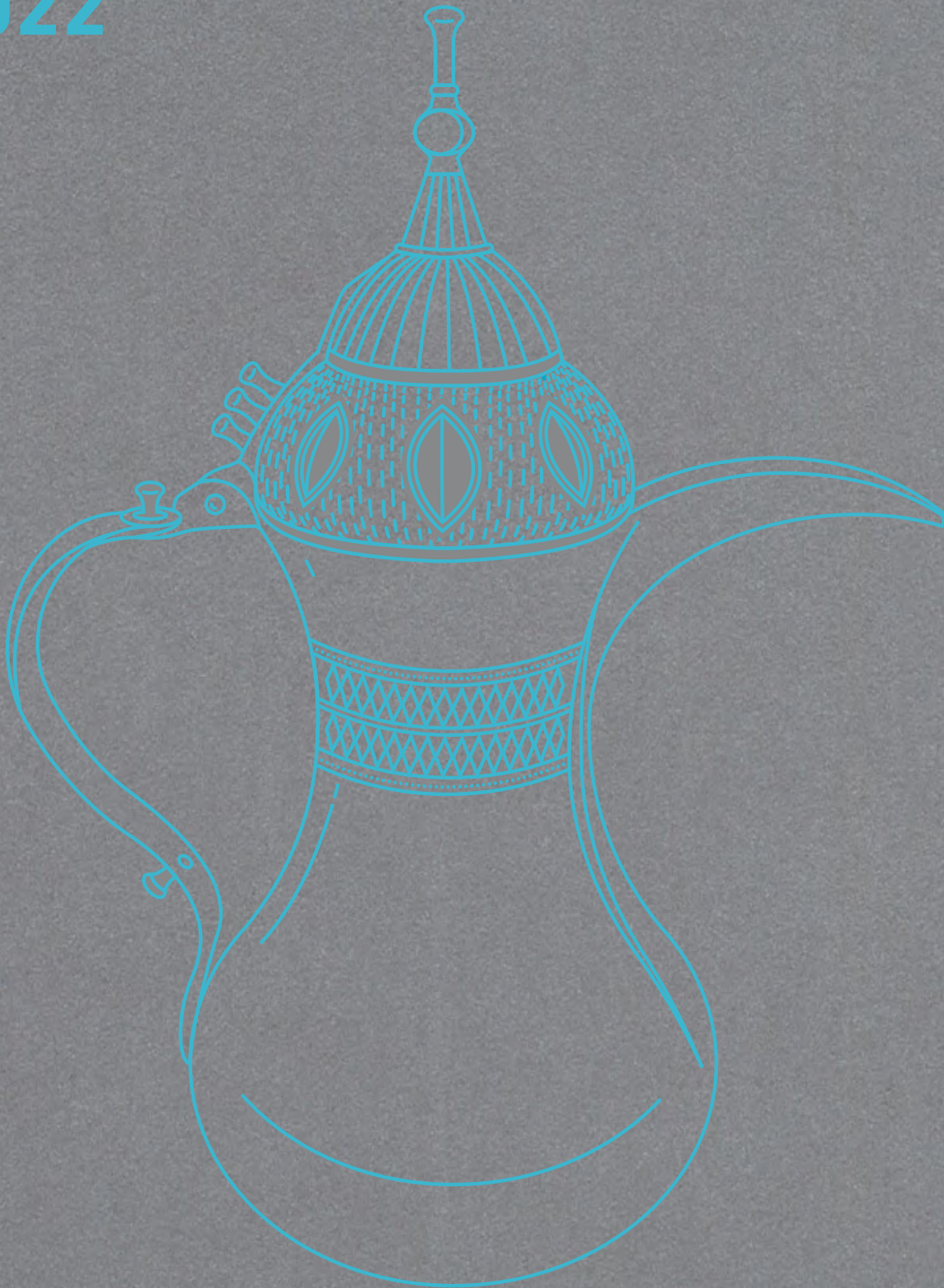


**BOARD OF DIRECTORS REPORT
FOR THE FISCAL YEAR
2022**

عام القهوة
السعودية 2022
The Year of Saudi Coffee



شركة دور للضيافة
Dur Hospitality Company

DUR

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



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Board of Director's Speech

Greetings,
Dur Hospitality continues to be at the forefront of the hospitality industry of Saudi Arabia by realizing more achievements and expansions, which have been reflected on its facilities and services in particular, and the sector in the Kingdom in general; and that is in light of the great support by the Custodian of the Two Holy Mosques and His Royal Highness Crown Prince Mohammed bin Salman (may God protect them) in developing and empowering the hospitality sector in the Kingdom, which is a strategic importance to the Saudi Vision 2030; besides all economic and development sectors.

The credit also goes to our honorable shareholders and their valuable trust in supporting Dur Hospitality as a distinctive and leading brand, along with the efforts and dedication of all hardworking employees.
Dur Hospitality achieved a positive performance, as it recorded 568.3M SAR with 20.1% growth compared to last year by strong operational performance and effective governance.

Furthermore, the Company continued to play its role as a developer and supporter of the hospitality sector in the Kingdom by launching several new

projects, implementing an ambitious expansion plan for its hotel network, along with forging several important partnerships with leading global partners and offering luxurious, contemporary and distinctive hospitality products to the market.

2022 has been marked by Dur Hospitality taking several important steps on its journey, the most important of which is the signing of a Memorandum of Understanding (MoU) with the Taiba Investments Company for a potential securities swap transaction, including a non-binding structuring agreement. This MoU constitutes a step forward on the path of cooperation between the two parties. If this MoU is successful, Taiba Investments Company will own all the shares issued by Dur Hospitality in exchange for issuing new shares in Taiba Investments Company to Dur's shareholders in accordance with the provisions of the Mergers and Acquisitions Regulations issued by the Capital Market Authority's Board and other relevant laws and regulations. This matter will be subject to the terms and approvals of the relevant regulatory authorities as well as the approval of the General Assembly for both companies. In addition to the company's main achievements, year 2022 was the signing of the main contractor contract for a high-end residential complex named Daraq Al-Hada. work has been accelerated to complete this project,

which is scheduled to open in mid year of 2023. It will witness a great demand from clients wishing to live a unique residential experience that contributes to enhancing their quality of life. Also, the contract signing with main contractor for Rixos Resort. It is the first full-service luxury resort in Jeddah. This will add 174 luxury hotel units to Dur's portfolio. We also signed an MoU with Smart Zone Properties, a wholly-owned subsidiary of the Saudi Telecom Company (stc); in order to establish a smart hotel within stc Square Project in Riyadh, thus contributing to the provision of a distinguished future hospitality experience.

Moreover, the company continued the development of Makarem Al-Madinah Tower Hotel and Suites located in the central area of Al-Madinah, north of the Prophet's Mosque; as a contract was signed with the project's main contractor. The development work began for the building, will be a -5star -374unit hotel.

At the same time, we continued to develop and attract more national competencies by providing job opportunities and training for our younger generation of males and females. We have also continued the sector's digitization journey by attracting the best technologies and innovations that contribute to moving our enterprises to a new development phase that qualifies them to keep pace with the global future trends of the hospitality sector.

Furthermore, We has also worked on strengthening our cooperation with major international companies, especially those working in the Hajj and Umrah services as part of our efforts to enhance the presence of our enterprises in Makkah. In addition to supporting the

achievement of the pilgrim experience program's objectives; in order to enrich the religious and cultural experiences of the visitors to the Two Holy Mosques.

In conclusion, we would like to express our deep gratitude and appreciation to our government for its great efforts in developing the tourism and hospitality sector in the Kingdom, our honorable shareholders for their trust and loyalty, and to all of Dur Hospitality employees for their dedication and tireless effort to achieve all desired objectives none of these achievements would have been achieved without the grace of God Almighty, followed by everyone's concerted efforts. We are excited about all the growth opportunities in the Kingdom within an incubating and supportive environment for the sector at all levels. Our commitment to welcome our guests with open arms, offering them high-quality products and services driven by innovation, sustainability and rich authentic Saudi hospitality.

Board Members



Mr. Badr bin Abdullah Al- Issa
Chairman



Mr. Fahad Bin Abdullah Al-Kassim
Vice-Chairman



Mr. Talal bin Abdul Muhsen Al Malafekh
Board Member



Dr. Saleh Bin Ali Al-Hathloul
Board Member



Mr. Jihad Bin Abdul Rahman Al-Qadi-
Board Member



Mr. Fahad bin Abdullah Al-Issa
Board Member



Mr. Abdullah Bin Tariq Al-Qasabi
Board Member



Mr. Mishari Bin Naji Al Ibrahim
Board Member - Public Investment
Fund Representative



Mr. Faris bin Ibrahim Al Rashid
Board Member

Our Vision

To be the preferable partner in the hospitality industry and in the hotel and real estate investment, development and operation field. In the Kingdom; in accordance with the global standards and the local spirit.



INTERNATIONAL
STANDARDS
LOCAL
SOUL

01 Company Profile

- 1.1 Main Activity
- 1.2 Strategic Direction
- 1.3 Organizational Structure
- 1.4 2022 Highlights



Company Profile

Dur Hospitality Company is a leading public joint-stock company specializing in the hospitality industry. founded in 1976 in Saudi Arabia. It is characterized by its track record and extensive experience gained over decades in the management, development and operation of hotels and residential compounds throughout Saudi Arabia, Dur portfolio includes 33 properties ranging from hotel facilities to residential compounds and a commercial plaza.



Founded in
1976



33

Facilities range from hotels and residential compounds to commercial and office complexes.



1.1

The Company's Main Activity

Dur Hospitality Company was established in its former name (Saudi Hotels and Resort Areas Company) as a Saudi joint-stock company based on the Council of Ministers' Decision No. 1776 on the 18th of Dhu Al-Hijjah 1395 AH (Royal Decree No. 69 on the 28th of Rajab 1395 AH) under the Commercial Registration No. 1010010726 on the 6th of Muharram 1397 AH, registered in Riyadh with a capital of 1 billion Saudi Riyals. The Company's purposes according to the statute are represented as follows:

01

Construction, ownership, management, operation, investment, purchase, partnership, rental, lease of hotels, restaurants, hotel suites, rest houses, entertainment centers, private beaches, travel and tourism agencies, in which located in different in cities, highways and tourist areas

03

Provision of services to Umrah pilgrims and visitors of the Prophet's Mosque

05

Achieving a high level of service provided in such locations and equipping them in proportion to their grade as approved by the Board of Directors

02

Owning and purchasing of lands, real estate and facilities for developing, dividing, sorting, establishing residential, commercial and hotel buildings in order to selling, conveying or renting and exploiting them by all means of exploitation and managing real estate for the company's account or for the account of others, and carrying out operation and maintenance work

04

Practicing all the basic and intermediate works necessary for implementing, processing and carrying out various aspects of the aforementioned businesses according to the purposes for which they are planned

06

The company shall carry out the aforementioned works directly or in partnership with third parties. It will be entitled to conclude all required contracts to ensure proper execution of such works

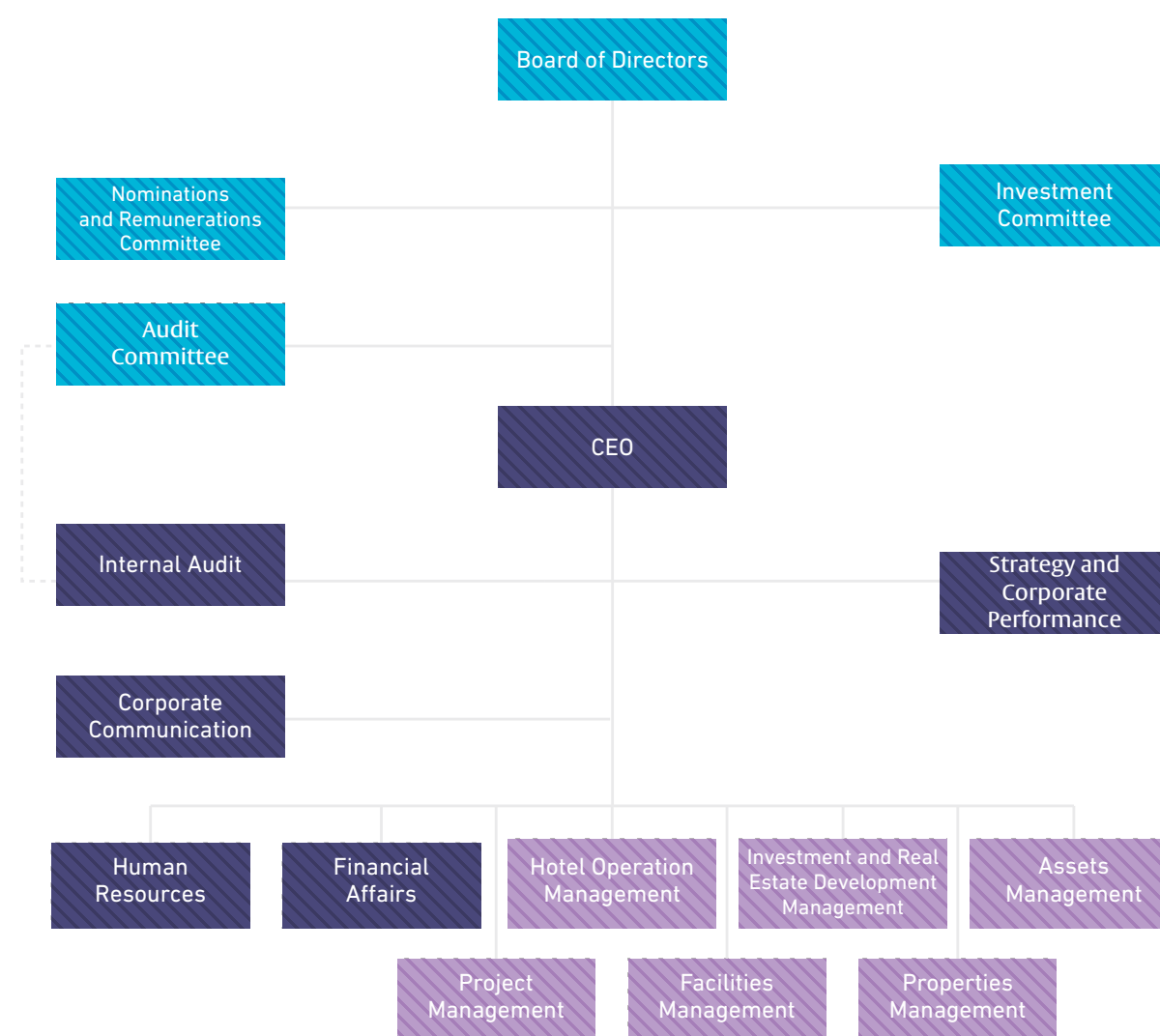


1.2 The Company's Strategic Direction

The Company continues to implement its strategic direction, which includes the following:

- Follows up on growth implementation plan, in which focuses on developing group of hotels that will be managed under international brands in a number of targeted cities. Expansion projects in a number of existing strategic facilities. Development of luxury residential complexes in prime locations.
- Brand expansion of Makarem mainly for Makkah and Madinah market reaching up to 10,000 rooms by 2028.
- Brand expansion of Shada, in which offers traditional hospitality experiences with a contemporary style within the serviced apartments and mid-range hotels sector. Also, brand expansion of Dara that offers smart serviced apartments to be available across the Kingdom.
- Currently, the company is reviewing its plans to develop accommodation products that will target the expected tourism demand in different tourism destinations in the Kingdom.
- Focus on business model development to increase efficiency and build capabilities to serve expansion plans and enhance the company's profitability that changes in the business environment and high operating costs. Adopt the best technical standards and quality management systems. Explore digitization opportunities and activating business intelligence systems. Enhance operations performance and improving guest and customer experiences.
- Study the opportunity to merge with Taiba Investment Company and evaluate opportunities to maximize strategic benefits (Strategic Synergies) in order to enhance strategic expansion directions.

1.3 Organizational Structure



Board of Directors and Subsidiary Committees

Head Office

Strategic Business Units



1.4 2022 Highlights

Dur Hospitality Company continues the journey of implementing strategic plan in investment and development in the hospitality sector. The following is a brief of the most prominent events that was witnessed during 2022:

01 Signing an MoU with Taiba Investment Company.

02 Rixos Jeddah Development Works.

03 Accelerated completion of Daraq Al Hada Luxury Residential project.

04 Commencing project development of Makarem Madina Tower Hotel and Suites.

05 Signing an agreement with Smart Zone Real Estate Company, wholly-owned subsidiary of Saudi Telecom Company (stc).

06 Launching of executive lounge and new floors at Crowne Plaza Riyadh Palace

07 "Dur Hospitality" as a strategic sponsor for Future Hospitality Summit

08 Dur Hospitality participation at Arabian Travel Market Exhibition (ATM)

09 Dur Hospitality as a supporting partner of Ministry of Culture's Initiatives



01

Signing an MoU with Taiba Investments

Dur Hospitality Company announced that it signed a Memorandum of Understanding (MoU) with Taiba Investment Company in relation to a potential financial transaction, including a non-binding agreement on the structure of the proposed transaction and its share swap factor. If the transaction is completed, Taiba Investment Company will own all the shares issued by Dur in exchange for issuing new shares in Taiba Investment Company to the shareholders of Dur, in accordance with the provisions of the Mergers and Acquisitions Regulations issued by the Board of the Capital Market Authority and other relevant laws and regulations. This will be subject to the conditions and approvals of the concerned regulatory authorities, as well as the approval of the extraordinary General Assembly of both companies.

02

Rixos Jeddah Development

Works The Company is currently developing the current Makarem Annakheel Village on Obhur Bay in Jeddah into an integrated tourist resort that includes a 5-star luxury hotel, a water park, public swimming pools, a kids club, an integrated health club, as well as a number of villas with private pools; all of which will be in accordance with the standards adopted by the unique Rixos brand owned by Accor. The resort has a distinct location on the Obhur Bay in the Red Sea in Jeddah, and has its own beach; and will contain 247 residential units, including 174 hotel rooms, 73 residential villas, and a number of luxury restaurants and facilities.

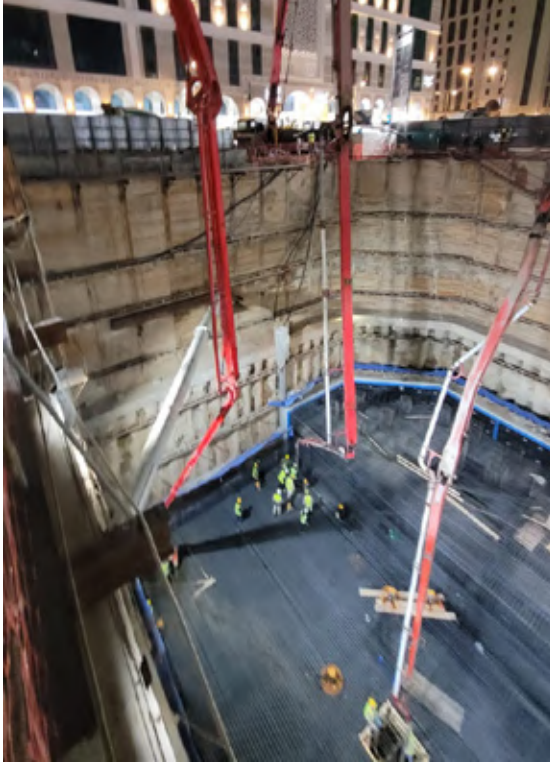


03

Acceleration of the Completion of the Darraq Al-Hada Luxury Residential Project

During 2022, the Company sought to complete the Darraq Al-Hada luxury residential project on time in order to be opened in mid-2023. The development work included the construction of 75 fully furnished luxury villas, in addition to green spaces and a vital center for the residents. The villas are equipped according to the latest smart home specifications, and the project is characterized by its proximity to the northern gate of the Diplomatic Quarter in Riyadh and some important government authorities and institutions. The villas' rental business began after obtaining the off-plan rent license from "Wafi", and it witnessed great demand from those interested and wishing to live in high-end communities.

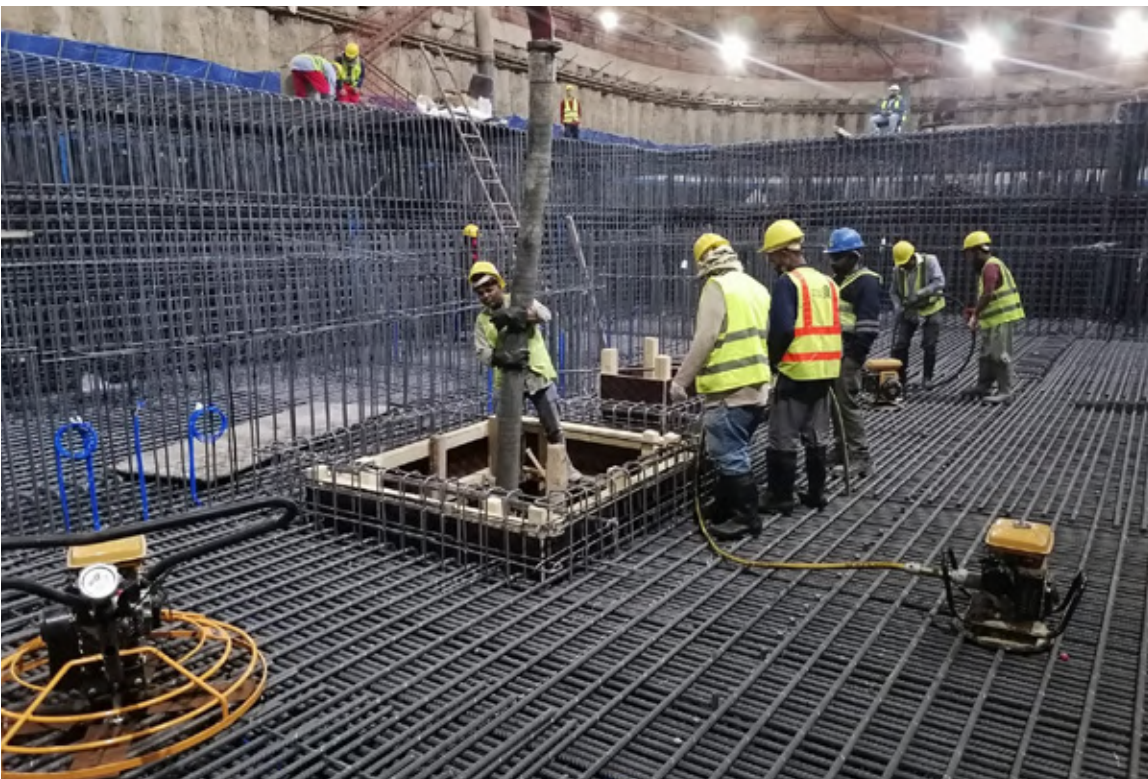




04

Commencement of the Development of the Makarem Al-Madinah Tower Hotel and Suites

During 2022, the Company commenced the construction of Makarem Al-Madinah Tower Hotel and Suites Project, which is owned by the Company in partnership with the Awqaf Investment Company affiliated with the General Authority for Awqaf (GAA). The Main Contractor has been approved after completing the drilling and foundation work, and the Project is proceeding according to schedule. Upon its completion, the hotel will become one of the most luxurious in Al-Madinah; will include luxury suites, rooms with distinctive designs and global restaurants.



