

Annual Report

2020-2021

Board of Directors Report

To the shareholders of Etihad Atheeb Telecom Company (GO)

For the fiscal year ending on March 31, 2021

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1- Establishment of the company

Etihad Atheeb Telecom Company ("GO"), a Saudi joint stock listed company, was established in accordance with Royal Decree No. M / 6 dated 19/2/1429 AH (corresponding to 26/02/2008) to announcing the establishment of the company. The company operates under the Commercial Registration No. 1010263273 issued in Riyadh on 30/02/1430 AH (corresponding to 25/02/2009) and the license of the Communications and Information Technology Commission (CITC) dated 5/4/1430 AH (corresponding to 01/04/2009 AD).

This union is a strong partnership established with a capital of (1) billion Saudi riyals divided into (100) one hundred million shares of equal value, each of which is worth ten (10) Saudi riyals, all of which are ordinary shares, fully paid. The union includes: "Atheeb Trading Company, its name was later changed to Bithar Trading Company, Nahla Trading and Contracting Company, Bahrain Telecommunications Company" Batelco ", Traco Group Company, Atheeb Maintenance and Services Company, its name was later changed to Modern Reyadah for Environmnet Services, Saudi Internet Company, and Atheeb Company For the computer and communications, its name was later changed to Bithar Communications and Information Technology Company, and other partners.

The license obtained by "GO" includes the provision of the following: fixed (limited mobility) telecommunications services and wireless services such as telephone voice communications, data services, broadband services, and voice over internet services; This is in addition to the Information Technology IT services that the company intends to implement in the future within its operations in the telecommunications sector in the Kingdom of Saudi Arabia, through 4G and 5G technologies and through fiber 3for all homes and business and government entities customrs . The Board of Directors recommended to the General Assembly held on 6/9/1432 AH corresponding to 6/8/2011 AD to reduce the capital from (1) one billion Saudi riyals to (400) four hundred million Saudi riyals by canceling (60) sixty million shares of Company shares, at a reduction rate of 60% of the capital. After that, it was recommended to the General Assembly held on 20/02/1433 AH corresponding to 14/01/2012 AD to raise the capital by offering priority rights shares at a value of (1.175) one billion, one hundred and seventy five million Saudi riyals, so that the new capital would be (1.575). One billion five hundred seventy-five million Saudi riyals. And based on the recommendation, shares of the capital increase were offered by (117.5) one hundred seventeen million five hundred thousand shares through the issuance of priority rights shares, and the increase in capital amounted to (1.175) one billion, one hundred seventy five million Saudi riyals. GO has called for an Extraordinary General Assembly meeting to approve and vote on the capital increase decision on 20/02/1433 AH corresponding to 14/01/2012 AD, where the capital increase decision was approved and ratified.

The Board of Directors also recommended to the Extraordinary General Assembly held on 13/07/1438 AH corresponding to 04/10/2017 AD to reduce the company's capital by 60% in order to reduce the accumulated losses below 50%, in line with the new companies' law so that the new capital after the reduction become (630) Six hundred and thirty million Saudi riyals. In response to the financial position of the company, the Board of Directors again recommended to the Extraordinary General Assembly held on 27/05/1439 AH corresponding to 13/02/2018 to reduce the capital from (630) six hundred thirty million Saudi riyals to (472.5) four hundred seventy-two million and five hundred thousand Saudi riyals by canceling the number (15.750) fifteen million seven hundred fifty thousand shares of the company's shares, at a rate of 25% reduction. In view of the financial difficulties faced by the company and the accumulated losses reaching half of the capital, and based on the recommendation of the Board of Directors, the shareholders of the company agreed in the Extraordinary General Assembly held on 08/19/1440 AH corresponding to 24/04/2019 AD to reduce the company's capital from (472.5) four hundred seventy-two million five hundred thousand Saudi riyals to (350.529) three hundred fifty million five hundred and twenty nine thousand Saudi riyals by canceling (12,197,100) twelve million one hundred ninety-seven thousand and one hundred shares of the company, with a reduction rate in the capital 25.18%.

The Extraordinary General Assembly agreed, based on the results of the shareholders' vote on 03/07/1441 AH corresponding to 27/02/2020 AD, to reduce the company's capital from (350.529) three hundred fifty million five hundred twenty-nine thousand Saudi riyals to (228. 529) two hundred and twenty eight million five hundred twenty-nine thousand Saudi riyals by canceling (12.2) twelve million and two hundred thousand shares of the company's shares, with a capital reduction of 34.80%.

2- Company business and activities

"GO" provides the following services:

- Providing all fixed telecommunications services, voice and internet services in the Kingdom of Saudi Arabia.
- Building communications and information technology networks and their facilities, and owning, maintaining, operating, managing and developing them on a commercial basis in the Kingdom, and acquiring the licenses, equipment and devices necessary for this.
- Import all types of communication devices fixed and limited mobility and similar devices, goods, export, marketing and supply, and enter in tenders related thereto; GO has obtained a license to provide Internet services from the Communications & Information Technology Commission.
- Import marketing and installation and maintenance of telecommunications and information technology equipment.
- Investing in commercial and investment projects related to various telecommunications services, according to what the company deems appropriate to develop its business, in accordance with the laws and regulations in force in the Kingdom.
- Selling and distributing prepaid cards.

3- Important company news and decisions

3-1 Acceptance of the resignation of Mr. Abbas Ali Ghuloom Haji (independent member) from the membership of the Board of Directors.

On 07/04/2020, the Board of Directors agreed to accept the resignation of Mr. Abbas Ali Haji (independent member) from the Board of Directors, due to his own circumstances, as of 07/04/2020.

3-2 Appointment of the Chairman of the Audit Committee (Mr. Aziz Al-Qahtani)

On 07/04/2020, the Board of Directors approved the decision of the members of the Audit Committee to appoint Mr. Aziz bin Muhammad bin Mubarak Al-Qahtani - Chairman of the Audit Committee for the third session, as of 06/04/2020.

3-3 Appointment of Dr. Essa Yaslam Faraj Baesa (independent member) member and chairman of the Remuneration and Nominations Committee.

On 12/05/2020, the Board of Directors approved the appointment of Dr. Essa Yaslam Faraj Baesa as a member and Chairman of the Remuneration and Nomination Committee, as of 12/05/2020.

3-4 Appointment of Shaikh Mohamed bin Khalifa bin Salman Al Khalifa (Non-Executive) to the Board of Directors as a representative of the Bahrain Telecommunications Company (Batelco), replacing member / Raed bin Abdullah Fakhry

On 31/05/2020, the Board of Directors approved the appointment of Shaikh Mohamed bin Khalifa bin Salman Al Khalifa – as a member (non-executive) of the Board of Directors representing Batelco on a temporary basis as of 31/05/2020 AD, replacing Mr. Raed Abdulaah Fakhry, the new member completes the term of his predecessor until the end of the current (third) session.

3-5 Approval of Amending the ByLaws - Articles (20, 22, 31, 45)

On 17/06/2020, the Board of Directors agreed to approve and recommend to the Extraordinary General Assembly to amend the ByLaws - Articles (20, 22, 31, 45).

3-6 Approval of the audited financial statements for the fiscal year ending on March 31, 2020, and the annual report of the Board of Directors to the shareholders for the year 2019/2020

On 23/06/2020, based on the audit committee's recommendation, the Board of Directors agreed to ratify the audited financial statements for the fiscal year ending on March 31, 2020, and the independent auditor's examination report, as received from the external auditor, and ratify of the annual report of the Board of Directors for the shareholders for the year 2019/2020 and approve the data contained therein and the forms associated with it in accordance with the instructions issued by the relevant authorities.

3-7 Approval of the interim condensed financial statements for the three-month period (1st quarter) ending on June 30, 2020 and the examination report

On 23/08/2020, based on the audit committee's recommendation, the Board of Directors agreed to ratify the interim condensed financial statements for the three-month period (1st quarter) ending on June 30, 2020, and the examination report as received from the external auditor.

3-8 Implementation of the turnaround strategy project in cooperation with the consultant Arthur D. Little

On 23/08/2020, the Board of Directors approved the selection and appointment of the consultant, Arthur D. Little, to implement the transformation project (in two phases) and authorized the acting CEO to sign the agreement contract with the consultant Arthur D. Little, on behalf of the company.

3-9 Nomination and election of members of the Board of Directors and members of the Audit Committee for the fourth session, which begins on 26/10/ 2020 for a period of three years

On 30/08/2020, the Board of Directors approved the recommendations of the Remuneration and Nominations Committee regarding candidates for membership of the Board who meet the conditions and criteria for membership approved by the General Assembly, according to what was stated in the minutes of the tenth session of the Committee held on 29/06/2020, and the invitation to hold the General Assembly meeting to vote on the selection and appointment of members of the Board and members of the Audit Committee for the fourth session.

3-10 Recommending the election and appointment of candidates for membership of the Audit Committee for the fourth session of the Board of Directors, which begins on 26/10/2020 for a period of three years

On 06/09/2020, the Board of Directors recommended to the General Assembly of shareholders to vote on the formation of the audit committee for the fourth session, and that the executive management of the company make the necessary arrangements to call for holding the General Assembly meeting to vote on the selection and appointment of members of the audit committee for the fourth session.

3-11 Settlement of the claims of a member and Chairman of the Board of Directors, Mr. Hussamedin Bin Hashem Sadaqa, to pay allowances for attending the Board's sessions, sub-committees and official meetings

The Board of Directors agreed on 20/09/2020 to accept the withdrawal of Mr. Hussamedin Bin Sadaqa's waiver of his attendance allowances for the Board's sessions, sub-committees and approved official meetings as of 01/04/2020, provided that the Secretary of the Board of Directors coordinates with the company's executive management to settle the claims of the member and Chairman of the Board of Directors, Mr. Hussam ElDin Bin Hashem Sadaqa, and to pay all attendance allowances for the approved and due Board sessions, committees and meetings, and to disclose the withdrawal of the waiver and update

the next annual report of the Board of Directors accordingly in line with the provisions of the Corporate Governance Regulations in this regard.

3-12 Appointment of Mr. Yahya bin Saleh Al Mansour as CEO of Etihad Atheeb Telecom Company (GO)

On 20/09/2020, the Board of Directors approved the appointment of Mr. Yahya bin Saleh Al Mansour as CEO of Etihad Atheeb Telecom Company.

3-13 Authorizing and granting the powers to Mr. Yahya bin Saleh Al Mansour, as CEO of Etihad Atheeb Telecom Company (GO)

The Board of Directors agreed on 11/10/2020 to grant and delegate the same powers granted to the current acting CEO to the company's CEO, without canceling the powers of current acting CEO until after completing all the legal procedures with all relevant authorities, and that the executive management takes the necessary actions for disclosure appointing the CEO and notifying all concerned parties of this decision, in compliance with the regulations and requirements of the Capital Market Authority and all concerned authorities.

3-14 Selection and appointment of the Chairman of the Board of Directors for the fourth session

On 27/10/2020, the Board of Directors approved the appointment of Dr. Essa Yaslam Faraj Baessa as Chairman of the Board of Directors of Etihad Atheeb Telecom Company.

3-15 Selection and appointment of the Vice Chairman of the Board of Directors for the fourth session

On 27/10/2020, the Board of Directors approved the appointment of Dr. Yazeed bin Saleh bin Marzam Al Subaie as Vice Chairman of the Board of Directors of Etihad Atheeb Telecom Company.

3-16 Selection and appointment of the Secretary of the Board of Directors for the fourth session

On 27/10/2020, the Board of Directors approved the appointment of Mr. Saad bin Omar bin Saad Al-Baiz, Secretary of the Board of Directors of Etihad Atheeb Telecom Company.

3-17 Election and appointment of members of the Audit Committee for the fourth session

The Board of Directors approved on 27/10/2020 the formation of the Audit Committee of the following gentlemen (Mr. Ayman Hilal Ali Al Jaber, Mr. Hani Fahd Jamil Qattan, and Mr. Omar Subhi Abdul Karim Shana'a) provided that the company's executive management discloses this decision to the concerned official authorities and completes all procedures resulting therefrom.

3-18 Selection and appointment of members of the Remuneration and Nominations Committee for the fourth session

The Board of Directors approved on 27/10/2020 the formation of the Remuneration and Nomination Committee from the following gentlemen: (Mr. Khalid Abdul Rahman Al-Khudairi, Dr. Yazeed Saleh Al-Subaie, and Mr. Saad Omar Al-Baiz) provided that the company's executive management discloses this decision to the concerned official authorities and the completes of all procedures resulting therefrom.

3-19 Election and appointment of members of the Audit Committee for the fourth session

On 27/10/2020, the Board of Directors approved the formation of a temporary committee concerned with following up on strategic and important projects for the company, in a manner that does not conflict with the tasks and responsibilities of other committees in the Board, and its term to be six months, subject to extension for a similar period, from the following gentlemen, (Sheikh Mohamad bin Khalifa Al Khalifa, Dr. Isa Yaslam Ba-isa, Dr. Yazid Saleh Al-Subaie, Mr. Ayman Hilal Al-Jaber, and Mr. Ihab Anwar Hanawi) provided that the members choose the head of the committee among themselves and that the committee submit a report on projects and responsibilities carried out by the Committee on a regular basis.

3-20 Appointing representatives of the company at the Capital Market Authority (CMA) and the Saudi Stock Exchange Company (Tadawul)

On 27/10/2020, the Board of Directors agreed to authorize each of the following gentlemen (Dr. Isa Yaslam Ba-isa, Mr. Saad Omar Al-Baiz, and Mr. Yahya Saleh Al Mansour) to be individual and/or joint representatives of the Board of Directors with the Capital Market Authority (CMA) and the Saudi Stock Exchange Company (Tadawul) for all purposes related to the application of the Capital Market Law and its regulations.

3-21 Authorization of the Director of Shareholder Relations

On 27/10/2020, the Board of Directors agreed to authorize the Director of the Shareholder Relations Department, Mr. Abdulaziz Issa Al-Meshari, to obtain some powers to represent the company with some government agencies.

3-22 Approval of the interim condensed financial statements for the three- and six-month period ending on September 30, 2020 (2nd quarter) and the examination report

On 11/08/2020 AD, the Board of Directors agreed to approve the financial statements and the examination report for the period referred to above, provided that the executive management of the company would announce and publish the financial results for the mentioned period on the official website of the Saudi Stock Exchange (Tadawul) within the specified period and provide the Authority with copies of the financial statements as applicable.

3-23 Authorizing the CEO to complete the negotiations and sign on behalf of the company the financial settlement agreement with the Saudi Telecom Company

On 12/10/2020, the Board of Directors agreed to grant the powers to the CEO of the company to complete the negotiations and sign the financial settlement with the Saudi Telecom Company.

3-24 Appointment of Mr. Essa Abbas Al-Sabaa as a Member (Non-Executive) in the Board of Directors

On 31/12/2020, the Board of Directors approved the appointment of Mr. Essa Abbas Al-Sabaa as a member (non-executive) of the Board of Directors representing the Bahrain Telecommunications Company (Batelco) to succeed Mr. Ehab Anwar Hanawi, provided that the new member completes the term of his predecessor until the end of the term of current (fourth) session, and that the executive management takes the necessary measures to disclose and report changes in the composition of the board of directors to the concerned authorities as appropriate.

3-25 Signing a settlement agreement with the Saudi Telecom Company

On 02/03/2021, the executive management of the company signed a settlement agreement with the Saudi Telecom Company (STC).

3-26 Approval of the interim financial statements for the third quarter ending on December 31, 2020 AD

On 10/02/2021, the Board of Directors agreed to approve the financial statements and the examination report for the period referred to above, provided that the company's executive management announces and publishes the financial results as appropriate.

3-27 Approval of the company's transformation strategy

On 21/03/2021, the Board of Directors approved the company's transformation strategy, and approved the work plan presented by the company's executive management.

3-28 Approval of the company's general budget

On 24/03/2021, the Board of Directors agreed to ratify the company's general budget, provided that the executive management conduct a quarterly review (every quarter) of the budget, report the basic financial performance indicators, clarify the deviation (if any) and present them to the Board of Directors, in coordination with the Audit Committee.

3-29 Approving the organizational structure of the company

On 24/03/2021, the Board of Directors agreed to ratify the organizational structure (first and second levels) for the company and that it will be implemented from the date of this approval by the Board of Directors.

4- Plans, operations, and future expectations of the company's business

4-1 Network and service delivery

4-1.1 Network Deployment

"GO" has spread its network in thirteen major cities of the Kingdom: Riyadh, Jeddah, Mecca, Rabigh, Madina, Yanbu, Khamis Mushait, Dammam, Al Jubail, Al Khobar, Al Hofuf, Al Qatif, and Hail. Last year, GO continued to expand its reach through partner networks by modernizing its interconnection networks to meet the needs of corporate customers. GO continued its services to its valued customers in the business sectors as well as individuals in the home its services to its valued customers in the business sectors as well as individuals in the home. GO has also expanded in main business area in Riyadh, Jeddah and Mecca region and some industrial cities such as (the second industrial city in Jeddah) and (the industrial zone in the cities of Jubail, Dammam and Khobar) and Hail region by adding the city of Rabigh and the city of Hail in the area of its network coverage in order to serve both the individuals and business sectors.

"GO" has succeeded to fulfill its commitments with other service providers regarding the "open access agreement" in spite of all logistic difficulties during corona epidemic (COVID-19). GO succeeded in fulfilling its obligations under the "Open Access Agreement" facilitated by the Communications and Information Technology Commission and the signing of many agreements with telecom service providers in the Kingdom. Interconnection of data and services has made GO ready with all major service providers and able to provide fiber optic (FTTH) and broadband service to home users, and small and medium businesses. This step allowed to increase the spread of "GO" services to cover other regions in the Kingdom. Thus, it is able to provide fixed-line phone service and the Internet at high speeds to a larger segment of users.

GO continued to modernize and expand its international calling network (ISP, Voice Network) due to the growth in the carriers and operators segment which led to increased interconnection and handling of international calls, and the service provider platform and its sub-systems were expanded by 42% (ISP). international call processing, which resulted in the expansion and development of the ISP by 42%.

GO has expanded its reach to the new location globally to provide better services to home and business users.

GO has signed new or renewed contracts with global content delivery partners such as Google, YouTube, Snapchat, Facebook, Netflix and Akamai as it has had a very significant impact on the overall user experience of a large segment of customers, and upgraded CDNs under new contracts has resulted It also reduces the operational cost due to the subsequent decrease in the consumption of some international capacities.

Based on instruction from the Royal Commission of Riyadh city, the company managed to redact one of its TIER-3 data centers in the city of Riyadh which contains more than 200 unit of communication and information technology and about 50 clients and partners collected which was a huge challenge for business continuity. However, that task was dealt with professionally by the executive and technical teams of GO.

At the same time, GO took advantage of this opportunity to expand into current services of data centers by 100% by increasing electrical power capacity and increasing the facilities to install extra equipment of telecommunication and information technology.

