality, value, service, and convenience. The Company continuously explores new market opportunities and aims to create value for all its people and partners.

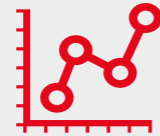
At a Glance

BinDawood Holding is one of the leading grocery retail operators of hypermarkets and supermarkets in the Kingdom of Saudi Arabia. The Company has a total of 74 stores of which 51 are hypermarkets and 23 are supermarkets, each located strategically across KSA, operating two complementary brands: BinDawood and Danube.



74

Stores across several major Saudi Arabian cities



5.16bn

Revenue in 2020 (SAR)



No.1

Operator in Makkah and Medinah



137bn

Size of grocery retail market in KSA (2019/SAR)



2

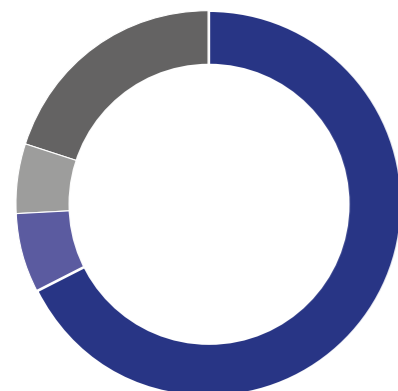
Unique online grocery platforms – Danube online and the BinDawood app



140,000

Stock keeping units

Shareholding Structure



- Akasiya Star Trading Company
- Abdullah Dawood Bin Dawood Sons & Partners Company
- Commercial Growth Development
- Public equity float

Share price information as at 31 December 2020

Share price (SAR): 119

Shares outstanding (millions): 114.3

Market Capitalization (SAR Millions) 13,601.7

Financial and Operational Highlights

Financial (SAR)

Revenue: 5,156.5mn **+6.5%**

Gross Profit: 1,671.9mn **+1.7%**

Operating Profit: 514.6mn **-0.7%**

Net Profit: 447.7mn **+6.8%**

Board of Directors approved full year dividend of SAR 2.8 per share, totalling SAR 318.6 million

Cash Balance of SAR 232.2 million, with no bank debt

Danube sales grew by 17.5% annually despite challenging trading environment

Operational

Opened five new Danube branches in Hail; Riyadh (Al Mazaar Takhasusi-1); Riyadh (Al Andalus Plaza); Khamis Mushait; and Jeddah (Fayfa Avenue)

Announced first international branch outside KSA, Danube store to open in Bahrain (H2 2021/H1 2022)

Significantly increased security and cleaning at all 74 sites and introduced social distancing, hygiene measures and larger layouts

Increased product depth and competitive pricing to prioritize availability of essential items

Improved online transaction experience

Rolled out four major investments in technology infrastructure

Overview of the Company's stores and warehouses:



An established & diversified board



Abdulrazzag BinDawood
Chairman



AbdulKhalig BinDawood
Vice Chairman



Khalid BinDawood
Executive Director



Ahmad AR. BinDawood
Executive Director



Tariq Abdullah BinDawood
Executive Director



Walid Michel Majdalani
Non-Executive Director



Dr. Abdulrahman Albarrak
Independent Director



Iyad Malas
Independent Director



Nitin Khanna
Independent Director

A dedicated & experienced management team



AbdulKhalig BinDawood
Executive Vice Chairman



Khalid BinDawood
Managing Director



Ahmad AR. BinDawood
Chief Executive Officer



Tariq Abdullah BinDawood
Chief Development Officer



Muhammad Salim Patka
Chief Financial Officer



Waleed AR. BinDawood
Chief Commercial Officer



Basem Hijaz
Chief Audit, Risk
Management &
Compliance Officer



Siobhán McCarthy
Chief Communications
Officer



Ammar Alattas
Director of Legal Affairs
& Board Secretary



STRATEGIC REPORT

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Our Strategy

BinDawood Holding is one of the leaders in Saudi Arabia's modern grocery retailing sector, with the company's strategic, technological and market position providing positive growth prospects over the period 2020-2024.

The Company's business model seeks to take advantage of growing consumer demand for high quality food products and household items in the Kingdom at competitive prices. As part of this strategy, BinDawood Holding announced its first international branch outside KSA in 2020. The new Danube hypermarket store will be located at the Al-Liwan Project, in the Hamala area in northern Bahrain, occupying a 5,305 sq/m space.

Nationally, the Company opened five new Danube branches as part of its commitment to widening access to as many customers as possible to the Danube omnichannel experience. Branches were opened in Hail; Riyadh (Al Mazaar Takhasusi-1); Riyadh (Al Andalus Plaza); Khamis Mushait; and Jeddah (Fayfa Avenue).

BinDawood Holding provides investors with quality exposure linked to the largest grocery retail market in the Kingdom, the biggest among the GCC countries, with a Saudi market size of approximately SAR 137 billion in 2019.



"BinDawood Holding provides investors with quality exposure linked to the largest grocery retail market in the GCC."

The Company's growth strategy is sharply focused on five core pillars:

Initiatives to drive like-for-like growth in existing stores

The Company will continue to drive initiatives to enhance sales levels in its mature stores, focusing on enhancing the in-store shopping experience for its customers, thereby increasing average basket size. This strategy is supported by promotional initiatives, including in-store seasonal and festive events and the adoption of the latest technologies to enhance supply chain efficiency.

Incremental measures for recently opened stores

The Company will continue its granular focus on aggressively driving sales at recently opened stores, by closely monitoring demographic and consumption trends and improving performance at stores that might have been negatively impacted by one-off adversities (such as construction work) through targeted marketing and promotion initiatives.

Expansion of store network

The Company will continue to implement its national store rollout plan to consolidate its position in the Western, Central and Eastern regions of the KSA. The Company will leverage the strategic flexibility of its dual-brand and format model to grow the network of both BinDawood and Danube stores inside and outside of the Kingdom.

Growth of online channel

In conjunction with its efforts across the network of stores, the Company will continue to strategically build an incremental online sales channel through danube.sa and the Danube App and BinDawood App to maintain its strong positioning as the pioneer of grocery digitisation in KSA. The Company also intends to increase the number of stores that support online shopping in 2021. Following the change in consumption trends and patterns, the Company is revisiting its strategy to scale online operations in 2021.

Maintain focus on cash flow generation and cost-efficient approach to operations

The Company plans to continue efficiently managing its operating expenses at the store level and the corporate level, including introducing the latest technology and digitisation measures as appropriate for the business.

Initial Public Offering

The BinDawood Holding Company IPO was the first major listing to take place in Saudi Arabia following the outbreak of Covid-19 and the ensuing pandemic.

Several dynamics encouraged BinDawood Holding to go public. Primary drivers were Saudi Arabia's increasingly appealing profile as a destination for foreign and domestic investment and Tadawul's inclusion in the MSCI Emerging Markets Index, which has boosted liquidity by attracting billions of dollars of inflows.

The macro-economic environment has also been stimulated by Saudi Vision 2030, which is driving a more dynamic and open economy, and encouraging companies such as BinDawood Holding to access the public capital markets through forward-thinking reforms within the Tadawul, CMA and other public bodies.

Opening the business to public investors consummates the process of growth that the Company's management has undertaken under family ownership and represents the next stage in its maturation and sustainability as a business.

The IPO attracted almost \$29 billion in bids from investors for its \$585 million share sale, with the stock surging by 10% on each of the first three days of trading. Oversubscribed by 4,870%, BinDawood Holding sold its shares to private funds, public funds, government institutions and individual investors.

1. Public Funds, Private Funds and Discretionary Portfolios: 1,747%.
2. Non-KSA investors (including GCC investors, QFIs and non-resident investors through swap agreements): 445%; and
3. Others (including Government Institutions, Private Companies, Financial Institutions and Authorized Persons): 2,677%.

The BinDawood Holding initial public offering raised SAR 2.19bn with a market value of SAR 11bn

This was the first IPO in Saudi Arabia to thoroughly integrate a local and international process, and yield a strong, successful outcome in terms of strong foreign investor participation and a record settlement time

This IPO is in line with Saudi Vision 2030, of diversifying the economy, bringing family businesses to the public markets, and allowing outsider investors the chance to be part of our growth journey



Shortlist: Most Notable Listing, Tadawul, 2020



Creating a new future for retail in Saudi Arabia

"Throughout the history of BinDawood Holding, we have worked hard to make possibilities become reality by finding new ways to deliver unique products to our customers and value for our partners."



"We will always ensure that our products are delivered through superior in-store customer experiences, supported by efficient pricing, impactful marketing, and a sector-leading technology platform."

In 1984 we opened our first BinDawood store in Makkah. Today, we have a total of 74 stores spread across the Kingdom, including 27 BinDawood stores and 47 Danube stores. I am humbled by this journey: seeing BinDawood Holding evolve to become the third-largest grocery retail operator of hypermarkets and supermarkets in Saudi Arabia. And today, we are known as pioneers in digitising grocery shopping in Saudi Arabia.

In 2020, as the Company went public on Tadawul, we committed to delivering value for our shareholders and the Board of Directors approved a full year dividend of SAR 2.8 per share, totalling SAR 318.6 million. This level of payout in challenging trading conditions is a testament to the resilience of the Company's business model.

The Company retained its focused, long-term strategy in 2020 and will continue to do so. We will always ensure that our products are delivered through superior in-store customer experiences, supported by efficient pricing, impactful marketing, and a sector-leading technology platform. Since the very first store in 1984 and through its many incarnations, BinDawood Holding has practised exemplary operations management, robust governance, strong transparency, and sound financial discipline. I know that these characteristics have served us well and will continue to do so.

Following our successful and heavily oversubscribed IPO in October, we will continue to leverage our long history and experience in the retail sector to become the leading grocery retail business in the KSA and within the GCC. I look forward to sharing our progress in the years to come as we set about achieving this goal and deliver shareholder value at all times.

I want to take this opportunity to thank the entire Board of Directors for their outstanding leadership during a very exciting but equally challenging new year. I am forever grateful for their confidence and fortitude in bringing about the IPO in 2020: a year that will be remembered as uniquely different for our company, employees, customers, and country.

Our staff remained steadfast and committed on the front lines throughout the Covid-19 lockdowns and restrictions, continuing to serve the communities where we operate. I am extremely proud of the dedication they demonstrated during the year.

I also wish to thank our new investors who so strongly endorsed BinDawood Holding and its strategy throughout 2020.



Khalid BinDawood, Abdulrazzaq BinDawood & AbdulKhalid BinDawood

In many ways, the Kingdom of Saudi Arabia changed in 2020. The country moved through an unprecedented period of social and economic worry and, undeterred, Saudi Arabia pushed ahead in its reform agenda. The country made enormous progress towards Saudi Vision 2030, which provides the opportunity for personal growth for every citizen of the country. For this and for their steadfast support in protecting the health of the nation, I would like to convey my sincere gratitude and heartfelt thanks to the government of the Kingdom of Saudi Arabia and The Custodian of the Two Holy Mosques, His Majesty King Salman bin Abdulaziz Al Saud for his wise and visionary leadership and His Royal Highness Prince Mohammed bin Salman bin Abdulaziz Al Saud, Crown Prince of the Kingdom of Saudi Arabia for driving Saudi Arabia's Vision for 2030.

**Chairman of the Board of Directors of BinDawood Holding
Abdulrazzaq BinDawood**

Delivering incredible service in trying times

“Throughout 2020, BinDawood Holding employees at every level of the Company's operations played a crucial role in ensuring our customers and millions of households across the Kingdom had access to essential goods and products.”

Our core concern in 2020 was to mitigate as far as possible the impact of Covid-19 on our customers and our communities. We immediately moved to implement new health and safety measures established by the government, in tandem with a commitment to continue serving our customers through our supermarkets and e-commerce platforms. Our employees, across all 74 stores, worked to deliver incredible service in trying times and I am very proud of them for their fortitude throughout the pandemic.

The BinDawood Holding initial public offering (IPO) completed on Wednesday 23rd October 2020, listing 20% of the Company's shares, which were oversubscribed by 4,870%. As the Company's first day of trading began on Saudi Arabia's Tadawul market, BinDawood Holding's stock opened at 105.60 SAR per share, hitting its daily limit – up from its initial offering price of 96 SAR. The Company saw particularly high demand from both institutional and retail investors, reflecting confidence amongst the investor community in the Company's strategy.

Performance

Trading conditions in 2020 were a tale of two halves – a very buoyant first half followed by a sharp downturn in the second half. The first half benefited from a strong first quarter followed by an even

stronger second quarter as a result of the pantry stocking undertaken by consumers in the wake of the uncertainty caused by the pandemic and in anticipation of the hike in VAT announced with effect from July 2020.

The second half suffered from the significant reduction in the inflow of pilgrims as a result of the travel restrictions imposed on account of the pandemic. Business also suffered because of a drop off in promotional campaigns to adhere to social distancing norms and the absence of the important back to school season following the introduction of e-learning.

On an overall basis, sales rose by 6.5%, from SAR 4,844 million in 2019 to SAR 5,156 million in 2020. Whilst the sales of BinDawood stores declined from SAR 1,733 million in 2019 to SAR 1,501 million in 2020, mainly due to the reduction in number of pilgrims, sales of the Danube brand grew at a very healthy clip of 17.5%, from SAR 3,111 million to SAR 3,655 million, despite the challenges referred to above.

Gross profit rose to SAR 1,672 million in 2020 from SAR 1,645 million in 2019 but gross margin fell by 160 basis points to 32.4% compared to 34.0% in 2019. Challenges executing yearly marketing campaigns significantly reduced income.

However, encouragingly, this shortfall was largely offset by the reduction in shrinkage and wastage as a result of a conscious management decision to achieve operational efficiencies.

Operating expenses were broadly in line with last year. Covid related health and safety, hygiene and procurement expenses were largely offset by utility subsidies and waiver of certain bank charges.

Net profit increased from SAR 419 million in 2019 to SAR 448 million in 2020, benefiting from higher other income and a reduction in finance cost on lease liabilities.

The Company's balance sheet continued to be strong. As at 31 December 2020, the Company had a cash balance of SAR 232 million and no bank debt. Working capital was managed effectively and the Company generated cash from operations of SAR 679 million, only marginally lower than SAR 687 million generated in 2019.

Forward look

BinDawood Holding will continue to advance its strategy of creating cutting-edge new stores inside and outside Saudi Arabia. The in-store experience, which is fundamental to the Company's success in creating an exciting omnichannel experience for its loyal customers, will benefit from new designs to provide a premium experience, complemented by an optimal merchandise mix of fresh Food Products, FMCG, non-food products and other retail offerings across its stores.

Given the continuing uncertainty relating to the pandemic due to the emergence of new variants and its consequential impact on travel, it is difficult to predict the results for 2021. However, I believe that given the resilience of our business model, the steps we have taken to streamline the business and the power of our omnichannel approach we are very well placed to take advantage of any improvement in public confidence. I remain very optimistic about the long-term prospects of the business as we seek to grow it organically and inorganically through the acquisition of similar or complementary businesses.

Chief Executive Officer
Ahmad AR. BinDawood

“It is testament to the skilled management of capital and strategic operational choices by the Board of Directors that the Company was able to close 2020 with increased profits and the ability to issue a dividend.”



Expanding into new regions

In 2020, the Company further expanded Danube's footprint across the Kingdom, reaching more loyal customers in the cities of Hail, Riyadh, Khamis Mushait and Jeddah, with the opportunity to enjoy the highest quality grocery shopping experience in their cities. Danube is a household name and one of Saudi Arabia's most loved consumer brands with an exciting omni-channel in-store and online experience through Danube Online and the Danube mobile phone application.

In addition to the growth of e-commerce, the Company saw a healthy uptick in demand for more modern formats in grocery retailing, and we anticipate this trend to continue at a faster pace in the coming period, led by changing consumer habits and preferences.