05

Dur Hospitality signed an Agreement with Smart Zone Properties, wholly owned by Saudi Telecom Company stc

Dur Hospitality Company announced that it has signed a non-binding MoU with Smart Zone Properties Company, owned by Saudi Telecom Company (stc), in order to establish a unique hotel in the Kingdom within the stc Square Project in Riyadh, which is being developed by AQALAT Company Ltd., a subsidiary of the Saudi Telecom Company. The project will have solutions and smart products in the business and retail fields.



06

Launch of the “Executive Lounge” and All-New floors at Crowne Plaza Riyadh Palace

As part of the integrated renovation plan of Crown Plaza Hotel Riyadh, the new Executive Lounge was recently opened, with two floors containing luxurious rooms and suites, and that is after being completely renovated and equipped with all the advanced and modern digital services currently available. Covering an area of 213 m2, the Executive Lounge has a capacity of up to 60 people, offering businessmen and hotel guests an exceptional experience by providing all their business needs in a luxurious ambience, while giving hotel guests a space for innovation and creativity. The new Executive Lounge features a meeting and briefing room allocated for informal meetings and private work booths; this helps to improve level of services provided at the hotel and enhancing the experience of our hotel guests from the corporate and businessman category.



08

Participation of Dur Hospitality Company in the Arabian Travel Market (ATM) Exhibition

“Dur Hospitality” participated in the Arabian Travel Market (ATM) Exhibition, which is held every year at the Dubai World Trade Center, bringing together the world’s tourism and hospitality industry leaders.

It was attended by a large number of leaders, specialists, experts and others interested in the travel and tourism sectors. Furthermore, this exhibition hosted a number of conferences and seminars that shed light on the aviation, hotels, sports tourism and retail tourism industries, as well as the investment opportunities present in the hospitality sector. This exhibition presents a great business opportunity every year for showcasing Dur’s hotel portfolio to the world’s tourism companies.

07

“Dur Hospitality” is a Strategic Sponsor of the “Future Hospitality Summit”

As part of its leadership role in the hospitality sector in the Kingdom, “Dur Hospitality” sponsored the “Future Hospitality Summit” as a strategic partner. This Summit stems from the Arabian Hotel Investment Conference (AHIC) and the Saudi Hotel Investment Conference (SHIC) held in Riyadh and Dubai last year. During this summit, the prospects for the growth and development of this sector in the region and the Kingdom of Saudi Arabia were discussed by a group of decision-makers and tourism and hospitality industry leaders.

Among those who participated and attended the summit were a large number of government sector officials, specialists, investors and experts within the tourism, hospitality and sustainability sectors, as well as developers and other interested people from around the world.



09

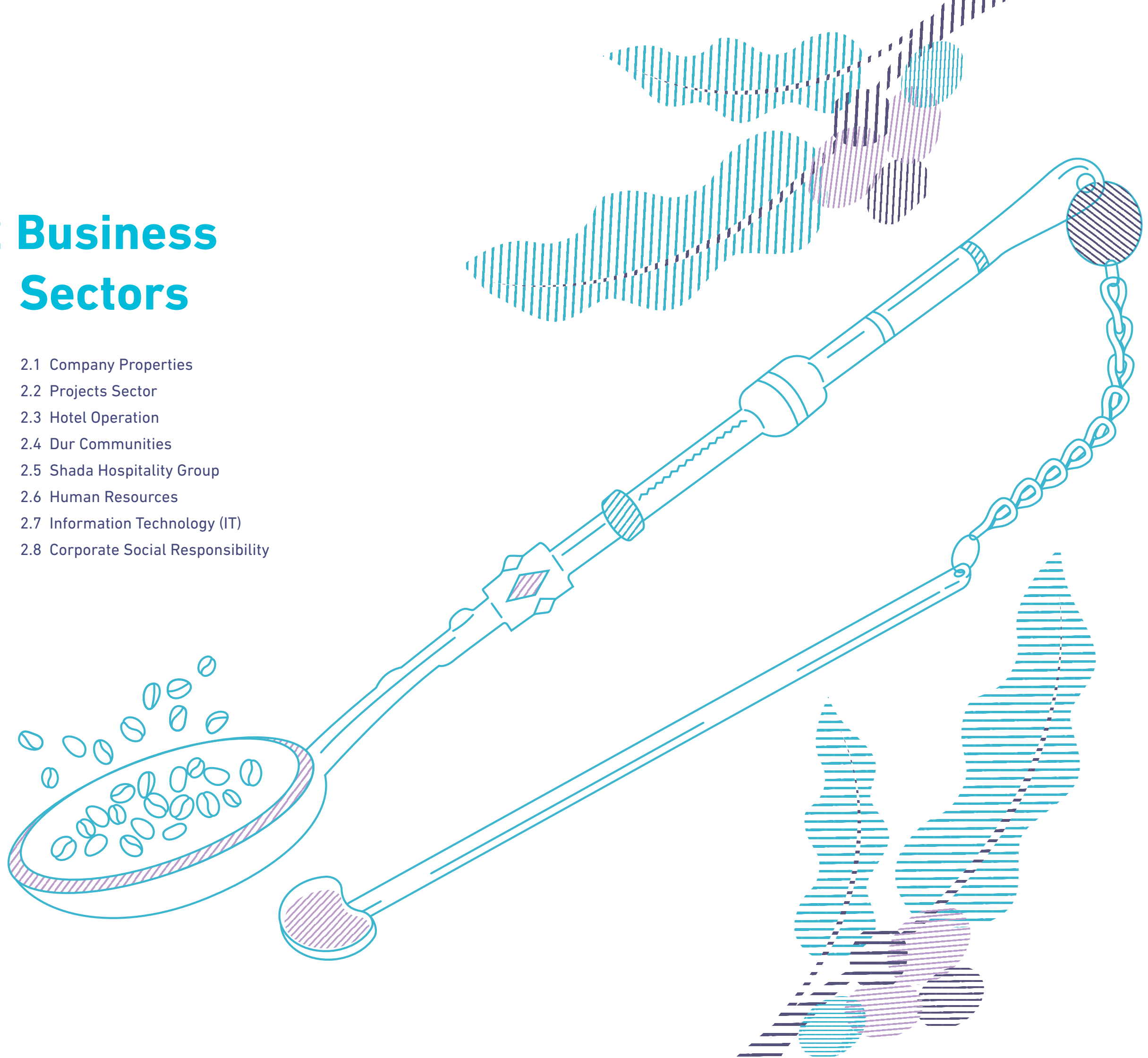
Dur Hospitality is a Supporting Partner for the Ministry of Culture’s Initiatives

During 2022, the company sponsored the “Saudi Feast Food Festival” organized by the Ministry of Culture’s “Culinary Arts Commission”. From this participation, Dur aimed to consolidate the culture of the Saudi cuisine and highlight its efforts in caring for Saudi food as one of the authentic national legacies. The company also sponsored the “Fashion Futures Conference”, organized by the “Fashion Commission”, which is attributed to the Ministry of Culture. Through this participation, “Dur Hospitality” revealed one of its social initiatives, i.e. the “Linens for Livelihood” initiative, launched as part of its social responsibility programs, involving the artistic conversion of linens, towels and sheets used in the company’s hotels into robes, clothes and covers to be donated for innovative uses. This demonstrates Dur’s commitment to recycling, which is one of the most important actions to take in regard to standing for social responsibility and sustainability.



02 Business Sectors

- 2.1 Company Properties
- 2.2 Projects Sector
- 2.3 Hotel Operation
- 2.4 Dur Communities
- 2.5 Shada Hospitality Group
- 2.6 Human Resources
- 2.7 Information Technology (IT)
- 2.8 Corporate Social Responsibility



2.1 Company Properties

Dur Hospitality's properties consist of four main categories, known as:

2.1.1

Properties owned by the Company and managed by other operators.

2.1.2

Owned or leased properties, managed by "Makarem", "Dur Communities" and "Shada Hotels" Company.

2.1.3

Properties owned by others and managed by "Makarem", "Dur Communities" and "Shada Hotels" Company.

2.1.4

Properties invested in the Company and managed by the Company and other operators.

These sectors are detailed below:



2.1.1 Properties owned by the Company and managed by other operators

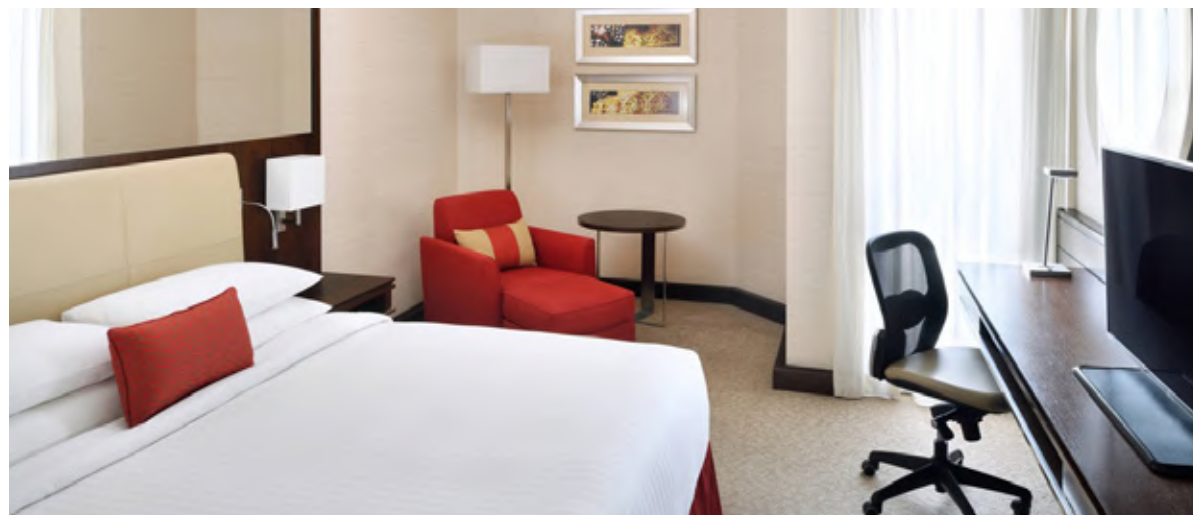
01 Riyadh Marriott Hotel

418

Rooms & Suites

5-star rooms and suites,
located in Riyadh

Operator: Marriott International Company



02

Marriott Hotel Apartments

118

Hotel Apartments

5-star hotel apartments,
located in Riyadh

Operator: Marriott International
Company



03

Courtyard Riyadh Hotel Diplomatic Quarter

286

Rooms & Suites

4-star rooms and suites,
located in Riyadh

Operator: Marriott International Company

2.1.2 Owned or leased properties, managed by “Makarem”, “Dur Communities” and “Shada Hotels” Company

01 Makarem Ajyad Makkah Hotel

411

Rooms & Suites

5-star rooms and suites,
located in Makkah

Operator: Hotel operations under
Makarem Brand



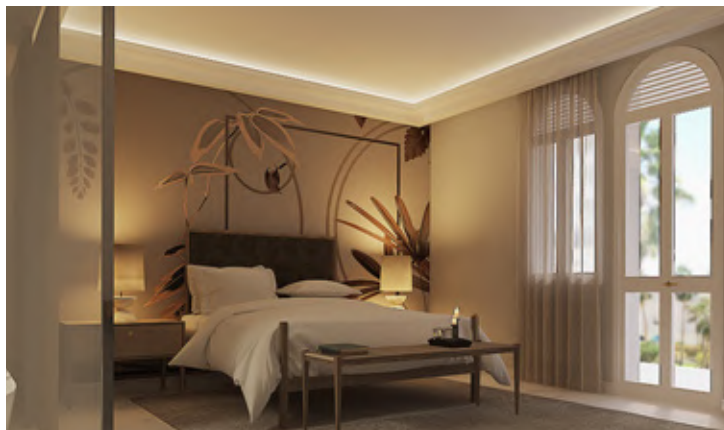
02 Rixos Jeddah Hotel, project under development (formerly Makarem Annakheel Village)



73
Villas

174
Rooms & Suites

5-star rooms and suites,
located in Jeddah
Operator: Accor International



03

Holiday Inn Tabuk Hotel

143

Rooms & Suites

4-star rooms and suites,
located in Tabuk
Operator: Hotel operations under
Holiday Inn brand





04

Riyadh Airport
Marriott Hotel

339

Rooms & Suites

5-star rooms and suites,
located in Riyadh
Operator: Hotel operations
under Marriott Brand



05

Crowne Plaza
Riyadh Palace
Hotel

304

Rooms & Suites

5-star rooms and suites,
located in Riyadh
Operator: Hotel operations
under Crowne Plaza Brand

06 Darraq Homes – Diplomatic Quarter

434

Residential Units

Located in the Diplomatic Quarter in Riyadh

Operator: Property Management & Facility Management



07 Darraq Homes – Al-Hada District

75

Residential Units

Located in the Al-Hada District in Riyadh

Operator: Property Management &
Facility Management



08 Dur Al-Wadi Residential Compound

66
Residential Units

Located in Riyadh;
Operator: Property Management & Facility Management



09 Tuwaiq Residential Compound

485
Residential Units

Located in Riyadh;
Operator: Property Management & Facility Management



10 Dur Al-Sharq Residential Compound

259
Rooms

35
Villas

Located in Riyadh;
Operator: Property Management & Facility Management



11 Awal Plaza

A commercial center of 20,123 m2 of rental area with a land area of 40,000 m2 in Riyadh
Operator: Property Management & Facility Management





12

Shada
Hotel –
Salamah

88

Rooms

Located in Jeddah
Operator:
Shada Hospitality

13

Dara Serviced
Apartments –
Quraish

28

Suites

Located in Jeddah
Operator:
Shada Hospitality



14

Dara Serviced
Apartments –
AlSalam

50

Suites

Located in Jeddah
Operator:
Shada Hospitality



15

Dara Serviced
Apartments –
Qurtubah

59

Suites

Located in Riyadh
Operator: Shada Hospitality



16

Dara Serviced
Apartments –
AlHamra

29

Suites

Located in Jeddah
Operator: Shada Hospitality

2.1.3 Owned or leased properties, managed by “Makarem”, “Dur Communities” and “Shada Hotels” Company



01 Makarem Umm Al-Qura Hotel

336

Rooms & Suites

5-star rooms and suites,
located in Makkah

Operator: Hotel operations
under Makarem Brand

02 Makarem Mina Hotel

294

Rooms & Suites

4-star rooms and suites,
located in Makkah

Operator: Hotel operations
under Makarem Brand



03 Makarem Al- Bait Hotel

270

Rooms & Suites

4-star rooms and suites,
located in Makkah

Operator: Hotel operations
under Makarem Brand



04 Makarem Al Shorofat Hotel

104

Rooms & Suites

3-star rooms and suites,
located in Makkah
Operator: Hotel operations under
Makarem Brand



05 Dur Al-Andalus Residential Compound

30

Furnished Residential Villas

Located in Jeddah
Operator: Property Management &
Facility Management



06 Dur Al-Rawdah Residential Compound

28

Furnished Residential Villas

Located in Jeddah
Operator: Property Management
& Facility Management



07 Dur Bader Residential Compound

40

Furnished Residential Villas

Located in Riyadh
Operator: Property Management &
Facility Management



08

Dur Al-Maather Residential Compound

73

Furnished Residential Villas
Located in Riyadh
Operator: Property Management & Facility Management



09

Dur Al-Yasmin Residential Compound

171

Furnished Residential Villas
Located in Jeddah
Operator: Property Management & Facility Management



10

Shada Hotel – Shatea

94

Hotel Apartments
Located in Jeddah
Operator: Shada Hospitality



11

Dara Serviced Apartments – AlShifa

77 Suites

Located in Abha
Operator: Shada Hospitality

12

Dara Serviced Apartments – AlRayyan

50 Suites

Located in Riyadh
Operator: Shada Hospitality

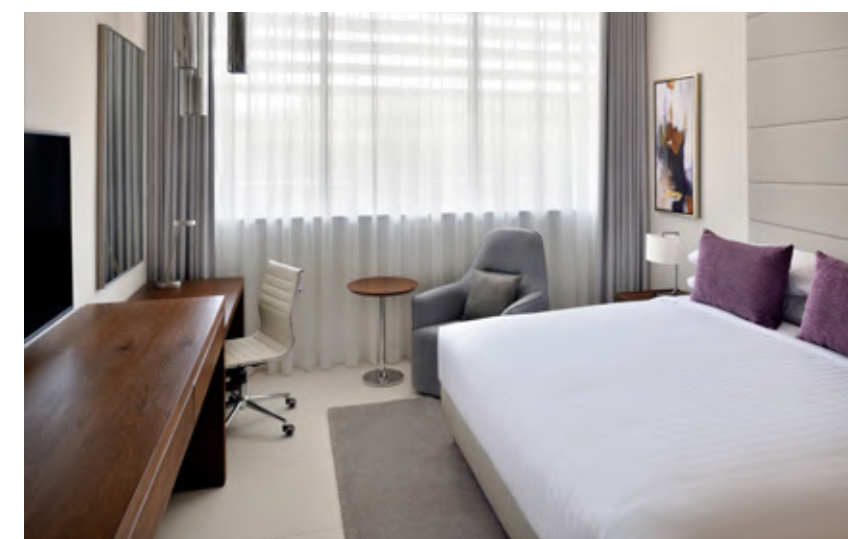
2.1.4 Enterprises invested in the Company and managed by the Company and Other Operators.



01 Marriott Diplomatic Quarter Hotel 80

Rooms & Suites

5-star, located in the Diplomatic Quarter in Riyadh
Operator: Marriott International Company



02 Marriott Hotel Apartments – Diplomatic Quarter 140

Hotel Apartments

5-star, located in the Diplomatic Quarter in Riyadh
Operator: Marriott International Company

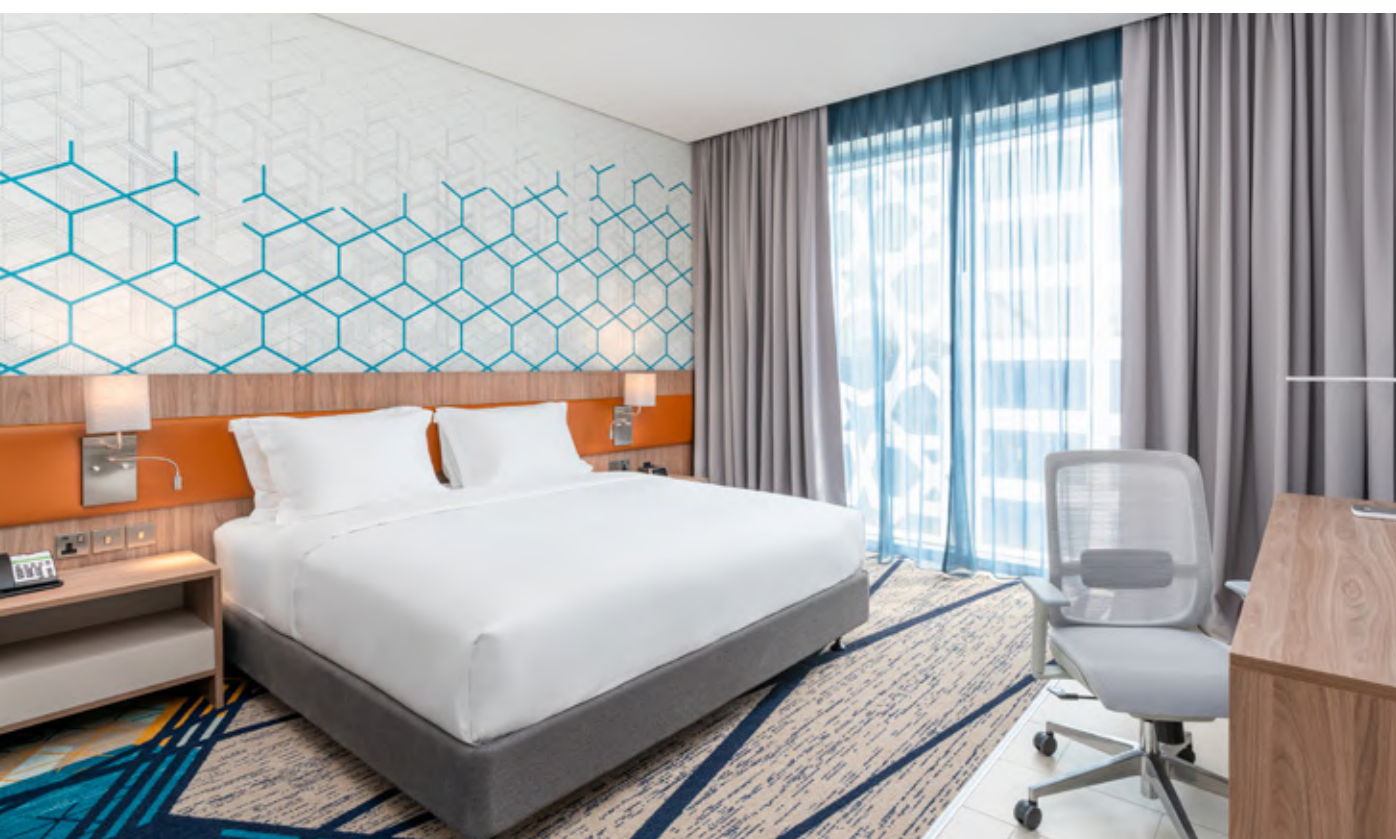
03 Holiday Inn & Suites Al Jubail

144

Rooms & Suites

4-star, located in Al Jubail

Operator: Hotel operations under
Holiday Inn Brand



Corporate Brands

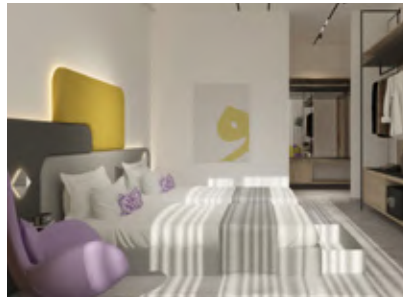


Makarem Hotels is a Saudi hotel brand that has won international awards. It was established in 1983 as a hotel brand that specialized in serving the holy cities in the Kingdom. It also worked on consolidating the Saudi hospitality concept with its originality and modernizing it to comply with global standards. Makarem Hotels offers innovative services and products designed specifically to meet the needs of the pilgrims of the Two Holy Mosques.



