NATIONAL GYPSUM COMPANY
(A SAUDI JOINT STOCK COMPANY)
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2025

NATIONAL GYPSUM COMPANY
(A SAUDI JOINT STOCK COMPANY)
FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To The Shareholders
National Gypsum Company
(A Saudi Joint Stock Company)
Riyadh - Saudi Arabia

Report on The Audit of The Financial Statements

Opinion:

We have audited the accompanying financial statements of **National Gypsum Company - A Saudi Joint Stock Company ("the Company")**, which comprise the statement of financial position as of December 31, 2025, the statement of profit or loss and other comprehensive income, statement of changes in shareholders 'equity and statement of cash flows for the year then ended and notes to the financial statements, comprising material accounting policy and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025, and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

Basis for Opinion:

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

Material Uncertainty Related to Going Concern

We draw attention to Note (2-4) to the financial statements, which indicates that the Company incurred a total comprehensive loss of SAR 35,486,402 for the year ended 31 December 2025 (2024: SAR 15,120,546), and that, as at that date, the Company's current liabilities exceeded its current assets by SAR 10,790,879
These events or conditions, along with other matters as set forth in Note (2-4), indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion not modified according to this matter.

Key audit matters:

Key audit matters are those matters that, according to our professional judgment, were of most significance in our audit of the financial statements for current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters	Procedures taken towards the key audit matters
Revenue recognition: During the year ended on December 31, 2025, the company's revenues amounted to SAR **60,582,749 (2024: SAR 63,322,248).** Revenue is a key indicator of a company's performance and profitability. Revenue recognition is considered a major audit issue due to the risk of management exceeding internal controls and the inherent risk of revenue overrecognition to inflate profitability. The company focuses on revenue as a primary performance indicator. Please refer to Note (3-18) to the accompanying financial statements regarding the accounting policy for revenue recognition and Note (20) regarding related disclosures.	**We performed the following procedures regarding revenue recognition:** - We gained an understanding of the revenue recognition process, taking into account relevant accounting standards, and assessed the adequacy of the accounting policies applied in accordance with the requirements of International Financial Reporting Standard (IFRS) 15, "Revenue from Contracts with Customers." - We conducted an analytical review of revenues by comparing current and prior year revenues and obtaining management's justification for material fluctuations, based on our understanding of the company's operation conditions. - We examined revenue transactions on a sample basis and performed cut-off tests to verify whether revenues were recognized in the correct accounting period. - We assessed the adequacy of the revenue-related disclosures included by management in the company's financial statements.

Key audit matters	Procedures taken towards the key audit matters
Impairment in property, plant and equipment (Property, plant and equipment- net (5.1) ,(5.2) During the year ended on December 31, 2025, the Company's property, plant and equipment amounted to SAR 256,876,010 (2024: amounted to SAR 245,372,234). Property, plant, and equipment is subject to impairment testing when there are internal or external indications of impairment. This is done by comparing the recoverable amount of the cash-generating unit with its carrying amount to ensure that the carrying amount of the assets does not exceed their recoverable amount. The recoverable amount of property, plant, and equipment is determined by a certified valuator based on fair value. The valuation of property, plant, and equipment was considered a key audit item because it involved significant management judgment. Please refer to Notes 3-4 and 3-6 to the accompanying financial statements for the accounting policy relating to property, plant, and equipment and the impairment of non-financial assets, respectively, and Note 5-1, 5-2 for related disclosures.	**We performed the following procedures to assess impairment of property, plant and equipment as follows:** - Obtain a study by a certified appraiser to assess the depreciation of property, plant, and equipment prepared at fair value. - Discuss with management and the certified appraiser the assumptions used in estimating the present value. - Examine the methodology used in the recoverable amount model and identify the key assumptions used in fair value models, ensuring their logic. - Evaluate the adequacy of the disclosures included by management in the company's financial statements.