The five new Danube stores that have been built in 2020 are designed in line with current industry and macro trends with the view to exceed customers' expectations now and in the years to come. The most recent occupies a 2,500 square meter space in Fayfa Avenue in Jeddah. In December 2020, the Company announced the opening of a Danube hypermarket store in Bahrain as part of the Al Liwan Project, in the Hamala area, which is based in the Northern Governorate. It is due to open late 2021/early 2022.

The year also saw the Company implement a series of initiatives to progress its focus on environmental issues, which included the introduction of energy-efficient lighting solutions and fixtures across all 74 stores.

The Company's Danube carrier bags are made from biodegradable plastic and the Company intends to further reduce the use of single-use carrier bags by rolling out a series of promotions to encourage the use of environmentally friendly alternatives to single-use bags as the Company strives to fulfil its corporate responsibility towards creating greener communities.



Shortlist: Danube Online, Retail Transformation and Reinvention Award, World Retail Congress Awards, 2020

Digital

BinDawood Holding deploys cutting-edge capabilities across store development, design, layout, management, marketing, and e-commerce. It was the first retail grocery operator in the Kingdom to offer online sales through the Danube App, a mobile phone application and online platform launched in 2017, with the BinDawood App following in 2019.

From March 2020 the two online e-commerce grocery platforms experienced a surge in orders and downloads as the impact of Covid-19 took hold in the Kingdom. When customers could not go to shops, they went online. The BinDawood and Danube apps attracted a host of new customers. Designed to be 'sticky' by gaining their trust and loyalty, the Company ensured these customers visited the stores when they were permitted to leave their homes after the lockdown restrictions subsided. This omnichannel approach is at the heart of BinDawood's overall strategy, which seeks to enhance the overall customer journey by bringing the online and in-store experiences together.

BinDawood App

The BinDawood Online shopping application provides customers with a superb home shopping and omnichannel retail experience.

Danube Online

Danube Online, which launched in 2017 has been recognised as the Most Admired Online Retailer, KSA, from the Retail Middle East Awards (April 2019) and Most Admired F&B Retailer, KSA, by the Retail Middle East Awards (November 2018). Danube Online also won the Digital Transformation of the Year award at the IDG Awards in 2019.

New strategies to expand delivery areas and logistics infrastructure took centre stage in line with Company strategy to enhance and expand the omnichannel experience in 2020. Following the change in consumption trends and patterns, the Company is revisiting its strategy to scale online operations in 2021.

Digitisation and Automation

The Company rolled out four major investments in technology infrastructure in 2020. These included a new Oracle HR application called RADIX, which enables the Company's HR department to automate processes through personalised colleague dashboards accessible by mobile application. The technology puts employees in control by allowing them to request time off and vacations digitally, view and query payslips and a host of other features.

The introduction of a new task management mobile application called Reflexis digitises day-to-day operational tasks, providing line managers with the ability to monitor, check compliance trends and analysis, and focus on training needs. The platform has the capacity to reduce paperwork by over 60% and removes unnecessary duplication of tasks.

The Company's logistics and supplier capabilities advanced in 2020 through the adoption of a new process automation platform for managing supplier requests and provide for end-to-end supplier communications. The technology, which is called SELA, was developed in-house and is designed to dramatically reduce paperwork by up to 90%, improve turnaround times and allow businesses to manage their supplier relationships remotely.

The successful in-house development and deployment of a new piece of software called PROMO, enables the Company to automate the management of weekly promotional campaigns, including the selection of items, pricing, supply chain and marketing activities.

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Stores across several major Saudi Arabian cities



BinDawood Supermarkets

“...the restriction on international flights meant that BinDawood supermarkets were unable to serve the hundreds of thousands of pilgrims that would regularly flow through Makkah and Madinah for Hajj and Umrah.”

The Company's chain of BinDawood supermarkets moved through a period of uncertainty as the pandemic unfolded, challenged first by a national lockdown and subsequently by social distancing regulations that significantly curbed footfall.

In addition, the restriction on international flights meant that BinDawood supermarkets were unable to serve the hundreds of thousands of pilgrims that would regularly flow through Makkah and Madinah for Hajj and Umrah.

Other headwinds included a major absence of promotional campaigns. They included the important annual Back to School period, which did not take place due to school closures and social distancing safety measures that restricted promotional space. Other factors that affected the business included a hike in VAT last July, and a shift in consumer spending trends towards electronic retail due to e-learning.

BinDawood Supermarkets incurred additional costs relating to restocking demands during lockdowns to ensure that procurement and logistics functions ran smoothly. Despite these hurdles, the business continued to operate effectively, navigating the challenges with strength.



Danube Supermarkets

“The Company’s first international outlet was announced in 2020, with a Danube hypermarket store scheduled to launch in the Al-Liwan Project in the Hamala area in northern Bahrain. The store, which boasts cutting edge technologies and premium design, will occupy a 5,305 sq/m space.”

The much-loved Danube brand expanded significantly in 2020, with the opening of five new outlets in Hail; Riyadh (Al Mazaar Takhasusi-1); Riyadh (Al Andalus Plaza); Khamis Mushait; and Jeddah (Fayfa Avenue).

The Danube brand emphasises the meticulous creation of a superior in-store experience through aspects like amplitude, style and cleanliness of the shopping space and a sharp focus on customer service and technology. In addition to that, the brand creates strong customer engagement through food festivals including its annual ‘Coffee Festival’, ‘Chocolate Festival’ and ‘World Week of Italian Cuisine’ (with the participation of international visiting chefs).

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Stores across several major Saudi Arabian cities

+17.5%

Growth in sales



BOARD OF DIRECTORS' REPORT

Board of Directors' Report

1. Non-implemented provisions of the Corporate Governance Regulations issued by the Capital Markets Authority (CMA) and justifications therefor

As the Company was only listed in Q4 2020, it is still in the process of ensuring full compliance with the Corporate Governance Regulations. The following steps have been taken and/or are proposed to be taken in 2021 to ensure full compliance with the CMA's Corporate Governance Regulations.

Article No.	Article	Article Type	Justifications
39	Training	Guiding Article	<p>The Company was recently listed on Tadawul and detailed training sessions on the subject of corporate governance have been delivered by external legal experts (Legal Advisors, Baker & McKenzie) over 4 workshops to members of the Board of Directors as well as senior management in:</p> <ul style="list-style-type: none"> • Related Party Transactions – 24 September 2020 • Corporate Governance – 11 November 2020 • Prospectus Disclosures and Continuing Obligations – 11 November 2020 • Insider Trading and Market Abuse – 26 November 2020
41	The assessment	Guiding Article	<p>Part of the listing preparation involved an exercise with PWC to conduct an independent assessment on all Executive Board members and key management personnel in 2019.</p> <p>The Company is planning to introduce a constructive assessment of the Board and its Committees on an annual basis starting from 2021.</p>
70	Composition of the Risk Management Committee	Guiding Article	Starting from 2021 the remit of the Audit Committee will be expanded to include the responsibilities of the Risk Management functions.
83	Regulating the relationship with stakeholders	Guiding Article	The Company is working on developing this policy and it is scheduled for launch in 2021.
84	Reporting non-compliant practices	Mandatory Article	The Audit Committee recommended a whistleblowing policy which is currently under review and approval by the Board of Directors in 2021.
85	Employee incentives	Guiding Article	The Company created other incentive programs for employees through different strategies and mechanisms. Additionally, there is a plan to establish social assembly for the benefit of the Company's employees.
95	Formation of a Corporate Governance Committee	Guiding Article	The Board approved the formation of the Corporate Governance Committee and approved its charter in Q1 FY 2021.

2. Names, qualifications, experience, as well as current and former responsibilities of the Board and Executive Management members

A. Summary of Board Members' and Board Secretary's CVs

Name	Abdulrazzag Dawood BinDawood
Current Positions	<ul style="list-style-type: none"> • Chairman of the Board of Directors, Non-Executive, BinDawood Holding • Executive Chairman of the Board of many companies including Danube Star for Bakeries and Marketing, Abdullah Dawood BinDawood and Sons Company Limited, BinDawood Trading Company Limited, National Leader for Real Estate Company Limited, Amwaj Real Estate Company Limited, AlQimma Hotels Company Limited, Akasiya Star Trading Company Limited, Future Field for Real Estate Company, Builders Company Limited • Chairman of the Board of many companies including BinDawood Superstores Company, Danube Star for Bakeries and Marketing, Danube Company for Foodstuff and Commodities
Qualifications	<ul style="list-style-type: none"> • Bachelor's degree in engineering from King Fahd University of Petroleum and Minerals, Dhahran • Honorary Doctorate of Economics from the European University of Benelux, Belgium
Previous Positions	• n/a
Experience	<ul style="list-style-type: none"> • Lifetime experience in retail sector • He also sits on a number of other Boards & Committees

Name	AbdulKhalig Dawood BinDawood
Current Positions	<ul style="list-style-type: none"> • Vice Chairman of the Board of Directors, BinDawood Holding • Executive chairman of the Board of Danube Star for Bakeries and Marketing • Executive member of the Board of many companies including Abdullah Dawood BinDawood and Sons Company Limited, BinDawood Trading Company Limited, National Leader for Real Estate Company Limited, Amwaj Real Estate Company Limited, AlQimma Hotels Company Limited, Akasiya Star Trading Company Limited, Future Field for Real Estate Company, Builders Company Limited • Vice Chairman of the Board of many companies including BinDawood Superstores Company, Danube Star for Bakeries and Marketing, Danube Company for Foodstuff and Commodities
Qualifications	• Bachelor's degree in physics from Umm Al-Qura University, Makkah
Previous Positions	• n/a
Experience	<ul style="list-style-type: none"> • Lifetime experience in retail sector • He also sits on a number of other Boards & Committees

Board of Directors' Report continued

2. Names, qualifications, experience, as well as current and former responsibilities of the Board and Executive Management members continued

A. Summary of Board Members' and Board Secretary's CVs continued

Name	Khalid Dawood BinDawood
Current Positions	<ul style="list-style-type: none"> Managing Director, BinDawood Holding Executive member of the Board of many companies including Danube Star for Bakeries and Marketing, Abdullah Dawood BinDawood and Sons Company Limited, BinDawood Trading Company Limited, National Leader for Real Estate Company Limited, Amwaj Real Estate Company Limited, AlQimma Hotels Company Limited, Akasiya Star Trading Company Limited, Future Field for Real Estate Company, Builders Company Limited Managing Director of the Board of Danube Flower for Recruitment
Qualifications	<ul style="list-style-type: none"> High School Degree from Al Dammam School, Al Dammam
Previous Positions	<ul style="list-style-type: none"> n/a
Experience	<ul style="list-style-type: none"> Lifetime experience in retail sector He also sits on a number of other Boards & Committees

Name	Ahmad Abdulrazzag BinDawood
Current Positions	<ul style="list-style-type: none"> Member of the Board of Directors CEO, BinDawood Holding Company CEO, Danube Company for Foodstuff and Commodities CEO, BinDawood Superstores Company Member of the Board of Red Sea Mall Company Member of the Board of International App Trading Company
Qualifications	<ul style="list-style-type: none"> Bachelor's degree in international business administration from King Abdulaziz University, the Kingdom of Saudi Arabia
Previous Positions	<ul style="list-style-type: none"> Assistant purchasing manager at Danube Company for Foodstuffs and Commodities Deputy Operations Manager at Danube Company for Foodstuffs and Commodities Business Development Manager at Danube Company for Foodstuffs and Commodities Deputy Chief Executive at Danube Company for Foodstuffs and Commodities
Experience	<ul style="list-style-type: none"> Retail & business sectors

Name	Tariq Abdullah BinDawood
Current Positions	<ul style="list-style-type: none"> Member of the Board of Directors, BinDawood Holding Chief Development Officer, BinDawood Holding
Qualifications	<ul style="list-style-type: none"> Middle school degree from AlAsimah School, Makkah, the Kingdom of Saudi Arabia
Previous Positions	<ul style="list-style-type: none"> Operations manager at the BinDawood Marketing Center Establishment Regional operations manager at the BinDawood Marketing Center Establishment Chief of operations at BinDawood Superstores Company Projects & Development Manager, BinDawood Holding
Experience	<ul style="list-style-type: none"> He is a member of a number of other Boards Retail & business sectors

Name	Walid Michel Majdalani
Current Positions	<ul style="list-style-type: none"> Member of the Board of Directors, BinDawood Holding Head of Private Equity MENA and Southeast Asia at Investcorp Financial Services BSC Member of the nomination and remuneration committee and member of the Board at Automak Automotive Company K.S.C.C Member of the nomination and remuneration committee and member of the Board at NDT and Corrosion Control Services Company Member of the Board at Investcorp Saudi Arabia Financial Investments Co. Member of the Board at Al Yusr Industrial Contracting Company and its Subsidiaries Member of the Board of Orka Holding A.S. Member of the Board of Hydrasun Group Holdings Ltd Member of the Board of Hydrasun Group Equipment Ltd
Qualifications	<ul style="list-style-type: none"> Bachelor's degree in information management systems from the University of Texas, the United States of America Master's degree in business administration from Harvard University, the United States of America
Previous Positions	<ul style="list-style-type: none"> Assets and investment manager at ABN Amro Bank N.V, a public limited company established in the Netherlands, and operating in the banking sector United Arab Emirates regional manager at Oracle Systems Limited, a limited liability company established in the United States of America, and operating in the information technology sector Principal at Investcorp Bank B.S.C, a joint stock company established in the Kingdom of Bahrain, and operating in the financial sector Managing Director at Investcorp Bank B.S.C. Member of the nomination and remuneration committee and member of the board at Theeb Rent A Car Company
Experience	<ul style="list-style-type: none"> He is a member of a number of other Boards and Committees Banking, financial & private equity sectors

Name	Abdulrahman Mohammed Albarrak
Current Positions	<ul style="list-style-type: none"> Member of the Board of Directors, BinDawood Holding Chairman of the Audit Committee at BinDawood Holding President of Thara Consulting
Qualifications	<ul style="list-style-type: none"> Bachelor's degree in accounting from King Faisal University, the Kingdom of Saudi Arabia Master's degree in finance from the University of Colorado, the United States of America Doctorate in finance from Newcastle University, the United Kingdom
Previous Positions	<ul style="list-style-type: none"> Vice-chairman of the Capital Market Authority Board Member of the Capital Market Authority Board Chaired the Audit Committee of the Capital Market Authority (CMA), the Saudi Organization for Certified Public Accountants (SOCPA), and a number of Executive Committees and Strategic Committees overseeing projects related to the development of the Saudi financial market Associate professor, dean, and head of the finance department at King Faisal University Member of the Board at the Saudi Organization for Certified Public Accountants
Experience	<ul style="list-style-type: none"> Board member for a number of joint-stock companies and Chairman of a number of their Audit Committees Extensive experience in financial markets, finance and corporate governance, and internal audit and control systems

Board of Directors' Report continued

2. Names, qualifications, experience, as well as current and former responsibilities of the Board and Executive Management members continued

A. Summary of Board Members' and Board Secretary's CVs continued

Name	Iyad Mazhar Malas
Current Positions	<ul style="list-style-type: none"> Member of the Board of Directors, BinDawood Holding CEO and Board member of Al Ghurair Group and subsidiaries, UAE Advisor to the Board of Sawari Ventures Board member of Olayan Food Division, Saudi Arabia Board member of Methak Holding, Saudi Arabia Board member of ASGC Construction, UAE Chairman of BECO Fund I, UAE
Qualifications	<ul style="list-style-type: none"> Bachelor's degree in business administration from the American University of Beirut, Lebanon Master's degree in international business administration from the George Washington University, the United States of America Chartered financial analyst from the Institute of Chartered Financial Analysts, Charlottesville, Virginia Association for Investment Management and Research, the United States of America
Previous Positions	<ul style="list-style-type: none"> Advisor to Gulf Capital Market analyst at the International Finance Corporation, Washington Investment officer at the International Finance Corporation, Washington Senior investment officer at the International Finance Corporation, Washington Regional financial markets manager at the International Finance Corporation, Washington CEO at Fleming CIIC CEO at EFG-Hermes Regional director at the International Finance Corporation, India CEO at Majid Al Futtaim Trust CEO at Majid Al Futtaim Holding Company Partner and senior executive officer at Gateway Partners
Experience	<ul style="list-style-type: none"> He is an acting advisor to a number of other Boards Finance, business & retail sectors