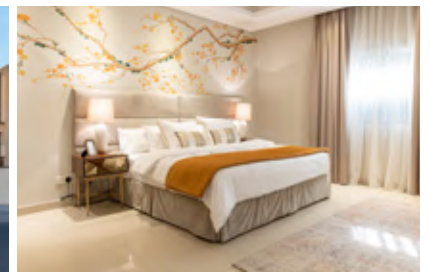
Dur Hospitality launched its new hotel brand "Nur by Makarem", aimed at the 3-star hospitality sector. The new hotel brand comes under the umbrella of Makarem Hotels, a subsidiary of Dur Hospitality.

"Nur by Makarem" will qualify, operate and manage 3-star hotels in Makkah and Al-Madinah while providing hotel owners with unprecedented opportunities to transform any hotel by following the "Nur" model. This will result in the redesign of the entire hospitality experience, especially in terms of the enterprise, the specifications and the service, all in record time.



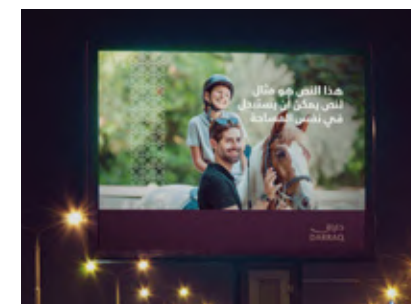
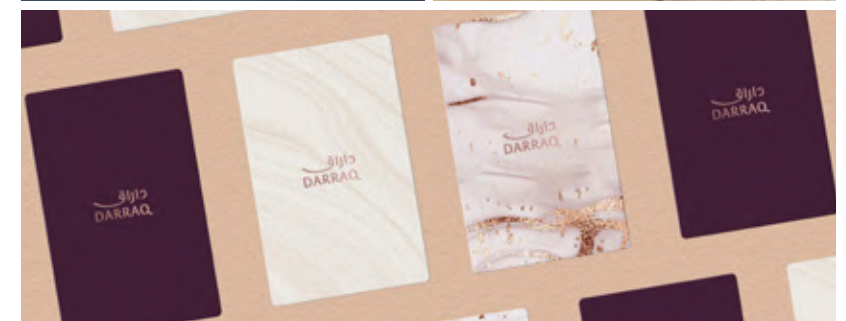
مجتمعات دور Dur Communities

Dur Communities, the operational arm of Dur Hospitality in managing the facilities and real estate and residential properties, relies on its management to execute the concept of integrated quality, the use of the latest technologies, and the provision of maintenance and security services at a high level of professionalism and quality. Dur does so in order to ensure the comfort of its residents. "Dur Communities" includes residential compounds distributed over the main regions in the Kingdom, embracing residential units of various categories and sizes, green spaces, and sports and recreational facilities.



داراق DARRAQ

Darraq, derived from the word "Dar Al-Raqiah", is an elegant residential community within the Diplomatic Quarter. Darraq residential units, from luxury villas to modern apartments, are designed at the highest level of luxury and sophistication. They have been equipped to be fully smart homes and professionally managed by a technical support and maintenance team around the clock. They also enjoy a unique location within the Diplomatic Quarter, which provides its residents with the luxury of enjoying its distinctive facilities while ensuring security and complete privacy.



Corporate Brands



Shada Hotel rose to become a reflection of the Saudi culture and its essence, addressing the minds and hearts of both citizens and tourists. It does so while following a unique vision that goes beyond the concept of residence to the concept of living the experience in a deeply-rooted location, with the delicacy of traditional art and authentic history.

Shada Hotels is a Saudi brand rooted in culture and one which thrives in urban settings. Shada guests are taken on a journey among the rich and valuable local arts that meets their needs and aspirations.

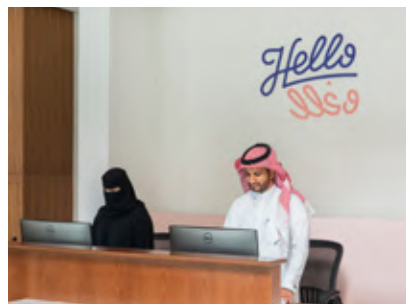
داردرا

Dara is an innovative brand for residential apartments, with a distinctive local charm. With its smooth and integrated self-service technology and the elegance of its spaces covered by contemporary cultural arts, Dara offers a unique long-term residence experience for individuals and families of all categories.

أول بلازا

AWAL PLAZA

Awal Plaza Compound, "Takhassusi Plaza", dates back to 1980 and is considered to be the first plaza of its kind in Riyadh. It enjoys a strategic geographical location, at the intersection of Makkah Road and Takhassusi Street, and includes the famous Panda hypermarket and many global brands, restaurants and cafes.



THE COFFEE TABLE

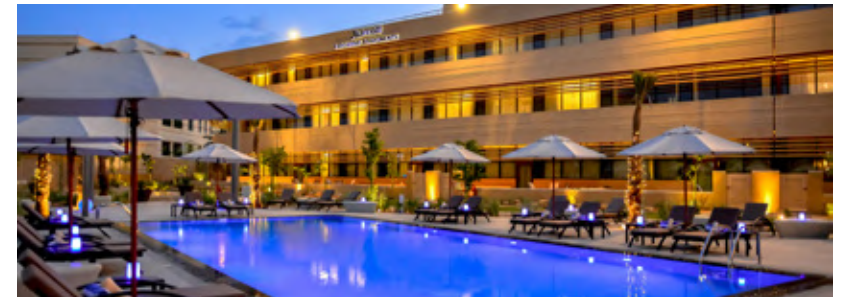
This one-of-a-kind experience has been created to provide a specialized coffee experience in all its details in the lobby of the Marriott Diplomatic Quarter Hotel. All coffee drinks, whether espresso or coffee prepared using manual brewing methods, are prepared from rare and distinctive coffee crops, through a specialized local roaster.



10 : 10

LOUNGE

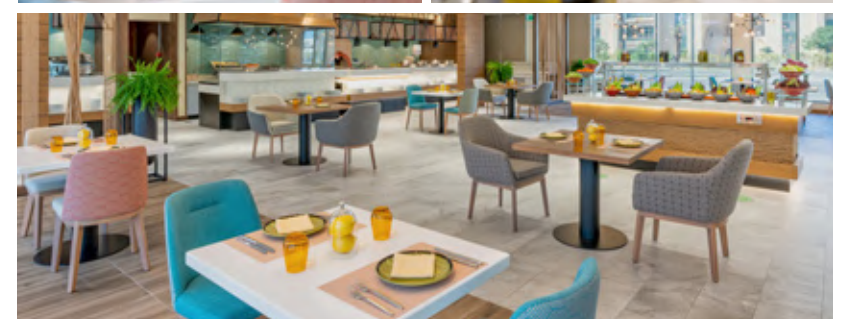
The 10:10 Lounge includes an exclusive poolside experience in front of a huge screen for a vibrant ambience and plenty of interactive shows and programs throughout the week. It is located in Marriott Diplomatic Quarter Hotels and offer snacks, fresh juices and refreshing beverages through a variety of dessert and live cooking stations.



ALTA VOLA

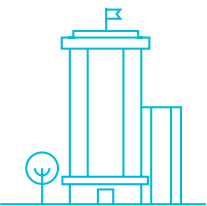
RESTAURANT

Besides the modern ambience, Holiday Inn AlJubail restaurant features an open kitchen and a variety of delicious food prepared with skill and passion.



2.2 Projects Sector

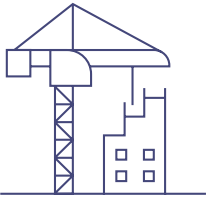
The hotel and real estate development sector is the main and vital focus for the implementation of the company's projects. It is responsible for planning, studying, designing and implementing, in addition to developing and modernizing existing projects and facilities, by using Dur's experience to keep up with modern methods and local and international technologies in the development and implementation field. The following is a breakdown of the projects completed during the year, in addition to the projects under development and implementation; along with those projects that are still under review and design:



Completed Projects

2 Projects

- 1.Expansion of the Holiday Inn & Suites Tabuk.
- 2.Renovation of the administrative offices in Awal Plaza.



Projects under Development and Implementation

5 Projects

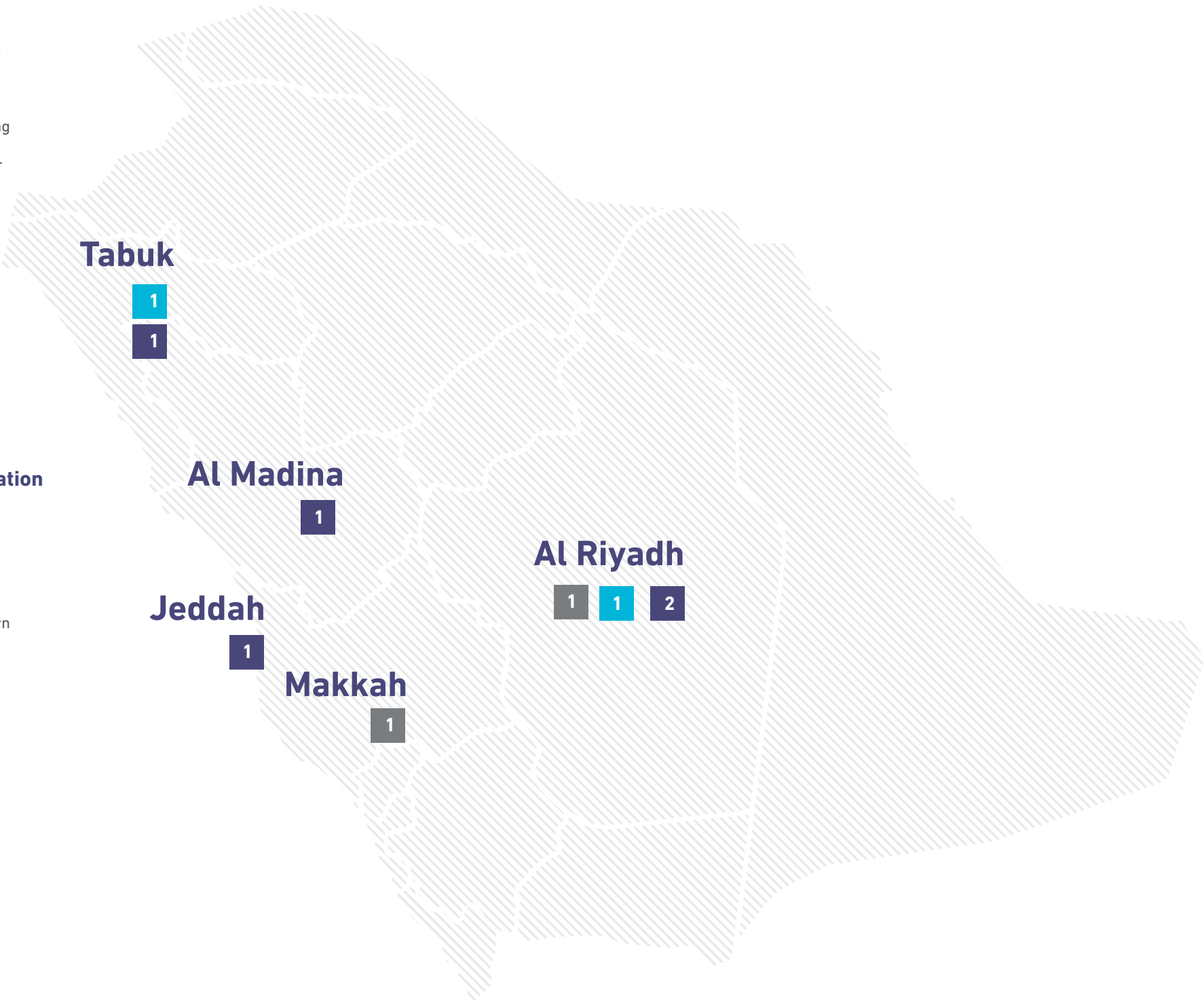
- 1. Development of the Darraq Al-Hada Compound (King Khaled Road Land).
- 2. Development of the Rixos Jeddah Resort (formerly known as Makarem Annakheel Village).
- 3. Development of the Makarem Al-Madinah Tower Hotel and Suites.
- 4. Development of an Events Hall at the Holiday Inn and Suites Tabuk.
- 5. Renovation of Crowne Plaza Riyadh Palace Hotel.



Projects under Study and Design

2 Projects

- 1. Expansion of the Makarem Ajyad Makkah Hotel.
- 2. Development of a hotel at stc Square.





2.3 Hotel Operation

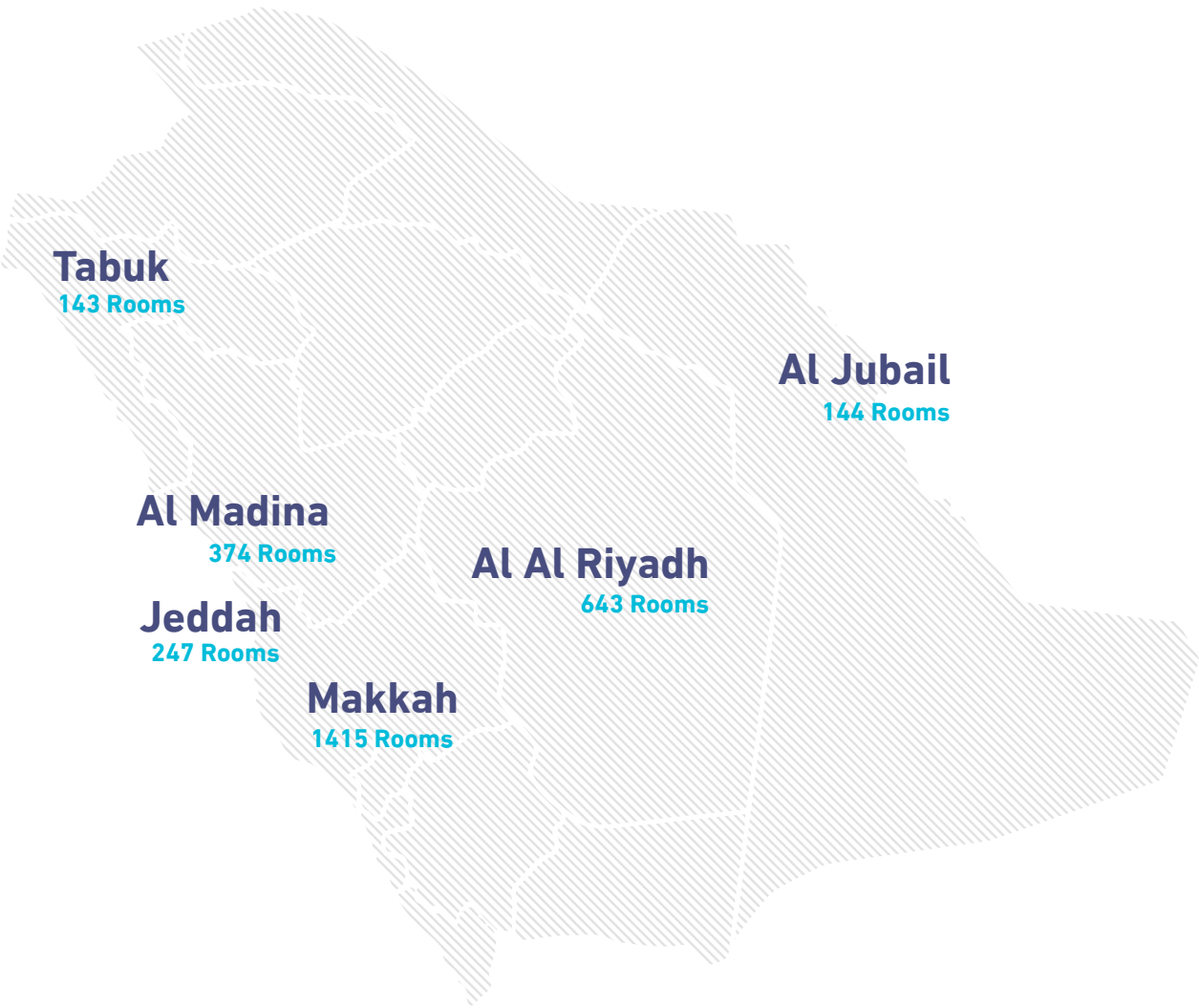
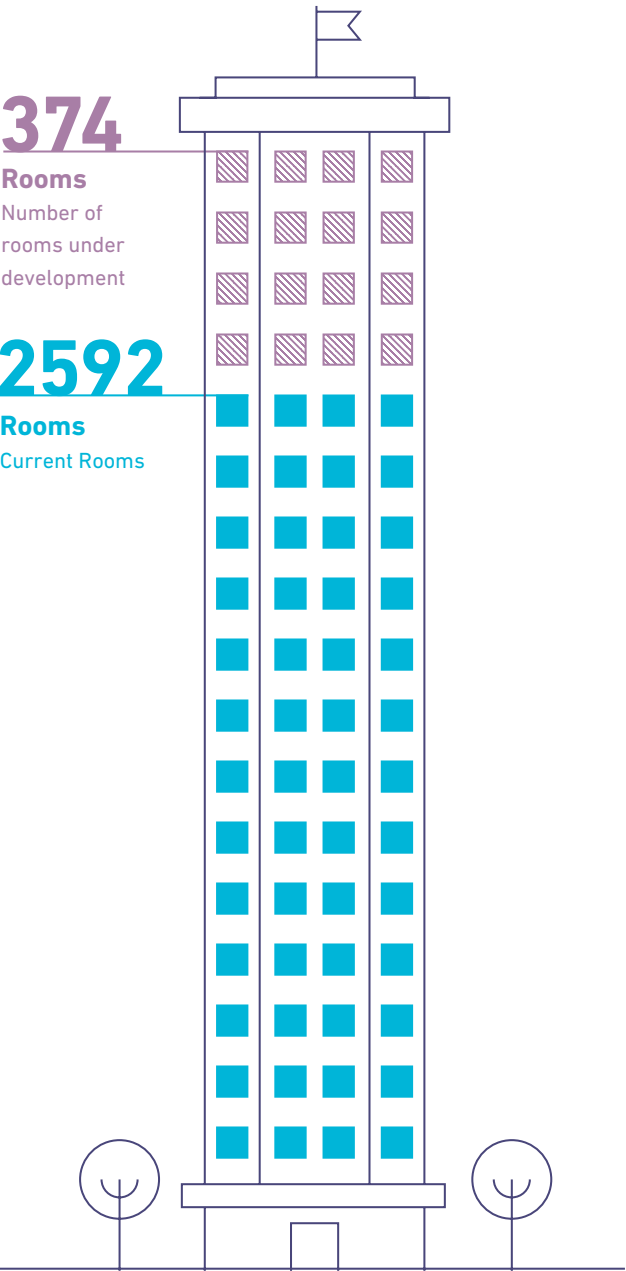
The Hotel Operation Management represents the administrative and operational arm for the hotels in Dur Hospitality Company, through which the Company created the Saudi brand "Makarem", as well as its new brand "Nur Makarem", which specializes in serving guests in Makkah and Al-Madinah. It was taken on adhering to the global standards, along with establishing strong partnerships with the top global hotel operators such as Intercontinental Hotels Group (IHG), Marriott International, and Accor Hotels, which was added to its list of partners who are global hotel operators.



2.3.1 Strategic Expansion

The Hotel Operation Management continued to expand its portfolio by adding new suites at the “Holiday Inn & Suites Tabuk”, a project that was completed according to the Holiday Inn brand and was launched during 2022 to add new and modern options to the promising Tabuk market. Furthermore, the new executive lounge was launched, in addition to two new floors that include new and modern rooms and suites as part of the comprehensive renovation plan for the Crowne Plaza Riyadh Palace Hotel with all its facilities.

The Hotel Operations Management is working with the Projects Management to complete Makarem Al-Madinah Tower Hotel and Suites Project, which will be Makarem’s debut in Al-Madinah by adding 374 rooms in the central area close to the Prophet’s Mosque.



Current Enterprises	Number of Rooms
Makarem Ajjad Hotel (Makkah)	411
Rixos Jeddah Resort under development*	247
Makarem Umm Al-Qura Hotel (Makkah)	336
Makarem Al-Bait Hotel (Makkah)	270
Makarem Mina Hotel (Makkah)	294
Makarem Al Shorofat Hotel (Makkah)	104
Riyadh Airport Marriott Hotel	339
Crowne Plaza Riyadh Palace Hotel	304
Holiday Inn & Suites Tabuk	143
Holiday Inn & Suites Al Jubail	144
Total Number of Units	2592 Rooms
Enterprises under Development	Number of Rooms
Development of Makarem Hotel Project with the General Authority for Awqaf (Al-Madinah)	374
Total Number of Units	374 Rooms

2.3.2 Operational Excellence

In 2022, the Hotel Operation Management continued to strengthen and develop its deep bond with its guests, along with improving efficiency and profitability, despite increased competition and economic challenges. The latest technology systems and applications were used in the hospitality sector; in order to contribute in raising the operational efficiency and improving the revenues; along with raising the satisfaction levels for both guests and employees. The following is a summary of the main achievements, events and indicators that are relied upon to achieve operational excellence:

+700,000

Number of Hajj and Umrah Pilgrims we were honored to host

89.6 / 100

Guest Satisfaction Index Rate

ReviewPro*

67

Nationalities from different countries of the world we hosted

8.8 / 10

Employee Satisfaction Index Rate

CulturalAmp*

+1.1M

Meal served in our hotels

+910,000

Total number of guests

01

Makarem's Participation in the Hajj and Umrah Services Conference and Exhibition

Makarem, a leading hotel brand of Dur Hospitality specializing in hospitality services for visitors of Makkah, Al-Madinah and the Holy Sites, participated in the events of the "Hajj and Umrah Services Conference and Exhibition", which was organized for the first time by the Ministry of Hajj and Umrah in Jeddah. It was deemed "Transformation towards Innovation" under the patronage and presence of HRH Prince Khalid Al-Faisal bin Abdulaziz, Advisor of the Custodian of the Two Holy Mosques and Governor of Makkah Region; and in the presence of His Excellency the Minister of Hajj and Umrah Dr. Tawfiq Al-Rabiah, as well as a large number of Ministers of Hajj in the Islamic world and Hajj and Umrah companies around the world.