This initiative is expected to increase the potential revenue of the company in the coming periods and in line with the vision of the government to expand cloud computing and infrastructure of data centers in the kingdom.

4-1.2 Network Technology

In addition to the current infrastructure of IP/MPLS networks technologies and the access network based on a mix of WiMAX technology based on the global standard (e802.16) and fourth generation technology for the last mile, For home customers where GO established an interconnection between home fiber operators with major local service providers, GO at the same time continued to maintain the interconnection network to provide LTE services through the third party.

The company started to modernize the fixed voice call network for business and home users through SIP TRUNKS.

The company has used PTP and PTMP networks to serve business users, and last year started in developing fiber in some business centers in Riyadh and Dammam to provide high speed data and internet service for business sector and at the same time to use this infrastructure to add needed flexibility and protection to GO's core network.

GO continues to follow up technological advancement in the field of fixed wireless networks pre5G and 5G and in the preminent contact with pioneering developers and manufacturers of equipment and systems in order to plan to modernize and upgrade its access network.

In addition to the preceeding, GO has implemented procedures in the area of operations and maintenance in order to provide the best services for business and consumers sector through adopting a hybrid model for using internal and external resources. This has been reflected in the main KPIs and tge reduction of cost as well.

4-1.3 Network Expansion

"GO" has concentrated on expanding of the network in the tow main areas, core network and access network.

For core network, ISP network has been expanded on the local and international levels and in capacity and equipment specifications. The coverage of IP-MPLS network has been expanded from the core to the edge of the access network with uplifting the capability and specification of equipment of the main network to the optimal level.

For access network, "GO" has supplemented its signature in the currently served cities through upgrading and modernizing the specification and capability of equipment. The passive infrastructure has been supplemented, to serve new areas mainly through utilizing interconnection with partners to expand services to GO's customers of business and homes.

4-1.4 IT Equipment

As mentioned earlier, GO has moved its main data center in Riyadh to a new location, the new location having approximately 50% access to ICT equipment and 100% in terms of electrical power capacity and related systems.

It is considered the basis for providing distinguished services to the business sector, especially emergency centers and centers for business continuity. The data center has been designed, built and implemented in accordance with Tier3 standards, which are considered among the highest levels of classification in the Kingdom and the region.

GO has witnessed a continuous rise in business and government customers who have obtained the service of distributing data center locations. GO has also taken rapid steps towards growth through its dependence on highly qualified Saudi and international workforce in information technology, which has taken upon itself the responsibilities of developing and maintaining Systems And "GO" devices for deep packet auditing (DPI) to improve the services provided to customers in terms of ease of knowing customers' needs, focus on them and choose between services.

4-1.5 Company's assigned frequency spectrum

Through its expansion in serving the business sector, "GO" has obtained frequencies in different bands from the Communications and Information Technology Commission to be used in wireless links to connect its towers and various network centers, in addition to frequencies for providing broadband data.

4-1.6 Optical fibers and international communication circuits

"Go" leased high capacity (Lambda) for a period of fifteen years for the so-called Irrevocable Right of Use (IRU) from Bayanat Al-Oula on the Optical Fiber Network (SNFN), which covers the largest cities in the Kingdom in the form of two separate circuits in order to link its operations in the different cities. The company has also leased three (Lambda) for international connectivity for a period of fifteen years from local telecommunications companies and international companies, and this expansion of international communication circles in order to meet the increasing growth and continuous demand in both the individual and business sector. And in line with the company's expansion plans and to ensure the best services provided to its customers, the capacity of the departments has increased by 100% over what it was in previous years.

To meet the ever-increasing growth and continuous demand in both the individual and business sectors, GO has increased its transportation capacity by acquiring additional new Lambda for international connections as well as various new and expanded domestic transport connections in addition to the existing connections.

1. High capacity (Lambda) for fifteen years which called Irrevocable Right of Use (IRU) from Bayanat Al-Oula on the Optical Fiber Network (SNFN), which covers the largest cities of the Kingdom in the form of two separate circuits to link its operations in different cities
2. 12+ high-capacity transmission links for international calling for fifteen-year periods from domestic carriers and international companies
3. Various local links between major cities and within cities for voice and data services.

4-2 Commercial Operations

4.2.1 Strategic partnership with the Saudi Telecom Company (STC)

This partnership has a great impact on the expansion of the company's business in many directions, in terms of increasing the number of products and expanding the coverage area to include most regions of the Kingdom, and among the most important services provided within this partnership is the optical fiber service for individuals and homes and the fourth generation LTE services for individuals. "GO" Also provide solutions to the business sector by providing Internet services and interconnection via optical fibers.

4.2.2 Company services

"GO" services to the individual sector have diversified over the past years to include broadband service via fiber optic home services (FTTH), broadband over the fourth generation LTE technology, in addition to WiMAX technology, which increased the diversity of the company's services to its customers.

"GO" has also expanded its services to the business sector to include information technology (ICT) solutions to serve small and medium-sized companies, such as maintenance and operation services for local networks, and wireless network installation and operation services within residential complexes and hotels. "GO" is entering into local and international partnerships with many companies to provide cloud services and hosting services, which will enable the company to acquire a larger market share.

"GO" clearly focused on providing customers with the opportunity to benefit from the distinct voice services that were available through the network, as well as designing new voice packages and linking them to the Internet packages available at special prices for internal and external calls. Voice services for the business sector have also varied from geographic numbers, standard numbers (9200xxxx), and toll-free numbers. The voice services for the business sector have received wide acceptance from customers in various private and government sectors. Currently, some branches of the government sectors rely on the voice services provided by "GO" completely.

"GO" has worked to develop the business sector and increase its workforce of sales teams, sales engineers and sales support teams, and has developed a set of distinct solutions for high-speed Internet services, local and international connectivity, and voice services, via wireless links and optical fiber technology, and expanded coverage to include most The regions of the Kingdom where these services are provided in record time and with high quality.

4.2.3 Points of sale and distribution

"GO" is keen to reach all segments of society and provide its services and products to individuals and the business sector alike. "GO" has concluded many agreements with leading companies with a number of large points of sale and companies based on the distribution of the company's products to the points of sale of computers, communications and retail companies spread throughout the Kingdom. Thus, the number of points of sale for the company's products reached more than (700) seven-hundred points of sale.

In addition to the points of sale, the company has created a telephone sales department that targets all potential customers and wishing to subscribe by convincing them of products that suit their requirements through several options on offer. "GO" provides free delivery service to the location of the customer.

4.2.4 Customer Service

Customer service and after-sales services are considered one of the most important strategic pillars in the important development that "GO" is witnessing. In order to provide a service that meets the client's aspirations, "GO" has invested in restructuring and rehabilitating the customer service center, attracting and developing young and ambitious Saudi competencies capable of understanding the client's needs and dealing with them effectively and with quality. The role of the technologies used also had a major role in developing the level of service, as efforts focused on using modern multi-channel technical media that ensure fast service and a smooth and coherent experience through all channels of communication with customers, whether through the call center, social media channels, or the company's website.

4.2.5 Competition

It is no secret to any market follower the fierce competition in it, as price offers and discounts appear constantly by mobile services companies, and "GO" is keen to educate the customer that its services are home and stable to serve the whole family while highlighting audio services as an added value to Internet services.

The Communications and Information Technology Commission issued its decision to classify telecommunications companies according to the classified markets in the report on determining, classifying and controlling markets in the telecommunications sector (2017/1439). Report of the Commission for the Classification of Markets in the Telecommunications Sector (2017G / 1439H); this resulted in difficult competition in the telecom market.

4.2.6 Community service and social development

In view of the negative effects of the Corona pandemic and the occurrence of a complete closure of all sectors within the Kingdom of Saudi Arabia, and as a contribution from the company in playing a positive role, and in implementation of the vision of our rational government to try to mitigate the effects of the pandemic, Etihad Atheeb Communications Company "GO" has contributed significantly to alleviating the effects. The negative impact of the pandemic by launching educational internet packages at prices that suit all segments of society, which contributed greatly to helping male and female students to complete their educational path during the distance learning period.

4.3 Human Resources

As a continuation of "GO" strategy in previous years, the Human Resources Department has paid attention to the human element and attracted good human resources. The Human Resources Department has, until the end of the fiscal year 2020/2021, employed 56 permanent employees, of whom approximately 95% are Saudis, in various departments and departments of the company. In light of the strong competition between companies in the Saudi labor market to attract qualified local and foreign human resources, and with the increasing demand for localizing jobs, attracting and preserving these resources has become one of the strongest challenges facing companies. This, in turn, caused high rates of salaries and benefits offered by major companies, which led the employee to move towards companies with higher salaries. The Human Resources Department in this period focused on raising the efficiency and productivity of the employee, benefiting from the human element and supporting work needs.

4.4 Future expectations for the company's business

4-4-1 Fixed connections

Studies indicate that the number of lines operating in the Kingdom for fixed internet service by the end of 2020 amounted to about 2.19 million housing lines, which represents about 35.6% of the total lines operating during the year 2020. The broadband initiative was also launched, enabling the company to grow, as the covered homes reached Viber service 3.5 million.

As for the business sector, it may flourish with the prosperity of economic and commercial activity in the country and the achievement of Vision 2030, This means that GO has a great opportunity to expand its fixed-line services, and obtain a larger market share, by targeting the business sector with promotional offers and modern distinguished services, and targeting the individuals and homes sector at competitive call rates.

4-4-2 Broadband services over fixed telecommunications networks

The demand for broadband services has increased recently, compared to previous years; This is after many government procedures are carried out through electronic transactions. This rise was also helped by the spread of the use of Internet services in society, as it became a major source of communication, access to information and business management, using many programs and applications that are downloaded; Such as social networking applications, business applications, word processing, chat programs, games and others, and these applications require large download capacities and high speeds.

This is a promising opportunity for the company's future to target the increasing demand for fiber-optic services and provide different speeds and packages to suit customers' requirements and wireless services. GO has not neglected the business sector in its future plans to expand the provision of modern technical solutions, fiber-optic connectivity services and wireless links. Whereas, "Go" company carried out drilling operations for fiber optic service in the cities of Riyadh and Dammam, in order to reach a larger share of the business sector.

4.5 Products provided by the company

4-5-1 Individuals sector services

4-5-1-1 Fiber Broadband (FTTH)

"GO" offers "fiber broadband" service via fiber optic technology, which is a high-speed internet service that allows the customer to enjoy a distinctive Internet experience with multiple high-speed options of up to 200 megabytes and fixed phone services.

4-5-1-2 LTE Broadband

LTE Broadband Internet service introduces a new concept for fourth generation (4G) services, providing optimal speeds for sending and receiving data over the network, allowing the customer to enjoy a new Internet experience, whether for instant browsing of the Internet without any waiting, downloading large files, or running Internet games, or watch live broadcasts at constant speed.

4-5-1-3 WiMAX, the 4th generation of the internet and the developed phone

Internet and telephone service is available to the individual sector in all major cities in the Kingdom. The service is based on the fourth generation Wi-Fi technology (WiMAX) and enables the customer to use the Internet and the phone on his internal movements in the Kingdom. It also allows the customer to choose from multiple subscription speeds and periods and gives the subscriber the ability to benefit from the service wherever he is in the regions and cities covered by the network. As well as ease of installation and operation, and without a monthly fee for phone service.

4-5-2 Business sector services

4-5-2-1 WiMAX Business (GO SOHO)

"WiMAX" business technology is a service designed for businesses that require the implementation of services that require browsing speeds of up to 3 MB without the need for complex installation procedures or lengthy activations, enhancing customer business performance. The service also allows the customer to communicate through the voice and fax service attached to the service, giving him complete freedom to conduct his business in all areas covered by the company's network.

4-5-2-2 LTE Business (GO SOHO LTE)

They are services designed to serve the business sector that requires the implementation of services that require browsing speeds of up to 10 Mbps without the need for complex installation procedures or lengthy activations, which enhances customer business performance.

4-5-2-3 Business Internet Service (GO Net)

Business Internet service provides high quality and speeds and provides important applications such as the web, e-mail and network connectivity that require the presence of the Internet Protocol (IP) so that customers can run their business effectively and with high flexibility.

4-5-2-4 Virtual Networks (GO Secure)

The virtual network service provides linking the various branches of companies with each other through a secure network connection and speeds according to the customer's request. The branches are linked to the main offices through a high-quality network available in thirteen cities in the Kingdom.

4-5-2-5 Global Connectivity Networks (GO Global)

This service provides linking large business sector networks inside the Kingdom with their branches outside the Kingdom around the world. The global connection is done through optical fibers between the company and international telecommunications companies.

4-5-2-6 Hosting services (GO Hosting)

"GO" Hosting service is characterized by providing leading and basic communication solutions. It is a reliable service in the field of domain name registration and hosting company pages on the Internet.

4-5-2-7 Voice services (GO Tel)

Fixed phone lines and numbers provided to the business sector via the developed technology (SIP Trunk). This service is the latest and best alternative to traditional communications (PSTN). This service provides the business sector with local and international voice communications and fax services.

4-5-2-8 Operation and maintenance services at the client terminal devices (Router - firewall)

This service is designed for the business sector to raise the performance of the level of services provided to customers, and to meet an urgent market and an additional step towards focusing on information and communication technology (ICT) services, which is the operation and making of the necessary settings and maintenance of the customer terminal for a monthly fees.

4-5-2-9 Data center hosting service (Colocation - Services)

Hosting the data center for business customers is a service provided through the company's data center, which provides the necessary space to accommodate the necessary network equipment, servers and Internet connections with ease. Business customers have increased their interest in a data center hosting service capable of hosting their sensitive tools within a world-class data center..

4-5-2-10 Managed Router Services (MRS)

This service is designed to raise the performance of the level of services provided to the business sector, and to meet the urgency of the market, which consists of operating and making the necessary settings and maintaining the router for the customer and includes the immediate replacement of the device for a monthly fees.

4-5-2-11 Virtual connectivity services on the 4G network (VPN over LTE)

This service is considered an extension of the virtual connection services for the business sector, but to meet the market need for low-cost, easy-to-install and maintenance solutions. The company targets with this service companies and institutions that have small and many branches (Chain companies).

4-5-2-12 Protection from attacks and disable the service (DDOS)

This service is designed to meet the need of the market and an additional step towards focusing on information and communication technology (ICT) services, which is an addition of a protection feature against cyber-attacks called DDOS for internet services, and this service mainly benefits the business sector.

4-5-2-13 Backup connectivity services (Backup Services)

This service is an extension of the networking services for the business sector in order to meet the customer's requirements to provide back-up connectivity solutions to ensure uninterrupted work and productivity, as the transfer from the primary line to the alternate line (and vice versa) takes place within a few seconds.

4.5.3 Wholesale services

4-5-3-1 LTE cards for internet charging

Internet recharge cards are prepaid cards to charge the "GO" Golden Limited service. They are available at different prices, with multiple powers and capacities that meet all the customer's internet needs.

4-5-3-2 (LTE) devices to provide the Internet

(LTE) devices for Internet service are marketed and distributed in all regions of the Kingdom, and they are available at different prices and with various powers and capacities that correspond to the customer's Internet needs.

4-5-3-3 Passing international calls and interconnection services

"GO" made agreements with a number of local and international operators by passing voice calls to fixed and mobile communications. This makes interconnection services one of the sources of additional revenue that achieves an adequate profit margin.

5. Company assets and liabilities and annual business results

5.1 Statement of financial position

Description	March 31, 2017 (Audited) SAR Million	March 31, 2018 (Audited) SAR Million	March 31, 2019 (Audited) SAR Million	March 31, 2020 (Audited) SAR Million	March 31, 2021 (Audited) SAR Million	Clarifications
Current Assets	344,120,498	329,149,041	397,152,533	469,741,092	303,690,232	Decreased due to decrease in cash, AR and advance payment
Non-current Assets	1,129,831,190	1,064,107,142	992,230,890	1,183,168,388	731,455,063	Decreased due to decrease in intangible assets and rights of use
Total Assets	1,473,951,688	1,393,256,183	1,389,383,423	1,652,909,480	1,035,145,295	As mentioned above
Current Liabilities	787,851,221	806,340,009	980,531,920	1,090,366,566	450,023,421	Decreased due to decrease in short term AP and accrued expenses
Non-current Liabilities	365,504,010	302,967,079	186,613,615	411,801,066	473,382,514	Increased due to increase in long term AP
Total Liabilities	1,153,355,231	1,109,307,088	1,167,145,535	1,502,167,632	923,405,935	As mentioned above
Shareholders' Equity	320,596,457	283,949,095	222,237,888	150,741,848	111,739,360	Decreases due to impairment losses of property and equipment
Total Liabilities and Shareholders' Equity	1,473,951,688	1,393,256,183	1,389,383,423	1,652,909,480	1,035,145,295	As mentioned above

6. Company and subsidiary company revenues

6.1 Subsidiaries and details of the shares and debt instruments issued for each of them

There are no subsidiary companies at the present time and therefore "GO" does not own any shares in any subsidiary or associate company, and it has not issued any debt instruments related to this type of company since the date of incorporation until the date of this report. In the future, "GO" will disclose. The data of the subsidiary companies and their activities and the countries in which their main operations and their place of incorporation are details of ownership of shares therein, and any details related to debt instruments if they acquire shares in them, Allah willing.

6.2 The main activities of the company

Activity (1): Providing Internet service (broadband) to the individual and business sectors.

Activity (2): Providing audio services and interconnection for the individuals and business sectors.

The impact of these main activities on the company's business volume and its contribution to the results are as follows:

The main activities	Activity revenue (SAR)	Percentage
Activity (1): Internet service (broadband) to the individual and business sectors.	249,183,505	788
Activity (2): audio services and interconnection for the individuals and business sectors.	32,916,164	712
Total	282,099,669	7100

6.3 The company's total revenue analysis

Description	March 31, 2021					Clarifications
	March 31, 2017	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	
Revenues	Saudi Riyal					
Broadband	281,468,864	358,635,520	321,479,982	285,126,432	249,183,505	Decreased as a result of lower LTE, FTTH and business sector revenue
audio services and interconnection	140,277,008	121,185,293	99,610,958	54,474,622	32,916,164	Decreased due to decrease in interconnection revenue
Total revenue	421,745,872	479,820,813	421,090,940	339,601,054	282,099,669	

The provision of the company's main services (fixed and limited communications, voice services and the Internet) resulted in achieving operating income (282,099,671) two hundred and eighty-two million and ninety-nine thousand six hundred and seventy-one Saudi riyals, which represent the results of the company's main activity until 31/3/2021.