INDEPENDENT AUDITOR'S REPORT "CONTINUED"

Key audit matters (continued):

Other information

Other information consists of information included in the Company's annual report for the year 2025, other than the financial statements and the auditors' report thereon. Management is responsible for the other information included in the annual report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated in any way with the financial statements or information obtained in our audit or otherwise appears to contain material misstatements. If we conclude that there is a material misstatement in other information based on the audit we have performed, we are required to report that fact. and we have nothing to report in this regard.

Responsibilities of Management for the Financial Statements:

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

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has realistic appropriate alternative but to do so.

Those Charged with Governance which are "the Board of Directors", are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements:

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances، but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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Auditors' Responsibilities for the Audit of the Financial Statements (Continued):

- Conclude on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.

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

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

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

Professional Consultants Company

Abdullah S. Al Msned
License No. (456)

Riyadh:
Shawwal 20, 1447H
April 08, 2026 G

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NATIONAL GYPSUM COMPANY
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2025
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	Note	December 31, 2025	December 31, 2024
Assets			
Non-current assets			
Property, plant and equipment- net	5	256,876,010	245,372,234
Investments in associates at equity method	6	32,904,642	33,321,921
Investments in equity instruments at fair value through other comprehensive income	7	13,568,839	19,325,741
Investments in equity instruments at fair value through profit or loss	8	23,511,581	26,887,389
Investment Property	26	1	-
Right of use assets	9	5,349,969	5,893,501
Total non-current assets		**332,211,042**	**330,800,786**
Current assets			
Inventories- net	10	14,235,260	17,618,139
Trade receivables – net	11	14,184,570	11,783,731
Prepaid expenses and other debit balances	12	11,180,536	11,506,408
Cash and cash equivalents	13	2,102,287	3,622,917
Total current assets		**41,702,653**	**44,531,195**
Total assets		**373,913,695**	**375,331,981**
Shareholders' Equity and liabilities			
Shareholders' Equity			
Share capital	14	316,666,667	316,666,667
Statutory reserve	15	95,000,001	95,000,001
Evaluation reserve for investments at fair value through other comprehensive income		(2,610,047)	2,158,780
Re-measurement reserve of employee defined benefits		89,199	4,985
Accumulated losses		(97,609,138)	(66,807,349)
Total shareholders' equity		**311,536,682**	**347,023,084**
Non-current liabilities			
Lease obligations – non-current portion	9	4,453,546	4,962,106
Employees' defined benefits obligations	16	5,429,935	4,843,586
Total non-current liabilities		**9,883,481**	**9,805,692**
Current liabilities			
Trade payables	17	11,960,053	8,669,918
Islamic Finance	25	31,784,245	-
Accrued expenses and other credit balances	18	8,100,483	8,315,538
Lease obligations - current portion	9	542,595	592,909
Zakat provision	19	106,156	924,840
Total current liabilities		**52,493,532**	**18,503,205**
Total liabilities		**62,377,013**	**28,308,897**
Total shareholders' equity and liabilities		**373,913,695**	**375,331,981**

Financial Manager **Chief Executive Officer** **Chairman of the Board of Directors**

The accompanying notes form an integral part of these financial statements and should be read with them

NATIONAL GYPSUM COMPANY
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2025
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	Note	2025	2024
Net revenue	20	60,582,749	63,322,248
Cost of revenues	21	(60,022,623)	(56,038,533)
Gross profit		**560,126**	**7,283,715**
Selling and marketing expenses	22	(3,520,677)	(3,625,484)
General and administrative expenses	23	(8,667,301)	(7,502,719)
(Loss) from operation		**(11,627,852)**	**(3,844,488)**
Company's share from results of investment in associate	6	656,767	1,676,334
Unrealized gains on investments at fair value through profit or loss	8	(42,471)	194,599
Dividends from investments in equity instruments at fair value	7, 8	2,243,221	2,834,899
Loan Restructuring Gain	25	108,825	
Financing costs	30	(1,345,249)	(279,703)
Regulatory penalty	28	-	(10,700,000)
Provision for slow moving items	10	(3,546,895)	(2,375,804)
ECL Allowance on Trade Receivables	11	(1,423,936)	-
ECL Allowance on Other Receivables	12	(652,330)	-
Reversal of ECL Allowance	11	1,420,136	
PPE Impairment Loss	5.1	(20,467,623)	
Losses due to impairment of strategic spare parts	5.2	(2,072,814)	
Reversal of CWIP Impairment Loss	5.3	3,457,090	-
Other income, Net	24	3,012,491	1,016,554
Net (loss) \ profit of the year before zakat		**(30,280,640)**	**(11,477,609)**
Zakat differences from previous years		(414,993)	(290,979)
Zakat	19	(106,156)	(924,840)
Net (loss) \ profit for the year		**(30,801,789)**	**(12,693,428)**
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss			
Unrealized (losses) \ gains in equity investments at fair value through other comprehensive income	7	(5,756,902)	(3,130,126)
The Company's share in the comprehensive income of associates	6	988,075	302,500
Gains \ (Losses) of re-measurement of employees' defined benefit obligations	16	84,214	400,508
Total comprehensive (loss) \ income for the year		**(35,486,402)**	**(15,120,546)**
Basic and diluted (losses) \ earnings per share for the year:	27		
Of the net (loss) \ profit		(0.97)	(0.40)
Weighted average number of shares		31,666,667	31,666,667