Name	Nitin Khanna
Current Positions	<ul style="list-style-type: none"> Member of the Board of Directors, BinDawood Holding Advisor to several subsidiaries of Transmed Holdings SA Advisory Board Member, Emirates Hospital Group Senior partner in Nucleus Consultancy FZC LLC
Qualifications	<ul style="list-style-type: none"> Bachelor's degree in economics from Delhi University, India, in 1974 Chartered Accountant, from the Institute of Chartered Accountants of India, 1979
Previous Positions	<ul style="list-style-type: none"> Semi senior at Whinney Murray, Bahrain (now known as Ernst & Young) Assistant manager and manager in the Audit line of service at PricewaterhouseCoopers Senior Manager and director in the Audit and Deals Advisory lines of services at PricewaterhouseCoopers, Dubai Branch Partner at PricewaterhouseCoopers, Dubai Branch Member of the Middle East Leadership Team of PricewaterhouseCoopers, the Middle East Region Regional head of risk and quality at PricewaterhouseCoopers, the Middle East Region Regional Transaction Services Leader at PricewaterhouseCoopers, the Middle East Region Regional Corporate Finance Leader at PricewaterhouseCoopers, the Middle East Region Member of the Deals Leadership Team of PricewaterhouseCoopers, the Middle East Region
Experience	<ul style="list-style-type: none"> Finance, accounting, economics & business sectors

Name	Ammar Alattas
Current Positions	<ul style="list-style-type: none"> Secretary of the Board of Directors Director of Legal Affairs at BinDawood Holding
Qualifications	<ul style="list-style-type: none"> Brunel University, UK – LLM International Economic and Trade Law King Abdul-Aziz University, KSA-LLB, Bachelor of Law
Previous Positions	<ul style="list-style-type: none"> Legal Lead, Pfizer Saudi Limited, KSA Legal Lead, GlaxoSmithKline, KSA Associate, Hammad & Al-Mehdar Law Firm, KSA Associate, Nowailaty Law Firm, KSA
Experience	<ul style="list-style-type: none"> Legal & business sectors

2. Names, qualifications, experience, as well as current and former responsibilities of the Board and Executive Management members continued

B. Summary of Committee Members' CVs

i. Nomination and Remuneration Committee

The main function of the Nomination and Remuneration Committee is to identify qualified candidates who are eligible for Board membership. The Committee is also responsible for assisting the Board in establishing a proper governance system and drafting the necessary policies and procedures in relation to determining each individual Executive Director's total remuneration package and setting targets for performance related pay.

No.	Name	Title
1	Iyad Mazhar Malas ⁽¹⁾	Chairman
2	Abdulrazzag Dawood BinDawood ⁽²⁾	Member
3	Thamer Saeed Althubaiti	Member

(1) Iyad Mazhar Malas: his current and previous positions, qualifications and experience were mentioned earlier in this report.

(2) Abdulrazzag Dawood BinDawood: his current and previous positions, qualifications and experience were mentioned earlier in this report.

Name	Thamer Saeed Althubaiti
Current Positions	<ul style="list-style-type: none"> Member of the Nomination and Remuneration Committee and the Audit Committee, BinDawood Holding Founder and partner at Thamer Saeed Althubaiti and Dhafer AlSubaei for Law and Legal Advisory Company, Kingdom of Saudi Arabia Vice president at Saeed Althubaiti for Jewellery Establishment and its branches, Kingdom of Saudi Arabia
Qualifications	<ul style="list-style-type: none"> Bachelor's degree in law from King Abdulaziz University, Kingdom of Saudi Arabia
Previous Positions	<ul style="list-style-type: none"> Legal advisor at AlSheikh Abdullah AlMusleh Legal Group, Kingdom of Saudi Arabia
Experience	<ul style="list-style-type: none"> Member of the Gold and Jewellery Committee at the Jeddah Chamber of Commerce Member of the Friends of the Saudi Red Crescent Authority Committee at the Jeddah Chamber of Commerce Retail & legal sectors

ii. Audit Committee

The main tasks of the Audit Committee are to provide oversight of the financial reporting process, to assess the adequacy and effective implementation of the internal control systems and to make recommendations to the Board of Directors that would improve and strengthen these systems to achieve the Company's objectives. The Committee is also responsible for reviewing risk management policies, the annual risk report and risk mitigation plans before presenting them to the Board of Directors. In addition, the Committee is responsible for ensuring compliance with the Company's Corporate Governance Regulations and Practices issued by the CMA and the Company's Corporate Governance Manual and Policy.

Audit Committee Members

No.	Name	Title
1	Abdulrahman Mohammed Albarrak ⁽¹⁾	Chairman
2	Walid Michel Majdalani ⁽²⁾	Member
3	Thamer Saeed Althubaiti ⁽³⁾	Member

(1) Abdulrahman Mohammed Albarrak: his current and previous positions, qualifications and experience were mentioned earlier in this report.

(2) Walid Michel Majdalani: his current and previous positions, qualifications and experience were mentioned earlier in this report.

(3) Thamer Saeed Althubaiti: his current and previous positions, qualifications and experience were mentioned earlier in this report.

iii. Executive Committee

The main task of the Executive Committee is to review the policies and strategic goals of the Company and monitor their implementation. The Executive Committee is also responsible for reviewing periodically the strategic plans and operational objectives of the Company and its subsidiaries to ensure their conformity with the Company's objectives. It effectively acts as a bridge between the Board and the Executive Management.

No.	Name	Title
1	Abdulrazzag Dawood BinDawood ⁽¹⁾	Chairman
2	AbdulKhalig Dawood BinDawood ⁽²⁾	Member
3	Walid Michel Majdalani ⁽³⁾	Member
4	Nitin Khanna ⁽⁴⁾	Member

(1) Abdulrazzag Dawood BinDawood: his current and previous positions, qualifications and experience were mentioned earlier in this report.

(2) AbdulKhalig Dawood BinDawood: his current and previous positions, qualifications and experience were mentioned earlier in this report.

(3) Walid Michel Majdalani: his current and previous positions, qualifications and experience were mentioned earlier in this report.

(4) Nitin Khanna: his current and previous positions, qualifications and experience were mentioned earlier in this report.

C. Summary of Executive Management CVs

The Company's senior management is comprised of qualified Saudi and non-Saudi members with significant retail expertise.

The senior management team currently consists of eight members.

Name	AbdulKhalig Dawood BinDawood
Current Positions	<ul style="list-style-type: none"> Vice Chairman <p>His current and previous positions, qualifications and experience were mentioned earlier in this report</p>

Name	Khalid Dawood BinDawood
Current Positions	<ul style="list-style-type: none"> Managing Director <p>His current and previous positions, qualifications and experience were mentioned earlier in this report</p>

Name	Ahmad Abdulrazzag BinDawood
Current Positions	<ul style="list-style-type: none"> Chief Executive Officer <p>His current and previous positions, qualifications and experience were mentioned earlier in this report</p>

Name	Tariq Abdullah BinDawood
Current Positions	<ul style="list-style-type: none"> Chief Development Officer <p>His current and previous positions, qualifications and experience were mentioned earlier in this report</p>

Board of Directors' Report continued

2. Names, qualifications, experience, as well as current and former responsibilities of the Board and Executive Management members continued

C. Summary of Executive Management CVs continued

Name	Muhammed Salim Patka
Current Positions	<ul style="list-style-type: none"> Chief Financial Officer
Qualifications	<ul style="list-style-type: none"> Bachelor's degree in business administration from the University of Karachi, Pakistan Chartered Accountancy Finalist from the Institute of Chartered Accountants of Pakistan, Pakistan
Previous Positions	<ul style="list-style-type: none"> Audit associate at Ford Rhodes Robson Morrow, Pakistan Senior audit associate, PricewaterhouseCoopers, Pakistan Senior finance officer, Hoechst Pakistan Assistant finance manager, Hoechst Pakistan Financial controller, Roussel-Uclaf Environmental Health, Pakistan Finance manager, Hoechst Pakistan Divisional manager finance, Hoechst Pakistan Chief financial officer and company secretary, AgrEvo, Pakistan Chief financial officer and company secretary, Aventis CropScience, Pakistan Chief financial officer at BinDawood Superstores Company, Kingdom of Saudi Arabia
Experience	<ul style="list-style-type: none"> CFO of the Year Award – Private Sector, Saudi Trade Finance Awards, KSA, 2019 Best Strategy Execution – Public Sector, Saudi Trade Finance Awards, KSA, 2020

Name	Walid Abdulrazzag BinDawood
Current Positions	<ul style="list-style-type: none"> Chief Commercial Officer
Qualifications	<ul style="list-style-type: none"> Bachelor's degree in finance and administration from King Abdulaziz University, Kingdom of Saudi Arabia Master's degree in business administration from Cardiff Metropolitan University, United Kingdom
Previous Positions	<ul style="list-style-type: none"> Category buyer at BinDawood Superstores Company, Kingdom of Saudi Arabia Chief operating manager at BinDawood Superstores Company, Kingdom of Saudi Arabia Board secretary at BinDawood Holding, Kingdom of Saudi Arabia Chief human resources officer at Danube Company for Foodstuffs and Kingdom of Saudi Arabia Chief human resources officer at BinDawood Superstores Company, Kingdom of Saudi Arabia Chief commercial officer at BinDawood Superstores Company, Kingdom of Saudi Arabia
Experience	<ul style="list-style-type: none"> Retail & business Sectors

Name	Basem Hijaz
Current Positions	<ul style="list-style-type: none"> Chief Audit, Risk Management & Compliance Officer, Secretary of the Audit Committee
Qualifications	<ul style="list-style-type: none"> BA Accounting, Faculty of Business Administration, The University of Jordan Qualification in Internal Audit Leadership (QIAL), Institute of Internal Auditors, USA Certified Public Accountant (CPA) certificate, American Institute of Certified Public Accountants, USA Certified Internal Auditor (CIA) Institute of Internal Auditors, USA Certified Information System Auditor (CISA), Information System Audit & Control Association, USA Certified Fraud Examiner (CFE), ACFE, USA Certification in Risk Management Assurance (CRMA), Institute of Internal Auditors, USA Certified in Risk and Information System Control (CRISC), Information System Audit & Control Association, USA Certification in Control Self Assessment (CCSA), Institute of Internal Auditors, USA
Previous Positions	<ul style="list-style-type: none"> Chief Audit Executive, Secretary of the Audit Committee: NADEC Chief Audit Executive, Secretary of the Audit Committee: Qatari Investors Group Internal Audit Director: Bawan Company Regional Internal Auditor: United Electronics Co. EXTRA Senior Internal Auditor: Jordan Electricity Company
Experience	<ul style="list-style-type: none"> Audit Committee Chairman of Careem Incorporation since establishment until becoming a subsidiary to Uber Audit Committee Chairman of Institute of Internal Auditors – Jordan, since 2019 Founder and Ex-vice President of Institute of Internal Auditors Governance, risk management, compliance & audit experience

Name	Siobhán Maria McCarthy
Current Positions	<ul style="list-style-type: none"> Chief Communications Officer, BinDawood Holding
Qualifications:	<ul style="list-style-type: none"> Bachelor of Arts degree in Journalism & Communications from Griffith College, Dublin, Ireland Certificate of Investor Engagement & Shareholder Relations, Informa Middle East Certificate, Race & Ethnicity, Trinity College Dublin, Ireland
Previous Positions	<ul style="list-style-type: none"> Chief Communications Officer at AYM Commerce, UAE Director of Communications, AYM Commerce, UAE Head of corporate communications, Europe, Middle East, Africa & South Asia, Travelport Account Director, & Director of Affiliates, Edelman, operating in communications
Experience	<ul style="list-style-type: none"> Top 50 Marketing & Communications Professionals in the Middle East, 2020 Forbes Middle East Communications, public relations & investor relations sectors

Note: The former Chief Human Resources Officer, Waleed Al Ghonaim left the Company on 31 December 2020. The Company is currently seeking a replacement hire for this position.

Note: The Company is in the advanced stages of appointing a Chief Technology Officer.

3. Names of the companies inside and outside KSA in which a Board member is a member of their current or previous Boards or a manager thereof

No.	Board member name	Names of companies in which the member of the Board of Directors is a director or manager of its current board of directors	Inside the Kingdom/ Outside the Kingdom	Legal entity (Listed/ unlisted/ Limited Liability)	Names of companies in which the member of the Board of Directors was a director or manager of its previous board of directors	Inside the Kingdom/ Outside the Kingdom	Legal entity (Listed/ unlisted/ Limited Liability)
1	Abdulrazzaq BinDawood	BinDawood Holding	Inside	Listed			
		Danube Star for Bakeries and Marketing	Inside	Limited Liability			
		Abdullah Dawood BinDawood and Sons	Inside	Limited Liability			
		BinDawood Trading Company Limited	Inside	Limited Liability			
		National Leader For Real Estate	Inside	Limited Liability			
		Amwaj Real Estate Company Limited	Inside	Limited Liability			
		AlQimma Hotels Company Limited	Inside	Limited Liability			
		Abdulrazzag Dawood BinDawood and Partners Company Limited	Inside	Limited Liability			
		Suleiman Dawood BinDawood and Partners Company Limited	Inside	Limited Liability			
		Sarah Dawood BinDawood and Partners Company Limited	Inside	Limited Liability			
		Khalid Dawood BinDawood and Partners Company Limited	Inside	Limited Liability			
		Ismail Abdul Majed Hussain Trading Company Limited	Inside	Limited Liability			
		Asma Dawood BinDawood and Partners Company Limited	Inside	Limited Liability			
		Hajar Dawood BinDawood Company and Partners Limited	Inside	Limited Liability			
		Abdulkhaliq Dawood BinDawood and Partners Company Limited,	Inside	Limited Liability			
Ismail BinDawood Sons and Partners Company Limited	Inside	Limited Liability					

No.	Board member name	Names of companies in which the member of the Board of Directors is a director or manager of its current board of directors	Inside the Kingdom/ Outside the Kingdom	Legal entity (Listed/ unlisted/ Limited Liability)	Names of companies in which the member of the Board of Directors was a director or manager of its previous board of directors	Inside the Kingdom/ Outside the Kingdom	Legal entity (Listed/ unlisted/ Limited Liability)
		Tariq Abdullah BinDawood and Partners Company Limited	Inside	Limited Liability			
		Akasiya Star Trading Company Limited	Inside	Limited Liability			
		Future Field for Real Estate Company	Inside	Limited Liability			
		Builders Company Limited	Inside	Limited Liability			
		BinDawood Superstores Company	Inside	Limited Liability			
		Danube Star for Bakeries and Marketing	Inside	Limited Liability			
		Danube Company for Foodstuff and Commodities	Inside	Limited Liability			
		Abdullah Dawood BinDawood and Sons Company Limited	Inside	Limited Liability			
		BinDawood Trading Company Limited	Inside	Limited Liability			
		National Leader For Real Estate Company Limited	Inside	Limited Liability			
		Safa Company for Household Ware	Inside	Limited Liability			
		Jumairah Marketing Company	Outside	Unlisted			
		International Application Trading Company	Inside	Limited Liability			
		Amwaj Real Estate Company Limited	Inside	Limited Liability			
		Abdulrazzag Dawood BinDawood and Partners Company Limited	Inside	Limited Liability			
		Danube Flower for Recruitment	Inside	Unlisted			