6.4 A geographical analysis of the company's revenues

NO	Year	A geographical analysis of the company's revenues		
		Geographical area	Total revenue	Total
1	2020/2021	Abha	1,075,452.33	252,918,768.78 SAR
2		Al Ahsa	19,637.20	
3		Al Kharj	695,733.25	
4		Al Khobar	15,671,108.80	
5		Ar Rass	58,903.60	
6		Buraydah	24,800.60	
7		Dammam	4,850,772.97	
8		Hafar Al Batin	1,348,714.37	
9		Hail	471,275.74	
10		Al Hofuf	1,069,244.55	
11		Jazan	299,519.76	
12		Jeddah	23,785,526.10	
13		Al Jubail	1,286,130.22	
14		Khamis Mushait	1,494,867.26	
15		Medina	2,457,561.63	
16		Makkah	1,382,226.52	
17		Najran	594,510.35	
18		Unayzah	109,500.58	
19		Al Qassim	1,263,079.85	
20		Al Qatif	372,875.17	
21		Riyadh	189,412,886.53	
22		Tabuk	697,561.11	
23		Taif	408,193.77	

24		Yanbu	333,422.74	
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6.5 Operational information of the company's activities compared to the previous year (Saudi Riyals)

Description	The year ended On March 31, 2021	The year ended On March 31, 2020	Changes Positive or Negative	Percentage change (%)
Revenue	282,099,669	339,601,054	(57,501,385)	-17%
Cost of services	(122,047,836)	(151,984,807)	29,936,971	-20%
Operating expenses	(294,772,561)	(241,467,045)	(53,305,516)	22%
Other income	102,168,358	3,242,547	98,925,811	3051%
Operating loss	(32,552,370)	(50,608,251)	18,055,881	-36%
Loss for the year	(39,002,488)	(71,496,040)	32,493,552	-45%

- Operational revenues decreased by (57.5) fifty seven million five hundred thousand Saudi riyals compared to the previous year, mainly due to:
 - 1- Decrease in business sector revenues by (17.7) seventeen million seven hundred thousand Saudi riyals..
 - 2- A decrease in fiber optic service (FTTH) revenues by (6.6) six million six hundred thousand Saudi riyals and a decrease in high-speed broadband (LTE) revenues by (15.2) fifteen million and two hundred thousand Saudi riyals.
 - 3- In the same period, the revenues of the broadband (WIMAX) decreased by (.7) seven hundred thousand Saudi riyals, as well as the interconnection revenues by (21.2) twenty one million two hundred thousand Saudi riyals, and wholesale sales (Dark Fiber) increased by (3.8) three million Eight hundred thousand Saudi riyals.
- The decrease in service costs is due to the decrease in revenues from services provided by both the business sector, the individual services sector and interconnection.
- Operational expenses increased by (53.3) fifty-three million three hundred thousand Saudi riyals, as a result of: increase in impairment loss on property and equipment by an amount of (93.3) ninety-three million three hundred thousand Saudi riyals, and a decrease in the depreciation and amortization expense of assets by (22.9) twenty-two million nine hundred thousand Saudi riyals and a decrease in administrative and general expenses by an amount of (16) sixteen million Saudi riyals, and impairment losses in trade receivables decreased by an amount of (2.2) two million two hundred thousand Saudi riyals, and an increase in selling and marketing expenses by (1) million Saudi riyals.
- The decrease in total losses from operations by the amount of (18.1) eighteen million and one hundred thousand Saudi riyals is due to the increase in other income.
- The decrease in the total comprehensive loss for the current year by an amount of (32.5) thirty two million five hundred thousand Saudi riyals is due to the increase in other income by an amount of (102.2) one hundred and two million and two hundred thousand Saudi riyals.

6.6 Compliance with the accounting standards issued by the Saudi Organization for Certified Public Accountants

“GO” has fully committed to applying all accounting standards issued by the Saudi Organization for Certified Public Accountants in all its operations and accounts and in preparing its financial statements and statements, and that there are no significant differences in this regard.

The annual financial statements have been prepared in accordance with the International Financial Reporting Standards approved in the Kingdom of Saudi Arabia and other standards and publications issued by the Saudi Organization for Certified Public Accountants.

7. Potential company risks

It is clear that any economic sector is not without potential risks, and there is no doubt that "GO" has some risks that impede its operations according to the steady developments in the telecommunications sector inside and outside the Kingdom of Saudi Arabia, especially the entry of new competitors and the acquisition of Zain and Mobily. The unified license and the integrated communications company on the fixed license, which includes the core of the Joe license (fixed phone), the high intensity of competition, the tremendous technological development in communication technologies and the rise in their cost.

Also, one of the risks that exacerbate competition is the ability of Internet Service Providers (ISP) to sell the same telecom company's services to the business sector, which may cause a decrease in the profits of telecommunications companies, including the company "GO".

7.1 Regulatory environment risks

The regulatory environment within which GO operates continues to evolve towards liberalizing the telecommunications sector and competing in it. In this context, the lack of development of the regulatory environment may limit its ability to implement its business strategies and limit flexibility in responding to changing market conditions, thus achieving its objectives and business plans. There is no guarantee that the laws in force in the Kingdom will not be changed or interpreted in a way that could negatively affect the company's business. Among these risks, but not limited to the following organizational challenges, which may lead to risks that may affect the revenues and profitability of the company:

- Communications and Information Technology Commission issued Resolution No. 415/1441 dated 23/08/1441 AH, approving the document "General Rules for Maintaining the Privacy of Users' Personal Data" for the telecommunications, information technology and postal sector, which requires an increase in operational expenses in order to achieve the mechanism contained in the approved documents.
- Communications and Information Technology Commission issued its Resolution No. 416/1441 dated 12/09/1441 AH, approving the document "Procedures for launching services or products based on personal data of users or sharing personal data for the communications, information technology and postal sector, which requires an increase in operational expenses in order to achieve the mechanism contained in the approved documents.
- Communications and Information Technology Commission issued Resolution No. 422/1441 on 17/11/1441 AH, approving the document "Regulations of Retail Telecom Services", which requires an increase in operational expenses in order to achieve the mechanism contained in the approved documents.
- Communications and Information Technology Commission issued Resolution No. 424/1442 dated 27/11/1441 AH, approving the document "The Regulatory Framework for Cyber Security for Service Providers in the Communications, Information Technology and Postal Sector", which requires an increase in operational expenses in order to achieve the mechanism contained in the approved documents.
- Communications and Information Technology Commission issued Resolution No. 425/1442 dated 03/02/1442 AH, approving the document "Regulations for Minimum Broadband Speeds over Fixed Communication Networks", which requires an increase in operational expenses in order to achieve the mechanism contained in the approved documents.

- Communications and Information Technology Commission issued Resolution No. 426/1442 dated 04/03/1442 AH, approving the document of regulations for the risk management of communications infrastructure, which requires an increase in operational expenses in order to achieve the mechanism contained in the approved documents.
- Communications and Information Technology Commission issued Resolution No. 428/1442 dated 04/14/1442 AH, based on the decision of the Communications and Information Technology Commission Board of Directors No. (1-161-2020) and dated 26/2/1442 AH, regarding the approval of the financial compensation for the number porting service For fixed telephone services. the following:
 - The financial consideration for transferring the number for fixed telephone services is applied to the transfer of fixed numbers of geographical and nomadic services, toll-free numbers (800) and unified dialing numbers (9200).
 - The financial consideration for transferring the number for fixed telephone services, which is paid by the operator to whom the number is transferred (Recipient) to the operator from whom the number is being transferred (Donor), is forty (40) riyals for each number successfully transferred.
 - Postponing the imposition of the financial consideration represented by the share paid by the operator to whom the number is transferred (Recipient) to the entity that establishes and operates the national database for the transfer of the number, provided that it is considered after 12 months from its date.
 - The subscriber who transfers his number does not bear any costs as a result of transferring the number and it is expected that this decision will affect the company's revenues and profitability, due to the commitment to the new regulations.
- Communications and Information Technology Commission issued Resolution No. 433/1442 dated 13/05/1442 AH regulating the tariff for the toll-free calling service (800) in the retail market in the telecommunications and information technology sector, and the adoption of an upper limit for the tariff for receiving calls for subscribers of the free-calling service (the caller) to be (20) Halala per minute for outgoing calls from fixed and mobile numbers. It is also expected to affect the decrease in the company's revenues.
- Communications and Information Technology Commission issued its Resolution No. 434/1442 dated 14/05/1442 AH, approving the document of the governance of the Telecom Companies forum after updating, which requires an increase in operational expenses in order to achieve the mechanism contained in the approved documents.
- Communications and Information Technology Commission issued its Decision No. 438/1442 dated 05/15/1442 AH to classify the market for access services and the establishment of calls on fixed telecommunications networks in bulk as a non-controlled drive. Service providers in the aforementioned markets are bound by the general regulatory requirements established in accordance with the law, the executive regulations and decisions other relevant body. It is also expected to affect the decrease in the company's revenues.
- Communications and Information Technology Commission issued its Resolution No. 454/1442 dated 15/05/1442 AH, approving the adoption of the document of the governance of the Telecom forum, after the update, which requires an increase in operational expenses in order to achieve the mechanism contained in the approved documents.
 - The Communications and Information Technology Commission issued its resolution No. 1442/451 dated 15/05/1442 AH regarding the classification of Etihad Atheeb Company as a dominant service provider in the market for termination services for calls on the fixed communications network of Etihad Atheeb Wholesale Company. Accordingly, the company shall comply with the following regulatory requirements:
 - Providing call termination services on the fixed telecommunications network in bulk.
 - Providing services in this market on a non-discriminatory basis to all licensed service providers.
 - Submit interconnection agreements to the authority, for review and approval.

- Determining the fees for services in this market according to the basic cost of providing those services, as determined by cost studies conducted or approved by the Authority.
- Not to impose fees on call termination services on the wholesale fixed telecommunications network that are higher than for similar services or their equivalent, which were mentioned in the reference offer of the Saudi Telecom Company and approved by the Authority, unless the company proves that its higher fees are based on cost, and obtain Authority approval.

This decision is expected to affect the company's revenue and profitability, due to compliance with the new regulations.

- Communications and Information Technology Commission issued its Resolution No. 453/1442 dated 15/05/1442 AH, approving the document "Regulations for Financial Interviews" Issue No. (1), which is expected to lead to a reduction in government fees on the company.
- Communications and Information Technology Commission issued its Resolution No. 454/1442 dated 15/05/1442 AH, approving the document "Regulations for the Net Communication Revenue Base for Licensed Service Providers" Issue No. (2), which requires an increase in operational expenses in order to achieve the mechanism contained in the documents approved.
- Communications and Information Technology Commission issued Resolution No. 442/1442 dated 20/05/1442 AH, approving the document "Procedures for Dealing with Cyber Security Incidents in the Communications, Information Technology and Postal Sector", which requires an increase in operational expenses in order to achieve the mechanism contained in the approved documents.
- Communications and Information Technology Commission issued Resolution No. 457/1442 dated 18/06/1442 AH regulating offers for fixed wireless access (FWA) and nomadic services. This requires an increase in operating expenses in order to achieve the mechanism mentioned in the decision, and it is expected to affect the decrease in the company's revenues.
- Communications and Information Technology Commission issued Resolution No. 459/1442 dated 18/06/1442 AH regulating offers for fixed broadband services via optical fibers provided to users, so that the download speed specified in the service contract and announced for fixed broadband services over optical fibers in the current offers for the business and individual sectors shall not be less than (100) megabits per second. This requires an increase in operating expenses in order to achieve the mechanism mentioned in the decision, and it is expected to affect the decrease in the company's revenues.
- Communications and Information Technology Commission issued Resolution No. 460/1442 dated 19/06/1442 AH, approving the document "Regulations of the National Internet Exchange", which requires an increase in operational expenses in order to achieve the mechanism contained in the approved documents.
- Communications and Information Technology Commission issued its Resolution No. 461/1442 dated 27/06/1442 AH, approving the document "Guide to Assessing Privacy Risks for Telecommunication, Information Technology and Postal Service Providers" and "Standards for Determining the Need for a Privacy Risk Assessment Process", which requires additional operational expenses in order to achieve the mechanism contained in the approved documents.
- Communications and Information Technology Commission issued its Resolution No. 462/1442 dated 04/08/1442 AH, approving the adoption of the document "Regulations for Interconnection" and the document "Regulations for Access to Physical Facilities", which is expected to reduce the company's operational costs and increase its ability to provide new services licensed and based on those services from other operators.

- Competition rules have not been effectively applied to control abuse of control in the telecommunications sector, particularly in the retail market for internet and prepaid cards for international calls, and this continues to affect the company's revenue and profitability.
- Despite the commitment of the companies that control the Saudi National Fiber Network (SNFN) to government and regulatory agencies to enable new operators to participate in the use of this infrastructure, the company has not yet been able to participate in the use, and the delay of regulators in implementing this commitment affects the Its ability to reduce operational costs.
- Competition rules have not been effectively applied to control abuse of control in the telecommunications sector, particularly in the retail market for internet and prepaid cards for international calls, and this continues to affect the company's revenue and profitability.
- The regulations of the Communications and Information Technology Commission stipulate that providing the ability to choose the operator (Carrier Selection) will be implemented within 24 months of the first competitor in fixed communications obtaining the license, meaning that this possibility will be available in April 2011. However, the regulator has not started to activate its role So far, the dominant operator still refuses to provide this possibility despite the company's repeated request for it, and therefore the delay in providing the possibility of choosing the operator will negatively affect the company's revenues and profitability.

7.2 Economic and operational risks

7-2-1 Sudden interruption in business or penetrate security measures

"GO" cannot provide services unless it is able to protect its infrastructure and network from disruption or interruption in operations due to restrictions that hinder its capacity, or as a result of bad weather conditions, war, earthquakes, fires, power outages, or defects in hardware and programs, Computer viruses, communication breakdowns, cutting electrical cables, human errors, unauthorized entry, or the like. Over the years, "GO" has demonstrated its ability to face such risks.

7-2-2 Dependence on suppliers

"GO" depends on suppliers of hardware, equipment, software and services. And if a major supplier decides to end its relationship with it, you may find it difficult to secure an alternative supplier with suitable qualifications. And "GO" competes with other companies to obtain the services of these suppliers, and this may raise the price they pay for their services. If "GO" is unable to maintain its relations with these major suppliers, or if the conditions under which it obtains goods and services from these suppliers increase, or if these suppliers are not able to adequately fulfill their obligations under the relevant agreements, or if the availability of products decreases. And services, as this could negatively affect their business, financial position, operations results and future prospects.

7-2-3 The competition

"GO" faces competition from fixed, mobile, satellite and managed data services providers over the Internet. The competition intensified as the companies that obtained licenses from the Communications and Information Technology Commission entered the market and started their work. Also, competition in the telecom sector affects the expected market share of "GO" and its ability to attract new subscribers, raises marketing costs and affects the company's price structures, in addition to the factors that may significantly affect the company's growth, business, financial position and future results of operations. In addition, the increasing competition for skilled workers in the region in general, and the Kingdom in particular, means that "GO"

may face difficulties in attracting the appropriate competencies of human resources or may be forced to pay higher salaries than expected, which will be reflected in the increase in operations expenses.

7-2-4 New or emerging technology, new products and services

The telecommunications industry is experiencing rapid and dramatic changes in technology. Developments in the field of communications and information technology may affect competition in the telecommunications market in the Kingdom, noting that technological development has led to a number of new developments, including multiple types of mobile communications, telecommunications services or bundled services, local wireless access networks and telephone services that change the traditional price structure. There are also other technologies that are currently being developed or may be developed in the future, which could have an impact on competition in the telecommunications sector in the Kingdom in general. Since its inception, Go has published WiMAX-based products, and has not undergone any development to make it a strong competitor to the fourth-generation (4G) LTE and optical fiber system.

On the other hand, the development of new technologies may cause a loss of competitive advantage for some of GO's services, and it may not be able to identify new opportunities in the right time and become in need of large additional investments, especially to develop new services and products, to obtain new licenses, or to establish the necessary infrastructure to maintain them in the circle of competition. The new technologies that GO chooses to invest in may affect its ability to achieve its strategic goals, which may result in the loss of existing customers, its inability to attract new customers, or having to incur high costs in order to maintain its customer base, which may leave a negative impact on the company's business, financial condition, results of operations and prospects.

In order to expand the revenue base (attracting and retaining customers), "GO" must continue to successfully introduce new products and services, knowing that any strategic initiatives in this regard require a large amount of expenditures and human resources. "GO" may not be able to offer new products and services, such as advanced data service and broadband. The success of broadband connectivity depends to a large extent on the availability of content, applications and devices developed and available by others. In addition, competitors may be able to offer new services before the company.

As a result of the foregoing, "GO" may lose a number of its customers and fail to attract new customers or incur large costs in order to maintain its customer base, which may result in a significant negative impact on its business, financial position and the results of its operations.

7.3 Financial risks

7-3-1 Currency exchange rates

The risk of fluctuation in the value of securities as a result of changes in foreign exchange rates. Although all of "GO" assets, investments, revenues and liabilities are in the local currency (the Saudi riyal), "GO" has entered into agreements with international companies that require these companies to pay their dues in US dollars. In this case, large fluctuations in the exchange rate can have a significant negative impact on financial performance.

7-3-2 Insurance cover

"GO" maintains auto and property insurance, business interruption insurance, money insurance, breach of trust, general liability, and health insurance. These documents contain a number of major exceptions and environmental risks. Any losses or liabilities arising from unsecured risks may significantly reduce revenues or increase their costs and may have a significant negative impact on their operations and / or financial position.

7-3-3 Liquidity

"GO" constantly monitors liquidity risks, especially in light of the funds available to it and in light of its current and future obligations, as well as monitors cash flows and financial liabilities. "GO" considers that it is exposed to substantial liquidity risks, and "GO" is working to diversify and find new sources of income to support liquidity.

7-3-4 The credit

"GO" may be exposed, like its counterparts that provide fixed telecommunications services (limited traffic) and the Internet, to debt risks from clients' accounts or risks of difficult-to-collect debts due to several reasons, for example the deterioration of the economy in general, or the inability to assess quality. Credit to new or registered subscribers. And that these risks may contribute negatively to the position and business of the company and its financial results and future expectations.

7-3-5 The majeure force

Like other companies, "GO" is affected when force majeure occurs beyond its control, such as the outbreak of wars and revolutions or workers' strikes, or the occurrence of natural disasters such as earthquakes or floods and the spread of epidemics. And that these circumstances may contribute negatively to the position and business of the company and its financial results and future expectations.

In response to the spread of the Covid-19 resulting in disruptions to the social and economic activities in the markets around the world and kingdom of Saudi Arabia, the management has proactively assessed its impacts on its operations and has taken a series of preventive measures. The telecommunications industry has been designated as an essential service by the Government of the Kingdom of Saudi Arabia and as such the Company continues to operate while taking into account the health and safety of its workforce. The Management believes that Covid-19 epidemic has had a material impact on the Company's financial results for the year ended March 31, 2021 for the period from April 1, 2020 to May 31, 2020 (Lockdown period) as a result of the decrease in revenues from the consumer segment due to the inability to attract new customers, in addition to the unavailability of products and supplies used in the operations, and as a result of the decrease in revenues from the business sector due to the deterioration of the financial position of the Company's customers from small and medium-sized companies. And in any case, the Management will continue to monitor the situation closely and will adjust any changes required in the future financial reporting periods.