02

Makarem's International Participations

Makarem Hotels participated in the events of the International Forum for Tourism Programs, Hotels and Umrah Services, in Cairo, Egypt, with the participation of a number of major companies operating in the hospitality and tourism sectors.



Makarem also co-sponsored the events of the 5th edition of Umrah+ Connect, which was held in London, along with the Ministry of Hajj and Umrah, the Saudi Tourism Authority (STA) and a large number of Hajj, Umrah, tourism and hotel companies from around the world.



Makarem also participated in the «Nusuk» pavilion, organized by the Saudi Tourism Authority, with the support and empowerment of the Ministry of Hajj and Umrah in Singapore, Malaysia and Turkey. Its participation constitutes a great opportunity to support and enhance the commercial presence of Makarem Hotels in the Islamic world.

03

Signing an Agreement with the "Illusions Online" Company

In the Umrah + Connect Forum, it was announced that an agreement was signed with Illusions Online, which will contribute to the expansion of Makarem's global presence in the B2B field. Through this agreement, the tour operators, travel agencies and Destination Management Companies (DMCs) will have instant round-the-clock access to dynamic contractual rates and promotional offers, along with the ability to learn about the availability of rooms in an automated fashion. Through this platform, Makarem will be able to establish direct relationships with global travel agencies and tour operators in a technical and automated manner.



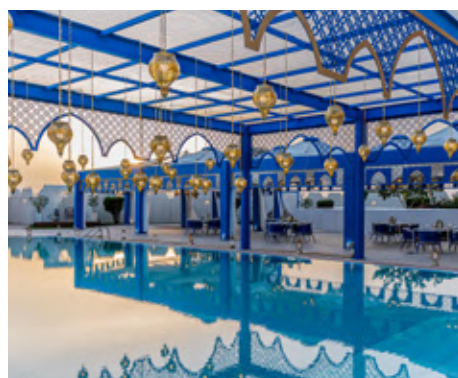
04 Signing an Agreement with the "Thynk" Company

For the sake of harnessing technology to improve hospitality services and increase operational efficiency in the Company's hotels, the Hotel Operations Management signed an agreement with Thynk, a leading company in the Cloud Customer Relationship Management System in the hospitality industry. The Hotel Operations Management will adopt the "Thynk Cloud" system to simplify and automate sales, operational processes, decision-making mechanisms and data management.



05 "Amasi" is a Unique Concept for serving Ramadan Iftar Tables at Dur Hotels

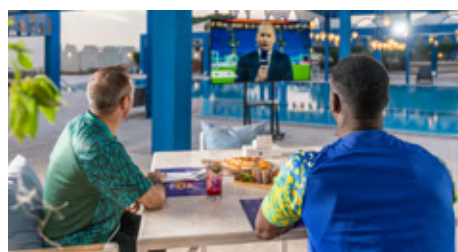
After the Kingdom of Saudi Arabia lifted the precautionary and preventative procedures related to combating the Coronavirus pandemic, and life had returned to normal, along with the advent of the Holy month of Ramadan, the Iftar and Suhoor tables provided by the hotels have returned with a new concept. By way of this reimagined lens, the Iftar table is presented with a beautiful family Ramadan ambience in the Company's hotels. Through these tables, a rich Ramadan experience is provided, with the most delicious Iftar and Suhoor menus in a charming ambience distributed over five hotels in three cities.



06 A number of Dur Hotels' chefs won 15 medals and certificates of merit in "HORECA 2022" and "Foodex Saudi" Culinary Salon in Jeddah and Makkah.



07 Preparation of the "Tifo Lounge", which is a dedicated fan zone for broadcasting World Cup Matches at Dur Hotels.



08 Dur Hotels welcomes their guests and participate with them in the celebrations and events of Foundation Day and National Day



09 Opening of Ava Spa, an elegant health club at Holiday Inn & Suites Al Jubail



10 Jud launches the new concept and innovative idea for food and beverages within Makarem Ajjad Makkah Hotel



11 Makarem Ajjad Hotel and Crowne Plaza Riyadh Palace receive the Food & Beverage Quality Certificate (HACCP)



2.3.2.1

Guest Service and Performance Measurement Systems

The Hotel Operation Management relies on the best global hotel operation systems; to measure the performance of its services and apply the systems and ideas that help raise guests' experiences and improve the operation's efficiency in a sustainable manner.

02 Business Sector Company Profile Financial Statements and Business Results Disclosure and Transparency



Guest Delight International Quality Check



Opera PMS Hotel Management



STR Data Benchmarking and Analytics Comparative Market Analysis



QR-Patrol Monitoring Security Monitoring System



Alacarte digital menu Digital Menus



OTA Insight Smart Revenue to Manage the Database



Fairmas Revenue Management System



Amadeus Agency 360+ Business Intelligence Solutions



Amadeus iHotelier Central Booking Engine



Google Marketing Platform Digital Marketing Platform



THYNK.Cloud CRM CRM System



Power BI Business Intelligence & Data Analytics Business Intelligence and Performance Analysis Platform



Winnow Food Surplus Management Solutions



ReviewPro Pilgrim Experience Development Program



Hotstats Profit-and-Loss Benchmarking Hotel Profitability Measurement Index



FPG Frontline Performance Frontline Performance Technology



Personalized Booking Journey Booking Engine Optimization



Employee Experience Platform

2.4 Dur Communities

Dur Communities represent the administrative and operational arm of Dur Hospitality’s residential real estate and facilities. Through this arm, integrated operation and facilities management services are provided, in addition to marketing, sales and leasing services, support services, and quality control for residential compounds. It harnesses its extensive experience in the hospitality and asset management field by providing operational and management solutions to investors in the real estate sector.

Dur Hospitality designed its brand “Dur Communities” to manage and operate the residential projects; in order to provide an innovative and integrated residential product. Dur Communities includes 10 residential compounds spread across key areas in Saudi Arabia; as they include 1696 residential units of various categories and sizes, green spaces, and sports and recreational facilities managed in high professionalism by an engineering team that received professional accreditations from global institutions.

One of the main enterprises in Dur Communities’ portfolio is the Darraq luxurious residential community within the Diplomatic Quarter, which contains fully-furnished luxury villas and apartments. The professional “Dur Communities” team, which holds the ISO 9001 Certification in Quality, manages these communities in accordance with the global best practices and the sustainability standards. The community management services include organizing events and participating in social events, including:

- Organization of a Darraq marathon event
- Movie nights
- Event for children in our compounds
- Social engagements in Ramadan and holidays

The Dur Communities team, which is specialized in property management, was able to achieve high occupancy rates, along with renting out the vacancies in these units with high professionalism.

Below is the portfolio of enterprises in Dur Communities:

	Number of Units
Darraq Homes – Diplomatic Quarter	434 Residential Units
Darraq Homes – Al-Hada District	75 Residential Units
Dur Bader Residential Compound	40 Residential Units
Dur Al-Sharq Residential Compound	35 Villas and 259 Residential Units
Dur Al-Andalus Residential	30 Residential Units
Dur Al-Rawdah Residential	28 Residential Units
Dur Al-Yasmin Residential Compound	171 Residential Units
Dur Al-Maather Residential	73 Residential Units
Dur Al-Wadi Residential Compound	66 Residential Units
Dur Tuwaiq Residential Compound	485 Residential Units
Total Number of Units	1696 Residential Units

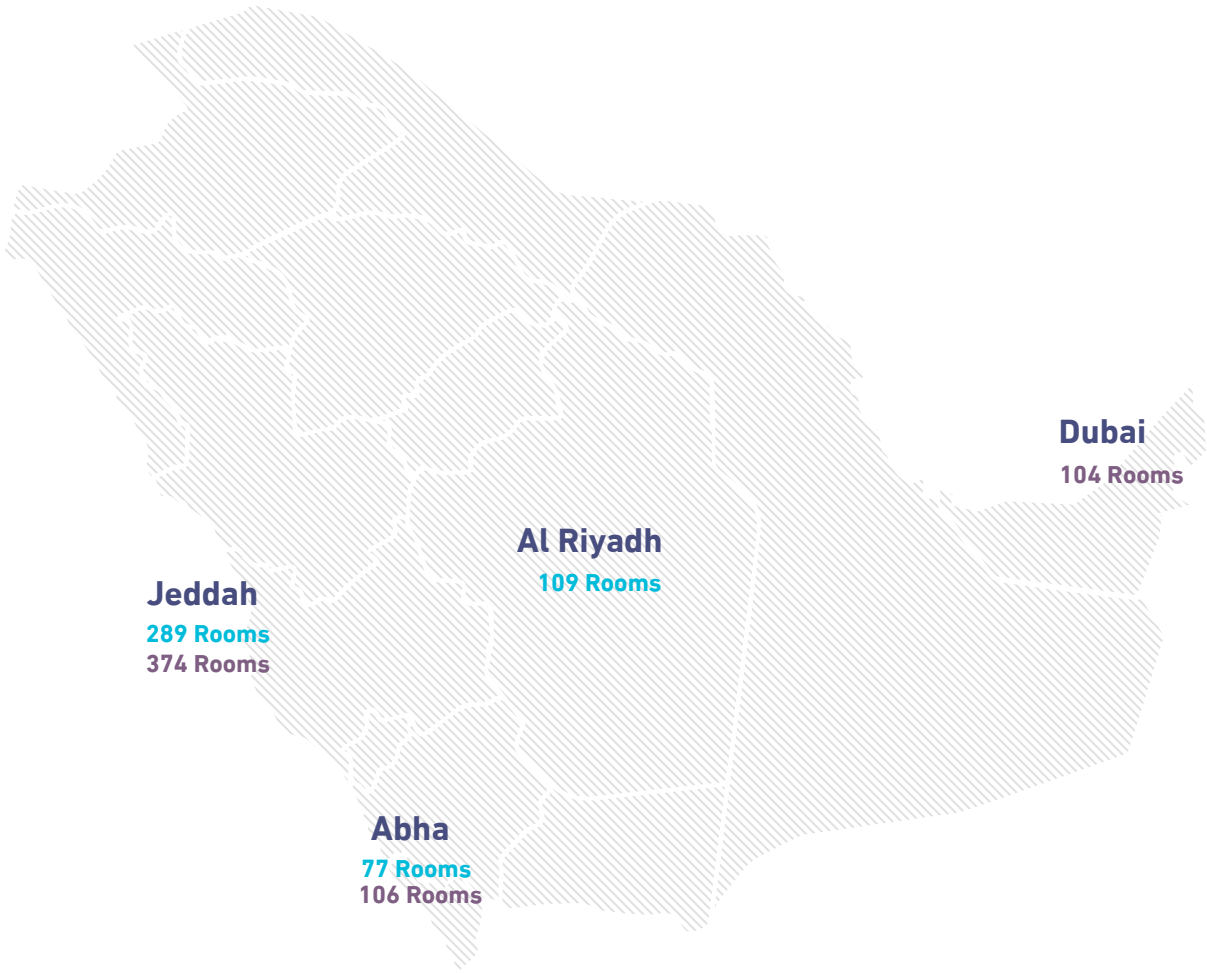


2.5 Shada Hospitality Group

Following the acquisition of 60% of Shada Hotels Company, Dur's position is strengthened after expanding its portfolio in the boutique hotels and hotel apartments sectors.



Shada Hotel – Al-Salamah	88 Keys	Jeddah
Dara Serviced Apartments– Al-Salam	94 Keys	Jeddah
Shada Serviced Apartments – Corniche	50 Keys	Jeddah
Dara Serviced Apartments - Quraish	28 Keys	Jeddah
Dara Serviced Apartments– AlHamra	29 Keys	Jeddah
Dara Serviced Apartments – Qurtubah	59 Keys	Riyadh
Dara Serviced Apartments – Al Rayyan	50 Keys	Riyadh
Dara Serviced Apartments – AlShifa	77 Keys	Abha
Total Number of Units	475 Keys	



* Nozol Shada signed a contract to manage and operate a facility that is still under construction

Enterprises under Design and Implementation

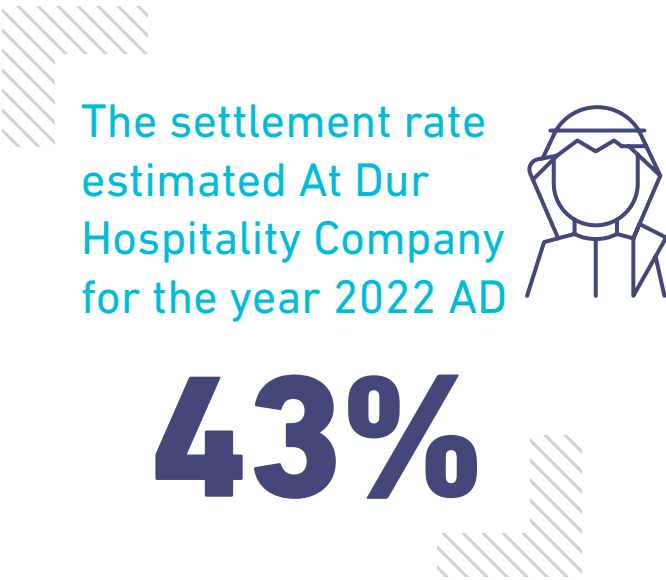
Shada Hotel - Jumeirah Park	104 Keys	Dubai
Shada Hotel – Al-Khalidiyah	110 Keys	Jeddah
Shada Hotel – Al-Tahlia	80 Keys	Jeddah
Dara Hotel Suites – Al-Areen	106 Keys	Abha
Dara Hotel Suites – Hira	44 Keys	Jeddah
Dara Hotel Suites –King Avenue	140 Keys	Jeddah
Total Number of Units	584 Keys	

2.6 Human Resources

Innovation and quality in productivity are key factors to achieve the Company's ambitions, which is represented in preparing an attractive business environment.

2.6.1 Saudization and Support Initiatives

To develop national competencies and raise the Saudization rates, the Company has maintained its Saudization rate through employment programs and the development of workforce plans; the Saudization rate is about 43%.



2.6.2 Training and Development

The number of training hours delivered by training providers of Dur Academy, Marriott International Platform, IHG Merlin and Coursera had reached nearly 9,000. Dur also benefited from the support of the Ministry of Tourism by enrolling a large group of our employees in intensive hospitality programs outside the Kingdom, which contributed to introducing trainees to the hotel work environment in different parts of the world.

Marriott
INTERNATIONAL

IHG
HOTELS & RESORTS

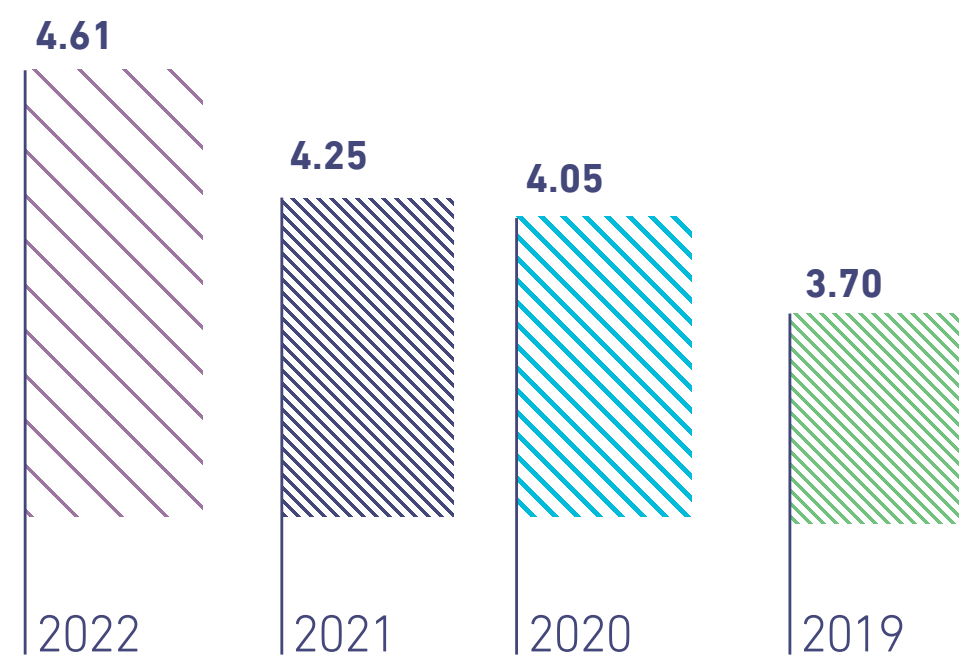
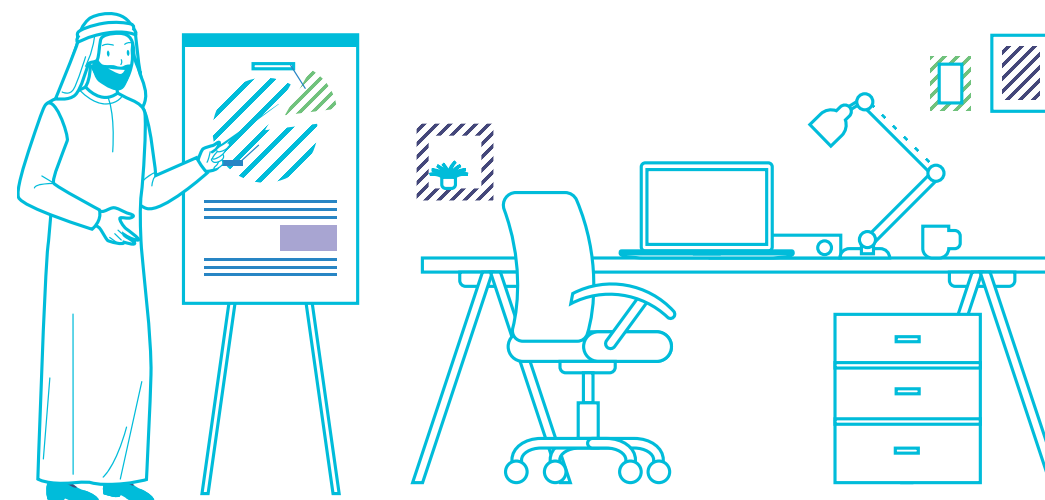
coursera

وزارة السياحة
Ministry of Tourism



2.6.3 Organizational Development

- improve the percentage of the employee engagement to 4.61 out of 5 by more than 78%
- Improving the Company's performance assessment practices; in order to achieve maximum accuracy and efficiency in the assessment and process.



Employee Engagement Level

2.7 Information Technology (IT)

Through the IT Management, the Company reached several achievements in activating and launching important initiatives, most notably:



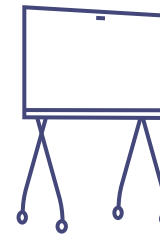
1. Continuing to rationalize operating expenses by signing a contract to provide the Company's enterprises with fixed internet service through reducing the contract value by 50% from the previous contract and at the same previous speeds.



2. Digital transformation in Makkah hotels by updating the hotel operation programs and transferring them to cloud computing instead of local hosting.



3. Ensuring the effectiveness of cybersecurity systems utilized by the Company through conducting preventive measures and tests from third parties to ensure that no technical security incident will occur.



4. Modernizing the meeting rooms in five hotels by providing smart screens for presentation and video meetings of all types on the same screen.



5. Completing the implementation and operation of infrastructure in the new Holiday Inn Tabuk Hotel building.



6. Implementing the IT asset management program automatically.



7. Signing a contract for central printers in the main center with features and advantages that are better than before.

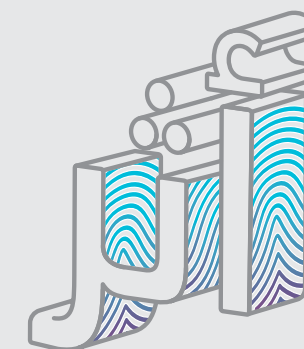


2.8 Corporate Social Responsibility

Dur Hospitality Company takes pride in being one of the leaders in corporate social responsibility in Saudi Arabia. The basic premise of all corporate social responsibility initiatives is to utilize the Company's resources, enterprises, expertise, and human potential, and direct them to serve the community under the "Athar" brand. Three key fields were identified in the social responsibility strategy, namely:

- **First Field:**
Environment Protection and Natural Resources Conservation
- **Second Field:**
National Cadres Empowerment
- **Third Field:**
Social Activities Support

The following is an overview of the corporate social responsibility initiatives (Athar) achieved during 2022:



ATHAR

لشيء يرحل تماماً، دائماً هناك أثر

برامج المسؤولية الاجتماعية لشركة **دور**



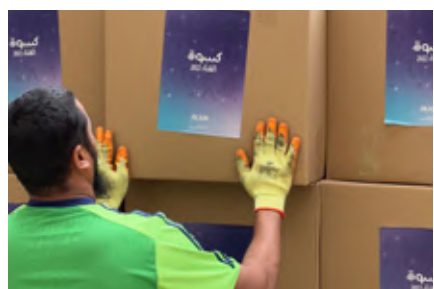
1. 4th Linens for Livelihood Campaign

For the fourth consecutive year, the Corporate Social Responsibility Committee (Athar) collected more than 7,000 pieces of linen, curtains, pillows and towels from the Riyadh Airport Marriott Hotel and the Makarem Ajjad Makkah Hotel and donated them to charitable associations.



2. 6th Blessing Box Campaign

300 food boxes were donated to various charitable associations, weighing 20 kilograms each. The Corporate Social Responsibility Committee (Athar) supervised their preparation and processing, in cooperation with Dur Hospitality's employees.



3. Blood Donation Campaign

The Corporate Social Responsibility Committee (Athar) organized the annual blood donation campaign (one unit of blood can save three lives) at the Company's head office, in cooperation with Prince Mohammed bin Abdulaziz Hospital (PMAH), where more than 40 employees from the Dur Hospitality Company donated blood.



4. Breast Cancer Awareness Event

As part of Dur Hospitality's initiatives in community service, and in support of the national efforts made for breast cancer awareness, the Corporate Social Responsibility Committee (Athar), in cooperation with the Royal Commission for Riyadh City (RCRC) and DQ Living, held the Breast Cancer Awareness Initiative (Beyond Pink). The mission of this event is to raise women's awareness of the importance of early detection and motivate them to adopt a healthy lifestyle. Participants of the event included a number of women of different ages, taking part in an enthusiastic atmosphere full of sports and awareness activities.



5. Fashion Futures x Linens for Livelihoods

Dur Hospitality is a strategic partner in the "Fashion Futures Forum". In confirmation of its leading role in sustainability, it showcased its initiative in recycling refurbished hotel linens in order to benefit fashion. Dur Hospitality reflected its campaign by holding a workshop to inform the attendees on how to recycle old bed linens and make innovative robes out of them.