Board of Directors' Report continued

3. Names of the companies inside and outside KSA in which a Board member is a member of their current or previous Boards or a manager thereof continued

No.	Board member name	Names of companies in which the member of the Board of Directors is a director or manager of its current board of directors	Inside the Kingdom/ Outside the Kingdom	Legal entity (Listed/ unlisted/ Limited Liability)	Names of companies in which the member of the Board of Directors was a director or manager of its previous board of directors	Inside the Kingdom/ Outside the Kingdom	Legal entity (Listed/ unlisted/ Limited Liability)
2	AbdulKhalig Dawood BinDawood	BinDawood Holding	Inside	Listed			
		Danube Star for Bakeries and Marketing	Inside	Limited Liability			
		Abdullah Dawood BinDawood and Sons	Inside	Limited Liability			
		BinDawood Trading Company Limited	Inside	Limited Liability			
		National Leader For Real Estate	Inside	Limited Liability			
		Amwaj Real Estate Company Limited	Inside	Limited Liability			
		AlQimma Hotels Company Limited	Inside	Limited Liability			
		Abdulrazzag Dawood BinDawood and Partners Company Limited	Inside	Limited Liability			
		Suleiman Dawood BinDawood and Partners Company Limited	Inside	Limited Liability			
		Sarah Dawood BinDawood and Partners Company Limited	Inside	Limited Liability			
		Khalid Dawood BinDawood and Partners Company Limited	Inside	Limited Liability			
		Ismail Abdul Majed Hussain Trading Company Limited	Inside	Limited Liability			
		Asma Dawood BinDawood and Partners Company Limited	Inside	Limited Liability			
		Hajar Dawood BinDawood Company and Partners Limited	Inside	Limited Liability			
		AbdulKhalig Dawood BinDawood and Partners Company Limited,	Inside	Limited Liability			
Ismail BinDawood Sons and Partners Company Limited	Inside	Limited Liability					

No.	Board member name	Names of companies in which the member of the Board of Directors is a director or manager of its current board of directors	Inside the Kingdom/ Outside the Kingdom	Legal entity (Listed/ unlisted/ Limited Liability)	Names of companies in which the member of the Board of Directors was a director or manager of its previous board of directors	Inside the Kingdom/ Outside the Kingdom	Legal entity (Listed/ unlisted/ Limited Liability)
		Tariq Abdullah BinDawood and Partners Company Limited	Inside	Limited Liability			
		Akasiya Star Trading Company Limited	Inside	Limited Liability			
		Future Field for Real Estate Company	Inside	Limited Liability			
		Builders Company Limited	Inside	Limited Liability			
		BinDawood Superstores Company	Inside	Limited Liability			
		Danube Star for Bakeries and Marketing	Inside	Limited Liability			
		Danube Company for Foodstuff and Commodities	Inside	Limited Liability			
		Abdullah Dawood BinDawood and Sons Company Limited	Inside	Limited Liability			
		BinDawood Trading Company Limited	Inside	Limited Liability			
		National Leader For Real Estate Company Limited	Inside	Limited Liability			
		Safa Company for Household Ware	Inside	Limited Liability			
		Jumairah Marketing Company	Outside	Unlisted			
		International Application Trading Company	Inside	Limited Liability			
		Amwaj Real Estate Company Limited	Inside	Limited Liability			
		Abdulrazzag Dawood BinDawood and Partners Company Limited	Inside	Limited Liability			
		Danube Flower for Recruitment	Inside	Unlisted			

Board of Directors' Report continued

3. Names of the companies inside and outside KSA in which a Board member is a member of their current or previous Boards or a manager thereof continued

No.	Board member name	Names of companies in which the member of the Board of Directors is a director or manager of its current board of directors	Inside the Kingdom/ Outside the Kingdom	Legal entity (Listed/ unlisted/ Limited Liability)	Names of companies in which the member of the Board of Directors was a director or manager of its previous board of directors	Inside the Kingdom/ Outside the Kingdom	Legal entity (Listed/ unlisted/ Limited Liability)
3	Khalid Dawood BinDawood	BinDawood Holding	Inside	Listed			
		Danube Star for Bakeries and Marketing	Inside	Limited Liability			
		Abdullah Dawood BinDawood and Sons	Inside	Limited Liability			
		BinDawood Trading Company Limited	Inside	Limited Liability			
		National Leader For Real Estate	Inside	Limited Liability			
		Amwaj Real Estate Company Limited	Inside	Limited Liability			
		AlQimma Hotels Company Limited	Inside	Limited Liability			
		Abdulrazzag Dawood BinDawood and Partners Company Limited	Inside	Limited Liability			
		Suleiman Dawood BinDawood and Partners Company Limited	Inside	Limited Liability			
		Sarah Dawood BinDawood and Partners Company Limited	Inside	Limited Liability			
		Khalid Dawood BinDawood and Partners Company Limited	Inside	Limited Liability			
		Ismail Abdul Majed Hussain Trading Company Limited	Inside	Limited Liability			
		Asma Dawood BinDawood and Partners Company Limited	Inside	Limited Liability			
		Hajar Dawood BinDawood Company and Partners Limited	Inside	Limited Liability			
		Abdulkhaliq Dawood BinDawood and Partners Company Limited,	Inside	Limited Liability			
Ismail BinDawood Sons and Partners Company Limited	Inside	Limited Liability					

No.	Board member name	Names of companies in which the member of the Board of Directors is a director or manager of its current board of directors	Inside the Kingdom/ Outside the Kingdom	Legal entity (Listed/ unlisted/ Limited Liability)	Names of companies in which the member of the Board of Directors was a director or manager of its previous board of directors	Inside the Kingdom/ Outside the Kingdom	Legal entity (Listed/ unlisted/ Limited Liability)
		Tariq Abdullah BinDawood and Partners Company Limited	Inside	Limited Liability			
		Akasiya Star Trading Company Limited	Inside	Limited Liability			
		Future Field for Real Estate Company	Inside	Limited Liability			
		Builders Company Limited	Inside	Limited Liability			
		BinDawood Superstores Company	Inside	Limited Liability			
		Danube Star for Bakeries and Marketing	Inside	Limited Liability			
		Danube Company for Foodstuff and Commodities	Inside	Limited Liability			
		Abdullah Dawood BinDawood and Sons Company Limited	Inside	Limited Liability			
		BinDawood Trading Company Limited	Inside	Limited Liability			
		National Leader For Real Estate Company Limited	Inside	Limited Liability			
		Safa Company for Household Ware	Inside	Limited Liability			
		Jumairah Marketing Company	Outside	Unlisted			
		International Application Trading Company	Inside	Limited Liability			
		Amwaj Real Estate Company Limited	Inside	Limited Liability			
		Abdulrazzag Dawood BinDawood and Partners Company Limited	Inside	Limited Liability			
		Danube Flower for Recruitment	Inside	Unlisted			

Board of Directors' Report continued

3. Names of the companies inside and outside KSA in which a Board member is a member of their current or previous Boards or a manager thereof continued

No.	Board member name	Names of companies in which the member of the Board of Directors is a director or manager of its current board of directors	Inside the Kingdom/ Outside the Kingdom	Legal entity (Listed/ unlisted/ Limited Liability)	Names of companies in which the member of the Board of Directors was a director or manager of its previous board of directors	Inside the Kingdom/ Outside the Kingdom	Legal entity (Listed/ unlisted/ Limited Liability)
4	Ahmad Abdulrazzag BinDawood	BinDawood Holding Company	Inside	Listed			
		Red Sea Mall Company	Inside	Unlisted			
		International Application Trading Company	Inside	Limited Liability			
5	Tariq Abdullah BinDawood	BinDawood Holding Company	Inside	Listed			
		Abdullah Dawood BinDawood and Sons	Inside	Limited Liability			
		Tariq Abdullah BinDawood and Partners Company Limited	Inside	Limited Liability			
		Danube Flower for Recruitment	Inside	Unlisted			
6	Walid Michel Majdalani	BinDawood Holding Company	Inside	Listed	Theeb Rent A Car Company	Inside	Unlisted
		Automak Automotive Company K.S.C.C	Outside	Unlisted			
		NDT and Corrosion Control Services Company	Inside	Unlisted			
		Al Yusr Industrial Contracting Company and its Subsidiaries	Inside	Unlisted			
		Orka Holding A.S	Outside	Unlisted			
		Hydrasun Group Holdings Ltd	Outside	Unlisted			
		Hydrasun Group Equipment Ltd	Outside	Unlisted			

No.	Board member name	Names of companies in which the member of the Board of Directors is a director or manager of its current board of directors	Inside the Kingdom/ Outside the Kingdom	Legal entity (Listed/ unlisted/ Limited Liability)	Names of companies in which the member of the Board of Directors was a director or manager of its previous board of directors	Inside the Kingdom/ Outside the Kingdom	Legal entity (Listed/ unlisted/ Limited Liability)
7	Abdulrahman Mohammed Albarrak	BinDawood Holding Company	Inside	Listed	The Mediterranean and Gulf Insurance and Reinsurance Company	Inside	Listed
		Thara Administrative Consulting Company	Inside	Limited Liability			
		Alandalus Property Company	Inside	Listed			
8	Iyad Mazhar Malas	BinDawood Holding Company	Inside	Listed	Majid Al Futtaim Holding Company	Outside	Limited Liability
		BECO Fund I	Outside	Limited Liability	Infinity Invest Company	Outside	Limited Liability
		Egy Caffé Company	Outside	Limited Liability	Falcon Group Company	Outside	Limited Liability
		Methak Holding	Inside	Limited Liability	ABC Company	Outside	Unlisted
		Fetchr Company	Outside	Limited Liability			
		Olayan Food Division	Inside	Unlisted			
		Al Ghurair Group	Outside	Unlisted			
ASGC Construction	Outside	Unlisted					
9	Nitin Khanna	BinDawood Holding Company	Inside	Listed			
		Emirates Hospital Group	Outside	Unlisted			
		The Commonwealth Trade Bank	Outside	Unlisted			

4. Composition of the Board and classification of its members, as follows: Executive Director, Non-Executive Director, or Independent Director

The Company's Board of Directors

Name	Position	Status
Abdulrazzag Dawood BinDawood	Chairman	Non-Executive
Abdulkhaliq Dawood BinDawood	Vice Chairman	Executive
Khalid Dawood BinDawood	Managing Director	Executive
Ahmad Abdulrazzag BinDawood	Chief Executive Officer	Executive
Tariq Abdullah BinDawood	Chief Development Officer	Executive
Walid Michel Majdalani	Director	Non-Executive
Abdulrahman Mohammed Albarrak	Director	Independent
Iyad Mazhar Malas	Director	Independent
Nitin Khanna	Director	Independent

5. Procedures taken by the Board to inform its members, particularly Non-executive members, of shareholder suggestions and remarks concerning the Company and its performance

The Company was publicly listed on Tadawul (Saudi Stock Exchange) in Q4 2020. After announcing its first official results post-IPO listing, the Company invited its shareholders, investors, research analysts & banking partner to a Q3 results earnings call on 16 November 2020. The announcement was made on Tadawul. The call was arranged by JPM. Ahmad Abdulrazzag BinDawood, the CEO of BinDawood Holding, hosted the call along with the support of the CFO and Head of Investor Relations.

Furthermore, in the next Board meeting, the CEO updated the Board on investors' suggestions and remarks concerning the Company and its performance. This is a routinely scheduled discussion point in all future Board meetings.

The Company established its Investor Relations department during Q4 2020. As a newly listed company, the role is nascent and growing. The priority is to create the function according to recognized international best practice to facilitate effective communication with the Company's investors, whereby the investors can contact the department directly through emails or direct phone calls to share their concerns, questions, and remarks. Also, the Company has established a dedicated helpline and email through which investors can reach our IR department for any queries.

In addition, the Company is developing an advanced IR section on its website to include stock overview, financial statements & ratios, and dividend policy overview sections.

6. A brief description of the competencies and duties of the committees, indicating committee names, as well as the names of Chairmen, members and the number of their respective meetings, dates thereof and the members in attendance

A. Audit Committee

1. Brief

Audit Committee

The main tasks of the Audit Committee are to provide financial reporting oversight to assess the adequacy and effective implementation of the internal control systems and to make any recommendations to the Board of Directors that would improve and strengthen these systems to achieve the Company's objectives. The Committee is also responsible for reviewing risk management policies, the annual risk report and risk reduction plans before presenting the same to the Board of Directors. In addition, the Committee is responsible for ensuring compliance by the Company with the Corporate Governance Regulations and Practices issued by the CMA and the Company's Corporate Governance Manual and Policy. The scope of the Committee's work shall include all actions that enable it to fulfil its functions, including:

1. Analyzing the Company's interim and annual financial statements before presenting them to the Board and providing its opinion and recommendations thereon to ensure their integrity, fairness and transparency.
2. Providing its technical opinion, at the request of the Board, regarding whether the Board's report and the Company's financial statements are fair, balanced, understandable, and contain information that allows shareholders and investors to assess the Company's financial position, performance, business model, and strategy.
3. Analyzing any important or non-familiar issues contained in the financial reports.
4. Accurately investigating any issues raised by the Company's chief financial officer or any person assuming his/her duties or the Company's compliance officer or external auditor.
5. Examining the accounting estimates in respect of significant matters that are contained in the financial reports.
6. Examining the accounting policies followed by the Company and providing its opinion and recommendations to the Board thereon.
7. Examining and reviewing the Company's internal and financial control systems and risk management system.
8. Analyzing the internal audit reports and following up the implementation of the corrective measures in respect of the remarks made in such reports.
9. Monitoring and overseeing the performance and activities of the internal auditor and internal audit department of the company, if any, to ensure the availability of the necessary resources and their effectiveness in performing the assigned activities and duties. If the Company has no internal auditor, the Committee shall provide a recommendation to the Board on whether there is a need to appoint an internal auditor.
10. Providing a recommendation to the Board on appointing the Head of Internal Audit Department, or the internal auditor and suggest his/her remuneration.
11. Providing recommendations to the Board to nominate external auditors, dismiss them, determine their remuneration, and assess their performance after verifying their independence and reviewing the scope of their work and the terms of their contracts.
12. Verifying the independence of the external auditor, its objectivity, fairness, and effectiveness of the audit activities, taking into account the relevant rules and standards.
13. Reviewing the plan of the Company's external auditor and its activities, and ensuring that it does not provide any technical or administrative works that are beyond its scope of work, and provides its opinion thereon.
14. Responding to queries of the Company's external auditor.
15. Reviewing the external auditor's reports and its comments on the financial statements, and following up the procedures taken in connection therewith.
16. Reviewing the findings of the reports of supervisory authorities and ensuring that the Company has taken the necessary actions in connection therewith.
17. Ensuring the Company's compliance with the relevant laws, regulations, policies and instructions.
18. Reviewing the contracts and proposed Related Party transactions, and providing its recommendations to the Board in connection therewith.
19. Reporting to the Board any issues in connection with what it deems necessary to take action on, and providing recommendations as to the steps that should be taken.

Based on the aforementioned scope of work, periodic review reports submitted by the Company's internal audit department, the external auditor and the executive management of the Company, and the management's assurances about the integrity of the Company's control system, the Audit Committee is of the opinion that the internal control system is efficient and sufficient and that there are no material matters that require additional disclosure in the financial statements for the fiscal year ended on 31 December 2020.

6. A brief description of the competencies and duties of the committees, indicating committee names, as well as the names of Chairmen, members and the number of their respective meetings, dates thereof and the members in attendance continued

A. Audit Committee continued

1. Brief continued

Audit Committee continued

The Audit Committee consists of three members appointed by the Ordinary General Assembly for a period of three years.