8. Summary of the company's financial results for the fiscal year ending on March 31, 2021

8.1 Income statement

Description	For the year				
	ending in				
	March 31, 2017	March 31, 2018	March 31, 2019	March 31, 2020	March 31, 2021
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
	SAR Million				
Gross profit (loss)	78,622,846	90,934,823	135,386,636	187,616,247	160,051,833
Total operating expenses	(301,348,024)	(289,138,605)	(210,761,990)	(241,467,045)	(294,772,561)
Profit (loss) from major Operations	(108,126,862)	(19,868,089)	(38,431,580)	(50,608,251)	(32,552,370)
Total comprehensive profit (Loss) for the year	(125,318,330)	(36,647,362)	(52,215,075)	(71,496,040)	(39,002,488)



8.2 List the initial cash flows

Description	For the year				
	ending in				
	March 31, 2017	March 31, 2018	March 31, 2019	March 31, 2020	March 31, 2021
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
	SAR Million				
Net profit (Loss) for the year before Zakat	(125,269,565)	(40,261,565)	(53,291,075)	(71,608,040)	(13,558,894)
Net cash generated from operating activities	4,472,514	49,608,894	77,303,470	68,901,963	(16,173,557)
Net cash used in investing activities	(8,438,126)	(67,354,039)	(2,541,440)	(2,731,078)	7,092,662
Net cash used in financing activities	(31,068,118)	(31,068,132)	(31,068,059)	(41,214,808)	28,151,425
Net increase in cash and cash equivalents	(35,033,730)	(48,813,277)	43,693,971	24,956,077	(51,417,644)
Cash and cash equivalents at the end of the year	102,693,540	53,880,263	97,574,234	122,530,311	71,112,667

Significant non-cash transactions:

Impact of the applying IFRS 9	-	9,496,132		
Disposal of intangible assets				292,196,494
Reduction in prepaid expenses and other current assets				97,800,000
Extras in stock				(4,903,750)
Clearing the current portion of lease liabilities				(18,000,000)
Reduction in accrued expenses and other current liabilities				(22,565,429)
Right to use asset additions			(21,621,998)	(26,435,307)
Reduction in accounts payable			-	(445,659,703)
Impact of applying IFRS 16			298,234,404	
Right-of-use asset exclusions			9,108,803	
Capital reduction			(243,971,000)	

8.3 Loans and liabilities

To face the capital and operating expenses of the company, "GO" obtained financing facilities from the Saudi French Bank (Murabaha financing) for a period of 60 months over 20 installments in 2011 and during 2012 the conditions were amended to

become the period of 96 months on 32 installments as of 1/5/2012 AD. , And the quarterly installment value (767.7) seven million seven hundred sixty-seven thousand Saudi riyals.

The total approved facilities amount to (1.592) one billion five hundred ninety-two million Saudi riyals consisting of a cash facility in the amount of (1.199) one billion one hundred ninety-nine million Saudi riyals and a facility of (342) three hundred forty-two million Saudi riyals in exchange for letters of credit and letters of guarantee. . This facility is guaranteed by nominal guarantees amounting to (1.592) one billion five hundred ninety-two million Saudi riyals. An amount of (1.592) one billion five hundred and ninety-two million Saudi riyals has been paid, of which (31.068) thirty-one million and sixty-eight thousand Saudi riyals have been paid within The current fiscal year and the remainder of the loan owed to the bank are (7.767) seven million seven hundred and sixty-seven thousand riyals of the financing value up to the date of these financial statements. The following is a statement of the loans and liabilities:

Sequence	Name of the grantor of the loan	Principal amount of the loan	Loan term	The amounts paid in repayment of the loan during the year	The remaining amount of the loan	The total indebtedness of the company and its subsidiaries
1	Banque Saudi Fransi (Million Saudi riyals)	199. 1	96 months	31,068,125	7,767,084	-

Description	31 March 2020	31 March 2019
Loan owed to the bank (Murabaha financing)	7,767,084	38,835,237
Liabilities payable and accrued expenses	1,047,195,037	915,635,028
Deferred revenue	35,404,445	33,828,708
Other liabilities	411,801,066	178,846,562
Total in Saudi riyals	1,502,167,632	1,167,145,535

8-4 Debt instruments, guarantees, transfer and subscription rights, and similar transferable rights

“GO” has not issued or granted any debt instruments, options, subscription rights, or any similar rights that are convertible into shares or option rights from the date of incorporation until the date of this report.

8-5 Transfer rights and recoverable debt instrument

“Go” has not depreciated, purchased, redeemed or canceled any redeemable debt instruments from the date of incorporation until the date of this report.

9 Zakat and income tax

Zakat and taxes are calculated in accordance with the financial regulations in force in the Kingdom of Saudi Arabia, It is a liability of shareholders, and the zakat and income tax provision is charged to the list of changes in shareholders' equity at the end of the year.

9-1 Zakat charged for the year / period

	2021	2020
Adjusted loss:		
Net loss for the year	(13,558,894)	(71,608,040)
Adjustments: Provisions and others	112,909,156	19,422,362
Adjusted profit/Adjusted loss for the year	99,350,262	<u>(52,185,678)</u>
Saudi shareholders' share of adjusted profit/loss 99.75% (March 31, 2020: 96%)	99,101,886	<u>(50,098,251)</u>
Additives:		
Share capital	228,529,000	228,529,000
Long term account payable	301,985,784	143,946,006
Provisions	105,930,591	89,919,242
Lease liabilities	344,796,051	363,195,887
	<u>981,241,426</u>	<u>825,590,135</u>
Deductions:		
Accumulated losses at beginning of year	(77,787,152)	(250,262,112)
Net book value of property and equipment at end of year	(824,824,085)	<u>(1,183,168,388)</u>
	78,630,189	<u>(607,840,365)</u>
Share of Saudi shareholders 99.75% (31 March 2020 : 96%)	78,433,614	(583,526,750)
Saudi shareholders' share of adjusted loss	99,101,886	<u>(50,098,251)</u>
Zakat base	177,535,500	<u>(633,625,001)</u>
Zakat charge for the year	4,504,856	-

9-2 Zakat charged for the year / period

There is no income tax payable due to the loss incurred during the year / period

9-3 Zakat and tax assessments

"Go" submitted the zakat and tax returns to the Department of Zakat and Income for the period ending on March 31, 2021, and the assessment has not yet been made.

10 Distribution of profit policy and the recommendations of the Board of Directors

10-1 Distribution of profit Policy

It should be noted that the company's fiscal year begins on the first of April and ends on March 31 of the following calendar year. The Bylaws - Chapter Eight have clarified the mechanism for distributing annual profits. The Board of Directors has adopted a policy for distributing profits in a manner that does not conflict with the Companies Law and its Bylaws. The distribution policy aims at maximizing shareholder wealth, as the ideal distribution policy balances current dividends with future growth that maximizes the share price.

The distribution of the annual net profit after deducting all general expenses and other costs as follows:

- To avoid (10%) of the net profit to form the statutory reserve of the company, may decide the Ordinary General Assembly to stop this retainer when it reaches the said reserve (30%) of the paid-up capital.

- b. For the Ordinary General Assembly based on the proposal of the Board of Directors to avoid a percentage of annual profits to form a consensual reserve to be allocated for the purpose or purposes to be decided by the General Assembly.
- c. For the Ordinary General Assembly to decide to form other reserves, to the extent that achieves the interest of the company or ensures the distribution of fixed profits as much as possible to the shareholders. The aforementioned assembly may also deduct sums from the net profits for the establishment of social institutions for the company's employees or to assist the existing ones.
- d. For the Ordinary General Assembly may decide, based on the proposal of the Board of Directors, to distribute a down payment to shareholders from the remainder (if any) equal to (5%) of the company's paid-up capital.
- e. Subject to the provisions stipulated in Article (Twenty-first) of this Law and Article (Seventy-six) of the Companies Law, the General Assembly may allocate after the above the remuneration of the members of the Board of Directors, the entitlement to this bonus is proportional to the number of sessions attended by the member.
- f. For the Ordinary General Assembly may decide, based on the proposal of the Board of Directors, to distribute the remainder after the above (if any) to the shareholders as an additional share of profits.
- g. The company may distribute interim dividends to its shareholders on a semi-annual or quarterly basis in accordance with the regulations issued by the competent authority, based on an authorization issued by the Ordinary General Assembly of the Board of Directors to distribute interim dividends.

The shareholder is entitled to his share of the profits, In accordance with the resolution of the General Assembly issued in this regard; the resolution indicates the maturity date and the date of distribution. The eligibility of profits is to the owners of shares registered in the shareholders' records at the end of the day specified for entitlement, or a decision of the Board of Directors to distribute interim dividends, and the resolution indicates the maturity date and distribution date, provided that the decision is implemented in accordance with For what is stipulated in the regulatory controls and procedures issued in implementation of the Companies Law of a Listed Joint Stock Company. The profits to be distributed to the shareholders shall be paid at the place, dates and mechanisms determined by the Board of Directors in accordance with the instructions issued by the competent authorities.

If no dividends are distributed for any financial year, then no dividends may be distributed for the following years until after paying the specified percentage in accordance with the provision of Article (One Hundred and Fourteenth) of the Companies Law for Preferred Shareholders for this year. If the company fails to pay the specified percentage in accordance with the provisions of Article (the one hundred and fourteenth of the Companies Law) of profits for a period of three consecutive years, then the special assembly of the owners of these shares, held in accordance with the provisions of Article (eighty-ninth) of the Companies Law, may decide either that they attend the meetings of the company's general assembly and participate in voting, or appoint Representatives on the board of directors in proportion to the value of their shares in the capital, until the company is able to pay all the priority dividends allocated to the owners of these shares for the previous years.

10-2 Board of Directors' recommendations for dividend distribution for the fiscal year 2020/2021

In light of the current financial situation and the accumulated losses incurred by the company, the company will not be able to disburse any profits for the past year.

11 Members of the Board of Directors and members of committees, executive management, current and previous jobs, qualifications and experiences

11-1 Members of the Board of Directors as on March 31, 2021

No	Name	Current Occupation	Previous Occupation	Academic Qualifications	Vocational Experience
1	Dr. Eisa bin Yeslam Ba-Eisa	<ul style="list-style-type: none"> Chairman of the Board of Directors of Etihad Atheeb Telecom Company. Founder and partner of Bait Al Balak Company. Consultant / Trader 	<ul style="list-style-type: none"> Member of the Board of Directors, and Chairman of the Remuneration and Nominations Committee - Etihad Atheeb Telecom Company 2020. General Manager - AL JOUF Cement Company. General Manager - Tabuk Cement Company Strategic Projects Manager - Arabian Cement Company Technical Services Manager - Arabian Cement Company 	<ul style="list-style-type: none"> Bachelor of Mining Engineering in 1997. MBA 2008 Certified Consultant Engineer – Saudi Council of Engineers in 2012 PhD in Business Administration in 2013. 	<ul style="list-style-type: none"> More than 20 years in the filed of cement industry and construction materials. 10 years in executive positions and in joint stock companies. Extensive experience in management improvement and development and strategic projects. Member of the executive committees and audit committees in joint stock companies.
2	Dr. Yazeed bin Saleh AlSubaie	<ul style="list-style-type: none"> Vice Chairman of the Board of Directors of Etihad Atheeb Telecom Company. Member of the Remuneration and Nominations Committee at Etihad Atheeb Telecom Company. 	<ul style="list-style-type: none"> Head of the commercial sector – Taqnia Space. Head of the commercial sector – Holool Aloula company- Mobily. Vice President for Regulatory Affairs and Wholesale Sales at Etihad Atheeb Telecom Company. General Manager of Network and Information Systems at Saudi Telecom Company. 	<ul style="list-style-type: none"> Bachelor of Computer Science in 1994. Master of Computer Science in 1997. PhD in the field of machine learning and artificial intelligence in 2020. Specialized training course in the field of marketing in 2007. Specialized training course in Finance in 2006. 	<ul style="list-style-type: none"> More than 20 years of experience in the field of communications and informatics.
3	Mr. Khalid bin Abdulrahman Alkhalid	<ul style="list-style-type: none"> Member of the Board of Directors - Etihad Atheeb Telecom Company. 2020 Chairman of the Remuneration and Nominations Committee - Etihad Atheeb Telecom Company Founder / Partner – Gulf Elite Company for Medical Resource Consulting. Member of the Board of Directors – Tabuk Agricultural Development Company. Chairman of the Remuneration and Nominations Committee – GlobeMed Saudi Company 	<ul style="list-style-type: none"> Advisor to the Chairman of the Volkswagen Group Saudi Arabia. Member of the Board of Directors / Partner in Rafad Business for Corporate Services. Partner – Horizon Alliance Limited. General Director of the Human Resources of the National Housing Company. CEO of the Modern Gates Corporation for Information Technology. Director of Talent Management and Organizational Development for Al Safi Company. Director of Human Resources Department in the modern electronic Company. Member of the Saudi Business Group Committee at the Saudi Institute of Electronics and Home Appliances. 	<ul style="list-style-type: none"> Executive MBA in 2019. Bachelor of Human Resource Management in 2014. Higher Diploma in Human Resource Development in 2011. Executive Program for Human Resource in 2018. 	<ul style="list-style-type: none"> More than 15 years of experience in the field of Human Resources, institutional transformation and shared services. Experience in executive management more than 10 years in a number of different sectors, local and international companies.
4	Shaikh Mohamed bin Khalifa Al Khalifa	<ul style="list-style-type: none"> Member of the Board of Directors - Etihad Atheeb Telecom Company. 	<ul style="list-style-type: none"> Second Secretary, Office of the Bahraini Minister of Foreign Affairs. 	<ul style="list-style-type: none"> Bachelor of Political Science in 2008. Master of Politics in the 	<ul style="list-style-type: none"> More than 10 years in the economic field.

No	Name	Current Occupation	Previous Occupation	Academic Qualifications	Vocational Experience
		<ul style="list-style-type: none"> Chief Digital Growth Officer - Batelco Member of the Board of Directors – Bahrain Internet Exchange. Ambassador of the Global Blockchain Business Council Ambassador – GBBG. 	<ul style="list-style-type: none"> Director General of the Economic Development Board. 	Middle East region in 2011.	
5	Mr. Isa Abbas Alsabea	<ul style="list-style-type: none"> Member of the Board of Directors - Etihad Atheeb Telecom Company. Director of mergers and acquisitions - Batelco 	<ul style="list-style-type: none"> Investment Banking, UBS Group Investment, Arcapita Corporation 	<ul style="list-style-type: none"> Bachelor of Philosophy, Politics and Economics 2007. Master in Economics in 2008. 	<ul style="list-style-type: none"> More than 10 years in the economic field.
6	Mr. Hani bin Fahad Kattan	<ul style="list-style-type: none"> Member of the Board of Directors and Member of the Audit Committee - Etihad Atheeb Telecom Company. Active Investments Officer – Alnahla Group. 	<ul style="list-style-type: none"> Commercial Attaché in Washington, DC. Corporate Relationship Manager At Arab National Bank. 	<ul style="list-style-type: none"> Master of Business Administration in 2016. Bachelor of Business Administration in 2009. 	<ul style="list-style-type: none"> More than 10 years in the economic, banking and investment field.
7	Mr. Omar Subhi Shanaah	<ul style="list-style-type: none"> Executive Vice President of Finance – Atheeb Holding Company. Member of the Board of Directors and Member of the Audit Committee - Etihad Atheeb Telecom Company. Member of the Audit Committee – Gulf Stevedoring Contracting Company. Member of the Audit Committee – Ithraa Capital. Member of the Audit Committee – Nesma & Partners Contracting Co Ltd.. 	<ul style="list-style-type: none"> Financial Manager and Owners Representative – Al Nassar Trading and Contracting Company (Khobar). A Plus Consulting Company (Jordan). Financial and Administrative Director – Barak Al-Mutair Sons Holding Company (Kuwait). Assistant Financial Manager – Jordan Kuwait Bank (Jordan). Cost Accountant – Arab Factory for Packing Materials (Jordan). 	<ul style="list-style-type: none"> Bachelor of Accounting in 1998. Master Banking Financial Sciences in 2000. Certified Financial Analyst, Institute of Banking Studies / Central Bank of Jordan since 2004. 	<ul style="list-style-type: none"> 23 years in the field of accounting, financial management, banking, and various financial consultancies in Jordan, Kuwait and Saudi Arabia.
8	Mr. Ayman bin Hilal Aljaber	<ul style="list-style-type: none"> Member of the Board of Directors and Chairman of the Audit Committee - Etihad Atheeb Telecom Company. Director of the Internal Audit Department – Saudi Real Estate Company. Director of Accounts and Financial Reports Department – Customs. Chairman of the Internal Audit Committee – Yosr Leasing & Finance. 	<ul style="list-style-type: none"> Senior Director of Internal Audit at the Saudi British Bank. Chief Internal Auditor at Mobily. Chief Auditor at PricewaterhouseCoopers. 	Bachelor of Accounting in 2010.	<ul style="list-style-type: none"> More than 10 years in the economic field.
9	Mr. Saad bin Omar Albaiz	<ul style="list-style-type: none"> Member of the Board of Directors and Member of the Remuneration and Nominations Committee, Secretary of the Board and 	<ul style="list-style-type: none"> Vice President of Administration and Human Resources for Bithar Trading CO. LTD. Deputy General Manager for Business Development and 	Bachelor of Aviation Science from King Faisal Air Academy in 1973.	<ul style="list-style-type: none"> Long and diversified experience in the fields of: aviation, management and leadership, pilot training, project and program management, administrative

No	Name	Current Occupation	Previous Occupation	Academic Qualifications	Vocational Experience
		Committee - Etihad Atheeb Telecom Company. <ul style="list-style-type: none"> Member of the Board of Directors of Nesma & Partners. CEO – Atheeb Holding Company. Member of the Board of Directors of Atheeb Group's subsidiaries in the Kingdom of Saudi Arabia. Member of the Board of Directors of Atheeb Group's subsidiaries outside the Kingdom (in the United Kingdom and Cayman Islands). 	Projects – Atheeb Trading Company. <ul style="list-style-type: none"> Fighter Pilot, Fighter Squadron Commander, Flight Wing Commander, Aircrew Training Director and Director of Air Force Programs Department (Royal Saudi Air Force) from 1973 to 2005. 		affairs and human resources..