6. Makarem hosts Couples from the Charitable Association for Helping Young People Get Married

As part of one of its corporate social responsibility activities, Makarem hosts couples with special circumstances who are in desperate need of help to realize true happiness by getting married. This is a role played by Makarem Group every year in cooperation with the Charitable Association for Helping Young People Get Married in Jeddah..



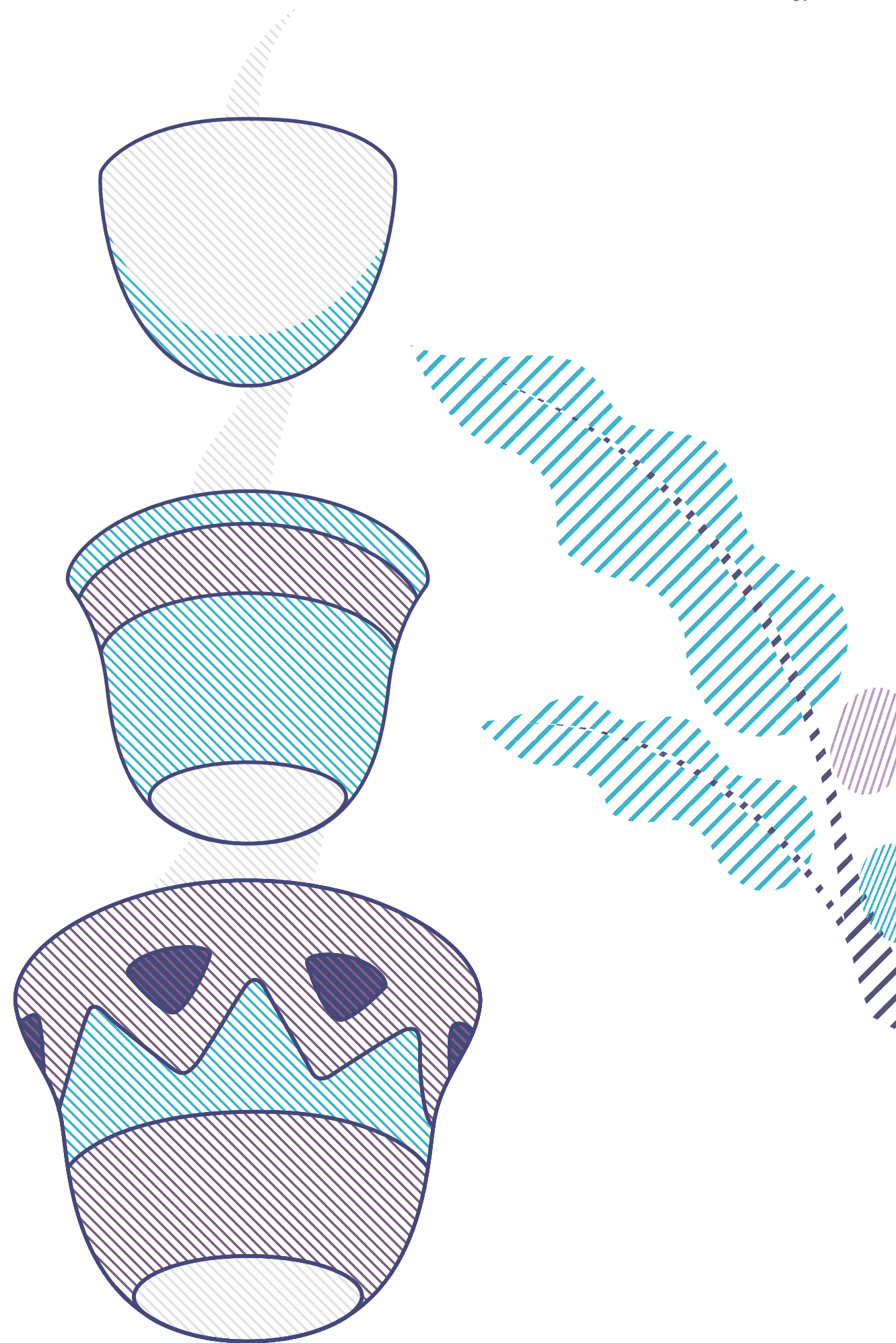
7. 10 Social Activities carried out by the Marriott Diplomatic Quarter Hotel during 2022

Every year, the Marriott Diplomatic Quarter team carries out many distinctive social activities, the most important of which is its participation in the international days concerned with environment preservation. Some examples include World Food Day to raise awareness regarding the impact of food waste, and World Earth Day to help increase energy conservation and environmental preservation. The team also hosted and organized a women's forum on International Women's Day to highlight women's contributions and their vital role in the society. Among the activities carried out by the Marriott Diplomatic Quarter team were the cleaning and sterilization of mosques in preparation for the holy month of Ramadan, along with providing Ramadan Iftar meals to those in need.



03 Financial Statements and Business Results

- 3.1 Business Results for the Previous Five Years
- 3.2 Comparison of the Current Year's Operating Results with the Previous Year
- 3.3 Assets and Liabilities for the Previous Five Years
- 3.4 Changes to Shareholders' Equity for the Previous Five Years
- 3.5 Loans
- 3.6 Key Revenue-Contributing Activities
- 3.7 Revenues' Geographical Analysis
- 3.8 Entitled Statutory Payments
- 3.9 Profits Distribution Policy
- 3.10 Risks



3.1 Business Results for the Previous Five Years

The statement below shows a summary of the business results for the last five years:

Statement (in Thousands Saudi Riyals)	2018	2019	2020	2021*	2022
Total Revenue	454,062	553,846	442,319	473,150	568,395
Revenue Cost	(345,981)	(434,669)	(381,495)	(413,652)	(433,449)
Gross Profit	108,081	119,177	60,824	59,498	134,946
Operating Profit	69,532	78,725	5,754	26,226	61,951
Net Profit (Loss)	57,462	53,004	(49,494)	1,194	40,165

Some figures have been amended to suit the current view

3.2 Comparison of the Current Year’s Operating Results with the Previous Year

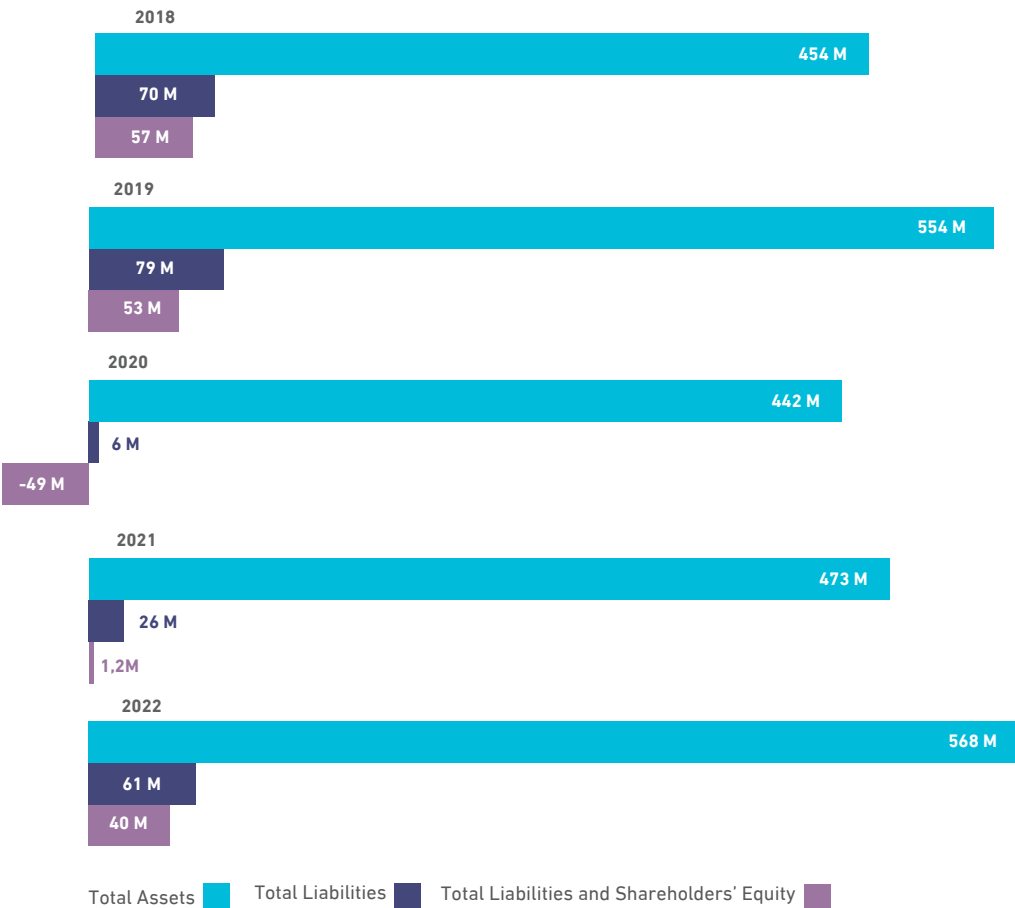
The statement below shows the fundamental differences in the operating results compared to previous year results:

Statement (in Thousands Saudi Riyals)	2021*	2022	Change	Change Percentage
Total Revenue	473,150	568,395	95,245	20%
Revenue Cost	(413,652)	(433,449)	(19,797)	5%
Total Profit	59,498	134,946	75,448	127%
Sales and Marketing Expenses	(1,980)	(3,097)	(1,116)	56%
General and Administrative Expenses	(31,292)	(42,465)	(11,174)	36%
Decrease in the Value of Projects Under Construction	0	(27,433)	(27,433)	100%
Operating Profit	26,226	61,951	35,725	136%
Financial Burdens	(23,145)	(41,297)	(18,152)	78%
Financial Burdens of Lease Contract Liabilities	(13,742)	(14,166)	(424)	3%
Finance Revenue	38	147	109	284%
Other Net Revenue	10,053	3,074	(6,979)	(69%)
Net profit from derivative instruments listed at fair value through profit or loss	16,378	32,642	16,265	99%
Share in the Results of the Companies restricted by the Equity Method	(4,290)	2,374	6,664	(155%)
Income before Zakat	(11,519)	44,726	33,207	288%
Zakat	(9,312)	(4,575)	4,737	(51%)
Net Profit (Loss)	2,206	40,151	37,944	1720%
Company’s Shareholders	1,194	40,166	38,972	3264%
Non-Controlling Equity	1,013	(15.12)	(1,028)	(101%)
	2,206	40,151	37,944	1720%

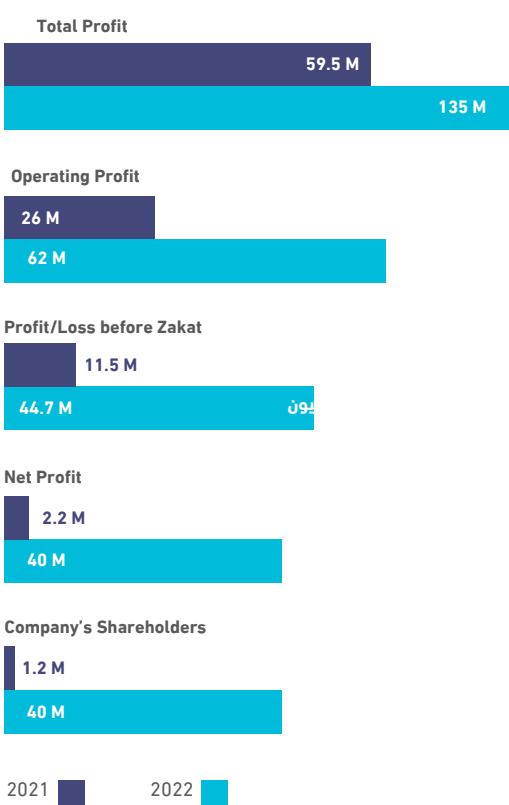
Some figures have been amended to suit the current view

The Company’s financial results for 2022 showed a positive growth; as the total revenues reached SAR 568.3 million, i.e. an increase of SAR 95.2 million, with a rate of (20.1%) compared to the previous year. This is due to improvement in the revenues of the Company’s hotels given the recovery of the Umrah and Hajj season, the high demand for hotels in Riyadh due to the establishment of several conferences and events, and the increase in real estate sector revenues due to completion of the occupancy in the residential compounds. This improvement led to an increase in the operating profit for this year by SAR 35.7 million with a rate of (136.2%) compared to the previous year. The Company’s net profit for the year increased by SAR 38.9 million, compared to the previous year.

Assets and Liabilities for the Previous Five Years



Comparison of the Current Year’s Operating Results with the Previous Year



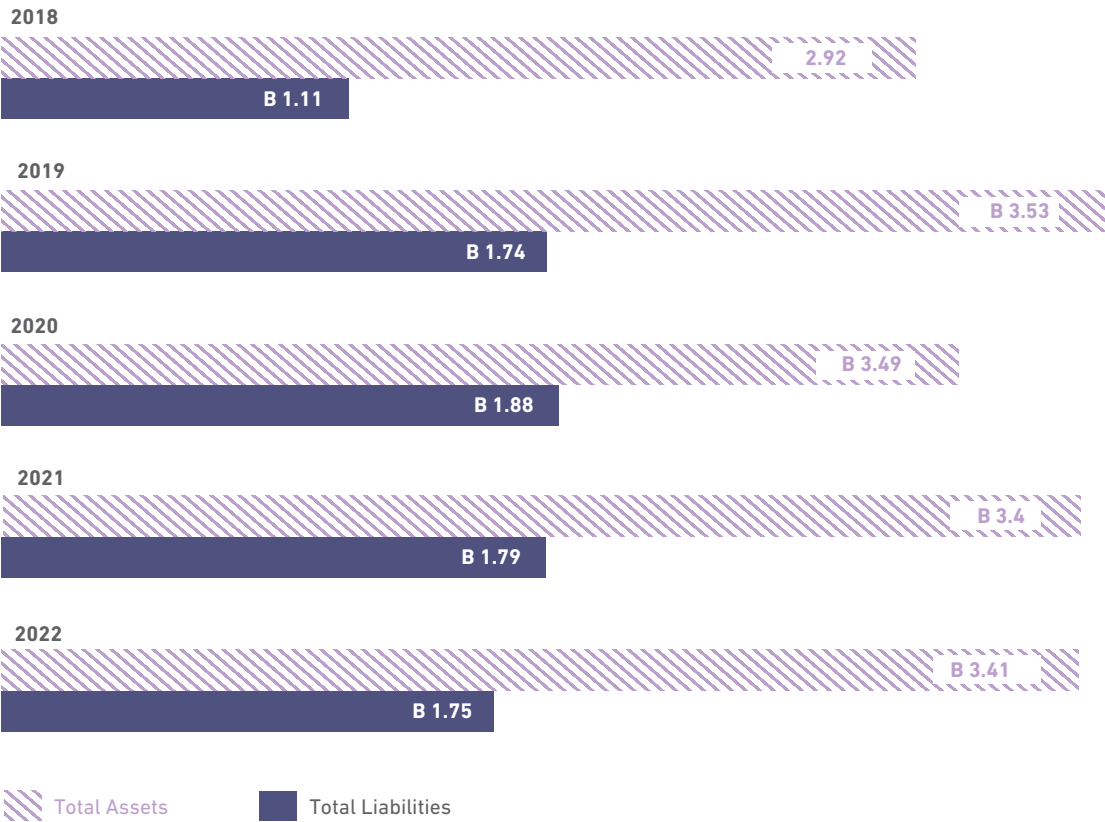
3.3 Assets and Liabilities for the Previous Five Years

The following statement represents the assets and liabilities for the previous five years:

Statement (in Thousands Saudi Riyals)	2018	2019	2020*	2021*	2022
Total Current Assets	312,333	356,150	381,640	355,561	331,475
Total Non-Current Assets	717,612	679,195	418,867	344,592.47	412,800
Properties and Equipment	1,894,298	2,492,482	2,698,425	2,711,490	2,673,841
Total Assets	2,924,243	3,527,827	3,498,932	3,411,643	3,418,116
Total Current Liabilities	401,239	475,210	643,493	685,888	474,135
Total Non-Current Liabilities	712,006	1,260,869	1,240,731	1,109,418	1,285,673
Total Liabilities	1,113,245	1,736,079	1,884,223	1,795,306	1,759,808
Total Equity Attributable to the Shareholders of the Parent Company	1,774,665	1,741,401	1,556,308	1,556,949	1,598,980
Non-Controlling Equity	36,333	50,347	58,400	59,388	59,328
Total Liabilities and Shareholders' Equity	2,924,243	3,527,827	3,498,932	3,411,643	3,418,116
Shareholders' Equity to Assets Ratio	61%	49%	44%	46%	47%

- Some figures have been amended to suit the current view
- The opening balances of the statements of shareholders' equity in previous periods have been amended due to the accounting treatment of financial derivatives

Changes to Shareholders Equity for the Previous Five Years



3.4 Changes to Shareholders Equity for the Previous Five Years

The following statement illustrates the changes in the shareholders' equity over the past five years:

Year	Shareholders' Equity (in Thousands Saudi Riyals)	Increase (Decline)	Change Percentage (%)
2022	1,598,980	42,031	2.70%
2021	1,556,949	641	(0.04%)
2020	1,556,308	(185,094)	(10.63%)
2019	1,741,402	(33,263)	(1.9%)
2018	1,774,665	(12,956)	(0.7%)

3.5 Loans

The Company received several loans to finance various projects as follows:

Loan Grantor Name	Loan Principal Amount	Loan Term	Total Amount Withdrawn from the Loan	Paid Amounts during the Year	Total paid Amounts	Company's Total Indebtedness by the End of 2021
Riyad Bank*	838,400,000	5 - 6 Years	792,380,149	80,904,911	159,673,437	632,706,712
Banque Saudi Fransi** (BSF)	296,900,000	5 Years	266,900,000	35,687,429	184,664,856	82,235,144
SABB Bank	171,679,000	5 Years	155,366,882	27,831,158	36,210,882	119,156,000
Alinma Bank	257,000,000	10 Years	76,668,329	0	0	76,668,329
Arab National Bank (ANB)	400,000,000	1 - 7 Years	366,039,362	150,636,972	214,136,972	151,902,390
Total	1,963,979,000		1,657,354,722	295,060,470	594,686,147	1,062,668,575

It should be noted that:

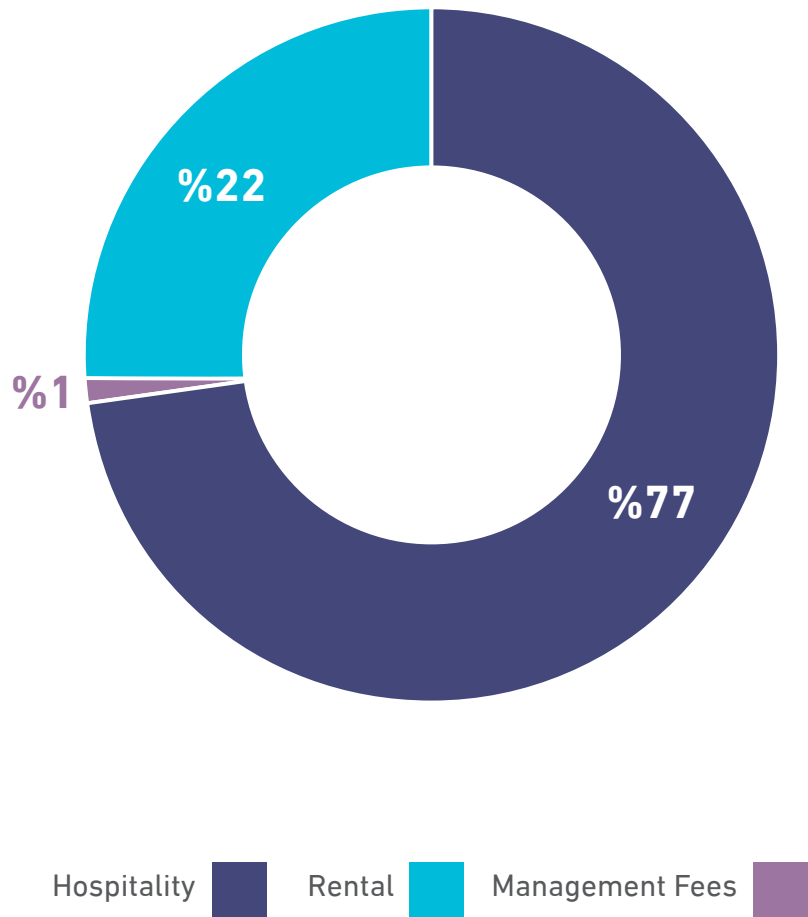
* Mr. Badr bin Abdullah Al-Issa and Mr. Fahad bin Abdullah Al-Issa are both considered relevant parties due to the presence of a kinship relationship between them and the Chairman of the Board of Directors of Riyadh Bank, Eng. Abdullah bin Mohammed Al-Issa.

* Mr. Badr bin Abdullah Al-Issa is considered a relevant party due to his membership at the Board of Directors of the Banque Saudi Fransi; and Mr. Fahad bin Abdullah Al-Issa is considered a relevant party due to the presence of a kinship relationship with Mr. Badr bin Abdullah Al-Issa.