Audit Committee Members

No.	Name	Title
1	Abdulrahman Mohammed Albarrak	Chairman
2	Walid Michel Majdalani	Member
3	Thamer Saeed Althubaiti	Member

2. Attendance

Audit Committee Meeting Attendance (2020)

Members	27 May	18 June	20 August	23 September	5 November	28 December
Abdulrahman Mohammed Albarrak	*	*	*	*	*	*
Walid Michel Majdalani	*	*	*	*	*	*
Thamer Saeed Althubaiti	*	*	*	*	*	*

B. Nomination and Remuneration Committee

1. Brief

Nomination and Remuneration Committee

The main function of the Nomination and Remuneration Committee is to identify qualified candidates who are eligible for Board membership. The Committee is also responsible for assisting the Board in establishing a proper governance system and drafting the necessary policies and procedures in relation to determining each individual Executive Director's total remuneration package and setting targets for performance related pay. The Committee's scope of work includes all duties designed to enable it to fulfil its functions, including:

Nomination

- Identifying qualified candidates and nominating them to the Board of Directors.
- Conducting an annual review of Board membership requirements, which shall include the candidates' capabilities, experience and availability to fulfil their Board responsibilities.
- Determining the strengths and weaknesses of the Board and proposing required changes thereto beneficial to the Company's interests.
- Nominating candidates for the positions of Chief Executive Officer and Managing Director, as well as nominating Committee members for approval by the Board of Directors or the General Assembly.
- Reviewing the approval policies and procedures for Board membership prior to their adoption through the General Assembly.
- Monitoring the independence of independent Board members and monitoring any conflicts of interest on an annual basis.
- Reviewing the preparatory materials and training courses destined to new Board members.
- Establishing clear policies regarding the remuneration of managers and senior executives.
- Reviewing and proposing plans for the assumption of key executive functions.

Remuneration

- Reviewing the structure of the Board and proposing required changes thereto beneficial to the Company's interests.
- Reviewing and approving the Company's overall structure of rewards and privileges, which includes employment grades, structure of wages and privileges, as well as rewards and incentives associated with performance.
- Approving changes to the remuneration of the Chief Executive Officer and recommending changes to the remuneration of the Managing Directors, the Directors and members of the various Board Committees.
- Approving extraordinary remuneration (signing or performance bonuses) for the Chief Executive Officer and senior executives. Subject to the requirements that must be met by members of the Nomination and Remuneration Committee, the Board of Directors shall appoint the members of the Committee for a period of three years.

The Nomination and Remuneration Committee shall consist of at least three members appointed by the Company's Board of Directors for a period of three years.

Nomination and Remuneration Committee Members

No.	Name	Title
1	Iyad Mazhar Malas	Chairman
2	Abdulrazzag Dawood BinDawood	Member
3	Thamer Saeed Althubaiti	Member

2. Attendance

Nomination and Remuneration Committee Meeting Attendance (2020)

No.	Members	4 October
1	Iyad Mazhar Malas	*
2	Abdulrazzag Dawood BinDawood	*
3	Thamer Saeed Althubaiti	*

C. Executive Committee

1. Brief

Executive Committee

The main task of the Executive Committee is to review the policies and strategic goals of the Company and monitor their implementation. The Executive Committee is also responsible for reviewing periodically the strategic plans and operational objectives of the Company and its subsidiaries to ensure their conformity with the Company's objectives. The scope of the Committee's work shall include all actions that enable it to fulfil its functions, including:

- Supervise the Managing Directors and the CEO in relation to the Company's day-to-day operations.
- Review the Company's strategic planning processes and procedures in coordination with the CEO.
- Ensure completion of the strategic plans to achieve the Company's overall objectives.
- Assist the Board in performing activities and tasks as delegated to it by the Board of Directors, in order to facilitate smooth operations of the Company.
- Review investments, acquisitions and/or review submittal of binding bids in relation to any project, and/or review further changes or revisions in such investment or bids submitted or to be submitted by the Company, before submitting them to the Board, and confirm all requisite authority to the senior executives to complete documentation to submit the respective offers or tenders and thereafter to conclude all agreements and contracts.
- Review the CEO recommendation in relation to the Company's strategy, operations and strategic plan.
- Review and recommend for approval to the Board of Directors operating plans, capital expenditure plans and other studies or plans that will have a significant impact upon the operations of the Company.
- Regularly review the strategic plans and operational objectives of the Company to ensure their compliance with the Company's objectives.
- Review and recommend for approval to the Board of Directors the strategic goals proposed by the Management which identify various investments, acquisitions and bid opportunities.
- Review and recommend for approval to the Board of Directors potential locations for new stores and assess the progress of expected new stores.
- Review and recommend to the Board of Directors any amendments to existing or any new corporate investment principles or guidelines of a general nature proposed by the Management.
- Review, approve the annual budget and recommend the same for approval by the Board of Directors.

The Executive Committee consists of four members appointed by the Board of Directors for a period of three years.

Board of Directors' Report continued

6. A brief description of the competencies and duties of the committees, indicating committee names, as well as the names of Chairmen, members and the number of their respective meetings, dates thereof and the members in attendance continued

C. Executive Committee continued

1. Brief continued

Executive Committee Members

No.	Name	Title
1	Abdulrazzag Dawood BinDawood	Chairman
2	AbdulKhalig Dawood BinDawood	Member
3	Walid Michel Majdalani*	Member
4	Nitin Khanna*	Member

* Starting from 1 October 2020

2. Attendance

No meeting was held in 2020

7. Where applicable, the means used by the Board to assess its performance, the performance of its Committees and members and the external body that conducted the assessment and its relation to the Company, if any

The Company's IPO and successful listing on Tadawul (Saudi Stock Exchange) took place in Q4 2020. All independent directors on the Company's Board of Directors joined the Board in the first half of the year 2020 and as such the Company has not conducted assessment for the Board and its Committees for FY 2020.

However, it is worth noting that the Company engaged an external party, PWC, to conduct an independent assessment on all executive Board members and key management personnel in 2019 (as part of our IPO readiness process).

Furthermore, the Company intends, through its Nomination and Remuneration Committee, to assess its performance and the performance of its Committees starting in 2021.

8. Disclose the remuneration of Board members and Executive Management

Remuneration of Directors and Senior Executives

Subject to other relevant laws and regulations issued by other regulatory bodies, the Board of Directors shall take into account relevant provisions of the Companies' Law and its Implementing Regulations in the determination and disbursement of remuneration received by each of its members, in addition to the following criteria:

1. Remuneration shall be fair and commensurate with the Board member's expertise, duties, and responsibilities, in addition to the objectives set by the Board of Directors to be achieved during the fiscal year.
2. Remuneration shall be based on the recommendation of the Remuneration Committee.
3. Bonuses shall be commensurate with the Company's activities and the skill required to manage them.
4. Takes into account the sector in which the Company operates, its size, and the experience of Board members.
5. Remuneration shall be reasonably sufficient to attract, motivate and retain Board members possessing the appropriate competence and experience.
6. The total Board remuneration for any Director shall not exceed Five Hundred Thousand Saudi Riyals (SAR 500,000) of financial or in kind benefits annually.

Pursuant to the Company's Bylaws, neither the Directors nor senior executives have the authority to vote on their remuneration or indemnities. The remuneration of senior executives shall be determined by virtue of each respective employment contract in accordance with the Company's remuneration policy.

Subject to the Company's Bylaws, remunerations of Board Directors shall be determined in accordance with the official decisions and instructions issued by the Ministry of Commerce in this context and within the provisions of the Companies Law and any other relevant supplementary laws, as well as the Bylaws of the Company. The attendance and transportation allowances shall be determined by the Board according to the applicable laws, decisions and directions identified by the competent entities in the Kingdom.

Furthermore, neither the Directors nor senior executives have powers to borrow from the Company or vote on a contract or an arrangement in which they have a material interest.

Board of Directors' Remuneration – FY 2020

Names	Position	Amount in SAR		
		Fixed	Variable	Total
Abdulrazzag Dawood BinDawood	Chairman	–	–	–
AbdulKhalig Dawood BinDawood	Vice Chairman	–	–	–
Khalid Dawood BinDawood	Managing Director	–	–	–
Ahmad Abdulrazzag BinDawood	Chief Executive Officer	–	–	–
Tariq Abdullah BinDawood	Chief Development Officer	–	–	–
Walid Michel Majdalani	Non-Executive	–	–	–
Abdulrahman Mohammed Albarrak	Independent	177,049	93,750	270,799
Iyad Mazhar Malas	Independent	177,049	93,750	270,799
Nitin Khanna	Independent	160,109	93,750	253,859
Total		514,207	281,250	795,457

Note: For all three independent Board members the fee has been calculated from the date of joining, as below:

Abdulrahman Mohammed Albarrak	12 February 2020
Iyad Mazhar Malas	12 February 2020
Nitin Khanna	14 March 2020

Nomination & Remuneration Committee's Remuneration – FY 2020

Names	Position	Amount in SAR		
		Fixed	Variable	Total
Iyad Mazhar Malas	Chairman	42,951	8,000	50,951
Abdulrazzag Dawood BinDawood	Member	–	–	–
Thamer Saeed Althubaiti	Member	35,792	5,000	40,792
Total		78,743	13,000	91,743

Audit Committee's Remuneration – FY 2020

Names	Position	Amount in SAR		
		Fixed	Variable	Total
Abdulrahman Mohammed Albarrak	Chairman	69,672	75,000	144,672
Walid Michel Majdalani	Member	–	–	–
Thamer Saeed Althubaiti	Member	34,837	30,000	64,837
Total		104,509	105,000	209,509

Executive Management's Remuneration – FY 2020

	Amount in SAR					Total
	Fixed		Variable		End of Service Benefits	
	Salaries	Allowances	Salaries			
	27,115,974	12,327,334	11,744,650	3,797,349		54,985,307

This table includes the total remuneration of the Company's top five senior executives including the CEO and CFO.

Allowances include: leave, education, car, medical, ticket allowances and bonus payments.

Note: The Company maintained a car for one executive.

9. Any punishment, penalty, precautionary procedure or preventive measure imposed on the Company by the CMA or any other supervisory, regulatory or judiciary authority, describing the reasons for non-compliance, the imposing authority and the measures undertaken to remedy and avoid such non-compliance in the future

BinDawood Holding is committed to the highest requirements of governance and compliance. The Company has no reporting of any penalty, precautionary procedure or preventative measure imposed on it by any government body, supervisory, regulatory or judicial body in 2020.

10. Results of the annual review of the effectiveness of the Company's internal control procedures and the opinion of the Audit Committee with respect to the adequacy of the Company's internal control system

Management of the Company is responsible for establishing and maintaining an adequate and efficient internal control system. An internal control system encompasses the policies, procedures and processes which are designed in consultation with the Audit Committee and the Board of Directors in order to accomplish the strategic objectives.

The scope of Internal Audit Department, independent from line management, contains the evaluation of the competency and efficacy of the internal control system across the Company and the assessment of compliance with established policies and procedures. All significant and substantial findings by the internal audit assessments are reported to the Audit Committee.

Rigorous and integrated efforts are made by all departments of the Company to avoid and rectify any control deficiencies. The procedures are continuously reviewed and streamlined to improve the control environment. Each department under the supervision of executive management is delegated the responsibility to oversee rectification of control deficiencies identified by the audit department.

The Company's internal control system has been designed to provide reasonable assurance to the Audit Committee, the Board and the management that risks are adequately managed to achieve the Company's long-term objectives. However, internal control systems, despite being well designed, have inherent limitations which can hinder detection and prevention of all control deficiencies.

The Audit Committee reviewed the inherent risk assessment report and other departmental internal audit reports prepared by the Internal Audit Department of the Company and PwC to whom some of the internal audit work had been outsourced. The reports do not have any pervasive weaknesses in the Company's control environment which may affect the accomplishment of strategic goals.

In light of the aforementioned scope of work, and based on the periodic review reports submitted by the Company's internal audit department and PwC, the external auditor, the executive management of the Company, and the management's assurances about the integrity of the Company's control system, the Audit Committee finds the internal control system to be efficient and sufficient and did not discover any material matters of significant impact that may require disclosure for the fiscal year ending on 31 December 2020.

11. The Audit Committee's recommendation on the need to appoint an internal Company auditor, in the absence thereof

The Internal Audit Department was outsourced to PricewaterhouseCoopers (PwC) in January 2020 with the intention that the Company would establish its own Internal Audit Department simultaneously. Their scope of work mainly covered the development of Inherent Risk Assessment Registers, preparation of a 3 year detailed Internal Audit Plan (phase 1) and Execution of a year 1 Internal Audit plan (phase 2).

The Audit Committee continuously reviewed the progress of the internal audit assignment. At the same time several applicants were interviewed and shortlisted by the Audit Committee and thereafter, the Head of Internal Audit was hired in January 2021.

12. Audit Committee's recommendations that conflict with Board resolutions, or those that the Board rejects in relation to the appointment, dismissal, assessment or remuneration of an external auditor, as well as justifications for those recommendations and reasons for rejecting them

During 2020, no incident of conflict between the Audit Committee's recommendations and Board resolutions occurred. The Chairman of the Board of Directors, being the constant custodian and active proponent of a congenial working environment among the Board members, has been ever-present in providing them continuous guidance on achieving the objectives of the Company as a team in letter and spirit.

13. Details of the Company's social contributions, if any

BinDawood Holding is at the early stages of strategizing which CSR/ESG activities it should focus on and which are likely to have the greatest impact on the communities the Company serves. Areas under consideration are support for organic farming and providing supermarket access to businesses started by young entrepreneurs.

14. A list of General Assembly meeting dates held during the last financial year and the names of Board members who attended them

General Assembly Meeting Attendance (2020)

Members	21 April	21 June
Abdulrazzag Dawood BinDawood	*	*
AbdulKhalid Dawood BinDawood		
Khalid Dawood BinDawood		
Ahmad Abdulrazzag BinDawood		
Tariq Abdullah BinDawood		
Walid Michel Majdalani		
Abdulrahman Mohammed Albarrak		
Iyad Mazhar Malas		
Nitin Khanna		

* The General Assembly made before the public listing of the Company on Tadawul in 2020 was attended by the shareholders with the presence of the Chairman of the Board of Directors. Meanwhile the invitations by the Board calling for this meeting were issued and signed by all the Directors of the Board.

15. A description of the Company and its Affiliates' main scope of business activities. When two or more such activities exist, a statement shall be attached specifying each activity and the manner by which each affects Company activities and results

Company overview

BinDawood Holding is one of the leading grocery retail operators of hypermarkets and supermarkets in the Kingdom of Saudi Arabia. The Company has a total of 74 stores of which 51 are hypermarkets and 23 are supermarkets, each located strategically across KSA, operating two complementary brands: BinDawood and Danube.

The Company's subsidiaries

Danube Company for Foodstuffs and Commodities

Danube Company for Foodstuffs and Commodities (Danube) is a Limited Liability Company registered in the Kingdom of Saudi Arabia under Commercial Registration number 4030093169, dated 25 January 1993. The registered office of Danube is located in Jeddah, Kingdom of Saudi Arabia.

Danube operates and manages Danube stores, which targets premium segment consumer demographics in the Kingdom. As of 31 December 2020, Danube's portfolio included 47 stores/branches spread mainly across Riyadh, Jeddah, Dammam and Khobar.

BinDawood Superstores Company

BinDawood Superstores Company (BinDawood) is a Limited Liability Company registered in the Kingdom of Saudi Arabia under Commercial Registration number 4031063164 dated 26 June 2011. The registered office of BinDawood is located in Makkah, Kingdom of Saudi Arabia.

BinDawood operates and manages BinDawood stores, which targets value segment consumer demographics in the Kingdom. As of 31 December 2020, BinDawood's portfolio included 27 stores/branches spread mainly across Makkah, Madinah and Jeddah.