11-2 Board members who resigned during the fiscal year ending March 31, 2021

No	Name	Current Occupation	Previous Occupation	Academic Qualifications	Vocational Experience
1	Mr. Abbas Ali Ghuloom Haji	<ul style="list-style-type: none"> Head of Internal Audit – Nesma & Partners Contracting Co. Ltd. (Khobar). 	<ul style="list-style-type: none"> Head of Internal Audit – Alturki Holding Company. Senior Executive Director – Gulf Finance House (Bahrain). Head of Services Departments Audit – Alahli United Bank (Bahrain). Internal Audit Manager – Batelco (Bahrain). Assistant Director – Unilever Arabia Group. Assistant Auditor – KPMG (Bahrain). 	<ul style="list-style-type: none"> Bachelor of Accounting in 1993. Fellowship of the American Institute of Certified Public Accountants since 1996. Certified Internal Auditor Fellowship since 1999. Reference Fellowship for Information Systems CISA since 2000. 	<ul style="list-style-type: none"> More than 27 years of work experience in the filed of internal auditing, management, and banks in Bahrain, Saudi Arabia.

11-3 Names of the companies in which the board member is a member of their current and previous boards of directors or one of their managers

Members of the Board of Directors as at the end of the fiscal year on March 31, 2021

Member	Names of the companies Board members are currently Board members or managers in	Location		Legal Entity (Listed, unlisted joint stock company, LLC/....)	Names of the companies Board members are currently Board members or managers in	Location		Legal Entity (Listed, unlisted joint stock company, LLC/....)
		KSA	Aboard			KSA	Aboard	
Dr. Eisa bin Yeslam Ba-Eisa	Etihad Atheeb Telecom Company	✓		Listed Company	AL JOUF Cement Company	✓		Listed Company
	Bait Al Balak Company	✓		Limited liability	Tabuk Cement Company	✓		Listed Company
					Arabian Cement Company	✓		Listed Company
Dr. Yazeed bin Saleh AlSubaie	Etihad Atheeb Telecom Company	✓		Listed Company	Etihad Atheeb Telecom Company	✓		Listed Company
	Taqnia Space Co.	✓		Listed Company				
	Holool Aloula – National Company for Business Solutions	✓						
	Saudi Telecommunications Company (ste)	✓		Listed Company				
Mr. Omar Subhi Shanaah	Etihad Atheeb Telecom	✓		Listed Company	Al-Nassar Trading &	✓		CLOSED JOINT

Member	Names of the companies Board members are currently Board members or managers in	Location		Legal Entity (Listed, unlisted joint stock company, LLC/....)	Names of the companies Board members are currently Board members or managers in	Location		Legal Entity (Listed, unlisted joint stock company, LLC/....)
		KSA	Aboard			KSA	Aboard	
	Company				Contracting Company			STOCK COMPANY
	Atheeb Holding Company.	✓		Limited liability Company	Barak Al-Mutair Sons Holding Company		✓	Limited liability Company
Mr. Saad bin Omar Albaiz	Etihad Atheeb Telecom Company	✓		Listed Company				
	Ithraa Capital	✓		Closed joint stock				
	Atheeb Holding Company	✓		Limited liability Company				
	Abdulaziz Ahmad Abdulaziz Humanitarian Foundation	✓		Charity				
	Atheeb Holding	✓		Limited liability Company				
	Atheeb Intergraph Saudi Company	✓		Limited liability Company				
	Atheeb for Catering Co. Ltd.	✓		Limited liability Company				
	Atheeb Netsol Company	✓		Limited liability Company				
	Etihad Shams Co.	✓		Limited liability Company				
	Nesma & Partners Contracting Co. Ltd.	✓		Limited liability Company				
	Pannesma Co. Ltd.	✓		Limited liability Company				
	Nokhbat Almaarefa Co. Ltd.	N		Limited liability Company				
	Ithraa Medical Services Co.	✓		Limited liability Company				
	Ithraa for Investment and Real Estate Development Co. Ltd.	✓		Limited liability Company				
	Ithraa Sport Center & Gyms Co.	✓		Limited liability Company				
	Bithar Al-Amal Co. Ltd.	✓		Limited liability Company				
	Bithar Alaqaria for Real Estate Co. Ltd.	✓		Limited liability Company				
	Maarif Alhayat Co. Ltd.	✓		Limited liability Company				
	Almunsha'at Almutakamila Contracting Co. Ltd.	✓		Limited liability Company				
	Ataa' Almutagadema Co. Ltd.	✓		Limited liability Company				
	Saudi Sport Technology Trading Co.	✓		Limited liability Company				
	Al-Riyadh Al-Mutaqademah Co. Ltd.	✓		Limited liability Company				
Nurash Design Co. Ltd.	✓		Limited liability Company					
Saudi Kidney Center	✓		Limited liability Company					
Ajeer Investment Co.	✓		Limited liability Company					
Viva Fit Investment Co.	✓		Limited liability Company					

Member	Names of the companies Board members are currently Board members or managers in	Location		Legal Entity (Listed, unlisted joint stock company, LLC/....)	Names of the companies Board members are currently Board members or managers in	Location		Legal Entity (Listed, unlisted joint stock company, LLC/....)
		KSA	Aboard			KSA	Aboard	
	Viva Saudi	✓		Limited liability Company				
	Da'am Aljawad Alarbi Co. Ltd	✓		Limited liability Company				
	Athba Stud (UK)		✓	Limited liability Company				
	Atheeb (UK)		✓	Limited liability Company				
	Athbah Stud (Cayman)		✓	Limited liability Company				
	Arabian Horse Services		✓	Limited liability Company				
	Equine International		✓	Limited liability Company				
	Training Volunteers		✓	Limited liability Company				
	Telecom Investments		✓	Limited liability Company				
	Wavelength		✓	Limited liability Company				
	Kensington Property		✓	Limited liability Company				
	North Star Investment Company		✓	Limited liability Company				
	Park Holdings		✓	Limited liability Company				
	Starpoint		✓	Limited liability Company				
	Rock Castle Properties		✓	Limited liability Company				
	Two Stars Holdings		✓	Limited liability Company				
Mr. Khalid bin Abdulrahman Alkhudairi	Ethad Atheeb Telecom Company	✓		Listed Company	Volkswagen Group Saudi Arabia	✓		
	Gulf Elite Medical Resources Consultancy Company	✓		Limited liability Company	Refad Business for Corporate Services	✓		
	Horizon Alliance Company .Limited	✓		Limited liability Company	National Housing Company	✓		
	Tabuk Agricultural Development Company	✓		Listed Company	Modern Gates Foundation for Information Technology	✓		
					Al Safi Company	✓		
					modern electronic company	✓		
Mr. Ayman bin Hilal Aljaber	Ethad Atheeb Telecom Company	✓		Listed Company	Customs Authority	✓		
	Tamweel Al-Oula Company	✓			British Saudi Bank	✓		Listed Company
	Saudi Real Estate Company	✓			Mobily company	✓		Listed Company
					PricewaterhouseCoopers Company	✓		

Member	Names of the companies Board members are currently Board members or managers in	Location		Legal Entity (Listed, unlisted joint stock company, LLC/....)	Names of the companies Board members are currently Board members or managers in	Location		Legal Entity (Listed, unlisted joint stock company, LLC/....)
		KSA	Aboard			KSA	Aboard	
Shaikh Mohamed bin Khalifa Al Khalifa	Etihad Atheeb Telecom Company	✓		Listed Company				
	Bahrain Internet Exchange		✓	مساهمة حكومية				
	Batelco company		✓	Listed Company				
	Bahrain Fintech Bay		✓	Limited liability Company				
	-Batelco Financial Services (BFS)		✓	CLOSED JOINT STOCK COMPANY				
	Public 2		✓	CLOSED JOINT STOCK COMPANY				
	Arc Solutions		✓	Limited liability Company				
	Umniah (Jordan)		✓	CLOSED JOINT STOCK COMPANY				
Bahrainpolytechnic		✓	مؤسسة حكومية					
Mr. Isa Abbas Alsabea	Etihad Atheeb Telecom Company	✓			UBS Group (Dubai Branch)		✓	Listed Company
	Batelco company		✓	Listed Company				
	Dhivehi Raajjeyge Gulhun Plc (Dhiraagu)		✓	Listed Company				
	Public 2		✓	CLOSED JOINT STOCK COMPANY				
	Batelco International Group Holding Limited		✓	Limited liability Company				
	Batelco Middle East Holding Company		✓	CLOSED JOINT STOCK COMPANY				
Mr. Hani bin Fahad Kattan	Etihad Atheeb Telecom Company	✓		Listed Company	The Commercial Attaché in Washington, D.C		✓	
	Al Nahla Group	✓			Arab national Bank	✓		

Board members who resigned during the fiscal year ending March 31, 2021

الكيان القانوني (مساهمة مدرجة / مساهمة غير مدرجة / ذات مسؤولية محدودة / ..)	مقرها		أسماء الشركات التي يكون عضو مجلس الإدارة عضواً في مجالس إدارتها (السابقة) أو من مديريها	الكيان القانوني (مساهمة مدرجة / مساهمة غير مدرجة / ذات مسؤولية محدودة / ..)	مقرها		أسماء الشركات التي يكون عضو مجلس الإدارة عضواً في مجالس إدارتها (الحالية) أو من مديريها	العضو
	خارج المملكة	داخل المملكة			خارج المملكة	داخل المملكة		
	✓		شركة بتلكو (البحرين)	مساهمة مدرجة		✓	شركة اتحاد عذيب للاتصالات	السيد/ عباس علي غلوم حاجي
	✓		شركة التركي القابضة			✓	شركة نسما وشركاهم للمقاولات المحدودة	
	✓		بيت التموين الخليجي					
	✓		البنك الأهلي المتحد					

11-4 Members of the Executive Management

No	Name	Current Occupation(GO)	Previous Occupation	Academic Qualifications	Vocational Experience
1	Mr. Yahya bin Saleh AlMansour	Chief Executive Officer	CEO of Consumer Sales at Zain	-Bachelor of Business Administration	Practical experience of more than 20 years, during which he worked in several companies

		(CEO)		-Master of Business Administration	between Zain and the Saudi Telecom Company, and other leading companies in the Kingdom of Saudi Arabia.
2	Mr. Mahmoud Hamdan Al Abdullah	Acting Chief Financial Officer (CFO)	GM, Budget, Planning and Reporting	-Bachelor of Accounting -MBA Finance	Practical experience of more than 29 years in financial management and in the field of communications and information technology, during which he worked in several companies, including Orange Company and Saudi Telecom Company.
3	Dr. Saleh bin Khalaf AlHarthi	Chief Business Support Officer	CEO Aon Hoyt Saudi Arabia	-Bachelor of Electrical Engineering -Master Electrical Engineering -PhD in electrical and communication engineering	More than 20 years of practical experience in the field of public administration, communications and information technology, in which he held several positions in various companies, including the Saudi Telecom Company and Aon Hoyt Saudi Company.
4	Eng. Mohammed bin Saed Alshamrani	Chief Technology Officer	Vice President of Projects and Products, Tatweer for educational technologies Company (Tetco)	-Bachelor's degree in Computer and Communications Engineering -Higher Diploma in Communication	More than 25 years of practical experience in the field of communications, during which he worked in many companies between Lucent, Saudi Ericsson, and STC
5	Eng. Mohammed Khalil Qaoud	VP, B2C Sales & Wholesale	Director of International Trade Department	-Bachelor of Electrical Engineering -Master of Computer Engineering	More than 25 years of practical experience in the field of communications and information technology, in which he held many positions in various companies, including Integrated Telecom Company, Palestinian Telecommunications Company, Verizon and T-Mobile
6	Eng. Ibrahim bin Waleed Al Obaida	VP, Regulatory Affairs	GM, Regulatory and Legal Affairs	-Bachelor of Electrical Engineering -Master's in communications engineering	More than 18 years of practical experience in the field of communications and information technology, in which he held many positions in various companies, including the Integrated Telecom Company.
7	Eng. Mostafa Mohammed Elamin	VP, Marketing	Business Marketing Manager at Zain	-Bachelor of Electronics Engineering -Master of Business Administration	More than 16 years of practical experience, during which he held several positions, including director of business sector marketing at Zain, pricing advisor at Saudi Telecom Company, and pricing manager at Zain Sudan and other leading companies in Saudi Arabia.
8	Mr. Mohammed Mansour Kerhan	VP, Business Sales	GM, of Corporate Sales at Mobily	-Bachelor of Public Administration	More than 13 years of practical experience in the telecommunications field, during which he held several positions between Zain and Mobily, and held other positions in leading companies in the Kingdom of Saudi Arabia.
9	Mr. Bashar Sameer Shinawi	VP, Information Technology	VP, of Information Sector at "Joy" from STC	-Bachelor of Computer -Master in Information Systems	More than 21 years of practical experience in the field of communications and information technology, in which he held many positions in various companies, including the Saudi Telecom Company, Etihad Etisalat Company "Mobily" and Ericsson.
10	Mr. Ayedh bin Saleh AlShehri	Vice President of Logistics Support Division	VP, of Support Services, Ajayel Company	-Bachelor of Business Administration -Master of Business Administration	Practical experience of more than 18 years, during which he worked in many companies such as Al-Ayuni Investment and Contracting Company, Saudi Pan Kingdom Company (SAPAC) and other leading companies in the

					Kingdom of Saudi Arabia.
11	Eng. Rizwan Abbas	VP, Network	GM, of Network Engineering (Acting)	-Bachelor of Electrical Engineering	More than 21 years of practical experience in the field of communications and information technology, in which he held many positions in various companies, including the Ward Telecom Pakistan (Abu Dhabi Group).

12 Composition of the board of directors and classification of its members

The company's Bylaws set the number of the company's board of directors at (9) nine members, and 9 members were appointed and elected for the current (fourth) session of the board of directors, which began on 26/10/2020 and for a period of three years (ending on 25/10/2023). By the General Assembly held on 25/10/2020 AD.

The following table shows the list of members of the Board of Directors at the end of the fiscal year ending on March 31, 2021 AD:

Members of the Board of Directors as at the end of the fiscal year ending on March 31, 2021 AD			
	Name	Membership Type (Executive / Non-Executive / Independent)	representative
1	DR. Eisa bin Yeslam BaEisa	Independent	The Public
2	Shaikh Mohamed bin Khalifa Al Khalifa	Non- Executive	Bahrain Telecommunication Company (Batelco)
3	Mr. Isa Abbas Isa Alsabea	Non- Executive	Bahrain Telecommunication Company (Batelco)
4	Mr. Ayman bin Hilal abn Ali Aljaber	Independent	The Public
5	Dr. Yazeed bin Saleh bin Mirzam AlSubaie	Independent	The Public
6	Mr. Omar Subhi Abdel Karim Shanaah	Non- Executive	Bithar Communications And Information Technology Company
7	Mr. Hani bin Fahad bin Jamil Kattan	Non- Executive	AlNahla Group
8	Mr. Khalid bin Abdulrahman bin Ali Alkhudairi	Independent	The Public
9	Mr. Saad bin Omer bin Saad Albaiz	Non- Executive	Atheeb maintenance & services LTD. that were subsequently renamed to the modern leading company for environmental services

Board members who resigned during the fiscal year ending on March 31, 2020 AD			
	Name	Membership Type (Executive / Non-Executive / Independent)	representative
1	Mr. Abbas Ali Ghuloom Haji	Independent	The Public
* The acceptance of the resignation of Mr. / Abbas Ali Haji Ghuloom of the Board as of 07/04/2020.			

13 Board meetings

The following table shows the number of board meetings and the attendance of members for those meetings during the fiscal year ending on 3/31/2021. The failure of some members to attend some meetings of the Board of Directors and the sub-committees due to special circumstances or reasons for travel. It should be noted that the Chairman of the Board of Directors did not receive any written request to hold any emergency meetings from any of the Board members or the External Auditor

during the financial year ending on March 31, 2021. During its sessions, the Board is keen to discuss strategic and important matters, as well as shareholders' proposals and observations about the company and its performance in the presence of the majority of members.

Attendance record of current board members

	Name / Member	Number of meetings (8) meetings							
		2020			2021				
		1 st Meeting 07 June	2 nd Meeting 23 June	3 rd Meeting 13 October	4th Meeting 27 October	5th Meeting 08 November	6th Meeting 29 November	7 th Meeting 21 March	8 th Meeting 24 March
1	* DR. Eisa bin Yeslam BaEisa	✓	✓	✓	✓	✓	✓	✓	✓
2	*Shaikh Mohamed bin Khalifa Al Khalifa	✓	✓	✓	✓	✓	✓	✓	✓
3	***Mr. Isa Abbas Isa Alsabea							✓	✓
4	*Mr. Ayman bin Hilal abn Ali Aljaber				✓	✓	✓	✓	✓
5	*Dr. Yazeed bin Saleh AlSubaie				✓	✓	✓	✓	✓
6	*Mr. Omar Subhi Shanaah	✓	✓	✓	✓	✓	✓	✓	✓
7	*Mr. Hani bin Fahad Kattan				✓	✓	✓	✓	✓
8	*Mr. Khalid bin Abdulrahman Alkhudairi				✓	✓	✓	✓	✓
9	*Mr. Saad bin Omer Albaiz	✓	✓	✓	✓	✓	✓	✓	✓
10	**Mr. Hussam Eldin bin Hashim Sadagah	✓	✓	x					
11	**Mr. Aziz bin Mohammed AlQahtani	✓	✓	✓					
12	**Mr. Fahad bin Abdulaziz ALSanea	✓	✓	✓					
13	***Mr. Ihab Anwar Hinnawi	✓	✓	✓	✓	✓	✓		

* The appointment of the Board with effect from 26/10/2020.
 ** The end of the membership of the Board of Directors On completion of the third session on 25/10/2020.
 *** Mr. Issa Abbas Al-Sabaa was appointed to succeed Mr. Ihab Anwar Hanawi as a representative of Batelco on 1/1/2021.

Attendance record of resigned board members

	Name / Member	Number of meetings (0) meetings				
		2019				2020
		1 st Meeting 02 April	2 nd Meeting 20 May	3 rd Meeting 23 May	4 th Meeting 27 November	5 th Meeting 21 January
1	Mr. Abbas Ali Ghuloom Haji	x				

* The acceptance of the resignation of Mr. / Abbas Ali Haji Ghuloom of the Board as of 07/04/2020.

14 Board Committees

During the current fiscal year (2020-2021), the Board of Directors formed three committees, and the following is a list of the names, members, tasks and meetings of these committees:

Executive Committee :

Members of the Executive Committee were formed and appointed by the Board of Directors on 5/11/2017 AD. The Committee periodically reviews matters related to operation and financial programs before the Board of Directors meeting. It may also carry out some emergency tasks that cannot wait for the Board of Directors to convene. The Executive Committee submits its reports to the Board Administration. The Executive Committee also supports the Board of Directors in the performance of its responsibilities, and provides the executive management with direction and guidance towards the best practices of the company's management, and emphasizes the necessity of achieving the company's plans and objectives. The main objective of the committee is to raise the level of the company's performance, set goals for the company's senior management and coordinate on the company's strategies, business objectives and activities.