3.6 Key Revenue-Contributing Activities

The following statement represents the contribution of the Company’s three key activities to its revenues for 2022:

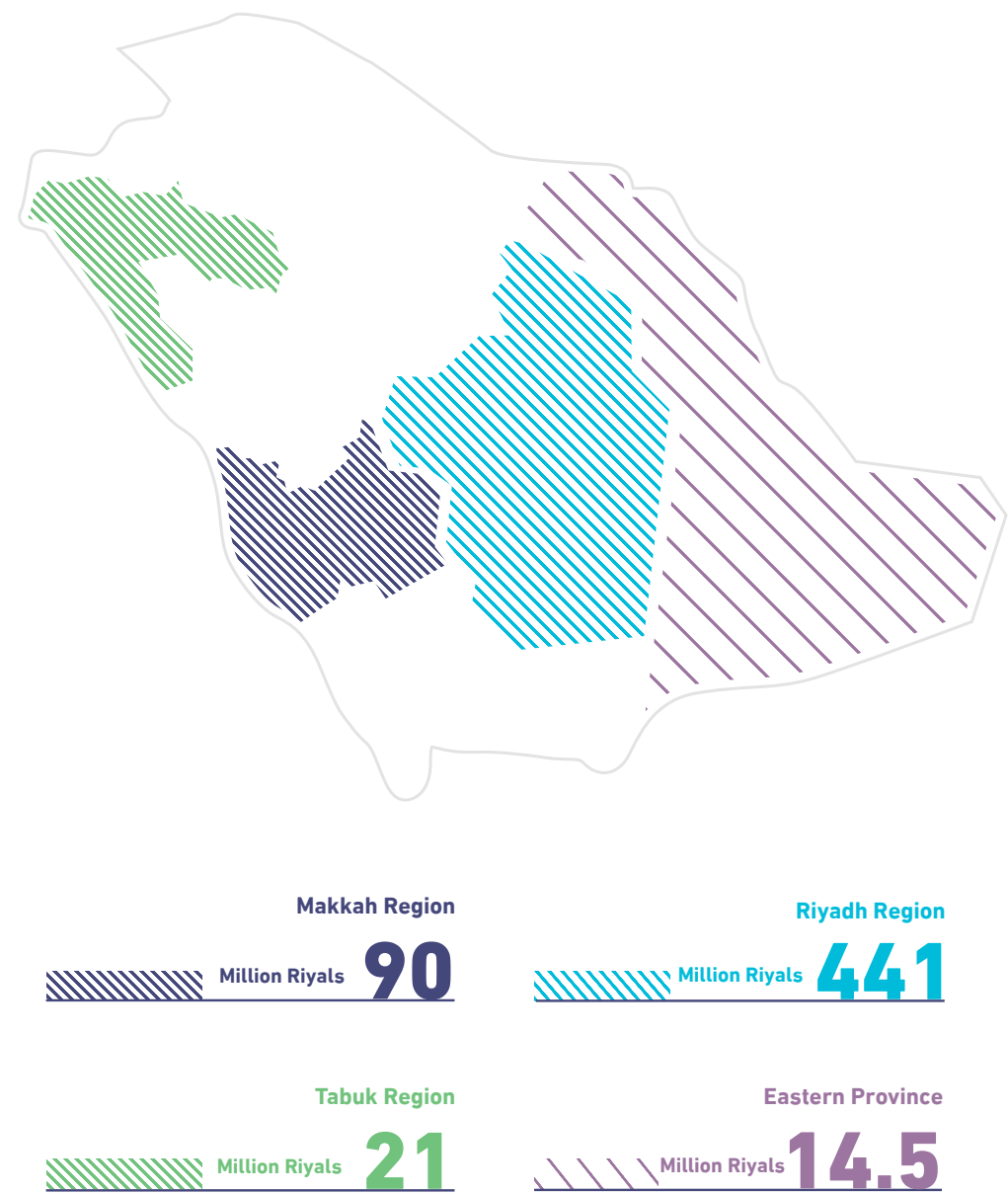
Sector	Sector Revenue (in Thousand Riyals)	Percentage (%)
Hospitality	436,539	77%
Rental	128,830	22%
Management Fees	3,026	1%
Total	568,395	100%



3.7 Revenues’ Geographical Analysis

Dur Hospitality’s revenues are distributed in four major geographical areas within the Kingdom: Riyadh, Makkah, Tabuk and the Eastern Province, and the revenues of each region during the fiscal year 2022 were as follows:

Region (In Thousands of Saudi Riyals)	Revenues
Riyadh	441,831
Makkah	90,882
Tabuk	21,118
Eastern Province	14,564
Total	568,395



3.8 Entitled Statutory Payments

The statutory payments entitled to the Company and its subsidiary companies until the end of the fiscal year 2022 were as follows:

Statement	Entitled Amount by the End of the Year (Saudi Riyal)
Social Insurance Subscriptions	954,911
Zakat	4,575,344
Value-Added Tax (VAT)	3,307,794

3.9 Profits Distribution Policy

(1) The Company’s annual net profits are distributed after deducting all the general expenses and the other costs, as stipulated in Article (42) of its Statute, according to the following:

- The legally imposed zakat will be retained.
- (10%) of the net profit will be retained in order to form a statutory reserve, and the Ordinary General Assembly may suspend this retention when the aforementioned reserve reaches (30%) of the capital.
- Afterwards, a down-payment will be distributed to the shareholders from the remainder equivalent to (5%) of the paid-up capital.
- The Ordinary General Assembly may then form other reserves to the extent that achieves the Company’s interest or ensures fixed profits to the shareholders.
- Afterwards, the remainder will be wholly or partially distributed to the shareholders as an additional share of profits or to be carried over to the coming years, as decided by the Shareholder’s Ordinary General Assembly.

The Board of Directors, with the authorization of the Shareholders’ Ordinary General Assembly, which is renewed each year, may distribute interim profits on a semi-annual or quarterly basis, in accordance with the controls issued by the competent authority.

(2) If it was decided to distribute profits from the Company, the shareholder will be entitled to his share of the profits in accordance with the General Assembly’s decision issued in this regard, and the decision will indicate the entitlement date and the distribution date; furthermore, the profits will be eligible to the shareholders registered in the shareholders registers at the end of the specified entitlement date. The competent authority will determine the maximum period during which the Board of Directors must implement the Ordinary General Assembly’s decision on the distribution of the profits to the shareholders.

Commission Rate’s Fair Value Price and Cash Flows Risks

It is the exposure to various risks associated with the impact of the prevailing commission rate fluctuations on the Company’s financial position and cash flows. The Company’s commission rate risk arises from Islamic murabaha, short-term bank loans, and long-term debts, which are at floating commission rates. All debts and deposits are subject to repricing on a regular basis. The Management monitors the changes in the commission rates and it believes that the commission rate’s fair value and cash flows risks are not significant for the Company.

They are risks regarding the Company’s inability to provide the funds needed to meet its financial instruments’ obligations; as the liquidity risks arise from the inability to sell a financial asset quickly at a sum close to its fair value. Liquidity risks are managed by monitoring them on a regular basis; in order to ensure that there is sufficient liquidity by following the expected collection schedules for the receivables from the customers, in addition to the bank financing instruments available to the Company, in order to meet its future obligations as they arise.

3.10 Risks

The potential risks that the Company may face are as follows:

Market Risk and the Nature of the Business Activity

The potential market risks and the risks associated with the Company’s business activity are as follows:

1. The Hajj and Umrah seasons are affected by external organizational conditions or factors.

2. Increased competition in the hotel and real estate market in the cities where the Company is present, which may affect the Company’s performance.

3. The change in the policies and systems of relevant government agencies, especially the labor office systems and rate of job saudization.
4. The rise in basic service fees and prices, such as energy, water, consumables and other new fees.

5. External and economic factors that may affect the projects’ development and completion, such as the different exchange rate in the target markets.

6. Economic conditions and the low oil prices that may lead to a reduction in the public spending.

7. The outbreak of epidemics, whether internally or globally, which affect the global economies; thus negatively affecting the Company’s various activities.

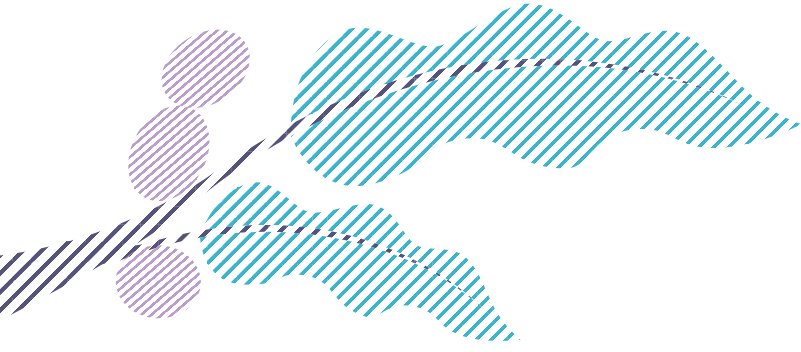
These are the risks resulting from the failure of one party in fulfilling its financial obligations when they are due; thereby causing financial losses to the other party; as the risks related to financial assets that are likely to be exposed to credit risk concentration are mainly concentrated on the banks’ cash and the trade receivables. The cash owned by the Company is deposited in local banks with a good credit rating; therefore, the credit risk associated with the cash deposits is limited, and the credit risk related to the trade receivables is limited because most of the Company’s dealings are concentrated with customers with strong financial positions. The Company’s Management monitors and follows up with the balances of the trade receivables in order to reduce any credit risks associated thereto, follow up with their collection, and take any necessary measures to maintain the Company’s rights.

Credit Risks

It is represented by the fluctuation in the monetary value of the assets and the financial obligations in foreign currencies, and since all the Company’s essential dealings are made in Saudi riyals, the currency and exchange rate risks, to which the Company is exposed, are very limited.

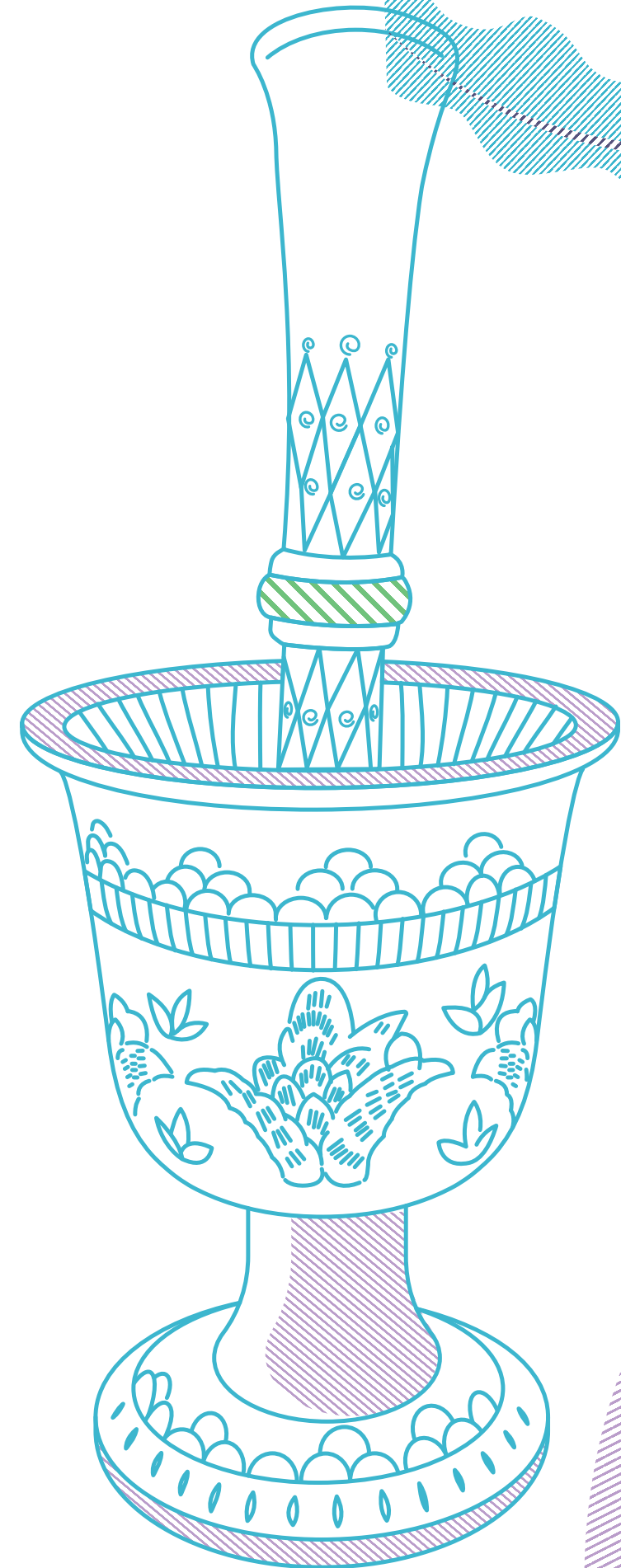
Currency Risks

Liquidity Risks



04 Disclosure and Transparency

- 4.1 Application of the Provisions of the Corporate Governance Regulation
- 4.2 Board Members
- 4.3 Board Committees
- 4.4 Executive Management
- 4.5 Subsidiary Companies
- 4.6 Disclosures
- 4.7 Annual Audit Results for the Effectiveness of the Company's Internal Audit Procedures
- 4.8 Dealings with the Relevant Parties
- 4.9 Senior Shareholders
- 5.0 Statement of the Number of the Company's Requests for the Shareholders' Register



Pursuant from the keenness of Dur Hospitality’s Board of Directors on its relationship with the shareholders, the partners, the investors and the stakeholders, and in its belief in the importance of disclosure and transparency and its commitment thereto, the Board of Directors is pleased to provide you with the main disclosures; in addition to the financial results, which were previously explained according to the Corporate Governance Regulation issued by the esteemed Saudi Capital Market Authority, and the other relevant regulations as follows:

4.1 Application of the Provisions of the Corporate Governance Regulation

The Company applies all the mandatory provisions of the Corporate Governance Regulation, except for the «Guidance Articles», for the following reasons:

Article	Paragraph	Content	Non-Application Reasons
39	A	Develop the necessary mechanisms to assess the performance of the Board, its members, committees and executive management annually by the Board of Directors – based on the Nominations Committee’s suggestions.	The company is currently completing the procedures required to achieve this matter.
67	-	Form a Risk Management Committee.	The company currently applies the tasks and competencies related to this Committee through the Board of Directors and the Audit Committee.
68	-	Develop the Risk Management Committee’s specializations and tasks.	
69	-	Risk Management Committee’s meetings	
80	-	Develop clear and written policies and procedures to regulate the relationship with the stakeholders; in order to protect them and maintain their rights by the Board of Directors.	Work is under way to develop the required policy.
82	-	2) Create programs that grant employees shares in the company or a share of the profits they made; in addition to pension programs; and establish an independent fund to spend on these programs. 3) Establish social institutions for the company’s employees.	The company is currently studying the status of these programs.
84	-	Based on the Board’s suggestion, the Ordinary General Assembly develops a policy to ensure a balance between its objectives and those that the society aspires to achieve; in order to develop the society’s social and economic conditions.	The company is currently carrying out initiatives that support the objective of this policy, and the Board of Directors will study its status as a proposal to be submitted to the General Assembly.
85	-	Develop programs and identify the means necessary to launch the company’s initiatives in the social work field.	The company is currently implementing some of the programs mentioned in this Article.
92		Form a competent Corporate Governance Committee.	All that is stated in the Article will be taken into account when forming the Committee.

4.2 Board Members

4.2.1 Formation of Board of Directors and Members’ Ownership

The Board of Directors consists of (9) members. The following table shows the formation of the company’s Board of Directors, membership and ownership in the company throughout 2022:

Name	Membership	Number of Shares at the Beginning of the Year	Number of Shares at the End of the Year	Change
Mr. Badr bin Abdullah Al- Issa (Board Chairman)	Non-Executive	1,485	1,485	-
Mr. Fahad Bin Abdullah Al-Kassim (Board Vice-Chairman)	Non-Executive	1,100	1,100	-
Dr. Saleh Bin Ali Al-Hathloul	Non-Executive	1,000	1,000	-
Mr. Jihad Bin Abdul Rahman Al-Qadi	Independent	1,000	1,000	-
Mr. Talal Bin Abdul Muhsen Al-Malafekh	Independent	100	100	-
Mr. Fahad bin Abdullah Al-Issa	Non-Executive	30	30	-
*Mr. Mishari Bin Naji Al Ibrahim (Public Investment Fund Representative)	Non-Executive	16,628,458	16,628,458	-
Mr. Fares bin Ibrahim Al Rashid Al Humaid	Independent	1,000	1,000	-
Mr. Abdullah Bin Tariq Al-Qasabi	Independent	1,000	1,000	-

*Shares owned by the Public Investment Fund

- Except as indicated in this report the Board of Directors acknowledges that, with the exception of the company’s shares owned by the Board Members stated in the table above, there are no special interests, option rights, subscription rights, or associations for the Board Members, or their spouses or minor children in the company or its subsidiaries, whether in the company’s shares, or any associations with direct or indirect employment contracts.
- There are no shares owned by the Board Members’ spouses and their minor children in the company, and there are no shares owned by representatives of the legal persons in the Board of Directors, their spouses and minor children.

4.2.2 The Names of the Companies inside or outside the Kingdom, where the Company’s Board Member is a member of its Current and Former Board or one of its Directors:

S.N	Name	Current Companies	Legal Entity	Former Companies	Legal Entity
1	Mr. Badr bin Abdullah Al Issa	1. Savola Group 2. Banque Saudi Fransi 3. Almarai Company	Listed Joint-Stock Company	1. Knowledge Economic City	Listed Joint Stock Company
		1. Savola Foods Company 2. United Sugar Company (USC) 3. Panda Retail Company 4. Afia International Company	Non-Listed Joint-Stock Company	1. Saudi Fransi Capital Company 2. MASIC Holding Company 3. Savola Packaging Systems 4. Kanan International Real Estate Development Company 5. Alaqeeq Real Estate Company 6. Sukoon International Company 7. Asilah Investment Company	Non-Listed Joint-Stock Company
2	Mr. Fahad Bin Abdullah Al-Kassim	1. Savola Group 2. Jarir Marketing Company 3. Dallah Healthcare Company 4. Arriyadh Development Company	Listed Joint-Stock Company	1. Bank Albilad 1. Abdullatif Alissa Group Holding 2. Naqel Company 3. Saudi Heritage Hospitality Company (NUZUL)	Listed Joint-Stock Company Non-Listed Joint-Stock Company
		1. Dr. Mohammed Rashid Al Faqih & Partners Company 2. Al-Rajhi United Real Estate Investments Company 3. Al Rajhi United Real Estate Company 4. Abdullah Al Subeaei Holding Company (AIMS) 5. Alargan Projects Company 6. Mohammed Abdulaziz Al Habib & Sons Holding Company 7. Jarir Investment Company 8. Masarat Real Estate Company 9. Value Capital Partners Company 10. Panda Retail Company	Non-Listed Joint-Stock Company	1. Al Rajhi Alpha Investment Holding 2. Raj Real Estate Company 3. National General Automotive Company 4. Amwal Financial Consulting Company	Limited Liability Company
		1. Fincorp Investment Holding Company	Non-Saudi Closed Joint-Stock Company	General Saudi Post Corporation	Government Institution
		1. Ariz for Commercial Investment Company Ltd (Century 21) 2. Savola World Foundation (Savola's Representative) 3. Gulf Basqat Investment Company 4. Tanal Real Estate Development Company (Arriyadh Development Company's Representative)	Limited Liability Company		
		Century 21 & Co. for Real Estate Valuation	Professional Company		
		Fahad Abdullah Al-Kassim Office for Review and Auditing	Professional Office		
3	Dr. Saleh Bin Ali Al-Hathloul	Saleh Al-Hathloul Development Company Ltd.	Limited Liability Company	Rua Al Madinah Company	Closed Joint-Stock Company
4	Mr. Jihad Bin Abdul Rahman Al-Qadi	1.Arriyadh Development Company	Listed Joint-Stock Company	1. Hotel Management Company 2. Saudi Egyptian Investment and Finance Company (SEIG)	Closed Joint-Stock Company
		2.Tanal Real Estate Development Company	Limited Liability Company	1. ASMA Capital Company 2. Islamic Development Bank Infrastructure Fund	Financial companies - licensed by the Central Bank of Bahrain
5	Mr. Talal Bin Abdul Muhsen Al-Malafekh	N/A		National Company for Tourism - Syahya	Non-Listed Joint-Stock Company

S.N	Name	Current Companies	Legal Entity	Former Companies	Legal Entity
6	Mr. Fahad bin Abdullah Al-Issa	Arabian Cement Company	Listed Joint-Stock Company	National Medical Care Company (Care)	Listed Joint-Stock Company
		1. Assila Investments Company 2. Al Borg Medical Laboratories Company	Non-Listed Joint-Stock Company	Sukoon International Company	Non-Listed Joint-Stock Company
		Qatrana Cement Company	Non-Saudi Closed Joint-Stock Company		
		1. Amyas Holding Company 2. Biofood Company	Limited Liability Company		
		Falcon Fest Company Ltd.	Non-Saudi Limited Liability Company		
7	Mr. Fares bin Ibrahim Al Rashid Al Humaid	1. Elm Company 2. Bin Dawood Holding Company 3. Naseej for Communications and Information Technology 4. Saudi Home Loans Company	Listed Joint-Stock Company	1. Dallah Healthcare Company 2. Hajj Ghazi Ibrahim Shaker Company (Shaker) 3. Qassim Cement Company	Listed Joint-Stock Company
		1. Derayah Financial Company 2. Czech Center for Physical Therapy and Rehabilitation 3. Ibrahim Al-Rashed Al-Humaid Sons Company 4. Tanami Arabia Company	Non-Listed Joint-Stock Company	1. Al-Saghyir Trading-Contracting Co. Ltd 2. Abdullah Abdulaziz AlRajhi & Sons Holding Company	Non-Listed Joint-Stock Company
		1. Digital Mobility Solutions Investment Company 2. Hala Bostani Company 3. Ratio Speciality Company	Limited Liability Company	1. Al-Mehbaj Al-Shamiya Company 2. Saudi Lendo Company 3. Hala Company	Limited Liability Company
		1. Derayah Ventures Fund 2. Derayah Private Equity Fund 3. Derayah Healthcare Fund	Private Fund	Binary Works Company	Non-Saudi Closed Joint-Stock Company
				1. Riyadh REIT Fund 2. Rawaj Educational Fund	Private Fund
8	Mr. Abdullah Bin Tariq Al-Qasabi	1. RZM Investment Company 2. Osool Manafea Company 3. Technical Company for Technology Localization 4. Arabian Education and Training Group Holding Company 5. Al Qasabi Contracting Company	Non-Listed Joint-Stock Company	Ataa Educational Company	Listed Joint-Stock Company
		1. Innova Medical Company 2. GUtech Overseas Company 3. Reyada Business Services & Consulting Company	Limited Liability Company	Al Mashfa Medical Company	Non-Listed Joint-Stock Company
				1. Knowledge Developers Company 2. Babcom Company	Limited Liability Company
9	Mr. Mishari Bin Naji Al Ibrahim	1.Ashmore GCC Education Fund 2. Saudi Entertainment Ventures 3. Saudi Tourism Investment Company 4. Aseer Investment Company 5. Electronic Games Infrastructure Company 6. Saudi Crafts Company	Non-Listed Joint-Stock Company		

Note: All the companies mentioned in the table above are Saudi companies, except otherwise mentioned in front of them.