Danube Star for Bakeries and Marketing

Danube Star for Bakeries and Marketing Company Limited (Danube Star) is a Limited Liability Company registered in Jeddah, Kingdom of Saudi Arabia under commercial registration No. 4030086333, dated 13 April 1992. The registered office of the Company is located in Jeddah, Kingdom of Saudi Arabia. Further, the Fruit and Vegetables segment of Jumairah Marketing Establishment (a branch of Abdul Khaliq BinDawood Establishment) was moved under Danube Star from the beginning of 2020.

Danube Star manufactures bakery products and sells its range of confectionary products through Danube and BinDawood stores.

16. A description of the Company's significant plans and decisions (including changes to the structure, expansion of the Company's operations or the halting thereof) and future expectations

The Company and its business activities

The Company is one of the leading grocery retail operators of hypermarkets and supermarkets in Saudi Arabia. Trading under the BinDawood and Danube brands, the principal activities of the Company's stores comprise trading of FMCG, fresh food products and non-food products, including household consumable items, as well as the ownership and management of in-store bakeries. The Company's operating portfolio comprises 74 stores, which are located strategically throughout Saudi Arabia and appeal to different segments of consumers, including Hajj and Umrah visitors.

Management believes the Company deploys cutting-edge capabilities in store development, design, layout, management, marketing and in e-commerce. It was the first retail grocery operator in the Kingdom to offer online sales through the Danube App, a mobile phone application and online platform launched in 2017, with the BinDawood App following in 2019. The online platform sources its products for delivery from across the Company's stores. Following new opportunities to scale the online grocery platforms in Q4 2020, the Company is revising its strategy to scale their online operations in 2021.

Supported by a highly experienced management team, the Company seeks to continuously attract customers to its stores, which provide more than 140,000 SKUs from leading FMCG suppliers such as Almarai, Saudia Dairy & Foodstuff Company, Nestlé, Procter & Gamble, Unilever and Mondelēz International. The Company has strong relationships with 25 large, strategic key suppliers, each of which participates in a variety of the Company's promotional and marketing activities in its stores. The Company's retail offering in its stores is also diversified, with a full range of FMCG (including food merchandise products) and a comprehensive range of non-food products (including homeware products and clothing). In addition, in most stores, the Company operates in-house bakeries and in a number of stores also provides in-store coffee shops, in each case operating under the Danube brand. Management believes this enhances the Company's overall retail offering, attracts customer traffic and maximizes returns on its stores portfolio.

The Company's business model leverages growing consumer demand for high quality food products and household items in the Kingdom at competitive prices. In particular, Management recognizes that hypermarkets and supermarkets are of central importance to the retail sector in the Kingdom and believe that they will continue to be in the future. Management continues to seek opportunities and create new retail concepts across its stores portfolio. The Company also seeks to create cutting-edge designs for each of its stores with an optimal merchandise mix of fresh food products, FMCG, non-food products and other retail offerings across its stores. Management believes that the Company is the "go to" supermarkets operator in the Kingdom as it meets the needs of consumers. The Company's stores are generally distinguished by the breadth of the SKUs, which sets them apart from other competing stores. Furthermore, most of its stores provide high quality bakeries, self-checkout and high quality customer service.

The Company's stores are strategically located across Saudi Arabia, including in Riyadh, Jeddah, Makkah, Madinah, Khobar, Dammam, Jizan and Abha. The Company's target market includes several categories of consumers including Hajj and Umrah visitors and other consumers, in the case of its BinDawood stores, and consumers looking for a different and unique experience, in the case of its Danube stores. Together this captures a broad portion of the Saudi retail market. In addition, the Company operates a chain of grocery stores in the immediate vicinity of the Two Holy Mosques, giving it unparalleled access to increasingly large number of pilgrims who visit the Kingdom on an annual basis. The Company's stores portfolio comprises 51 Hypermarkets and 23 Supermarkets, each of which is designed and positioned to optimize its appeal to the surrounding community.

The Company intends to roll-out new stores in line with its recent historical track-record. As part of its expansion strategy, Management aims to preserve profitability of the Company when considering the feasibility of new locations, based on stringent site selection criteria.

Vision and Mission of the Company

Vision

The Company's vision is to be the best grocery retail brand in Saudi Arabia and the GCC and a leader in this growing market sector. The Company aspires to be known by its customers and partners for its commitment to quality products, outstanding customer service and strong supplier relationships. The Company's people enable its success and the Company always aims to recruit, train and retain the best available talent.

Mission

The Company is dedicated to offering an exceptional shopping experience. The Company strives to provide its customers with unmatched standards of quality, value, service and convenience. The Company continuously explores new market opportunities and aims to create value for all of its people and partners.

Covid-19 impact on operations

In Q2 2020, the Company benefitted from the pantry-stocking that took place with the onset of Covid-19 however, in Q3 2020, the management made the decision to temporarily close its principal branches in the Holy City of Makkah and Madinah, because of Covid-19 related restrictions; as well as a limited Hajj season and no "Back to School" marketing campaigns. As Q4 approached, there was optimism for gradual normalization of the trading environment particularly in Makkah, Madinah and the surrounding area and the stores were reopened. However, with the onset of a second wave of Covid-19, safety travel restrictions were reimposed, which led to a challenging trading environment in these areas.

16. A description of the Company's significant plans and decisions (including changes to the structure, expansion of the Company's operations or the halting thereof) and future expectations continued

Future plans and growth opportunities

Geographical expansion

Expansion in Saudi Arabia

Over the next five years, the Company plans to continue its geographical expansion to consolidate its position in all of its existing regions of operations within Saudi Arabia (including the Western Region, Central Region and Eastern Region). In particular, Management have prepared a national roll-out plan to expand the Company's national footprint, leveraging the flexibility of the Company's dual brand model and format to continue the expansion of the existing network of BinDawood and Danube stores. However, the primary focus is to roll out more stores in the Danube brand. Further details of these new stores are set out in table below.

Expansion outside Saudi Arabia

In addition to its domestic expansion, the Company is exploring options to open new stores outside of Saudi Arabia. In December 2020 the Company announced its first international store opening in Bahrain, due to open late 2021/early 2022. In particular, Management is exploring the potential opening of new stores in other countries within the MENA region.

Sites for future properties

The Company plans to open the following new stores by the end of 2021:

New Stores

No.	Brand	Type	Name	Location	Expected Selling Area (m ²)	Expected Total Area (m ²)	Expected year of operation	Investment rationale
1	Danube	Hypermarket	Awali Plaza	Makkah	3,054	5,976	H2 2021	Attractive location supported by high customer and vehicle traffic
2	Danube	Supermarket	Tilal Al Naseem	Makkah	2,183	3,403	H2 2021	Attractive location with high demand that will aim to serve pilgrim population; low cannibalization risk
3	Danube	Supermarket	Bin Jummah 3	Khamis Mushayt	1,215	2,045	H2 2021	Attractive location supported by high customer and vehicle traffic
4	Danube	Supermarket	Corniche	Jeddah	800	2,202	H2 2021	Attractive location supported by high customer and vehicle traffic
5	Danube	Supermarket	Digital City	Riyadh	2,600	4,582	H2 2021	Attractive location supported by high customer and vehicle traffic
6	Danube	Hypermarket	Al Liwan	Bahrain	3,900	5,305	H2 2021/ H1 2022	Attractive location supported by high customer traffic

Growth of the Company's online sales

The Company plans to increase its online sales as a proportion of its total revenue. The Company's product mix, SKU range and tailor-made bundles and promotions are key focus areas with regards to its online strategy. In particular, Management plans to leverage its existing relationship with the International App Company and expand its reach to localities with low densities and grow coverage area across Saudi Arabia. For the financial year ended 31 December 2020, 1.3% of the Company's revenue was generated from sales via its mobile applications and website.

17. Information on any risks facing the Company (operational, financial or market related) and the policy of managing and monitoring said risks

1. Financial Instruments Risk Management

A. Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: commission rate risk, currency risk and other price risk, such as equity price risk and commodity risk.

The Company is not exposed to other price risk such as equity risk and commodity risk as the Company is neither involved in investment in trading securities nor commodities.

B. Commission Rate Risk

Commission rate risk is the exposure to various risks associated with the effect of fluctuations in the prevailing commission rates on the Company's financial position and cash flows.

The Company manages the commission rate risk by regularly monitoring the commission rate profiles of its commission bearing financial instruments.

C. Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is subject to fluctuation in foreign exchange rates in the normal course of its business. The Company did not undertake significant transactions in currencies other than Saudi Riyals, Euros and US Dollars. As the Saudi Riyal is pegged to the US Dollar, the only potential foreign currency risk is in relation to balances denominated in Euros.

D. Credit Risk

Credit risk is the risk that one party will fail to discharge an obligation and cause the other party to incur a financial loss. Credit risk on bank balances, trade receivables and other receivables is limited as cash balances are held with banks with sound credit ratings and the trade receivables and other receivables are shown net of allowance for impairment.

The Company manages credit risk with respect to receivables from customers by assessing customers' creditworthiness before granting credit, setting credit limits and monitoring credit performance on a regular basis.

E. Liquidity Risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value.

Liquidity risk is managed by maintaining healthy bank balances and ensuring sufficient funds are available through committed credit facilities to meet any future commitments.

F. Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximize shareholder value. For the purpose of the Company's capital management, capital includes issued capital, statutory reserve and retained earnings attributable to the equity holders of the Company.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

G. Employees' Terminal Benefits

The Company operates an unfunded employees' end of service benefits plan ("EOSB") for its employees as required by the Saudi Arabian Labor Law. Under IFRS that are endorsed in KSA, EOSB are required to be calculated using actuarial valuations.

The Company has calculated these obligations based on actuarial valuation.

17. Information on any risks facing the Company (operational, financial or market related) and the policy of managing and monitoring said risks) continued

2. Financial

A. The Company's reliance on certain key suppliers

The Company's top 25 suppliers represented a substantial amount of the total gross purchases made by the Company during 2020. If any one of the Company's key suppliers fails to renew its supply agreement with the Company, or renew on less favourable terms for the Company, this could adversely affect the Company's business, results of operations and financial condition.

The Management has taken all necessary steps to retain key suppliers by signing contractual agreements on the most favourable terms and maintaining regular communication with the key suppliers.

B. Sustainability of the Company's Supplier Support Incentives

The Company's financial performance, particularly with respect to the profitability of the Company, is dependent on Supplier Support Incentives such as incentives from rental display shelves, incentives from branch opening fees and incentives from volume-based discounts paid by suppliers to the Company.

Whilst there is an inherent risk in predicting Supplier Support Incentives, the Company manages this risk by entering into contractual arrangements with Suppliers in relation to these incentives and by constantly monitoring performance against defined thresholds, thereby ensuring that revenue from this source is recognised appropriately in the financial statements.

C. Risks associated with the Company's Related Party transactions

The Company maintains ongoing business relationships with several Related Parties. To the extent that the Company enters into contracts with any Related Parties which are not on arm's length terms and/or in the event that such transactions transfer undue benefits to Related Parties of the Company, this could negatively affect the Company's costs and revenues.

The Management deals with Related Parties through a signed agreement (prepared on an arm's length basis) which covers all the key risky areas such as pricing, profit margin and other associated terms and conditions in order to avoid providing any undue favourable business terms. In addition, all Related Parties' transactions and payments are approved by the Board's nominated Committee.

D. Risks related to the seasonality of revenues

The revenues of the Company, especially those generated in the Haramain Area, are subject to seasonal variations. In general, footfall and sales are highest during public holidays and occasions (for example, prior to Eid Al-Fitr, Eid Al-Adha, National Day, the Back to School period and Mother's Day). Moreover, the level of sales increases in the Haramain Area due to the increase in the number of visitors and pilgrims during Hajj and Umrah season.

The Management leverages a variety of tools to prepare an effective budget with respect to its operating costs, adequate inventory levels and staffing to manage seasonal fluctuations.

3. Operational

A. The impact of the number of consumers or levels of consumer spending on the Company's business

The Company's revenue is dependent on the level of stores' sales. However, economic factors beyond the Company's control, such as the availability of credit for consumers, prevailing interest rates, unemployment rates, salary levels and tax rates, cost of utilities, or partial or full removal of subsidies could have a significant impact on consumer spending.

Management closely monitors the economic environment and constantly changes its product mix to cater to changes in customer spending habits and preferences.

B. Risks associated with interruptions in the Company's IT network or cloud systems

The Company's ability to attract and retain customers, to accurately monitor its operations and costs, and to compete effectively depends upon the sophistication and reliability of its IT network and availability of its cloud services and, in particular, its bespoke IT management system for tracking all transactions completed at the Company's stores.

The Company is using the latest software versions to overcome such potential risks. In addition, a designated IT team monitors and records all transactions along with a backup service. Moreover, the Management is restructuring the IT Department in order to put more stringent controls over the Company's business processes.

4. Market Related

A. The impact of the highly competitive industry in which the Company operates

The Company faces competition from domestic and international operators of stores, department stores, specialty retailers, discount stores, and other forms of retail business due to the recent regulatory reforms introduced in the Kingdom to encourage foreign investment.

The management monitors the product offering and pricing of competitors, in addition to conducting detailed feasibility studies and market trend analysis activity whilst undertaking store expansion in alignment with the applicability of latest laws and regulations.

B. The impact of political and economic risks on the Company's operations

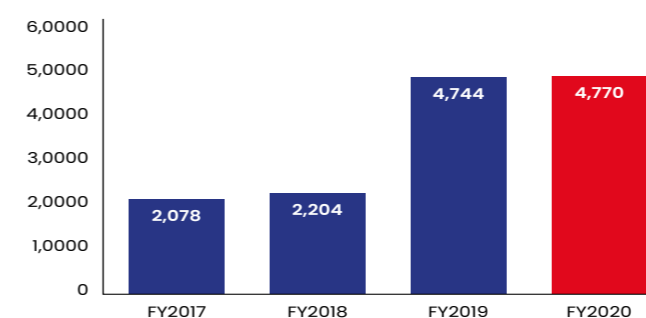
The entirety of the Company's stores portfolio is located in Saudi Arabia, and the Company's financial performance is therefore dependent on the prevailing economic and political conditions in Saudi Arabia and on global economic conditions that affect Saudi Arabia's economy.

The Management believes that there is no indication that the economic and political scenario will change to a degree that materially affects the business of the Company.

18. A summary in the form of a table or graph displaying the Company's assets, liabilities and results during the last four financial years or since its incorporation date, whichever is shorter

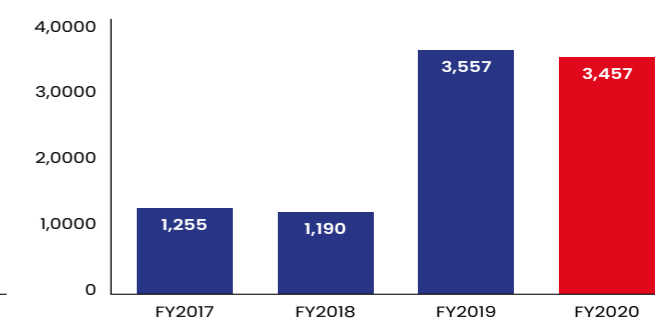
Total Assets	Amount in SAR Million	Total Liabilities	Amount in SAR Million	Sales	Amount in SAR Million	Net Profit	Amount in SAR Million
FY 2017	2,078	FY 2017	1,255	FY 2017	4,766	FY 2017	414
FY 2018	2,204	FY 2018	1,190	FY 2018	4,554	FY 2018	398
FY 2019	4,744	FY 2019	3,557	FY 2019	4,844	FY 2019	419
FY 2020	4,770	FY 2020	3,457	FY 2020	5,156	FY 2020	448

Total assets (SAR million)



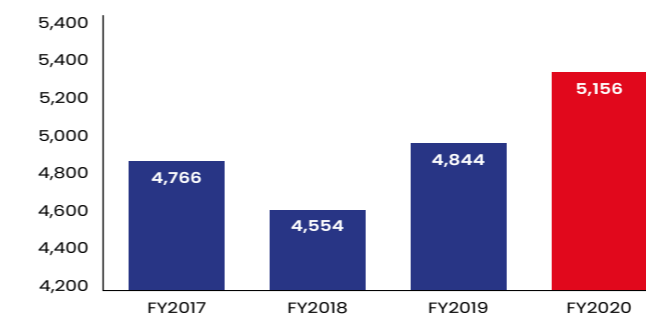
Total Assets stand at SAR 4,770 million in FY 2020 representing an increase of 0.5% from SAR 4,744 million in FY 2019.