Members and meetings of the Executive Committee			
	Name	Membership rating	Number of meetings (0) meetings
1	Mr. Fahad bin Abdulaziz ALSanea	Chairman	The Executive Committee did not hold any meetings due to the company's financial situation, so the work of the Executive Committee was carried out by the Board of Directors until the end of the third session, which ended on October 25, 2020.
2	Mr. Ihab Anwar Hanawi	Member	
3	Mr. Saad bin Omer Albaiz	member	

Audit Committee:

Members of the Audit Committee were formed and appointed for the third session of the Board of Directors with the approval of the General Assembly held on 10/26/2017 AD, and the Audit Committee was formed for the fourth session with the approval of the General Assembly held on 01/12/2020 AD and the Audit Committee performs its work according to the executive regulations issued by the official authorities The competent authority and the work regulations of the Audit Committee approved by the General Assembly on

Members and meetings of the Audit Committee, the third session and the fourth session											
	Name	Membership rating	Number of meetings of the third session (6) meetings and the fourth session (3)								
			2020						2021		
			06 April	19 May	09 June	01 July	13 August	03 September	04 November	10 February	14 March
1	Mr. Aziz bin Mohammed AlQahatani	Chairman	✓	✓	✓	✓	✓	✓			
2	Mr. Abbas Ali Haji	Member	✓	✓	✓	✓	✓	✓			
3	Mr. Omar Subhi Shanaah	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Mr. Ayman bin Hilal Aljaber	Chairman							✓	✓	✓
5	Mr. Hani bin Fahad Kattan	Member							✓	✓	✓

Remuneration and Nomination Committee:

The Remuneration and Nominations Committee shall recommend to the Board of Directors the nomination for membership of the Board in accordance with the approved policies and standards, and conduct an annual review of the required needs of the appropriate skills for membership of the Board of Directors, review the structure of the Board of Directors and make recommendations regarding changes that can be made, identifying weaknesses and strengths in the Board of Directors, and suggesting them to be addressed. Consistent with the interest of the company. And ensuring on an annual basis the independence of the independent members and setting clear policies for the compensation and remuneration of the members of the Board of Directors and senior executives.

Members and meetings of the Remuneration and Nominations Committee

	Name	Membership rating	Number of meetings (3) meetings			Number of meetings (4) meetings			
			2020			2021			
			(1) 28 May	(2) 29 June	(3) 14 September	(1) 4 November	(2) 3 March	(3) 16 March	(4) 28 March
1	DR. Eisa bin Yeslam BaEisa	Chairman	✓	✓	✓				
2	Mr. Hussam Eldin bin Hashim Sadagah	Member	✓	✓	x				
3	Dr. Yazeed bin Saleh AlSubaie	Member				✓	✓	✓	✓
4	Mr. Khalid bin Abdulrahman Alkhudairi	Chairman				✓	✓	✓	✓
5	Mr. Saad bin Omer Albaiz	Member	✓	✓	✓	✓	✓	✓	✓

- Dr. Yazeed bin Saleh AlSubaie has been appointed to the Remuneration and Nominations Committee as of 26/10/2020 AD.
- Mr. Khalid bin Abdulrahman Alkhudairi was appointed to the Remuneration and Nominations Committee as of 26/10/2020 AD.
- The membership of Mr. Hussam Eldin bin Hashim Sadagah and Dr. Eisa bin Yeslam BaEisa has expired by the end of the third session on 25/10/2020 AD

- Mr. Ayman bin Hilal Aljaber was appointed to the Audit Committee by the Board of Directors as of 10/27/2020, and the appointment was approved by the General Assembly as of 01/12/2020.
- Mr. Hani bin Fahad Kattan was appointed to the Audit Committee by the Board of Directors as of 10/27/2020, and the appointment was approved by the General Assembly as of 01/12/2020.
- Mr. Omar Sobhi Shanaah was appointed to the Audit Committee by the Board of Directors as of 10/27/2020, and the appointment was approved by the General Assembly as of 01/12/2020.

15 Remuneration policy for members of the Board of Directors and committees emanating from the Board and the Executive Management

On 25/02/2018, the Board of Directors approved a policy that clarifies the criteria upon which the remuneration of members of the Board of Directors, sub-committees and executive management is based, and the mechanism for disbursement. And to work in accordance with these standards from the date of their approval by the General Assembly, in compliance with the rules and provisions of the Corporate Governance Regulations issued by the Board of the Capital Market Authority pursuant to Resolution No. (8-2017-16) dated 16/05/1438 AH and in accordance with the requirements of the Companies Law issued by Royal Decree No. AD/3, dated 28/01/1437 AH.. It is worth noting that the above-mentioned remuneration policy was included in the agenda of the shareholders' general assemblies meeting held during the past fiscal year, and according to the results of the shareholders' vote, the adoption of this policy was rejected as it is at the end of the fiscal year covered in this report.

The Remuneration and Nomination Committee is concerned with recommending to the Board of Directors the remuneration of the members of the Board of Directors and members of the committees emanating from the Board, in addition to the remuneration of the company's senior executives in accordance with the provisions of this policy, provided that the Committee observes the following criteria:

- Its compatibility with the company's strategy and objectives.
- The remunerations are offered for the purpose of urging the members of the board of directors and the executive management to make the company successful and long-term development, such as linking the variable part of the remunerations to long-term performance.

- c. That the remuneration be determined based on the job level, the tasks and responsibilities assigned to the incumbent, educational qualifications, practical experience, skills, and the level of performance.
- d. Compatibility with the size, nature and degree of risks with the company.
- e. Taking into consideration the practices of other companies, especially those operating in the same field that engage in the same activities in determining remuneration, while avoiding the unjustified rise in remuneration and compensation that might result from that.
- f. The remunerations should aim to attract, maintain and motivate professional competencies to work in the company, without exaggerating them.
- g. If the company wishes to adopt a program to grant shares in the company to members of the board of directors and the executive management, whether it is a new issue or shares purchased by the company, this must be done under the supervision of the Remuneration and Nominations Committee in accordance with the company's articles of association, the Companies Law, and the Capital Market Authority Regulations and Regulations related executive.
- h. Meeting attendance allowances and other benefits or expenses related to the meetings of the Board, its committees, general assemblies and other official meetings shall be paid immediately after each meeting. As for the annual remunerations of the Board, it shall be paid in full after approval by the General Assembly.

15-1 Criteria and mechanism for disbursing the remuneration of members of the Board of Directors and members of the committees emanating from the Board:

- a. The remuneration of the members of the Board of Directors and members of the committees emanating from the Board shall consist of an attendance allowance for meetings, benefits in kind, a flat rate or a certain percentage of the company's net profits, and two or more of these benefits may be combined.
- b. The remuneration of the members of the board of directors may be a percentage of the profits achieved by the company, or it may be based directly or indirectly on the profitability of the company.
- c. If the remuneration is a certain percentage of the company's profits, then this percentage may not exceed (10%) of the net profits, after deducting the reserves decided by the General Assembly to apply the provisions of the Companies Law and the Company's Articles of Association, and after distributing a profit to shareholders not less than For (5%) of the company's paid-up capital, provided that the entitlement to this remuneration is proportional to the number of sessions attended by the member, and any assessment to the contrary is void.
- d. The remuneration allocated to the members may be of varying amount and its value varies from one member to another according to the number of times the member attends meetings as a proportion. The value of the remuneration for each member is estimated at the recommendation of the Remuneration and Nominations Committee and the approval of the Board of Directors.
- e. The Board of Directors determines and approves the remuneration of members of all committees emanating from the Board and attendance allowance based on the recommendations of the Remuneration and Nominations Committee, with the exception of the Audit Committee, where it is recommended to the General Assembly of Shareholders for approval.
- f. An amount of (3000) three thousand riyals is paid to each member of the board of directors or a sub-committee (whether from within the board or from outside) as an attendance allowance for one session (inside or outside the cities of the Kingdom) and not exceeding (36) thirty-six thousand riyals. Annually, whether it is a meeting of a board of directors, a sub-committee, a general assembly, an official meeting or a specific event (assigned by the member by the chairman of the committee emanating from the board and the approval of the chairman of the board).

- g. At the end of each fiscal year, the Remuneration and Nomination Committee, according to the discretion and approval of the Board of Directors, recommends the payment of a financial reward to the members of the Board of Directors and the committees emanating from the Board, as follows:
- 1- A member of the Board of Directors shall be entitled to an annual remuneration not exceeding (300) three hundred thousand riyals, in return for his membership in the Board of Directors.
 - 2- A member of the Board of Directors shall be entitled to an annual remuneration not exceeding (100) one hundred thousand riyals, in return for his membership in the committees emanating from the Board, whether the member participates in one or more committees. Including the remuneration granted for membership in the Audit Committee.
 - 3- A remuneration shall be paid to the membership of the committees emanating from the council in which the member is appointed from outside the council, provided that it does not exceed (100) one hundred thousand riyals for one committee.
 - 4- The company bears the costs of first-class travel tickets, transportation, food and accommodation in a five-star hotel for members residing outside the city of the meeting location. In the event that none of these facilities and services is secured by the company, the members shall be compensated for these actual expenses after submitting the invoices and documents supporting the amounts disbursed, and in accordance with the policy of attending the meetings of the Board of Directors and committees emanating from the Board and assemblies and paying the travel expenses and expenses approved by the Board in this regard.
 - 5- In all cases; The sum of what a member of the Board of Directors receives in terms of financial or in-kind remunerations and benefits shall not exceed the amount of (500) five hundred thousand riyals annually, in accordance with the provisions of the Companies Law and its Executive Regulations and the controls set by the competent authority.

15-2 Remunerations of the Chairman, Vice-Chairman, Board Secretary, and Board Committee Secretaries:

Taking into account what is stated in sub-paragraph (5) of item (G) above, the Board of Directors may approve the payment of an additional remuneration other than what is stipulated in Paragraph (5) above to the Chairman and his Deputy upon the recommendation of the Remuneration and Nominations Committee. The Board of Directors also approves the remuneration of the Secretary of the Board and the secretaries of the committees emanating from the Board appointed from outside the Board on the recommendation of the Remuneration and Nominations Committee.

15-3 Criteria and mechanism for disbursing the remuneration of the executive management team:

Remuneration aims to provide the competitive position required to attract and retain qualified and competent employees and maintain the high level of skills that the company needs. The Board of Directors determines the types of remunerations granted to senior executives in the company - based on the recommendation of the Remuneration and Nominations Committee - such as fixed remuneration, remuneration related to performance and incentive remuneration, in a manner that does not conflict with the controls and procedures governing this in joint stock companies. The executive management remuneration includes the following:

- Basic salary (to be paid at the end of each month).
- Allowances including, but not limited to, housing allowance, transportation allowance, telephone allowance, etc.).
- Contractual benefits such as medical insurance, etc.
- Contractual benefits and other benefits including, but not limited to, annual leave, additional leave, air tickets and end of service gratuity.

- Short-term motivational plans related to employee and company performance, and long-term incentive plans, such as commissions and loyalty agreements.

The following matters are taken into account when disbursing remuneration to the executive management team:

- The Remuneration and Nomination Committee shall periodically review the approved salary scale for all employees, including senior executives, and recommend plans and programs to motivate employees whenever the need arises.
- The appointment of the CEO shall be recommended by the Remuneration and Nominations Committee, and a proposal for the term of the work contract with him/her and his/her compensation with the proposed remuneration provision for him/her shall be recommended and disbursed by the Committee. The final approval and approval shall be from the Board of Directors.
- The performance standards for the CEO are determined and linked to remuneration by the Remuneration and Nomination Committee. The final approval shall be from the Board of Directors.
- The performance standards for senior executives are determined by the CEO, which are related to the company's general directives and take into account the objectives required of the CEO.
- The Remuneration and Nomination Committee shall discuss the recommendations of the executive management to disburse annual or exceptional rewards for performance and present them to the Board of Directors for an approval.
- The Remuneration and Nomination Committee reviews the incentive plans for senior executives on an ongoing basis, as well as reviews the employment contracts concluded with them regarding annual remunerations (if any) and makes recommendations in this regard to the Board of Directors for approval.
- Rewards are determined based on the job level, tasks, responsibilities, educational qualifications, practical experience, skills and level of performance.
- Travel and assignment allowances are paid to all employees according to grades, job levels, employment contracts and in accordance with the internal policies approved by the Board of Directors based on the recommendations of the Remuneration and Nominations Committee in this regard.

15-4 Suspension of the Disbursement of Rewards and Cases of Claiming Compensation and Refund:

Taking into account the company's financial conditions and work requirements, the Remuneration and Nomination Committee may recommend to the Board of Directors to stop disbursing the rewards to all beneficiaries and demand their refund in certain cases (including, but not limited to the employee or member committing an act of dishonor or dishonesty or forgery and/or breaching his/her responsibilities or duties resulting in harm to the interests of the company and/or terminating his/her membership by a decision of the general assembly if he fails to attend three consecutive sessions without a legitimate excuse accepted by the board, the member must return all the rewards that were spent for the period following the last meeting he/she attended) or deduct it in any appropriate way, if it appears that it was decided based on inaccurate information provided by a member of the board of directors or the executive management, in order to prevent the exploitation of the job position to obtain undue rewards, this policy shall not be applied until it is approved by the General Assembly.

It is worth to noting that the above-mentioned remuneration policy was included in the agenda of some general assemblies of shareholders held during the past fiscal year, and according to the results of the shareholders' vote, this policy was rejected.

16 Remunerations and compensations of members of the Board of Directors, members of committees and senior executives:

Remuneration of members of the Board of Directors during the fiscal year ending on March 31, 2021

Members	Fixed Remunerations							Variable Remunerations					End of service award	Total	Expense Allowance (*)		
	Specific amount	Allowance for attending Board Meetings	Total allowance for attending committees Meetings	In-kind benefits	Remuneration for technical, managerial and consultative work	Remuneration of the Chairman, Managing Director or the Secretary if a member	Total	Percentage of profits	Periodic remuneration	Short term incentive plans	Long term incentive plans	Granted shares				Total	
First: Independent members																	
1	Husam bin Hashem Sadagah	0	6,000	6,000	0	0	0	12,000	0	0	0	0	0	0	0	12,000	0
2	Yazeed bin Saleh AlSubaie	0	15,000	9,000	0	0	0	24,000	0	0	0	0	0	0	0	24,000	0
3	Abbas Ali Haji	0	0	6,000	0	0	0	6,000	0	0	0	0	0	0	0	6,000	0
4	Ayman bin Hilal Aljaber	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Aziz Mohammed AlQahtani	0	9,000	18,000	0	0	0	27,000	0	0	0	0	0	0	0	27,000	0
6	Eisa bin Yeslam BaEisa	0	24,000	9,000	0	0	0	33,000	0	0	0	0	0	0	0	33,000	3,253
7	Khalid bin Abdulrahman Alkhudairi	0	15,000	12,000	0	0	0	27,000	0	0	0	0	0	0	0	27,000	0
Total		0	69,000	60,000	0	0	0	129,000	0	0	0	0	0	0	0	129,000	3,253
Second: Non-executive members																	
1	Saad bin Omer Albaiz	0	24,000	18,000	0	0	0	42,000	0	0	0	0	0	0	0	42,000	0
2	Fahad bin Abdulaziz ALSanea	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Mohamed bin Khalifa Al Khalifa	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	Ihab Anwar Hanawi	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Isa Abbas Isa Alsabea	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Omar Subhi Shanaah	0	27,000	27,000	0	0	0	54,000	0	0	0	0	0	0	0	54,000	0
7	Hani bin Fahad Kattan	0	9,000	3,000	0	0	0	12,000	0	0	0	0	0	0	0	12,000	0
Total		0	60,000	48,000	0	0	0	108,000	0	0	0	0	0	0	0	108,000	0
Third: Executive members																	
-	None	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

* Note: [1] Expense allowance includes (compensation for actual expenses incurred by members and/or the value of airfare and/or hotel accommodation costs provided by the company).

* Note: [2] In addition to the bonuses and allowances shown in the above table, the allowance for attending the meetings of the General Assembly (ordinary and extraordinary) held during the fiscal year ending on March 31, 2021 was disbursed at 3000 riyals per assembly.

Remuneration of members of sub-committees during the fiscal year ending on March 31, 2021

Members		Fixed remunerations	Meeting attendance allowance	Expense Allowance (*)	Total
Audit Committee Members					
1	Ayman bin Hilal Aljaber	0	0	0	0
2	Hani bin Fahad Kattan	0	3,000	0	3,000
3	Aziz bin Mohammed AlQahtani	0	18,000	0	18,000
4	Abbas Ali Haji	0	6,000	0	6,000
5	Omar Subhi Shanaah	0	27,000	0	27,000
Total		-	54,000	0	54,000
Executive Committee Members					
1	Fahad bin Abdulaziz AlSanea	0	0	0	0
3	Ihab Anwar Hanawi	0	0	0	0
4	Saad bin Omer Albaiz	0	0	0	0
Total		0	0	0	0
Remuneration and Nominations Committee Members					
1	Eisa bin Yeslam BaEisa	0	9,000	0	9,000
2	Husam eldin bin Hashem Sadagah	0	6,000	0	6,000
3	Khalid bin Abdulrahman Alkhudairi	0	12,000	0	12,000
4	Yazeed bin Saleh AlSubaie	0	9,000	0	9,000
5	Saad bin Omer Albaiz	0	18,000	0	18,000
Total		-	54,000	0	54,000

* Note: [1] Expense allowance includes (compensation for actual expenses of members incurred by members and/or the value of airfare and/or hotel accommodation costs provided by the company).

 Remuneration of the Top Five Senior Executives (Including the CEO and CFO)
 during the fiscal year ending on March 31, 2021

Fixed Remunerations				Variable Remunerations						Indemnity	Board remunerations for executives if applicable	Net Total
Salaries	Allowances	In-kind benefits	Total	Periodic remunerations	Earnings	Short-term incentive plans	Long-term incentive plans	Shares Granted	Total			
2,532,740	919,731	-	3,452,471	-	-	-	-	-	-	1,278,682	-	4,731,153

16-1 Relationship between rewards awarded and applicable rewards policy

It is worth noting that the remuneration policy described in item (15) above was approved by the Board of Directors on the recommendation of the Remuneration and Nomination Committee, and it was included in the agenda of the General Assembly meetings held during the fiscal year ending on March 31, 2020, and according to the results of the shareholders' vote, the

adoption of this policy was rejected. As it is at the end of the financial year covered by this report. This policy will not be implemented until it is approved by the General Assembly, the relationship between the granted remuneration and the applicable remuneration policy, and any substantial deviation from this policy in the future, will be clarified after it is presented to the General Assembly, approved and started to be applied.