4.2.3 Board Members’ Names, Current and Former Positions, Qualifications and Expertise:

S.N	Name	Current Companies	Current Companies
1	Mr. Badr bin Abdullah Al- Issa	CEO of the Assila Investment Company	CEO of the Amyas Holding Company, and CFO of the Assila Investment Company
2	Mr. Fahad Bin Abdullah Al-Kassim	Businessman – Managing Partner of Fahad Abdullah Al-Kassim Office for Review and Auditing Executive Board Member Al Rajhi Union Investment Holding Company	CEO of the Amwal Financial Consultants Company
3	Dr. Saleh Bin Ali Al-Hathloul	Businessman - Board Chairman of the Saleh Al-Hathloul Development Company Ltd.	Undersecretary of the Ministry of Municipal and Rural Affairs.
4	Mr. Jihad Bin Abdul Rahman Al-Qadi	CEO of the Arriyadh Development Company	Senior Department Manager – General Administration of Local Real Estate Investments in the Public Investment Fund
5	Mr. Talal Bin Abdul Muhsen Al-Malafekh	Financial and Administrative Consultant at the National Center for Vegetation Development and Combating Desertification	Director General of Administrative Services at the Public Pension Agency
6	Mr. Fahad bin Abdullah Al-Issa	CEO of the Amyas Holding Company	Chief Investment Officer of Amyas Holding
7	Mr. Fares bin Ibrahim Al Rashid Al Humaid	Head of Private Equity and Venture Capital – Derayah Financial Company	General Manager of NAL Investment Company General Manager of Riyadh Steel Company General Manager of Al-Dawalej Technology Company
8	Mr. Abdullah Bin Tariq Al-Qasabi	Managing Director of RZM Investment Company	CEO of the Technical Company for Technology Localization
9	Mr. Mishari Bin Naji Al Ibrahim	Director in the MENA Investment Management Department at the Investment Fund	Executive Director at Misk Charity Foundation

Qualifications	Expertise
He holds a Master's degree in Business Administration from the Rice University in the United States and he is a Certified Financial Analyst (CFA).	He has practical experience in the analysis, financial investment and business leadership fields since 2001 (J.P Morgan - UK, SABIC America, Savage Design Group, HSBC Saudi Arabia Limited, Amyas Holding, and Assila Investment Company).
He holds a Bachelor's Degree in Management Sciences specializing in Accounting, and completed the Advanced Management and Leadership Program at Oxford University.	He has more than 29 years of practical experience in the financial and management consultancy, auditing, real estate activities, wholesale, and health fields
He holds a Ph.D. in Architecture and Environmental Studies from the Massachusetts Institute of Technology in the United States; additionally, he holds a master's degree in urban design architecture from Harvard University and a bachelor's degree in Architecture from King Saud University.	He held several positions, most notably Professor and Head of the Architecture Department at the King Saud University, and the Undersecretary of the Ministry of Municipal and Rural Affairs.
He holds a Master's Degree in Business Administration from the Hult International Business School and a Bachelor's Degree in Economics from the King Saud University, and has received a number of executive programs from several prestigious universities.	He has practical experience in the banking and investment sector since 2003, which includes working in the Investment Management at the NCB Capital Company, along with working in the Wealth Management at the Jadwa Investment Company, and in the Treasury Management at the NCB Capital Company, and at the Saudi Economics and Development Securities Company, as well as serving as the Senior Department Manager – General Administration of Local Real Estate Investments in the Public Investment Fund, up until reaching his current position as CEO of the Arriyadh Development Company.
He received a Master's Degree in Financial Management from the Curtin University in Australia, and also received a number of leadership and executive programs from prestigious universities.	He has more than 28 years of practical experience in the private and government sectors, and in the financial and administrative work through developing the financial and economic policies; along with developing financial plans and strategies, participating in many committees specialized in financial policies and strategic planning, and attending many financial and administrative development programs and workshops.
He holds a Master's Degree in Business Administration from Ohio State University in the United States.	He has practical experience in the analysis, financial investment and business leadership fields since 2006 (J.P Morgan - UK, Jadwa Investment Company, and Amyas Holding).
He holds a Bachelor's Degree in Computer Science from King Saud University and has obtained a number of leadership and executive programs from prestigious universities.	Founder and Chairman of the Board of Trustees, OQAL Group, Co-Founder of Saudi Lendo Company, General Manager of NAL Investment Company, General Manager of Riyadh Steel Company, General Manager of AL-Dawalej Technology Company
He holds a Master's Degree in Administration from McGill University, Canada.	He has administrative and financial experience in the corporate and investment sector, and serves as a member in the boards of directors of multiple joint stock companies.
He holds a Master's Degree in Business Administration from Georgetown University in the United States.	He has administrative and financial experience in the corporate and investment sector, and serves as General Manager of Emkan Education Company and member of the boards of directors of multiple joint stock companies.

4.2.4 The Committee Members’ Names, Current and Former Positions, Qualifications and Expertise (outside the Board and the Executive Management)

S.N	Name	Current Position	Former Position
1	Mr. Ibrahim Bin Salem Al-Ruwais (from outside the Board)	Currently retired, member of several boards of directors and joint-stock committees	Financial Advisor, and Internal Auditor of the Public Pension Agency
2	Mr. Abdulrahman bin Abdullah Dehaim (from outside the Board)	Member of several boards of directors in joint stock companies	Executive Deputy Chairman in the Dur Hospitality Company
3	Dr. Fawzi Bin Abdulrahman Bubshait (Outside the Board	Senior Advisor at the Ma’aden Company	Acting Vice President of Human Resources at the Ma’aden Company

Qualifications	Qualifications
He holds a bachelor’s degree in accounting from the Faculty of Administrative Science at the King Saud University in1982, and he received many study courses and seminars in his work field within and outside the Kingdom.	Mr. Ibrahim moved between a number of important jobs and positions during his career; he started in the General Accounting Department at the Ministry of Finance in 1402 AH, and he gradated in many jobs and positions until he began working at the Public Pension Agency from 1424 AH until his retirement on 201439/02/ AH.
He holds a bachelor’s degree in accounting from the Faculty of Administrative Science at the King Saud University in 1982, and he completed many study courses and seminars in the accounting, management and leadership fields from within and outside the Kingdom.	Mr. Abdulrahman moved between a number of important jobs and positions during his career; he joined the General Organization of Social Insurance, the Saudi House of Advisory Services, and the Dur Hospitality Company, for which he worked from 1986 to 2014.
He holds aPh.D. in Business Administration from the University of Portsmouth in the UK, along with holding three Master’sdegrees, the first one is in the Human Resources Management from Mays Business School in Texas, while the second one is in Education from the University of Minnesota, and the last one is in Computer Engineering from King Fahd University of Petroleum and Minerals (KFUPM), from which he obtained a Bachelor’s Degree in Computer Engineering.	He has more than 31 years of practical experience in the human resources management and development field; as he worked in the human resources sector in the leading oil and industrial companies, such as Saudi Aramco and Chevron, before joining the Ma’aden Company in January 2012 as the Director of the Talent Management, the Organization’s Design and the Change Management. In 2013, he was promoted to Acting Vice President of the Human Resources, and then he became the Vice President of Human Resources in 2016. He is a member of the Board of Directors of the Saudi Technical Institute for Mining, and currently serves as a Senior Advisor at the Ma’aden Company.

4.2.5 The Actions Taken by the Board of Directors to Inform its Members, Particularly Non-Executives, of the Shareholders’ Suggestions and Observations about the Company and its Performance:

The Board of Directors authorized the Company to take the necessary measures to enable shareholders to communicate their suggestions and observations through the communication channels available at the “Investor Relations Management” which are as follows:

- Email

IR@Dur.sa
- Fax:

011/4801666
- Mobile:

0504277630
- Tel:

0114816666/, Extension No. (500)

4.2.6 Board Meetings' Attendance Record for 2022

The following statement indicates the record of the Board members' attendance of its meetings in 2022:

Name	Number of Meetings: 8 Meetings								Total
	First Meeting 2022/01/02	Second Meeting 2022/02/23	Third Meeting 2022/03/22	Fourth Meeting 2022/05/17	Fifth Meeting 2022/06/23	Sixth Meeting 2022/09/04	Seventh Meeting 2022/12/13	Eighth Meeting 2022/12/15	
Mr. Badr bin Abdullah Al- Issa	✓	✓	✓	✓	✓	✓	✓	✓	8
Mr. Fahad Bin Abdullah Al-Kassim	✓	✓	✓	✓	✓	✓	✓	✓	8
Dr. Saleh Bin Ali Al-Hathloul	✓	✓	✓	✓	✓	✓	✓	✓	8
Mr. Jihad Bin Abdul Rahman Al-Qadi	✓	✓	✓	✓	✓	✓	✓	✓	8
Mr. Talal Bin Abdul Muhsen Al-Malafekh	✓	✓	✓	✓	✓	✓	✓	✓	8
Mr. Fahad bin Abdullah Al-Issa	✓	✓	✓	✓	✓	✓	✓	✓	8
Mr. Fares bin Ibrahim Al Rashid Al Humaid	✓	✓	✓	✓	✓	✓	✓	✓	8
Mr. Abdullah Bin Tariq Al-Qasabi	✓	✓	✓	-	✓	✓	✓	✓	7
Mr. Mishari Bin Naji Al Ibrahim	✓	✓	✓	✓	✓	✓	✓	✓	8

4.2.7 A Statement of the Dates of the Shareholders General Assemblies held During the Fiscal Year 2022 and the Names of the Board Members Present for these Meetings:

Name	Number of Assemblies: 2 Meetings	
	The 53rd Ordinary General Assembly Meeting on 2022/05/17	14th Extraordinary General Assembly Meeting on 2022/06/30
Mr. Badr bin Abdullah Al- Issa	✓	✓
Mr. Fahad Bin Abdullah Al-Kassim	✓	✓
Dr. Saleh Bin Ali Al-Hathloul	✓	✓
Mr. Jihad Bin Abdul Rahman Al-Qadi	✓	✓
Mr. Talal Bin Abdul Muhsen Al-Malafekh	✓	✓
Mr. Fahad bin Abdullah Al-Issa	✓	✓
Mr. Fares bin Ibrahim Al Rashid Al Humaid	✓	✓
Mr. Abdullah Bin Tariq Al-Qasabi	✓	✓
Mr. Mishari Bin Naji Al Ibrahim	✓	-

Name	Fixed	Variable		Overall Total
	Remunerations		Remunerations	
	Remuneration of a Certain Amount	Board Meeting Attendance Allowance	Periodic Remunerations	
First: Independent Members				
Mr. Talal Bin Abdul Muhsen Al-Malafekh	200,000	24,000	-	224,000
Mr. Jihad Bin Abdul Rahman Al-Qadi	200,000	24,000	-	224,000
Mr. Fares bin Ibrahim Al Rashid Al Humaid	-	24,000	-	24,000
Mr. Abdullah Bin Tariq Al-Qasabi	-	21,000		21,000
Total	400,000	93,000	-	493,000
Second: Non-Executive Members				
Mr. Badr bin Abdullah Al- Issa	200,000	24,000	-	224,000
Mr. Fahad Bin Abdullah Al-Kassim	200,000	24,000	-	224,000
Dr. Saleh Bin Ali Al-Hathloul	200,000	24,000	-	224,000
Mr. Fahad bin Abdullah Al-Issa	-	24,000	-	24,000
Mr. Mishari Bin Naji Al Ibrahim	-	24,000	-	24,000
Total	600,000	120,000	-	720,000
Total	1,000,000	213,000	-	1,213,000

• Board Members whose membership in the Board expired on 2022/12/31

Name	Fixed Remunerations	Variable Remunerations		Overall Total
	Remuneration of a Certain Amount	Board Meeting Attendance Allowance	Periodic Remunerations	
First: Non-Executive Members				
Eng. Abdullah Bin Mohammed Al- Issa	200,000	-	200,000	400,000
Total	200,000	-	200,000	400,000
Second: Independent Members				
Mr. Musaab bin Suleiman Al-Muhaidib	200,000	75,000	-	275,000
Mr. Ibrahim bin Ali Al-Abboud	200,000	75,000	-	275,000
Total	400,000	150,000	-	550,000
Total	600,000	150,000	200,000	950,000

Note that the remunerations mentioned in the table above represent the remuneration of the Board members for 2021, which were disbursed in 2022 after the approval of the Shareholders' General Assembly. As for the meetings attendance allowances, they are in the form of allowances for attending the Board members' meetings for 2022.

4.2.8 Remunerations and Compensations allocated to the Board Members

In 2022, the Board members received the following remunerations and allowances:

Current Board Members for the Session that began on 2022/1/1

	Fixed Remunerations		Variable Remunerations	
Name	Remuneration of a Certain Amount	Board Meeting Attendance Allowance	Periodic Remunerations	Overall Total
First: Independent Members				
Mr. Talal Bin Abdul Muhsen Al-Malafekh	200,000	24,000	-	224,000
Mr. Jihad Bin Abdul Rahman Al-Qadi	200,000	24,000	-	224,000
Mr. Fares bin Ibrahim Al Rashid Al Humaid	-	24,000	-	24,000
Mr. Abdullah Bin Tariq Al-Qasabi	-	21,000		21,000
Total	400,000	93,000	-	493,000
Second: Non-Executive Members				
Mr. Badr bin Abdullah Al- Issa	200,000	24,000	-	224,000
Mr. Fahad Bin Abdullah Al-Kassim	200,000	24,000	-	224,000
Dr. Saleh Bin Ali Al-Hathloul	200,000	24,000	-	224,000
Mr. Fahad bin Abdullah Al-Issa	-	24,000	-	24,000
Mr. Mishari Bin Naji Al Ibrahim	-	24,000	-	24,000
Total	600,000	120,000	-	720,000
Total	1,000,000	213,000	-	1,213,000

Board Members whose membership in the Board expired on 312021/12/

	Fixed Remunerations		Variable Remunerations	
	Remuneration of a Certain Amount	Committees Membership Remunerations	Periodic Remunerations	Overall Total
Name				
First: Non-Executive Members				
Eng. Abdullah Bin Mohammed Al- Issa	200,000	-	200,000	400,000
Total	200,000	-	200,000	400,000
Second: Independent Members				
Mr. Musaab bin Suleiman Al-Muhaidib	200,000	75,000	-	275,000
Mr. Ibrahim bin Ali Al-Abboud	200,000	75,000	-	275,000
Total	400,000	150,000	-	550,000
Total	600,000	150,000	200,000	950,000

4.2.9 Merger with the Taiba Company

1. On the 12th of June, 2021, the Board of Directors decided to start preliminary discussions with Taiba Investments Company to consider a merger between the two companies; and on 13th of March, 2022, the Board of Directors decided to end those discussions.

2. On the 18th of December, 2022, the Board of Directors decided to rediscuss the merger, as a non-binding MoU was concluded between Dur Hospitality Company and Taiba Investments Company. This MoU included the non-binding agreement and its equity swap coefficients, provided that the structure of the proposed transaction is through a equity swap offer submitted by Taiba Investments Company (in its capacity as the Offeror) to the shareholders of Dur Hospitality Company (in their capacity as the Offeree) for the purpose of owning all the shares issued by Dur Hospitality Company, This was in for issuing new shares from Taiba Investments Company to the shareholders of Dur Hospitality Company for each share they own in the Company in accordance with the provisions of the Mergers and Acquisitions Regulations issued by the Capital Market Authority's Board and other relevant laws and regulations. This will result in delisting Dur Hospitality Company so that it becomes a wholly-owned company of Taiba Investments Company.

4.2.10 Committee Members Remunerations

	*Fixed Remunerations (Except the Meetings Attendance Allowance)	Meetings Attendance Allowance	Total
Audit Committee Members			
Mr. Talal Bin Abdul Muhsen Al- Malafekh (Committee Chairman)	100,000	21,000	121,000
Mr. Abdullah Bin Tariq Al-Qasabi	-	21,000	21,000
Mr. Ibrahim Bin Salem Al-Ruwais (from outside the Board)	100,000	21,000	121,000
Mr. Abdulrahman bin Abdullah Dehaim (from outside the Board)	100,000	21,000	121,000
Total	300,000	84,000	384,000
Nominations and Remunerations Committee's Members			
Mr. Fares bin Ibrahim Al Rashid Al Humaid (Committee Chairman)	-	9,000	9,000
Mr. Abdullah Bin Tariq Al-Qasabi	-	9,000	9,000
Mr. Talal Bin Abdul Muhsen Al- Malafekh	-	9,000	9,000
Mr. Fawzi Bin Abdulrahman Bubshait (From outside the Board)	75,000	9,000	84,000
Total	75,000	36,000	111,000
Investment Committee Members			
Mr. Fahad Bin Abdullah Al-Kassim (Committee Chairman)	75,000	18,000	93,000
Dr. Saleh Bin Ali Al-Hathloul	75,000	18,000	93,000
Mr. Fahad bin Abdullah Al-Issa	-	18,000	18,000
*Mr. Jihad Bin Abdul Rahman Al-Qadi	96,000	18,000	114,000
Total	246,000	72,000	318,000
Merger Steering Committee			
Mr. Fahad Bin Abdullah Al-Kassim	75,000	21,000	96,000
Mr. Jihad Bin Abdul Rahman Al-Qadi	75,000	21,000	96,000
Mr. Fares bin Ibrahim Al Rashid Al Humaid	-	21,000	21,000
Total	150,000	63,000	213,000
Total	771,000	255,000	1,026,000

Note that the remunerations mentioned in the table above represent the remuneration of the Board members for 2021, which were disbursed in 2022. As for the meetings attendance allowances, they are in the form of allowances for attending the Committee members' meetings for 2022.

*The membership remunerations of Jihad Bin Abdul Rahman Al-Qadi represents his remunerations in the Investment Committee and the Audit Committee for 2021, which were disbursed in 2022 for being a member in the two committees in 2021.

4.2.11 Remuneration Policy for the Board and Emerging Committees Members

The Company's disbursement of the remunerations described above is based on the following:

- 1) In exchange of his membership, the Board member will be entitled to an annual remuneration of no more than SAR 200,000 per member, in accordance with the controls established by the competent authorities.
- 2) The Board and Emerging Committees member will be entitled to an attendance allowance of SAR 3,000 for each meeting he attends; and the Company will bear the travel, accommodation and transportation expenses when any member of the Board of Directors and its emerging committees attend one of the Board or committee meetings held outside the city of his residence.
- 3) The Board of Directors may approve other remunerations, whether periodically or annually, for the members of the Board of Directors and its emerging committees.
- 4) The members of the emerging committees are entitled to an annual remuneration of no more than SAR 100,000 provided that the Committee member is not a Company employee.

Note that these remunerations did not deviate from the approved remuneration policy's controls.

4.3 Board Committees

First: Remunerations and Nominations Committee

The Committee held (3) meetings in 2022 and submitted its reports to the Board of Directors. The Remunerations and Nominations Committee consists of the following:

S.N	Name	Position	First Meeting	Second Meeting	Third Meeting	Total
			2022/03/07	2022/05/30	2022/12/07	
1	Mr. Fares bin Ibrahim Al Rashid Al Humaid (Chairman)	Chairman	✓	✓	✓	3
2	Mr. Talal Bin Abdul Muhsen Al- Malafekh (Member)	Member	✓	✓	✓	3
3	Mr. Abdullah Bin Tariq Al-Qasabi (Member)	Member	✓	✓	✓	3
4	Dr. Fawzi Bin Abdulrahman Bubshait (Member from outside the Board)	member from outside the Council	✓	✓	✓	3

Remunerations and Nominations Committee's Tasks and Specializations

A) Remunerations

- 1) Prepare a remuneration policy for the Board and Committee members and the Senior Executives, and make a recommendation for it to the Board of Directors; in order to be approved by the Ordinary General Assembly.
- 2) Review the Remuneration Policy on a periodic basis to ensure that it is suitable to the changes that may occur to the relevant legislations and regulations, the Company's strategic objectives, the skills and qualifications needed to achieve it; make a recommendation to the Board of Directors regarding the proposed changes to this Policy.
- 3) Make a recommendation to the Board of Directors regarding the remunerations of its Board and Committees members and the Senior Executives in accordance with the Policy approved by the Company's Ordinary General Assembly.
- 4) Prepare an annual report on the remunerations granted to the Board and Committees members and the Senior Executives.
- 5) Identify the types of remunerations granted to the Company's employees and make a recommendation for them.

B) Board of Directors

- 1) Prepare a policy and criteria for the membership of the Board of Directors, and make a recommendation to the Board on them; in order to be approved by the Company's Ordinary General Assembly.
- 2) Recommend the Board of Directors to be nominated for the Board's membership, in accordance with the approved membership policy.
- 3) Conduct an annual review for the needed requirements from suitable skills for the Board's membership.
- 4) Prepare a description of the capabilities and qualifications required for the Board's membership and the assumption of executive management positions.
- 5) Determine the period that the member must allocate for the Board's work.
- 6) Review the Board Membership Policy to ensure that it is suitable for the changes that may occur to the relevant legislations and regulations, the Company's strategic objectives, the skills and qualifications needed to achieve it; and make a recommendation to the Board of Directors regarding the proposed changes to this Policy.
- 7) Study the conflicts of interest cases for those wishing to run for the Board's membership and make a recommendation on them.
- 8) Study the Board's structure and make recommendations regarding the changes that can be made.
- 9) Identify the weaknesses and strengths in the Board of Directors, and propose solutions to address them; in accordance with the Company's interest.
- 10) Establish procedures in the event of the vacancy in the Board or Emerging Committees member position, and make a recommendation on them.
- 11) Recommend the Board of Directors to use the performance standards to assess the work of the Board of Directors, its members and its emerging committees.

C) Board Members

- 1) Determine the time the member must allocate for the Board's work.
- 2) Ensure the independence of the independent members on an annual basis and the absence of an conflict of interests if the member serves as a board member in another company.
- 3) Develop a job description of the executive, non-executive and independent members.
- 4) Recommend the Board of Directors to re-nominate or dismiss a Board member or members of its committees.

D) Induction Program for New Members

Recommend the Board of Directors develop an induction program for the new Board members to cover the Company's activity, the nature of its business and its financial and legal aspects.

E) Senior Executives

- 1) Recommend the Board of Directors to develop suitable policies and standards for the appointment of Senior Executives; along with identifying the required capabilities and skills and auditing them on a periodic basis, so as to ensure that they are suitable for the changes that may occur to the Company's strategic objectives and the skills and qualifications needed to achieve them.
- 2) Develop a job description of the Senior Executives, audit the Company's organizational structure, and make recommendations regarding changes that can be made.
- 3) Develop the job succession procedures in the event of a vacancy in one of the Senior Executives' positions and make a recommendation on them.