Total liabilities (SAR million)



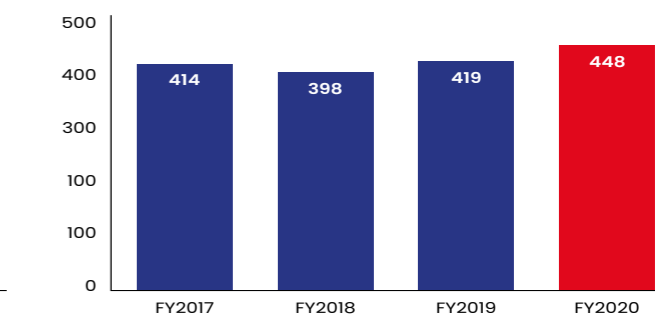
Total Liabilities decreased from SAR 3,557 million in FY 2019 to SAR 3,457 million in FY 2020 reflecting a decline of 2.8%.

Sales (SAR million)



Sales surged from SAR 4,844 million in FY 2019 to SAR 5,156 million in FY 2020 representing a positive growth of 6.5%.

Net Profit (SAR million)



Net Profit earned by the Company was SAR 448 million in FY 2020 reflecting a growth of 6.8% compared to FY 2019.

19. Geographical analysis of the Company and its Affiliates' revenues

Sales by Region

Company	Regions	Amount in SAR Million	
		FY 2020	FY 2019
BinDawood	West	1,443	1,681
	South	58	52
BinDawood		1,501	1,733
Danube	East	580	477
	West	1,453	1,348
	South	223	179
	Central	1,399	1,107
Danube		3,655	3,111
BinDawood Holding	East	580	477
	West	2,896	3,029
	South	281	231
	Central	1,399	1,107
BinDawood Holding		5,156	4,844

Sales by Subsidiaries

Subsidiaries	Amount in SAR Million	
	FY 2020	FY 2019
BinDawood	1,501	1,733
Danube	3,655	3,111
BinDawood Holding	5,156	4,844

Sales by Merchandise Category

Company	Amount in SAR Million					
	FY 2020			FY 2019		
	FMCG	Non-food	Fresh food	FMCG	Non-food	Fresh food
BinDawood	936	184	381	1,018	313	402
Danube	2,208	397	1,050	1,880	369	862
BinDawood Holding	3,144	581	1,431	2,898	682	1,264

Sales by Store Type

Company	Store Type	Amount in SAR Million	
		FY 2020	FY 2019
BinDawood	Supermarket	579	752
	Hypermarket	922	981
BinDawood		1,501	1,733
Danube	Supermarket	304	243
	Hypermarket	3,351	2,868
Danube		3,655	3,111
BinDawood Holding	Supermarket	883	995
	Hypermarket	4,273	3,849
BinDawood Holding		5,156	4,844

20. Any material differences in operational results compared to the preceding year's results, along with any Company announced projections

Financial Review

The Company principally generates its revenue from selling food and non-food products through its grocery retail network of Danube and BinDawood stores. Revenue increased by 6.5% from SAR 4,843.8 million in FY 2019 to SAR 5,156.5 million in FY 2020. This was due to an increase in revenue generated from Danube by 17.5% from 3,110.4 million in FY 2019 to 3,655.5 million in FY 2020 which was offset by a decrease in revenue generated from BinDawood by 13.4% from SAR 1,733.4 million in FY 2019 to SAR 1,500.9 million in FY 2020. Danube sales benefitted from pantry-stocking that took place in Q2 following the onset of Covid-19. Danube opened 5 new stores in FY 2020 and witnessed a growing demand for premium food, with the average basket size up 10% year on year.

The reduction in BinDawood sales was principally related to an absence of Umrah, Hajj and Ramadan seasons causing a significant decrease in pilgrim inflow and store restrictions in the Makkah and Madinah area, coupled with a change in customer buying trends in the second half of the year and absence of the Back to School season and year-end and food festival promotions. An additional contributing factor to lower sales in Q2 was the steep increase in VAT which resulted in a reduction in disposable income.

The Company's gross profit rose to SAR 1,671.9 million in FY 2020 versus SAR 1,644.5 million in FY 2019. However, gross profit margin decreased by 160 basis points to 32.4% compared to 34.0% in FY 2019. The decrease in percentage was mostly attributable to the loss of festival and promotional campaigns to ensure all stores were fully compliant with government health and safety social distancing regulations, leading to less floor display allotted to suppliers and consequently lower income. The impact of these factors was partly offset by an encouraging reduction in shrinkage and wastage as a result of management's conscious decision to improve operational efficiency.

Operating expenses were broadly in line with FY 2019. The saving in utilities owing to relief from government and waiver of commission charges by the banks offset an increase in operating expenses due to the opening of 5 new stores, full year impact of FY 2019 stores and COVID expenses related to health & safety measures.

Zakat expense surged by SAR 3.99 million (35.7%) due to an increase in net profits earned by the Company in FY 2020 as compared to FY 2019.

Total Assets at 31 December 2020 stood at SAR 4,769.6 million, reflecting an increase of SAR 26.1 million (0.5%). The increase was primarily attributable to an increase in current assets by SAR 197.3 million which in turn reflected an increase in cash and bank balances by SAR 17.2 million, accounts receivable by SAR 104.6 million and inventories by SAR 81.3 million. These increases were offset by a decrease in advances, deposits, prepayments & other receivables by SAR 5.9 million.

Non-Current Assets at 31 December 2020 stood at SAR 3,126.2 million, reflecting a decrease of SAR 171.2 million (5.2%). The decrease was attributable to a decrease in operating fixed assets by SAR 38.7 million owing to a depreciation charge of SAR 165.4 million which was offset by net additions to fixed assets of SAR 45.7 million. Further, capital work in progress decreased by SAR 82.1 million due to transfers made to operating fixed assets mainly related to 5 new stores.

Right-to-use assets decreased by SAR 50.3 million at 31 December 2020 mainly due to depreciation charge of SAR 269.1 million and termination of leases by SAR 71 million which was offset by an addition of SAR 237.2 million and lease modifications during the year of SAR 52.6 million.

Equity at 31 December 2020 stood at SAR 1,312.9 million, reflecting an increase of SAR 126.5 million. The increase was primarily attributable to net profit achieved of SAR 447.7 million which was offset by the cash dividend paid by the Company amounting to SAR 318.6 million.

20. Any material differences in operational results compared to the preceding year's results, along with any Company announced projections continued

Financial Review continued

Total Liabilities at 31 December 2020 stand at SAR 3,456.7 million, reflecting a decrease of SAR 100.5 million (2.8%). The decrease was mainly attributable to a decrease in current liabilities by SAR 81 million and in non-current liabilities by SAR 19.5 million. Non-current liabilities declined due to the transfer of current portion for lease liability relating to FY 2021 from non-current portion of lease liabilities. As an offset, end of service benefits liability increased by SAR 12.7 million as compared to FY 2019. Current Liabilities at 31 December 2020 stood at SAR 1,086.9 million, a decrease of SAR 81 million (6.9%) as compared to FY 2019. The decrease was mainly due to a decrease in accounts payable by SAR 90 million and accrued expense & other payables by SAR 37.4 million which was offset by an increase in related party balances by SAR 4.5 million and current portion of lease liability by SAR 39.1 million.

Net cash generated from operating activities for FY 2020 was SAR 657.5 million, reflecting a decrease of SAR 20.6 million (3%) as compared to FY 2019, primarily due to higher investment in working capital compared to FY 2019.

Net cash used in investing activities for FY 2020 was SAR 45.7 million, reflecting an increase of SAR 10.1 million (28.4%) as compared to FY 2019 which was mainly due to higher capital expenditure incurred in relation to 5 new stores that were opened in FY 2020 as compared to 2 new stores opened in 2019.

Net cash used in financing activities for FY 2020 was SAR 594.6 million, reflecting an increase of SAR 44.2 million (8.0%) as compared to FY 2019 due to an increase in dividend paid by SAR 73.6 million which was partly offset by a reduction of SAR 29.4 million in lease payments.

Cash and bank balances at the end of FY 2020 were SAR 232.2 million, reflecting an increase of SAR 17.2 million (8.0%) as compared to FY 2019. The cash generated from operations was largely offset by increased cash outflows for investing and financing activities.

21. Any inconsistencies with the standards approved by the Saudi Organization for Certified Public Accountants

The Company's Financial Statements have been prepared in accordance with International Financial Reporting Standards as endorsed in Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Certified Public Accountants.

22. Name of each Affiliate company, its capital, the Company's ownership percentage, the main scope of business, country of operation and country of incorporation

Affiliate	CR Number	Capital (SAR)	Company's direct ownership	Company's indirect ownership	Country of operation	Country of incorporation	Main scope of business
BinDawood Superstores Company	4031063164	10,880,000	99%	1%	KSA	KSA	Engaged in retail trading of foodstuff and household items
Danube Company for Foodstuffs and Commodities	4030093169	2,500,000	99%	1%	KSA	KSA	Engaged in retail trading of foodstuff and household items
Danube Star for Bakeries and Marketing Company Limited	4030086333	1,500,000	99%	1%	KSA	KSA	Engaged in manufacturing bakery products

23. Details of shares and debt instruments issued for each Affiliate company

Name of Affiliate company	No. of shares	Share value	Debt instruments (SAR)
BinDawood Superstores Company (A Limited Liability Company)	1,088,000	SAR 10	-
Danube Company for Foodstuffs and Commodities (A Limited Liability Company)	250,000	SAR 10	-
Danube Star for Bakeries and Marketing Company Limited (A Limited Liability Company)	1,500	SAR 1,000	-

24. A description of the dividends distribution policy

The Company is under no obligation to declare dividends and any decision to do so will depend on, amongst other things, the Company's historic and anticipated earnings and cash flow, financing and capital requirements, market and general economic conditions, the Company's Zakat position, and legal and regulatory considerations. Under Article 110 of the Companies Law, a shareholder is vested with all rights attached to shares, which include in particular the right to receive a share in the dividends declared for distribution. The Board of Directors shall recommend declaring and paying any dividends before approval by the shareholders at the meeting of the General Assembly.

The shares entitle their holders the right to receive any dividends that the Company declares. Although the Company intends to distribute dividends to its shareholders on an annual basis, the Company does not guarantee the distribution of such dividends or the amounts to be distributed in any given year.

Dividend distribution is also subject to the restrictions set out in the Company's Bylaws. Dividends shall be distributed in Saudi Riyals.

After deducting all general expenses and other costs, the Company's annual net profits shall be allocated as follows:

- 10% of the net profits shall be set aside to form the Company's statutory reserve and the Ordinary General Assembly may discontinue said deductions when the statutory reserve amounts to 30% of the Company's share capital.
- The Ordinary General Assembly may resolve to set aside other reserves, to the extent that doing so serves the interest of the Company or ensures a regular distribution of dividend shareholders. The Ordinary General Assembly may also deduct from the net profits amounts for the establishment of social pensions for the Company's employees or to help existing pensions.
- From the remainder, a portion representing 10% of the paid-up share capital of the Company shall be distributed among the shareholders.
- Subject to the provisions of Article 20 of the Bylaws of the Company and Article 76 of the Companies Law, the remainder shall be set aside to remunerate the Board of Directors, provided that such remuneration be proportionate to the number of sessions attended by each Director.
- The Company may distribute interim dividends to its shareholders on a semi-annual or quarterly basis by a decision of the Board of Directors if the Company's financial position so permits and liquidity is available according to the controls and procedures set by the competent authority.

The dividend distribution policy may change from time to time, as the Board of Directors may resolve, subject to the approval of the Ordinary General Assembly, to renew annually the payment of periodic dividends to the Company's shareholders on a semi-annual or quarterly basis, in accordance with the controls of the competent authority.

25. A description of any interest in voting shares held by persons (other than the Company's Directors, senior executives and their relatives) who have notified the Company of their holdings pursuant to Article 68 of OSCIR Rules, together with any change to such interests during the last financial year

The Company has not received notification of any interests belonging to persons other than Board members and senior executives in regards of shares eligible to vote, or a change in those rights during the year 2020. Members of the Board of Directors and the Executive Management disclose their memberships in other companies in accordance with the provisions of the relevant regulations.

27. Information on any loans (payable upon request or not), a statement of the total indebtedness of the Company and its Affiliates, any loan payments made by the Company during the year, the amount of the principal debts, the creditor's name, the loan term and remaining amount. In case there are no debts, a declaration thereof shall be presented

Borrowing Facilities

BinDawood Holding's subsidiaries have entered into short and medium-term financing arrangements with various lenders. These financing arrangements are primarily used to finance imports of products and assets sourced from international suppliers as well as to issue payment guarantees and bid bonds. The total amount of facilities available at 31 December 2020 were SAR 438.5 million of which a total of SAR 11.7m were utilized. The below table provides a detailed description of these facility agreements.

Facility Type	Amount in SAR				Description
	Facility Amount	Utilization	Short-term	Medium-Term	
Letters of Credit	402,500,000	9,868,830	9,868,830	-	Sight and Usance Letters of Credit
Payment Guarantees & Bid Bonds	2,000,000	1,794,196	15,916	1,778,280	Issuance of Bid Bonds, Advance Payment Bonds and Payment Guarantees
Other	34,000,000	-	-	-	Interest Rate and Foreign Currency Hedging Facility
Total Lines Available	438,500,000	11,663,026	9,884,746	1,778,280	

Other than the aforementioned, as at 31 December 2020 the Company had neither any outstanding term loans nor any other borrowing or indebtedness.

28. A description of the class and number of any convertible debt instruments, contractual securities, preemptive rights or similar rights issued or granted by the Company during the financial year, as well as a statement of any compensation obtained by the Company in this regard

There were no convertible debt instruments, contractual securities, preemptive rights or similar rights issued or granted by the Company during FY 2020.

29. A description of any conversion or subscription rights under any convertible debt instruments, contractually based securities, warrants or similar rights issued or granted by the Company

There were no conversion or subscription rights under any convertible debt instruments, contractually based securities, warrants or similar rights issued or granted by the Company during FY 2020.

30. A description of any redemption, purchase or cancellation by the Company of any redeemable debt instruments and the value of such securities outstanding, distinguishing between those listed securities purchased by the Company and those purchased by its Affiliates

There has been no redemption, purchase or cancellation by the Company of any redeemable debt instruments during FY 2020.