17 Annual evaluation of the board of directors

The Board of Directors conducts an annual internal evaluation based on the self-evaluation and review/evaluation processes by the heads of the committees, where the strengths and weaknesses are identified and ways to address them are suggested in line with the company's interest. There is no external body that has evaluated the performance of the Board of Directors and the performance of its committees. It is worth noting that the Remuneration and Nominations Committee is in the process of preparing a mechanism and a comprehensive policy for the annual evaluation process for the performance of the Board of Directors, members, committees and executive management, and final improvement procedures are underway in preparation for approval by the Board of Directors and start implementing them. The company will be keen to fully comply with what is stated in the guiding article No. (41) of the corporate governance regulations in the future and disclose this in the upcoming reports, God willing.

18 The interests of the members of the board of directors and senior executives or their spouses or minor children

18-1 Description of the interests in a class of voting shares (Notification of Ownership of Significant Shares of Shares)

The Executive Management of the company or the shareholders' relations department did not receive any notifications or notifications from any natural or legal person who owns (5%) or more of the issued shares of the company, or reports of any interest in the class of shares entitled to vote, whether from related persons or from the Capital Market Authority in accordance with Article 30 of the registration and listing rules from the date of incorporation until the date of this report. Therefore; There are no interests in the class of voting shares from the shareholders, members of the board of directors, senior executives, their spouses and their minor children.

18-2 Interest, option rights and subscription rights for Board members and senior executives, or their spouses or minor children

There are no interests, option rights, or subscription rights belonging to any of the board members or senior executives of the company, or their spouses or minor children in the shares or debt instruments of the company.

18-3 The interests of board members, senior executives and their relatives in the contracts concluded with Etihad Atheeb Telecom Company

The Board of Directors acknowledges that none of the members of the Board, the Chief Executive Officer, the Chief Financial Officer or their relatives have any personal interests in the contracts concluded by the company other than the contracts shown in the table below:

No	Nature of work/contract	Amount of work/contract	Duration of work/contract	Terms of work/contract	Name of the member/ senior executives or any person related to any of them
1	Voice Interconnection agreement with Batelco	The value of the calls is calculated according to the prices for each country and the duration of the call for each call separately, at	This agreement was signed in February 2009. It is renewed annually	This agreement is part of the interconnection agreement with Batelco (Technical Partner) that was signed and agreed upon in February 2009.	Batelco Company (Member of the Corporate Board and Founder) represented on the Board of Directors by: Sheikh Mohammed bin Khalifa Al Khalifa, Mr./ Ehab Anwar Hinnawi, and

		variable rates			Mr./ Issa Abbas Al-Sabaa (in succession to Mr./ Ehab Hinnawi)
2	Data Interconnection agreement with Batelco	Each circuit is calculated separately at a competitive price	This agreement was signed on 10/11/2016 and renewed on a monthly basis	A linking circuit for the international access circuits for high-capacity information that is used by both Batelco and "GO" customers to benefit from the service.	Batelco Company (Member of the Corporate Board and Founder) represented on the Board of Directors by: Sheikh Mohammed bin Khalifa Al Khalifa, Mr./ Ehab Anwar Hinnawi, and Mr./ Issa Abbas Al-Sabaa (in succession to Mr./ Ehab Hinnawi)
3	Dark fiber agreement with Batelco	Estimated value 5 million Saudi riyals	This agreement was signed on February 26, 2018 and has a term of 15 years	Using a specific part of the dark fiber optics purchased from the GCC Interconnection Authority, which connects several different points in the Arab Gulf countries	Batelco Company (Member of the Corporate Board and Founder) represented on the Board of Directors by: Sheikh Mohammed bin Khalifa Al Khalifa, Mr./ Ehab Anwar Hinnawi, and Mr./ Issa Abbas Al-Sabaa (in succession to Mr./ Ehab Hinnawi)

In addition to what was mentioned in the above table, the company provides its services for telecommunications, data and internet solutions to some of the legal board members and the companies related to them in exchange for subscription fees like the rest of the company's other clients without any preferential benefits, and they are disclosed within the transactions with related parties in the financial statements according to the practice, as well as reporting it at the annual general assembly meeting. For more information on related party transactions, please see paragraph (19) below.

19 Related Parties transactions:

The transactions with related parties were based on agreed terms and prices that represent the usual business dealings with customers or suppliers. The details are as follows:

Related Party	Relationship	Type of Deal / Operation	duration	Value (SAR)	
				2021	2020
Bahrain Telecommunications Company (Batelco)	Founding Shareholder	data revenue	From January 2010	3,895,043	6,104,590
		interconnect revenue	From February 2009	3,046,516	3,279,321
		interconnection cost	From February 2009	1,123,594	1,499,580
Saudi Arabian Marketing And Agencies Company Ltd. (SAMACO)	Is part of Al-Nahla Group	data revenue	from October 2012	643,662	1,162,863
Bithar Trading Co. Ltd.	Founding Shareholder	data revenue	From November 2009	276,919	412,978
Etihad Shams Co.	Is part of Bithar Trading Co. Ltd.	data revenue	From January 2011	30,141	31,017
Atheeb Maintenance & services Ltd., whose name was later modified to Modern Riyadh Environmental Services Co.	Founding Shareholder	data revenue	from September 2015	20,160	81,275
Atheeb Intergraph Saudi.	Is part of Bithar Trading Co. Ltd.	data revenue	From June 2012	189,660	222,659
- Bithar Trading Co. Ltd. - Bahrain Telecommunications Company (Batelco) - ALNAHLA For Trading & Contracting Co.	Founding Shareholders	Compensating the founding shareholders for the commission charged and paid by them to Banque Saudi Fransi (amounting to 0.5%) against the letters of guarantee issued	From April 2009 commissions are paid at the end of each Gregorian year For the warranties to	18,915	121,740

- Traco Trading & Contracting Co. - Bithar Communications and Information Technology - Saudi Internet Co. Ltd. - Atheeb Maintenance & Service Ltd.		by the founding shareholders on behalf of the company for a total amount of 1,592,000,000.00 (one billion five hundred ninety-two million Saudi riyals), in respect of The proportion of the general audience of shareholders only and on a proportional basis according to the shares owned by each founding shareholder	remain in effect		
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19-1 Due from related parties

No	Related Party	Relationship	Type of Deal / Operation	2021 (SAR)	2020 (SAR)
1	Bahrain Telecommunication Company (Batelco) represented by Board Members Sheikh/ Mohammed bin Khalifa Al Khalifa and Mr. Issa Abbas Al-Sabaa (in place of Mr. Ihab Hinnawi).	Founding Shareholder	business dealing	42,556,016	40,168,637
2	Bithar Trading Co. Ltd represented by Board Members Mr. Fahad bin Abdulaziz AlSanea and Mr. Saad Bin Omar Albaiz.	Founding Shareholder	business dealing	735,148	458,229
3	Saudi Arabian Marketing And Agencies Company Ltd. (SAMACO)	Is part of Al-Nahla Group	business dealing	4,460,352	3,866,554
4	Atheeb Intergraph Saudi. Company because of the interest of the two board members, Mr. Fahad bin Abdulaziz Al-Sanea and Mr. Saad bin Omar Albaiz, as they are both members of the Board of Directors of Atheeb Intergraph Saudi Company.	Is part of Bithar Trading Co. Ltd.	business dealing	94,930	148,391
5	Atheeb Maintenance & Service Ltd., whose name was later modified to Modern Riyadh Environmental Services Co, represented by the Board Member, Mr. Saad bin Omar Albaiz.	Founding Shareholder	business dealing	86,068	80,588
6	Shams Union Company because of the interest of the board members, Mr. Saad bin Omar Albaiz, being a member of the Board of Directors of Shams Union Company.	Is part of Bithar Trading Co. Ltd.	business dealing	11,978	3,152

19-2 Due to related parties

No.	Related Party	Relationship	Type of Deal / Operation	2021 (SAR)	2020 (SAR)
1	Bahrain Telecommunication Company (Batelco) represented by	Founding Shareholder	Commercial Dealing /Guarantee Fees	29,710,737	28,573,852

	Board Members Sheikh/ Mohammed bin Khalifa Al Khalifa and Mr. Issa Abbas Al-Sabaa (in place of Mr. Ihab Hinnawi).				
2	Bithar Trading Co. Ltd represented by Board Members Mr. Fahad bin Abdulaziz AlSanea and Mr. Saad Bin Omar Albaiz.	Founding Shareholder	Guarantee Fees	53,381	51,525
3	Traco Trading & Contracting Co. Because of the interest of being a former founding shareholder The company has no representative on the board of directors.	Founding Shareholder	Guarantee Fees	924,988	924,313
4	Saudi Internet Co. Ltd represented by Board Member Mr. Omar Subhi Shanaa.	Founding Shareholder	Guarantee Fees	213,216	212,710
5	Bithar Communications and Information Technology represented by Board Member Mr. Omar Subhi Shanaa.	Founding Shareholder	Guarantee Fees	265,716	265,210
6	Atheeb Maintenance & Service Ltd., whose name was later modified to Modern Riyada Environmental Services Co, represented by the Board Member, Mr. Saad bin Omar Albaiz.	Founding Shareholder	Guarantee Fees	265,716	265,210
7	ALNAHLA For Trading & Contracting Co. represented by Board Member Mr. Hani bin Fahad Kattan.	Founding Shareholder	Guarantee Fees	172,280	170,705

20 Waive compensation and bonuses

No compensation or bonus was waived by the company's senior executives.

21 Shares owned by members of the board of directors and senior executives of the company

21-1 Shares owned by members of the board of directors

21-1.1 Shares owned by members of the board of directors (Founders)

No.	member name	Shares owned at the beginning of the year 1/4/2020	Shares owned at the end of the year 31/3/2021	Net change	Percentage change (%)
1	Bithar Trading Co. Ltd represented by Board Member Mr. Saad Bin Omar Albaiz.	938,494 shares	938,494 shares	-	%0

2	Bahrain Telecommunication Company (Batelco) represented by Board Members Sheikh/ Mohammed bin Khalifa Al Khalifa and Mr. Issa Abbas Al-Sabaa (in place of Mr. Ihab Hinnawi).	3,427,943 shares	3,427,943 shares	-	%0
3	ALNAHLA For Trading & Contracting Co. represented by Board Member Mr. Hani bin Fahad Kattan.	2,031,373 shares	2,031,373 shares	-	%0
4	Saudi Internet Co. Ltd represented by Board Member Mr. Omar Subhi Shanaa.	255,952 shares	0 shares	(255,952) shares	٪100-

21-1.2 Shares owned by the natural/personal members of the board, and their spouses and minor children

No.	member name	Shares owned at the beginning of the year 1/4/2020	Shares owned at the end of the year 31/3/2021	Net change	Percentage change (%)
1	Mr. Husam Eldin bin Hashem Sadagah	361 shares	361 shares	0 shares	٪0
2	Mr. Fahad bin Abdulaziz AlSanea	211 shares	211 shares	0 shares	٪0
3	Mr. Saad bin Omar Albaiz	149 shares	149 shares	0 shares	٪0
4	Shaikh Mohamed bin Khalifa Al Khalifa	0 shares	0 shares	0 shares	٪0
5	Mr. Ihab Anwar Hanawi	0 shares	0 shares	0 shares	٪0
6	Mr. Isa Abbas Isa Alsabea	0 shares	0 shares	0 shares	٪0
7	Mr. Omar Subhi Shanaah	0 shares	0 shares	0 shares	٪0
8	Mr. Aziz bin Mohammed AlQahtani	0 shares	0 shares	0 shares	٪0
9	Dr. Eisa bin Yeslam BaEisa	0 shares	0 shares	0 shares	٪0
10	Dr. Yazeed bin Saleh AlSubaie	0 shares	0 shares	0 shares	٪0
11	Mr. Ayman bin Hilal Aljaber	0 shares	0 shares	0 shares	٪0
12	Mr. Khalid bin Abdulrahman Alkhudairi	0 shares	0 shares	0 shares	٪0
13	Mr. Hani bin Fahad Kattan	0 shares	0 shares	0 shares	٪0

* Note: The wives of the members of the Board of Directors or their minor children do not own any personal shares in the company until the date of preparing this report.

21-1.3 Shares owned by senior executives, their spouses and their minor children (Executive Management)

No.	name	Position	Shares owned at the beginning of the year 1/4/2020	Shares owned at the end of the year 31/3/2021	Net change	Percentage change (%)
1	Mr. Yahya bin Saleh AlMansour	Chief Executive Officer (CEO)	There is no	There is no	0	٪0
2	Mr. Mahmoud Hamdan Al Abdullah	Acting Chief Financial Officer (CFO)	There is no	There is no	0	٪0
3	Dr. Saleh bin Khalaf AlHarthi	Chief Business Support Officer	There is no	There is no	0	٪0
4	Eng. Mohammed bin Saed Alshamrani	Chief Technology Officer	There is no	There is no	0	٪0

* Note: None of the current senior executives, their wives or their minor children own any personal shares in the company as of the date of preparing this report.

21-2 Waiver of dividends

There are no agreements or arrangements under which any of the shareholders of the Company has waived any rights to profits.

22 Dues and statutory payments

statement	Paid (Saudi riyals)	Due until the end of the financial period and has not been paid	Description	Reasons
Government fees/license	25,307,065	11,574,741	Communications and Information Technology Commission fees for the use of the frequency spectrum	regular requirement
customs fees	54,185		Customs clearance fee	regular requirement
General Organization for Social Insurance	2,331,315		Social insurance for employees	regular requirement
Zakat and taxes	18,039,447		Taxes on foreign purchases and zakat	regular requirement
Labor office fees and passports	1,020,322		Fees for issuing and renewing work licenses and visas	regular requirement
Total amounts owed and paid to governmental and semi-governmental entities	46,752,334	11,574,741	Represents the statutory amounts owed and paid to the Government of the Kingdom of Saudi Arabia	

23 Penalties, fines or preventive restrictions and existing lawsuits

Punishment / penalty / fine / precautionary measure / reserve constraint	Causes of the violation	The signatory of the violation	Ways to treat it and prevent it from happening in the future
10,000	Implementation of what is stated in Supreme Order No. (196) On the retroactive revenue base of the company, which the Communications and Information Technology Commission deems that the company delayed its implementation on time.	Communications and Information Technology Commission	Studying the company's position on the violation and implementing its statutory right to object to it, and setting accurate standards in following up the performance of the departments concerned in responding to the Communications and Information Technology Commission's requests.
50,000	The company's non-payment of government dues for the third quarter of the year 2011	Communications and Information Technology Commission	Studying the company's position on the violation and implementing its statutory right to object to it, and setting accurate standards in following up the performance of the departments concerned in responding to the

			<p>Communications and Information Technology Commission's requests.</p> <p>In order to preserve the legal and statutory right of the company, the violation was objected to before the judicial authorities.</p>
10,000	<p>Failure to meet the obligations of network deployment defined in Annex 1 of the license issued to the company</p>	<p>Communications and Information Technology Commission</p>	<p>دراسة موقف الشركة من المخالفة Studying the company's position on the violation and implementing its statutory right to object to it, and setting accurate standards in following up the performance of the departments concerned in responding to the Communications and Information Technology Commission's requests.</p> <p>In order to preserve the legal and statutory right of the company, the violation was objected to before the judicial authorities</p>

The company has a number of pending lawsuits, including lawsuits between it and the Communications and Information Technology Commission at the Administrative Court (Board of Grievances) related to the frequencies allocated to the company, decisions and licenses. When resorting to the competent judicial authorities, the company is keen that the authority's decisions regarding the company are fair in accordance with the laws and regulations applicable in the Kingdom of Saudi Arabia. It is not possible to predict the final outcome of the aforementioned lawsuits, but the company will take all legitimate means to protect its rights.

24 Employees' end of service benefits

The balance of the total end-of-service benefits for the company's employees amounted to **(8,332,000)** eight million three hundred and thirty-two thousand Saudi riyals as on 03/31/2021 AD.

25 Investments and reserves created for the benefit of the company's employees

"GO" has not created any investments or reserves for the benefit of its employees since the date of incorporation and until the date of this report.

26 Compliance with the Corporate Governance Regulations

The company has committed to implementing all the provisions contained in the Corporate Governance Regulations issued by the Capital Market Authority, except for the mandatory and indicative provisions listed below:

No.	Article / paragraph number	Text of Article / paragraph	Reasons for non-application
1	Article 25: Supervising the executive management	8) Develop succession plans on the management of the company.	The company complied with Article (25) except for Paragraph (8), where succession plans have not been formally developed in writing, but the company's internally available cadres are used,

No.	Article / paragraph number	Text of Article / paragraph	Reasons for non-application
			or they search for potential candidates in the labor market through the considered channels..
2	Article 39: Training	The company shall pay adequate attention to training and qualifying the members of the Board of Directors and the executive management, and developing the necessary programs for this.	This article is indicative, and the members of the Board of Directors and the Executive Management are fully qualified and have sufficient experience to manage the company, and the Board is convinced that it is not necessary to retrain and rehabilitate them, taking into account the financial situation of the company at the present time.
3	Article 41: Evaluation	<p>a) The Board of Directors shall, based on the proposal of the Nomination Committee, establish the necessary mechanisms for annually evaluating the performance of the Board, its members, committees and the Executive Management; This is done through appropriate performance measurement indicators related to the extent to which the company's strategic objectives are achieved, the quality of risk management, the adequacy of internal control systems and others, provided that the strengths and weaknesses are identified and a proposal to address them in line with the company's interest.</p> <p>e) The Board of Directors shall make the necessary arrangements to obtain an evaluation of its performance by a competent third party every three years.</p>	This is an indicative article. The board conducts an internal evaluation, and the performance of the board or the executive management has not been evaluated by any external party. The company is in the process of developing a mechanism and a comprehensive policy for the process of evaluating the performance of the board of directors, members, committees and executive management after the company's financial conditions improve.
4	Article 50: The formation of committees	<p>Taking into consideration the Hundred and First Article of the Companies Law and Article fifty-four of these Regulations, the Board of Directors shall form specialized committees in accordance with the following:</p> <ol style="list-style-type: none"> 1) The company's need, circumstances and conditions to enable it to perform its duties effectively. 2) The formation of the committees shall be in accordance with general procedures set by the Board, including defining the mission of each committee, the duration of its work, the powers granted to it during this period, and how the Board of Directors monitors them. The committee shall inform the board of directors of its findings or decisions taken in a transparent manner. The Board of Directors shall regularly follow up the work of these committees to verify that they are carrying out the tasks entrusted to them. 3) Each committee is formed that is responsible for its actions before the Board of Directors, without prejudice to the responsibility of the Board for those actions and the powers or authorities delegated to it. 4) The number of committee members shall not be less than three and not more than five. 5) The heads of the committees or their representatives from among their members must attend the general assemblies to answer the shareholders' questions. 6) The company shall notify the Authority of the names of the committee members and their membership descriptions within five working days from the date of their appointment and any changes that may occur within five working days from the date of the changes taking place. 7) The company may merge the Remuneration and Nomination Committees into one committee called the Nomination and Remuneration Committee. In this case, the Remuneration and Nomination Committee must fulfill the requirements of either of them mentioned in Chapters Three and Four of this Chapter and exercise all the powers mentioned in Articles sixty-first and sixty-fifth of these Regulations, provided that the Committee meets periodically at least every six months. 	The Board of Directors is committed to fully implementing this article