Second: Audit Committee

In 2022, the Audit Committee held (7) meetings and the Audit Committee consists of the following:

S.N	Name	Position	First Meeting 2022/01/04	Second Meeting 2022/03/16	Third Meeting 2022/03/20	Fourth Meeting 2022/05/16	Fifth Meeting 2022/08/18	Sixth Meeting 2022/11/02	Seventh Meeting 2022/12/05	Total
1	Mr. Talal Bin Abdul Muhsen Al- Malafekh (Chairman)	Chairman	✓	✓	✓	✓	✓	✓	✓	7
2	Mr. Abdullah Bin Tariq Al-Qasabi (Member)	Member	✓	✓	✓	✓	✓	✓	✓	7
3	Mr. Ibrahim Bin Salem Al-Ruwais (Member from outside the Board)	member from outside the Council	✓	✓	✓	✓	✓	✓	✓	7
4	Mr. Abdulrahman bin Abdullah Dehaim (Member from outside the Board)	member from outside the Council	✓	✓	✓	✓	✓	✓	✓	7

Audit Committee's Tasks and Specializations

The Audit Committee is responsible for monitoring the Company's work and verifying the safety and integrity of its reports, the financial statements and the internal control systems. Specifically, the Committee's tasks include the following:

A) Financial Reports:

- 1) Audit the Company's financial statements and announcements regarding its financial performance, then make a recommendation to the Board of Directors in regard to them.
- 2) Provide a technical opinion on whether the Board report and the Company's financial statements were prepared in accordance with the statutory requirements specifying their preparation and submission method.
- 3) Study the unusual issues contained in the financial statements and make a recommendation on them, if necessary.
- 4) Look into any matters raised by the Company's CFO, his deputy, the Company's Compliance Officer or the Auditor.
- 5) Audit the accounting estimates in the core issues contained in the financial reports.
- 6) Audit the Company's financial and accounting policies, give an opinion thereon, and make a recommendation to the Board of Directors on them.

B) Study of the Internal Control Systems:

1) Audit the internal and financial control systems and the risk management systems, and ensure their effectiveness through periodic reports submitted from the Internal Audit Management or others on the adequacy and effectiveness of internal and financial control systems and the risk management systems. Also, follow up with the implementation of the recommendations and the corrective actions for the observations contained therein.

2) Prepare a report for the Board of Directors that includes its opinion on the adequacy of these systems and its recommendations to address the fundamental issues and any recommendations for the development of these systems in regards to their other work within their specialization.

C) Internal Audit Management:

1) Study and audit the periodic reports provided by the Internal Audit Management, and follow up with the implementation of the corrective actions for the observations therein.

4) Recommend the Board of Directors adopt the organizational structure and job description of the Internal Audit Management to ensure its independence in the Company's organizational structure.

2) Supervise and monitor the Internal Audit Management's work, along with verifying its effectiveness in performing its tasks and responsibilities.

5) Study the annual audit plan with the Internal Audit Management and adopt it.

3) Recommend to the Board of Directors to appoint or dismiss the Internal Audit Management's Director and assess his performance on an annual basis.

D) Auditor:

1) Make recommendations to the Board of Directions in regard to nominating and dismissing Auditors, determining their fees, assessing their performance, and auditing their scope of work and contract terms.

4) Answer the inquiries of the Company's Auditor and provide the necessary support to enable him to perform his tasks.

2) Verify the Auditor's independence and how effectively he works. statutory controls governing it.

5) Study the Auditor's reports and observations on the financial statements and follow up with what has been taken thereon.

3) Audit the plan and work of the Company's Auditor, and verify his compliance with the statutory controls for his work.

E) Compliance Assurance:

1) Audit the regulatory bodies' reports on the Company's compliance with the regulations and instructions, and ensure that the necessary actions are taken.

3) Audit the contracts and dealings proposed to be conducted by the Company with the relevant parties, and submit its views in this matter to the Board of Directors.

2) Verify the Company's compliance with relevant systems, regulations, policies and instructions.

4) Submit and recommend to the Board of Directors the necessary actions to be taken in the matters that the Board deems necessary to take action thereon.

F) Observations Provision Arrangements:

1) Develop the appropriate mechanism through which the Company's employees are able to provide their observations on any violation of the Company's internal regulations, including those related to the preparation of the Company's financial statements, provided that this mechanism ensures that the observation provider's rights will not be violated due to its submission.

2) Develop the appropriate procedures to carry out and follow up with the observations made by the Company's employees, and ensure the independence of these procedures.

Third: Investment Committee

In 2022, the Investment Committee held (6) meetings and submitted its reports to the Board of Directors. The Committee consists of the following:

S.N	Name	Position	First Meeting 2022/03/06	Second Meeting 2022/04/13	Third Meeting 2022/06/13	Fourth Meeting 2022/08/20	Fifth Meeting 2022/10/12	Sixth Meeting 2022/12/06	Total
1	Mr. Fahad Bin Abdullah Al-Kassim	Chairman	✓	✓	✓	✓	✓	✓	6
2	Dr. Saleh Bin Ali Al-Hathloul	Member	✓	✓	✓	✓	✓	✓	6
3	Mr. Jihad Bin Abdul Rahman Al-Qadi	Member	✓	✓	✓	✓	✓	✓	6
4	Mr. Fahad bin Abdullah Al-Issa	Member	✓	✓	✓	✓	✓	✓	6

Fourth: Merger Steering Committee

The Board of Directors decided to form a steering committee emanating from the Board members in order to follow up on the merger with the Taiba Company.

In 2022, the Merger Steering Committee held (7) meetings, and this Committee consists of the following:

S.N	Name	Position	The number of standard admissions in the year 2022	Total
1	Mr. Fahad Bin Abdullah Al-Kassim (Chairman)	Chairman	7	7
2	Mr. Jihad Bin Abdul Rahman Al-Qadi (Member)	Member	7	7
3	Mr. Fares bin Ibrahim Al Rashid Al Humaid (Member)	Member	7	7

* Mr. Fares bin Ibrahim Al Rashid Al Humaid was chosen as a Board member to succeed Mr. Ibrahim bin Ali Al-Abboud, whose membership term in the Board of Directors ended on 2021/12/31.

Merger Steering Committee's Tasks and Specializations

- 1) Ensure the smooth running of the merger process.
- 2) Find the appropriate consultants for the merger process, determine their scope of work, and recommend their appointment.
- 3) Support the consultants appointed for the merger process so as to facilitate their business in a manner that achieves the desired results from the merger process.
- 4) Communicate with the Taiba Company regulate the merger process.
- 5) Negotiate the merger process obtain the best value and terms for the benefit of the Company's shareholders.
- 6) Communicate with the Board of Directors and provide it with periodic reports on the Committee's work progress.
- 7) Make decisions related to the deal.

• Since no agreement has been reached between Dur Company and Taiba Company to complete the merger's negotiations, the Committee's work has been suspended.

Investment Committee's Tasks and Specializations

- 1) Work with the Executive Management to develop the Company's investment strategy and policy, in accordance with the nature of its work, activities and risks, and make a recommendation on them.
- 2) Review the investment strategy and policy on a periodic basis ensure their suitability to the changes that may occur to the external environment in which the Company operates, or the legislations governing its business or its strategic objectives, or others, and make a recommendation to the Board of Directors regarding the changes proposed for this policy.
- 3) Conduct general supervision for the Company's investment activities and develop appropriate procedures to measure and assess the investment performance.
- 4) Study and assess the investment opportunities proposed by the Company's management in regards to the following dealings and make a recommendation on them:
 - a. Mergers or acquisitions of companies, businesses or assets.
 - b. Termination, sale, transfer of ownership or exit from or disposal of an existing investment.
- c. Joint projects under a partnership agreement or joint ventures.
- d. Investment in new or existing projects or expansion projects and the projects' expansions in which the Company has an interest.
- e. Investment opportunities that the Company's capitalize wishes to enter into.
- f. Study the financing possibilities of the above-mentioned dealings.
- 5) Ensure that the proposed investment opportunities comply with the relevant systems, regulations and instructions.
- 6) Identify and prioritize the proposed investment offers.
- 7) Study the periodic reports of the Executive Management on the progress of the approved investment opportunities.

4.4 Executive Management

The Company’s Executive Management, which is delegated by the Board of Directors, manages the Company’s business; it is represented by the CEO and assisted by its deputies, heads of sectors and subsidiary companies. This Management assumes all the executive responsibilities of the Company’s activities including the operational, financial, administrative, technical, informatics, risk management aspects and all the activities related to the Company’s work. Furthermore, the Management assists in the follow-up of some exceptional tasks and implements committees formed by the Company’s Executive Management when needed.

4.4.1 Statement of the Company’s Senior Executives in 2022:

Name	Capacity
Mr. Sultan bin Badr Al-Otaibi	CEO
Mr. Amin Bin Abdullah Al Bukhari	CFO
Mr. Abdulaziz Bin Munir Al-Qadi	Chief Human Resources Officer (CHRO)
Mr. Ahmed bin Mubarak Baharethah	Accounting Management Director and Board Secretary

4.4.2 Statement of Ownership of the Senior Executives, their Spouses and Minor Children in the Company’s Shares during 2022*:

*There are no shares owned by the senior executives’ spouses and their minor children in the Company.

4.4.3 Statement of the Compensations and Remunerations for the Senior Executives during 2022:

Name	Fixed Remunerations			Variable Remunerations	
	Salaries	Allowances	In-kind Benefits	Total	
Total	4,003,500	1,536,825	-	5,540,325	6,488,607

* The CEO and CFO are among those on the list of Senior Executives.

4.4.4 Statement of the Senior Executives’ CVs on 2022/12/31

S.N	Name	Current Position	Former Position
1	Mr. Sultan bin Badr Al-Otaibi	CEO of the Company	Vice-President of Properties and Assets
2	Mr. Amin Bin Abdullah Al Bukhari	CFO	CFO – Yanbu Cement
3	Mr. Abdulaziz Bin Munir Al-Qadi	Chief Human Resources Officer (CHRO)	Vice President of Joint Services at the National Company fo the Unified Procurement of Medicines, Devices and Medical Supplies (NUPCO)
4	Mr. Ahmed bin Mubarak Baharethah	Accounting Management Director and Board Secretary	Head of Accounts Department
4	Mr. Ahmed bin Mubarak Baharethah	Accounting Management Director and Board Secretary	Head of Accounts Department

Periodic Remunerations	Profits	Short-term Incentive Plans	Long-term Incentive Plans	Awarded Shares	Total	End of Service Gratuity	Total Executives' Remuneration for the Board, if any	**Grand Total
948,282	-	-	-	-	-	-	-	6,488,607

Qualifications	Expertise
He holds a master’s degree in hotel hospitality from the Emirates Academy of Hospitality Management, in partnership with the University of Lausanne, Switzerland, and a bachelor’s degree in accounting from King Saud University in Riyadh, and he took three specialized courses in the Cornell University	He has more than (22) years of experience in the finance and business leadership fields in the hotel and real estate sectors.
He holds a Master’s Degree in Accounting from Stetson University in Florida, USA, and a bachelor’s degree in Accounting from the King Fahd University of Petroleum and Minerals (KFUPM) in Dhahran.	He has more than (17) years of experience in the finance field and served as CFO of the Yanbu Cement and CFO of several companies including Savola, SEDCO Holding, King Abdullah Science and Technology City and the National Bank (NCB).
He holds a master’s degree in human resources Management from Central Michigan University (CMU), USA in 2011, and a bachelor’s degree in Marketing from King Fahd University of Petroleum and Minerals (KFUPM), 2007, along with receiving an advanced certificate in Strategic Human Resources Management - Cornell University, USA in 2013.	He has more than (15) years of practical experience in the human resources field; as he served as the Vice President of Joint Services at NUPCO, and has held several previous positions in recruitment for several companies, such as Al-Faisaliah Group (JSC), the Saudi British Bank (SABB) and KPMG International.
He holds a bachelor's degree in accounting from the King Saud University in Riyadh.	He has more than (36) years of practical experience in the accounting and business leadership fields in the hotel sector.
He holds a Bachelor's Degree in Accounting from the King Saud University in Riyadh	He has more than (36) years of practical experience in the accounting and business leadership fields in the hotel sector.

4.5 Subsidiary Companies

The number of subsidiaries and other companies invested in Dur Hospitality Company reached (15) limited liability companies (except for the “Saudi Heritage Hospitality Company”, which is a closed joint-stock company) and established and operated all its activities within the Kingdom of Saudi Arabia. Its purposes are concentrated on hotel and real estate activities as follows:

S.N	Subsidiary Company	Main Activity	Establishment Year	Capital (SAR)	Enterprise owned by the Subsidiary Company	Dur's Contribution Rate (%)	Company's Total Revenue for 2020 (SAR)
1	Makkah Hotels Company	Accommodation	1982	165,600,000	Makarem Aiyad Makkah Hotel	99.44%	63,480,221
2	Annakheel for Tourist Areas Company	Accommodation – Real Estate	1992	59,250,000	Makarem Annakheel Village in Jeddah	98.73%	7,156,889
3	Tabuk Hotels Company	Accommodation	1985	27,300,000	Holiday Inn Tabuk Hotel	97.14%	21,117,678
4	Saudi Hotels Services Company	Accommodation	1976	70,000,000	Riyadh Palace Hotel in Riyadh	70%	24,785,512
5	Shada Hotels Company	Accommodation – Real Estate	2019	40,000,000	A number of enterprises	60%	17,927,037
6	Real Estate Almadinah Tower Company	Accommodation – Real Estate	2020	25,000	Construction of a hotel building in Al Madinah	49%	Activity has not started
7	National Company for Tourism (Syahya)	Accommodation – Real Estate	1989	422,000,000	A number of enterprises in the Asir Region	1.67%	-
8	Saudi Heritage Hospitality Company (Nuzul)	Accommodation	2015	62,500,000	Under Liquidation	25%	
9	Jude Alia Company	Building and Construction	2014	100,000	-	100%	
10	Al Sawaed Al Karima Company	Support Services Provision	2015	100,000	-	95%	
11	Ambassadors Hotel Accommodation Company	Accommodation	2018	100,000	Marriott Hotel and Marriott Hotel Apartments in the Diplomatic Quarter	100%	These subsidiary companies have not registered any revenues yet
12	Medina Hotels Company	Hotel – Real Estate	1983	1,000,000	-	50%	
13	Waha Dara Company Ltd.	Accommodation	2018	100,000	-	100%	
14	Dur Communities Company	Real Estate	2019	100,000	-	100%	
15	Al-Sarh Al-Aneek Company	Operation and Maintenance	2019	100,000	-	100%	

We would like to note that there are no debt instruments issued to any of the above subsidiary companies.

4.6 Disclosures

In compliance with the Company's commitment to disclose all important information related to the performance of its business activities and the statement of its financial results in full transparency, the following is a description of such disclosures:

- The Company's Board of Directors acknowledges the following:

1 The account records were prepared in a proper manner.

2 The internal control system was properly developed and effectively implemented.

3 There is no shred of doubt about the Company's ability to continue its activities.

- There are no differences from the accounting standards issued by the Saudi Organization for Certified Public Accountants.

- The Company did not receive any communication of any interest in the shares with voting rights belonging to persons (except the Company's Board members, the Senior Executives and their relatives) who have informed the Company of these rights under Article (45) of the CMA's Registration and Listing Rules.

- The Company does not have any categories, transferable debt instruments, contractual securities, subscription right memoranda or similar rights issued or granted by the Company during the fiscal year.

- The Company has no transfer or subscription rights under transferable debt instruments, contractual securities, subscription right memoranda or similar rights issued or granted by the Company.

- There is no refund, purchase or cancellation by the Company or its subsidiaries of any refundable debt instruments.

- There are no arrangements or agreements under which a member of the Company's Board of Directors or a Senior Executive waives any salary or compensation.

- There are no arrangements or agreements under which one of the Company's shareholders waives any rights to the profits.

- There are no specific investments or set-aside reserves established for the benefit of the Company's employees, except the incentive remunerations provisions and the end-of-service gratuity provided by the Saudi Labor System. The end-of-service gratuity for the employees of Dur Hospitality Company amounted to SAR (60,679,823) as of the 31st of December 2022.

- The Board of Directors did not recommend the replacement of the Chartered Accountant before the end of the period for which he was assigned.

- There are no penalties, sanctions or precautionary restrictions imposed on the Company by the regulatory, statutory, supervisory or judicial authorities during the fiscal year 2022.

4.7 Annual Audit Results for the Effectiveness of the Company's Internal Control Procedures

The Company is constantly working on the development of an internal control system and its effective implementations. The Company has an Internal Audit Management that ensures the application of the appropriate control systems, determines the general perception of the risks facing the Company and deals with them with transparency, audits the Company's various operations according to the approved audit plan, views all the documents and dealings, and submits its reports periodically to the Audit Committee and the Board of Directors.

The Internal Audit Management submitted reports throughout the year on the results of its work and its recommendations, as it became clear that there were no substantive observations requiring any corrective action, and the observations contained therein were being followed up and avoided.

4.8 Dealings with the Relevant Parties

There are no new contracts which the Company is a party therein and has an interest for some Board members, the CEO, the CFO or anyone associated with them, with the exception of the following:

A) The 10-year management and operation contracts that are automatically renewed for the Al-Andalus Residence Compound, Makarem Umm Al-Qura Hotel, Makarem Al-Bait Hotel, Al-Rawdah Residence Compound, Al Jazira Badr Compound and Al-Yasmin Residential Compound owned by Assila Investment Company, which is managed by Chairman Mr. Badr Bin Abdullah Al-Issa and Board Member Mr. Badr Bin Abdullah Al-Issa.

for a specified percentage of the total revenue and a specified percentage of the total operating profit for each enterprise.

The Company received a total fee of SAR (2,320,213) during 2022 compared to SAR (990,947) in the previous year 2021 for the management and operation of these enterprises.

It is worth mentioning that these contracts are management and operating contracts under which the Company operates these enterprises in exchange

The following statement illustrates the breakdown of these fees:

Statement (SAR)	Contract Year	2022	2021
Dur Al-Andalus Compound	1995	178,475	161,654
Makarem Umm Al-Qura Hotel	2008	1,072,789	105,339
Dur Al-Rawdah Compound	2010	207,137	172,142
Makarem Al-Bait Hotel	2008	74,495	1,631
Dur Bader Compound	1998	128,547	146,588
Dur Al-Yasmin Compound	2014	658,770	403,593
Total		2,320,213	990,947

B) Since the “Assila Investment Company” and the “Abdullah Bin Mohammed Al-Issa & Sons” Company are among the shareholders of Dur Hospitality Company, it should be noted that Badr Bin Abdullah Al-Issa (Board Chairman) and Mr. Fahad Bin Abdullah Al-Issa (Board Member) have an indirect interest in the Assila Investment Company; they also have an indirect interest in the “Abdullah Bin Mohammed Al-Issa & Sons Company”. The statement below explains the change in ownership of the shares of these companies during 2022:

Name	Number of Shares at the Beginning of the Year	Number of Shares at the End of the Year	Change	Ownership Rate at the End of the Year
Assila Investment Company	27,143,784	27,143,784	-	27.1%
Abdullah Bin Mohammed Al-Issa & Sons	28,982	28,982	-	0.03%

C)The following is a statement for the amounts of all dealings with the relevant parties and the resulting balance during the two fiscal years ending on the 31st of December 2021 and 2022:

First: Amount entitled from the Relevant Parties

	Nature of the Dealings	Dealing Amounts		Balance	
		2022	2021	2022	2021
Dur Al-Yasmin Compound		568,515	403,593	2,564,592	1,814,605
Makarem Al-Bait Hotel		74,495	1,432	209,577	133,937
Makarem Umm Al-Qura Hotel	Technical and Administrative Fees	1,072,789	94,721	621,910	555,508
Al Jazira Badr Compound		147,829	168,576	812,300	110,668
Others		621,066	167,849	233,720	23,713
Total				4,442,099	2,638,431

Second: Amount entitled to the Relevant Parties

	Nature of the Dealings	Dealing Amounts		Balance	
		2022	2021	2022p	2021p
Al-Jazira and Al-Daoudia Compounds		-	-	18,460,369	18,460,369
Al-Madina Hotels Company Ltd.		-	-	14,651,496	14,651,496
Dur Al-Rawdah Compound	Technical and Administrative Fees	207,137	172,143	1,776,140	2,085,678
Dur Al-Andalus Compound		178,475	161,654	298,627	434,024
Others		178,337	124,907	335,543	1,527,180
Total				35,522,175	37,158,747

D) During the year 2022, the Board of Directors authorized some transactions with other companies in which some of its members have an indirect interest in their capacity as members of the Board of Directors in those companies, according to the authorization granted to the Board of Directors by the General Assembly and in accordance with the conditions contained in the authorization and the following translations:

	Company	Amount / SAR	Dealing Details	Dur's Board Member
1	Almarai Company	822,370	Supply products to Dur Company through direct purchase.	Mr. Badr bin Abdullah Al-Issa
2	Jarir Marketing Company	26,209	Supply products to Dur Company through direct purchase.	Mr. Fahad Bin Abdullah Al-Kassim
3	Elm Company	70,000	Subscribe to that Company's programs to manage interactive services for employees and vehicles.	Mr. Fares bin Ibrahim Al Rashid Al Humaid

4.9 Senior Executives

Dur Hospitality did not receive any notice of ownership during 2022, in accordance with Article (45) of the Registration and Listing Rules. In any case, the following shareholders owned at least 5% of the Company’s capital by the end of 2022:

Shareholder	Share owned at the Beginning of the Year	Share owned at the End of Year	Ownership Rate at the End of the Year
Assila Investment Company	27,143,784	27,143,784	27.1%
Public Investment Fund	16,628,458	16,628,458	16.6%
Sheikh Mohammed bin Ibrahim Al-Issa	12,001,449	12,001,449	12%

For inquiries, please contact
the investor relations department
T: +966 11 481 6666 Ext. 500
E: IR@dur.sa

Dur Hospitality Company
A public shareholding company
Paid-up capital Billion riyals
Commercial Register: 1010010726

4.10 Statement of the Number of the Company’s Requests for the Shareholders’ Register, and the Dates and Reasons for such Requests:

Number of the Company’s Requests for the Shareholders’ Register	Request Date	Request Reasons
1	2022/02/06	Companies’ Procedures
2	2022/03/10	Companies’ Procedures
3	2022/03/17	Companies’ Procedures
4	2022/04/20	Companies’ Procedures
5	2022/05/17	General Assembly
6	2022/06/22	Companies’ Procedures
7	2022/06/30	General Assembly
8	2022/08/29	Companies’ Procedures
9	2022/10/10	Companies’ Procedures
10	2022/12/31	Companies’ Procedures

Dur Hospitality Co.
Diplomatic Quarter
P. O. Box 5500
Riyadh 11422, Saudi Arabia
T: +966 11 481 6666
F: +966 11 480 1666
www.dur.sa

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