31. The number of Board meetings held during the last financial year, their dates and the attendance record of each meeting listing the names of attendees

Board meeting attendance (2020)

Members	7 April	15 June	23 September	24 September	8 November
Abdulrazzag Dawood BinDawood	*	*	*	*	*
AbdulKhalik Dawood BinDawood	*	*	*	*	*
Khalid Dawood BinDawood	*	*	*	*	*
Ahmad Abdulrazzag BinDawood	*	*	*	*	*
Tariq Abdullah BinDawood	*	*	*	*	*
Walid Michel Majdalani	*	*	*	*	*
Abdulrahman Mohammed Albarrak	*	*	*	*	*
Iyad Mazhar Malas	*	*	*	*	*
Nitin Khanna	*	*	*	*	*

Audit Committee meeting attendance (2020)

Members	27 May	18 June	20 August	23 September	5 November	28 December
Abdulrahman Mohammed Albarrak	*	*	*	*	*	*
Walid Michel Majdalani	*	*	*	*	*	*
Thamer Saeed Althubaiti	*	*	*	*	*	*

Nomination and Remuneration Committee meeting attendance (2020)

Members	4 October
Abdulrazzag Dawood BinDawood	*
Iyad Mazhar Malas	*
Thamer Saeed Althubaiti	*

32. The number of times the Company requested the shareholders' Register and the dates and reasons therefor

Date of Request	Reason for Request
4 November 2020	Post IPO shareholder record request
15 November 2020	Investor Relations requirement
17 November 2020	Investor Relations requirement
22 November 2020	Dividends distribution

33. A description of any transaction between the Company and any Related Party; and

34. Information relating to any business or contract to which the Company is a party and in which a director of the Company, a senior executive or any person related to any of them is or was interested, including the names of those involved in said business or contracts, the nature, conditions, durations and value of the business or contract. The Company shall submit a statement in that regard when there are no such businesses or contracts

Related Party Transactions

Related party	Nature of transaction	Term	Value of transactions	
			31 December 2020 SAR	31 December 2019 SAR
National Leader for Real Estate Company Ltd ⁽ⁱ⁾	Lease rental	Varying lengths from 1 to 15 years	43,550,000	43,850,000
Amwaj Real Estate Company Ltd ⁽ⁱⁱ⁾	Lease rental	Varying lengths from 1 to 15 years	26,233,800	25,007,000
Safa Company Limited for Household Ware ⁽ⁱⁱⁱ⁾	Purchase of goods	Annually renewable	8,630,152	11,681,250
International Application Company Limited ^(iv)	Online Sales Commission charged by affiliates	Annually renewable	20,227,886	–
BinDawood Trading Company Ltd ^(v)	Shared Service fee charged to affiliates	Annually renewable	935,000	–
AbdulKhalid BinDawood Establishment ^(vi)	Purchase of goods	Annually renewable	32,936,415	67,283,425
AbdulKhalid BinDawood Establishment	Shared Service Fee charged to affiliates	Annually renewable	1,065,000	–
AbdulKhalid BinDawood Establishment	Rent charged to affiliates	Annually renewable	1,376,600	1,416,600
AbdulKhalid BinDawood Establishment	Goods transferred to affiliates	Non-contractual	741,108	2,180,870
AbdulKhalid BinDawood Establishment	Branch transfer agreement	Per transfer agreement	245,660	–
Total			135,941,621	151,419,145

- (i) National Leader For Real Estate Co. Ltd is a Related Party on the basis that each of Abdulrazzag Dawood BinDawood, AbdulKhalid BinDawood, Khalid Dawood BinDawood, Ahmad Abdulrazzag BinDawood and Tariq Abdullah BinDawood who are Directors, have an indirect ownership interest in this company.
- (ii) Amwaj Real Estate Company Ltd. is a Related Party on the basis that each of Abdulrazzag Dawood BinDawood, AbdulKhalid BinDawood, Khalid Dawood BinDawood, Ahmad Abdulrazzag BinDawood and Tariq Abdullah BinDawood who are Directors, have an indirect ownership interest in this company.
- (iii) Safa Company for Household Ware is a Related Party on the basis that each of Abdulrazzag Dawood BinDawood, AbdulKhalid BinDawood, Khalid Dawood BinDawood, Ahmad Abdulrazzag BinDawood and Tariq Abdullah BinDawood who are Directors, have an indirect ownership interest in this company.
- (iv) International App is a Related Party on the basis that each of Abdulrazzag Dawood BinDawood, AbdulKhalid BinDawood, Khalid Dawood BinDawood, Ahmad Abdulrazzag BinDawood and Tariq Abdullah BinDawood who are Directors, have an indirect ownership interest in this company.
- (v) BinDawood Trading Company is a Related Party on the basis that each of Abdulrazzag Dawood BinDawood, AbdulKhalid BinDawood, Khalid Dawood BinDawood, Ahmad Abdulrazzag BinDawood and Tariq Abdullah BinDawood who are Directors, have an indirect ownership interest in this company.
- (vi) AbdulKhalid BinDawood Establishment is a Related Party on the basis that AbdulKhalid BinDawood, who is a Director, has a direct ownership interest in the Establishment and that each of Abdulrazzag Dawood BinDawood, Khalid Dawood BinDawood and Tariq Abdullah BinDawood, who are Directors, have an indirect ownership interest in this establishment.

	31 December 2020 SAR	31 December 2019 SAR
Due from related parties	–	–

	31 December 2020 SAR	31 December 2019 SAR
Due to related parties		
Safa Company Limited for Household Ware	8,029,340	8,874,780
Jumairah Marketing Establishment (Fruits and Vegetables) – A Branch of Abdul Khalid BinDawood Establishment*	–	562,114
Jumairah Marketing Establishment (Bags & Foods) – A Branch of Abdul Khalid BinDawood Establishment	1,338,730	1,613,639
Jumairah Marketing Establishment (Toys) – A Branch of Abdul Khalid BinDawood Establishment	939,870	1,065,324
Etre Trading Establishment – A Branch of Abdul Khalid BinDawood Establishment	3,119,355	270,895
International Application Company Limited	3,503,315	–
	16,930,610	12,386,752

* Moved under Danube Star from the beginning of FY 2020

The following significant related party transactions made during FY 2020 will be subject to Ordinary General Assembly approval:

Related Party	Nature of Dealing	Amount (SAR)	Period
Amwaj Real Estate Company Limited	Lease Agreement	1,226,800	2020
International Application Company Limited	Services Agreement	20,227,886	2020
BinDawood Trading Company Limited	Shared Service Agreement	935,000	2020

35. A description of any arrangement or agreement under which a Company Director or senior executive has waived any remuneration

It should be noted that all Executive Directors and the Non-Executive Directors have waived their right to any remuneration for being a member of the Board for the year 2020.

36. A description of any arrangement or agreement under which a shareholder of the Company has waived any rights to dividends

No shareholder of the Company has waived any rights to dividends in FY 2020.

Board of Directors' Report continued

37. A statement of the value of any paid and outstanding statutory payments pertaining to zakat, taxes, fees or any other charges that have not been paid as at the end of the financial year with a brief description and the reasons therefor

	Amount in SAR		Description	Reasons/Justifications
	Paid during the year	Outstanding		
Withholding tax	–	320,600	Withholding tax	According to the requirements of the laws and applicable regulations
VAT	101,992,996	36,163,341	Value added tax for the month of December 2020	
Zakat	13,374,763	17,373,033	Zakat for FY 2020	
Visas and passport office fees	12,717	–	Iqama renewal and transfer of sponsorship fees	
GOSI	579,195	112,187	Employee's GOSI	
Other duties and government levies	16,850	–	License fees and other fees	

38. A statement as to the value of any investments made or any reserves set up for the benefit of the Company employees

No such investments were made or any reserves set up for the Company's employees except provision of End of Service benefits and GOSI under the relevant laws.

39. Declarations

The Board confirms that:

i. Accounting records were properly prepared

ii. The system of internal control is sound in design and has been effectively implemented.

The Management of the Company is responsible for establishing and maintaining an adequate and efficient internal control system. An internal control system encompasses the policies, procedures and processes which are designed in consultation with the Audit Committee and the Board of Directors in order to accomplish the strategic objectives.

The scope of Internal Audit Department, independent from line management, contains the evaluation of the competency and efficacy of the internal control system across the Company and the assessment of compliance with established policies and procedures. All significant and substantial findings by the internal audit assessments are reported to the Audit Committee.

Rigorous and integrated efforts are made by all departments of the Company to avoid and rectify any control deficiencies. The procedures are continuously reviewed and streamlined to improve the control environment. Each department under the supervision of executive Management is delegated the responsibility to oversee rectification of control deficiencies identified by the audit department.

The Company's internal control system has been designed to provide reasonable assurance to the Audit Committee, the Board and the Management that risks are adequate to achieve the Company's long-term objectives. However internal control systems, despite being well designed, have inherent limitations which can hinder detection and prevention of all control deficiencies.

iii. There are no significant doubts concerning the Company's ability to maintain its business activities.

iv. There are no reservations contained under the external auditor's report concerning the annual financial statements for FY 2020.

The Board of Directors and the management are dedicated to the application of IAS and to ensuring compliance with all other statutory requirements issued by the competent authorities.

The Company has prepared the Board's Report for FY 2020 in line with the guidelines set out in the Corporate Governance Regulations of CMA and does not indicate any reservations concerning the financial statements for FY 2020 including the external auditors' report for FY 2020.

v. The Board does not recommend replacing the external auditor before the end of its term.

vi. There are no outstanding bank loans or debts.



SUMMARY FINANCIAL STATEMENTS

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Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December 2020

	31 December 2020 SR	31 December 2019 SR
Revenue from contracts with customers	5,156,471,599	4,843,772,262
Cost of revenue	(3,484,580,449)	(3,199,242,525)
GROSS PROFIT	1,671,891,150	1,644,529,737
Selling and distribution expenses	(1,002,547,503)	(1,006,788,369)
General and administration expenses	(164,008,508)	(130,873,961)
Other operating income	9,235,537	11,397,059
OPERATING PROFIT	514,570,676	518,264,466
Other income	17,005,561	7,864,075
Finance cost on lease liabilities	(68,671,762)	(95,799,880)
PROFIT FOR THE YEAR BEFORE ZAKAT	462,904,475	430,328,661
Zakat	(15,182,483)	(11,192,342)
PROFIT FOR THE YEAR	447,721,992	419,136,319
OTHER COMPREHENSIVE LOSS		
Items that will not be reclassified to consolidated statement of profit or loss in subsequent periods:		
Re-measurement loss on defined benefit plans	(2,535,391)	(2,227,822)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	445,186,601	416,908,497
Earnings per share attributable to ordinary equity holders of the Parent Company (basic and diluted)	3.92	3.67

Consolidated statement of financial position

As at 31 December 2020

	31 December 2020 SR	31 December 2019 SR
ASSETS		
NON-CURRENT ASSETS		
Property and equipment	819,573,557	940,398,846
Intangible assets	166,650	193,133
Right-of-use assets	2,306,480,633	2,356,831,705
TOTAL NON-CURRENT ASSETS	3,126,220,840	3,297,423,684
CURRENT ASSETS		
Inventories	1,000,267,648	918,983,808
Trade and other receivables	332,612,616	227,966,901
Prepayments and advances	78,351,093	84,249,194
Due from related parties	—	—
Cash and bank balances	232,197,724	214,950,268
TOTAL CURRENT ASSETS	1,643,429,081	1,446,150,171
TOTAL ASSETS	4,769,649,921	4,743,573,855
EQUITY AND LIABILITIES		
EQUITY		
Share capital	1,143,000,000	1,143,000,000
Statutory reserve	87,259,202	42,487,003
Retained earnings	82,680,640	866,238
TOTAL EQUITY	1,312,939,842	1,186,353,241
NON-CURRENT LIABILITIES		
Employees' terminal benefits	104,581,994	91,886,141
Lease liabilities	2,265,202,787	2,297,444,070
TOTAL NON-CURRENT LIABILITIES	2,369,784,781	2,389,330,211
CURRENT LIABILITIES		
Due to related parties	16,930,608	12,386,752
Accounts payable, accruals and other financial liabilities	756,207,298	883,624,722
Unearned income and other payable	36,349,882	35,319,190
Lease liabilities – current portion	260,064,477	220,994,425
Zakat payable	17,373,033	15,565,314
TOTAL CURRENT LIABILITIES	1,086,925,298	1,167,890,403
TOTAL LIABILITIES	3,456,710,079	3,557,220,614
TOTAL EQUITY AND LIABILITIES	4,769,649,921	4,743,573,855

Consolidated statement of changes in equity

For the year ended 31 December 2020

	Share capital SR	Statutory reserve SR	Retained earnings SR	Total SR
Balance at 1 January 2019	530,000,000	129,693,833	354,750,911	1,014,444,744
Profit for the year	-	-	419,136,319	419,136,319
Other comprehensive loss for the year	-	-	(2,227,822)	(2,227,822)
Total comprehensive income for the year	-	-	416,908,497	416,908,497
Increase in share capital	613,000,000	(129,120,462)	(483,879,538)	-
Transfer to statutory reserve	-	41,913,632	(41,913,632)	-
Dividend	-	-	(245,000,000)	(245,000,000)
Balance at 31 December 2019	1,143,000,000	42,487,003	866,238	1,186,353,241
Profit for the year	-	-	447,721,992	447,721,992
Other comprehensive loss for the year	-	-	(2,535,391)	(2,535,391)
Total comprehensive income for the year	-	-	445,186,601	445,186,601
Transfer to statutory reserve	-	44,772,199	(44,772,199)	-
Dividend	-	-	(318,600,000)	(318,600,000)
Balance at 31 December 2020	1,143,000,000	87,259,202	82,680,640	1,312,939,842

Consolidated statement of cash flows

For the year ended 31 December 2020

	31 December 2020 SR	31 December 2019 SR
OPERATING ACTIVITIES		
Profit for the year before zakat	462,904,475	430,328,661
Adjustments to reconcile profit before zakat to net cash flows:		
Depreciation on property and equipment	165,448,563	160,093,738
Depreciation – right of use assets, net	269,114,934	259,594,840
Amortization of intangible assets	196,422	379,136
Finance cost on lease liabilities	96,329,767	95,858,849
Covid-19 related rent concessions	(27,598,291)	-
Loss on disposal of property and equipment	889,292	245,628
Current service cost	14,632,870	13,029,747
Interest cost related to employees' terminal benefits	2,914,384	2,697,763
Gain on termination of lease liability – net	(4,662,237)	-
	980,170,179	962,228,362
Working capital adjustments:		
Trade and other receivables, prepayments and advances	(98,747,614)	(115,948,471)
Inventories	(81,283,840)	(113,355,240)
Accounts payables, accruals and other liabilities	(126,386,732)	(51,497,974)
Due from related parties	-	1,685,390
Due to related parties	4,785,862	3,480,859
Cash from operations	678,537,855	686,592,926
Zakat paid	(13,374,764)	(2,198,775)
Employees' terminal benefits paid	(7,630,625)	(6,296,316)
Net cash from operating activities	657,532,466	678,097,835
INVESTING ACTIVITIES		
Purchase of property and equipment	(45,746,441)	(41,453,159)
Purchase of intangible assets	(169,939)	-
Proceeds from disposal of property and equipment	235,702	5,840,410
Net cash used in investing activities	(45,680,678)	(35,612,749)
FINANCING ACTIVITIES		
Dividend paid	(318,600,000)	(245,000,000)
Payment of lease liabilities (including prepayments)	(276,004,332)	(305,421,684)
Net cash used in financing activities	(594,604,332)	(550,421,684)
Net increase in cash and bank balances	17,247,456	92,063,402
Cash and bank balances at the beginning of the year	214,950,268	122,886,866
Cash and bank balances at the end of the year	232,197,724	214,950,268
SUPPLEMENTARY NON-CASH INFORMATION		
Right-of-use assets	237,189,783	2,616,426,545
Lease liabilities	229,784,928	2,728,001,330
Lease modification during the year	52,565,032	-
Depreciation on right-of use assets capitalized	2,343,965	-
Increase in share capital	-	613,000,000
Re-measurement loss on employees' terminal benefits	2,535,391	2,227,822
Employees' terminal benefits transferred in from affiliates	243,833	-
Transfer of property and equipment – net	1,827	-

The logo for Bin Dawood Holding. It features a stylized blue and red graphic element on the left, resembling a 'B' or a similar symbol. To the right of this graphic, the text 'بن داود' is written in red Arabic script. Below this, the word 'DAWOOD' is written in a bold, blue, sans-serif font. At the bottom, the word 'HOLDING' is written in a smaller, blue, sans-serif font, followed by 'القابضة' in red Arabic script.

Bin بن داود
DAWOOD
HOLDING القابضة