No.	Article / paragraph number	Text of Article / paragraph	Reasons for non-application
5	Article 70: Formation of a risk management committee	By a decision of the company's board of directors, a committee called (Risk Management Committee) will be formed, with its chairman and the majority of its members being non-executive board members. Its members are required to have an appropriate level of knowledge of risk management and financial affairs.	This article is indicative, and the Board did not see the need to form a committee currently specialized in risk management and to be satisfied with the reports prepared by the Audit Committee. The company will be keen to adhere to it in the future, according to the needs of the business and in accordance with the rules and regulations approved by the relevant authorities.
6	Article 71: Terms of Reference of the Risk Management Committee	The Risk Management Committee is responsible for the following: 1) Develop a comprehensive risk management strategy and policies in line with the nature and size of the company's activities, and verify their implementation, review and update based on the company's internal and external variables. 2) Determining and maintaining an acceptable level of risks to which the company may be exposed, and ensuring that the company does not exceed it. 3) Verifying the feasibility of the company's continuation and its successful continuation of its activity, with identification of the risks that threaten its continuity during the next twelve months. 4) Supervising the company's risk management system and evaluating the effectiveness of the systems and mechanisms for identifying, measuring and following up on the risks that the company may be exposed to; So as to identify its shortcomings. 5) Periodically reassess the company's ability to take risks and be exposed to them (for example, by conducting stress tests). 6) Preparing detailed reports on exposure to risks and the proposed steps to manage these risks, and submitting them to the Board of Directors. 7) Make recommendations to the Board on issues related to risk management. 8) Ensure the availability of adequate resources and systems to manage risks. 9) Reviewing the organizational structure of risk management and making recommendations in this regard before it is approved by the Board of Directors. 10) Verify the independence of risk management personnel from activities that may expose the company to risks. 11) Verify that the risk management staff understand the risks surrounding the company, and work to raise awareness of the culture of risks. 12) Reviewing issues raised by the Audit Committee that may affect risk management in the company.	This article is indicative, and the company will be keen to adhere to it in the future in accordance with the needs of the work and in accordance with the rules and regulations approved by the relevant authorities. The company's board of directors approved a risk management policy and a mechanism for dealing with it, under the supervision of the Audit Committee on 01/30/2018.
7	Article 72: Risk Management Committee Meetings	The Risk Management Committee meets at least every six months, and whenever the need arises.	This article is indicative, and the company will be keen to adhere to it in the future according to the business needs when forming the risk committee.
8	Article 75: Functions of the internal audit unit or department	The internal audit unit or department is responsible for evaluating the internal control system, supervising its application, and verifying the extent to which the company and its employees comply with the applicable laws, regulations, instructions, and company policies and procedures.	There is no internal audit department in the company, and the internal audit work has been assigned to a specialized external consultant. The company will appoint an internal auditor
9	Article 76: Formation of the internal audit unit or department	The internal audit unit or department consists of at least an internal auditor whose appointment is recommended by the audit committee and to which he is accountable.	The internal audit was outsourced to a specialized external consultant.
10	Article 85: Motivating the staff	The company sets programs to develop and motivate the participation and performance of employees in the company	This is an indicative article. The company makes questionnaires to take the company's

No.	Article / paragraph number	Text of Article / paragraph	Reasons for non-application
			employees' views on some issues that are the subject of important decisions. The company has also developed a policy and other incentive programs to develop and disburse performance rewards to company employees, but not including granting employees shares in the company or a share in profits, as well as establishing social institutions. The company will be keen to take this into account in the future.
11	Article 87: Social Responsibility	The Ordinary General Assembly, based on a proposal from the Board of Directors, sets a policy that ensures a balance between its goals and the goals that society aspires to achieve; For the purpose of developing the social and economic conditions of society	This article is indicative, and the company seeks to participate in social events and activities as much as possible according to the budget allocated for that. The Board of Directors has also set an internal policy for the company's social responsibility, which is being updated, and then this policy is approved by the General Assembly.
12	Article 88: Social Action Initiatives	The Board of Directors sets the programs and determines the necessary means to present the company's initiatives in the field of social work	This article is indicative. The company's initiatives in the field of social work are currently entrusted to the executive management, and this article will be considered in the future.
13	Article 95: Formation of the Corporate Governance Committee	In the event that the Board of Directors forms a committee specialized in corporate governance, it must delegate to it the functions stipulated in Article Ninety-four of these Regulations. This committee must follow up on any issues related to corporate governance applications, and provide the Board of Directors, at least annually, with the reports and recommendations it reaches.	This article is indicative, and the company will be keen to adhere to it in the future in accordance with the needs of the work and in accordance with the rules and regulations approved by the relevant authorities.

27 Shareholders' Assemblies

27-1 General Assemblies of the shareholders held during the financial year 2020/2021 and the names of the members of the Board of Directors present these associations:

No.	General Assembly meetings	Attendance record of board members
1	12 th Extraordinary General Assembly (3 rd meeting) held on 06/09/2020 AD	<ul style="list-style-type: none"> - Mr. Fahad bin Abdulaziz ALSanea - Mr. Aziz bin Mohammed ALQahtani - DR. Eisa bin Yeslam BaEisa - Mr. Saad bin Omer Albaiz - Mr. Ihab Anwar Hanawi - Shaikh Mohamed bin Khalifa Al Khalifa - Mr. Omar Subhi Shanaah
2	12 th Ordinary General Assembly (2 nd Meeting) held on 25/10/2020 AD	<ul style="list-style-type: none"> - Mr. Fahad bin Abdulaziz ALSanea - Mr. Ihab Anwar Hanawi - Shaikh Mohamed bin Khalifa Al Khalifa - Mr. Saad bin Omer Albaiz - Mr. Aziz bin Mohammed ALQahtani - DR. Eisa bin Yeslam BaEisa - Mr. Omar Subhi Shanaah

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13th Ordinary General Assembly (1st meeting) held on 01/12/2020 AD

- DR. Eisa bin Yeslam BaEisa
- Dr. Yazeed bin Saleh AlSubaie
- Shaikh Mohamed bin Khalifa Al Khalifa
- Mr. Ihab Anwar Hanawi
- Mr. Hani bin Fahad Kattan
- Mr. Saad bin Omer Albaiz
- Mr. Khalid bin Abdulrahman Alkhudairi
- Mr. Ayman bin Hilal Aljaber
- Mr. Omar Subhi Shanaah

27-2 Shareholders' Register

The company obtains a periodic report every month for the shareholder register from the Saudi Stock Exchange (Tadawul). The company has applied for the shareholder register (7) seven times during the past fiscal year. The following is a statement of the dates of these requests and the reasons for that:

Number of requests for the company shareholders' register	Request date	Reasons for request
1	06/04/2019 AD	Corporate Actions
2	10/08/2020 AD	12 th Extraordinary General Assembly (1 st and 2 nd Meetings) The meeting was not held due to lack of quorum.
3	06/09/2020 AD	12 th Extraordinary General Assembly (3 rd Meeting) held on 06/09/2020 AD
4	25/10/2020 AD	12 th Ordinary General Assembly (2 nd Meeting) held on 25/10/2020 AD
5	01/12/2020 AD	13 th Ordinary General Assembly (1 st Meeting) held on 01/12/2020 AD
6	28/02/2021 AD	Corporate Actions
7	31/03/2021 AD	Corporate Actions

27-3 Informing the members of the Board of Directors of the shareholders' proposals and their comments regarding the company and its performance:

The Company's Shareholders Relations Department is responsible for meeting investors' requests, responding to their inquiries, and taking their comments and suggestions. The company's executive management informs the Board of Directors of the shareholders' suggestions and questions. The company has also allocated several means to receive shareholders' comments and suggestions, including telephone calls, postal correspondence, and e-mail communication.

27-4 Recommendations of the Board of Directors to the Annual General Assembly

The Board of Directors recommends to the General Assembly of the company the following:

1. Vote on the report of the Board of Directors for the fiscal year ending on 31/03/2021.
2. To vote on the auditors' report for the fiscal year ending on 31/03/2021.
3. Ratification of the company's financial statements as on 31/03/2021.
4. Vote to absolve the members of the board of directors from liability for the fiscal year ending on 31/03/2021.
5. Vote for the selection of the auditor from among the candidates based on the recommendation of the Audit Committee, in order to examine, review and audit the quarterly financial statements for the second, third and fourth quarters and the annual financial statements for the year 2020/2021 and the first quarter of 2021/2022, and to determine his fees.

6. Voting on the transactions that took place with related parties as indicated in Note No. (31) of the annual financial statements for the fiscal year ending on 3/31/2021 AD.
7. Any other business.

28 Internal Control and Audit Committee

28-1 Internal Control

Internal control is an objective and independent assurance and advisory activity for the purpose of adding value and improving the company's operations. The internal control also plays a major role in the company's achievement of its objectives by securing and providing a regular approach to evaluating and improving the effectiveness of risk management and control and the work involved in the control performance in the company. Ensuring the existence of a comprehensive and effective internal control system in proportion to the level of risks that the company may be exposed to, and including work policies and procedures prepared under the supervision of the Board of Directors, is one of the responsibilities of the executive management. Also, the existence of an effective internal control system is considered one of the Board's responsibilities to achieve the strategic objectives of the company. The Audit Committee monitors the company's business and reasonably verifies the integrity and integrity of its reports, financial statements and internal control systems through direct and periodic meetings and contacts with the executive management and the board of directors, as well as through what is submitted to it by the internal audit department and the external auditor, each in his own business.

Based on the results of the work that the committee was briefed on during the year, whether from the internal audit work or what the external auditor has done within the scope of his work, it became clear to us that there are several observations regarding the automated systems, policies, procedures and operational processes in the company, about which the executive management and the board of directors have participated. The Audit Committee periodically follows up on the implementation of recommendations to address these observations with the company's executive management and the Board of Directors. Accordingly, the Audit Committee considers that the current internal control system needs to develop and improve performance to ensure raising the level of control procedures in the company, and it has not found out that there are fundamental issues that can be mentioned in this the report.

28-2 Audit Committee

The audit committee emanating from the board of directors supervises the internal control work of the company, which periodically checks the adequacy and effectiveness of the internal control system, which helps to evaluate the internal control system on an ongoing basis and ensure its effectiveness, in addition to reviewing the financial statements (initial and final) and coordinating with the concerned authorities and supervising the work of chartered accountants. The Audit Committee held meetings with certified public accountants, internal auditors and the company's executive management to discuss financial and legal matters and other obligations related to the company's workflow.

The committee reviewed the annual financial statements as on March 31, 2021 and the quarterly lists and made recommendations to the Board regarding them, as well as reviewing the "management letter" issued by the external auditors, reviewing the reports received from the company's management on legal and regulatory requirements and following up on the implementation of the recommendations included in the reports. The Committee informs the Board of Directors Management, on the activities of the Committee by submitting the minutes of its meetings to the Board. It is worth noting that there has not been and has not been proven any conflict during the past fiscal year ending on March 31, 2021 AD between the recommendations of the Audit Committee and the decisions of the Board of Directors or regarding the appointment of the external auditor or the internal audit and determining their fees.

29 External Auditor (Chartered Accountant)

Qualified Opinion

We have audited the financial statements of **Etihad Atheeb Telecommunication Company (the "Company")**, which comprise the statement of financial position as at 31 March 2021, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2021 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants (SOCPA).

Basis for Qualified Opinion

We were unable to obtain sufficient appropriate audit evidences about the differences of SAR 8.5 million between the carrying amount of a related party as at March 31, 2021 and the confirmation received, and we were unable to verify the carrying amount of the related party as at that date by performing alternative audit procedures. Accordingly, we were unable to determine whether any adjustments to this amount were necessary.

We conducted our audit in accordance with International Standards on Auditing ("ISAs") that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements section" of our report. We are independent of the Company in accordance with the professional code of conduct and ethics that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note (1) to the accompanying financial statements, which indicates that the accumulated losses of the Company amounted to SR 116.8 million as of 31 March 2021, exceeding half of the Company's capital, and the Company's current liabilities exceeded its current assets by SR 146.3 million as at 31 March 2021 and it made a loss of SR 39 million for the year then ended. These conditions indicate the existence of a material uncertainty, which may cast significant doubt about the Company's ability to continue as a going concern. As stated in Note (1), the management has made an assessment of the Company's ability to continue as a going concern, and as result, the accompanying financial statements has been prepared on a going concern basis. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section and the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Revenue Recognition	
Key audit matter	How the matter was addressed in our audit
There is an inherent risk relating to the	Our audit procedures included testing of relevant controls and substantive

<p>completeness, existence and accuracy of recorded revenue given the complexity of the systems, the high volumes of data and the combination of different services into different products which are sold at varying prices. Significant management judgment is required in determining the appropriate measurement and timing of recognition of different elements of revenue within bundled products. Due to the estimates and judgment involved in the application of the revenue recognition standard and the complexity of the related IT systems and processes, we have identified this matter as a key audit matter.</p>	<p>procedures. In particular:</p> <ul style="list-style-type: none"> Assessing the appropriateness of the revenue recognition policy that is applied to different products and combination of products to assess whether it is in accordance with the applicable accounting framework; Assessing, with the assistance of our internal IT specialists, the design, implementation and operating effectiveness of management's key internal controls over the IT environment in which the business systems operate, including access controls, program change controls, program development controls and IT operation controls; Assessing, with the assistance of our internal IT specialists, the design, implementation and operating effectiveness of management's key internal IT controls over the completeness and accuracy of rating and bill generation and the end to end reconciliation controls from the rating and billing systems to the accounting system; Performing tests on the accuracy of customer invoice generation on a sample basis and testing the credits and discounts applied; Performing analytical reviews of significant revenue streams; Performing specific procedures to test the completeness and accuracy of adjustments relating to contracts containing multiple performance obligations.
<p>Refer to note (3-10) for the accounting policy and note (21) for related disclosures.</p>	

Capitalization of assets and the assessment of useful lives and residual values for property and equipment

Key audit matter	How the matter was addressed in our audit
<p>Property and equipment represent a significant proportion of the Company's asset base. The estimates and assumptions made to determine the carrying amounts, including whether and when to capitalize or expense certain costs, and the determination of depreciation charges are material to the Company's financial position and performance. The charges in respect of periodic depreciation are derived after estimating an asset's expected useful life and the expected residual value. Changes to assets' carrying amounts, expected useful lives or residual values could result in a material impact on the financial statements and is a matter of significance to our audit. We considered this matter to be a key audit matter due to the extent of judgment and assumptions involved in the assessment of useful lives and residual values.</p>	<p>We obtained an understanding of the relevant management controls relating to the capitalization of property and equipment.</p> <p>We evaluated the capitalization policies and assessed the timeliness of the transfer of assets under construction by agreeing the date that depreciation commenced to the date that the asset is ready for use.</p> <p>Our substantive testing of the determination of estimated useful lives and residual values included the following:</p> <ul style="list-style-type: none"> Considering management's judgments, including the appropriateness of the useful life assumptions and residual values applied in the calculation of depreciation. Testing on a sample basis the accuracy of the cost capitalization and capex accrual.
<p>Refer to notes (3-1) for the accounting policy and note (5) for related disclosures.</p>	

Allowance for impairment of trade receivable

Key audit matter	How the matter was addressed in our audit
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<p>The Company's trade receivables amounted to SR 291.7 million against which an impairment allowance of SR 103.9 million is maintained as at 31 March 2021.</p> <p>The Company uses the expected credit loss model (ECL) as required by International Financial Reporting Standard 9 (Financial Instrument) (IFRS 9) to calculate allowance for impairment in trade receivable. Further, the Company perform an assessment based on a set of relevant qualitative factors for some of the customers' categories.</p> <p>We considered this as a key audit matter as it involves complex calculations and use of assumptions by management in addition to the materiality of the amounts involved.</p>	<p>Our audit procedures performed included, among others, the following:</p> <ul style="list-style-type: none"> Assessed the design, implementation, and operating effectiveness of the key controls over the recording of trade receivables and settlements, and trade receivables aging reports. Tested a sample of trade receivables to assess whether ECL has been recorded on a timely manner. Assessed significant assumptions that are used to calculate the expected credit loss. Tested the mathematical accuracy of the ECL model. Assessed the appropriateness of the relevant disclosures included in the financial statements.
<p>Refer to notes (3-5) for the accounting policy and note (9) for related disclosures.</p>	

Impairment of non-financial assets	
Key audit matter	How the matter was addressed in our audit
<p>The Company's statement of financial position as at 31 March 2021 includes non-financial assets amounting to SR 731.5 million. As part of its impairment assessment, the management has identified impairment indicators that relate to significant decreases in revenue and operating cash flows for certain assets. Accordingly, management has carried out an exercise to determine the recoverable amount of Cash Generating Units ("CGU"). As a result, it was noted that the recoverable amounts of those CGUs of selected property and equipment were lower than the carrying value. Accordingly, the Company has recorded an impairment loss of SR 93.4 million relating to property and equipment for the year ended 31 March 2021.</p> <p>We identified the impairment of non-financial assets as a key audit matter, as the impairment assessment involves a significant degree of management judgement in determining the key assumptions of recoverable amounts; such as; projected revenue, projected costs, growth rates, discount rate, etc.</p>	<p>Our audit procedures performed included, among others, the following:</p> <ul style="list-style-type: none"> Reviewed the management's process in identifying impairment indicators for non-financial assets; Evaluated the reasonableness of management's assumptions and estimates in determining the recoverable amounts of the Company's CGUs, including those relating to projected revenue, projected costs, growth rates and discount rate, etc. This included involvement of our internal specialists in evaluating these assumptions against external benchmarks and knowledge of the Company and its industry; Validated the mathematical accuracy of impairment models and agreed relevant data to the latest business plans and budgets; and Assessed the adequacy of the Company's disclosures in respect of underlying assumptions, estimates used to determine carrying values and impairment losses of the respective CGUs.
<p>Refer to notes (3-4) for the accounting policy and note (5) for related disclosures.</p>	

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report and conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, Regulations for Companies and Company's By-laws, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, the Company's Board of Directors, are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are

inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As set out in Note (1) to the financial statements, the Company has taken certain legal steps in order to comply with the requirements of the Regulations for Companies in respect of accumulated losses exceeding half of the capital. However, as at the date of this report, the legal formalities are not completed yet.

Al Azem, Al Sudairy, Al Shaikh & Partners
Certified Public Accountants

30 Reclassification

Certain comparative figures for the year ended March 31, 2020 have been reclassified to conform to the classification used for the year ended March 31, 2021.

31 Acknowledgments of the Board of Directors

The Board of Directors acknowledges the following:

- That the records of accounts were prepared correctly.
- The internal control system was prepared on sound foundations and implemented effectively.
- There is no doubt about the company's ability to continue its activity.