Financial Manager | Chief Executive Officer | Chairman of the Board of Directors

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NATIONAL GYPSUM COMPANY
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED DECEMBER 31, 2025
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	Share capital	Statutory reserve	Evaluation reserve for investments at fair value through other comprehensive income	Re-measurement reserve of employee defined benefit obligation	(Accumulated losses) / Retained earnings	Total owners' equity
Balance as at January 1, 2024	316,666,667	95,000,001	12,321,824	(395,523)	(61,449,339)	362,143,630
Net profit for the year	-	-	-	-	(12,693,428)	(12,693,428)
Other comprehensive income for the year	-	-	(2,827,626)	400,508	-	(2,427,118)
Total comprehensive income for the year	-	-	(2,827,626)	400,508	(12,693,428)	(15,120,546)
			(7,335,418)		7,335,418	-
Balance as at December 31, 2024	316,666,667	95,000,001	2,158,780	4,985	(66,807,349)	347,023,084
Balance as at January 1, 2025	316,666,667	95,000,001	2,158,780	4,985	(66,807,349)	347,023,084
Net loss for the year	-	-	-	-	(30,801,789)	(30,801,789)
Other comprehensive loss for the year	-	-	(4,768,827)	84,214	-	(4,684,613)
Total comprehensive loss for the year	-	-	(4,768,827)	84,214	(30,801,789)	(35,486,402)
Balance as at December 31, 2025	316,666,667	95,000,001	(2,610,047)	89,199	(97,609,138)	311,536,682

Financial Manager

Chief Executive Officer

Chairman of the Board of Directors

The accompanying notes form an integral part of these financial statements and should be read with them

National Gypsum Company
(A Saudi Joint Stock Company)
Notes to the financial statements for the year ended December 31, 2025
(All amounts in Saudi Riyals unless otherwise stated)

	Note	2025	2024
Cash flows from operating activities:			
Net (loss) / profit for the year before zakat		(30,280,640)	(11,477,609)
Adjustments for Net (loss) / profit:			
Depreciation of property, plant and equipment	5	10,013,309	10,323,311
Depreciation of right of use	9	543,532	543,532
Financing costs		775,851	279,703
Gain on Loan Restructuring		(108,825)	-
Employees' defined benefit obligations	16	789,526	691,486
Provision for expected credit losses	11	1,423,936	-
Expected Credit Losses on Receivables	12	652,330	-
Reversal of ECL Allowance on Trade Receivables	11	(1,420,136)	-
The company's share of results from investment in an associate	6	(656,767)	(1,676,334)
Asset Impairment Allowance	5.1	20,467,623	-
Losses due to impairment of strategic spare parts	5.2	2,072,814	-
Reversal of CWIP Impairment Allowance	5.3	(3,457,090)	-
Provision for slow moving items	10	3,546,895	2,375,804
Unrealized gains on investments at fair value through profit or loss	8	42,471	(194,599)
		4,404,829	**865,294**
Changes in working capital:			
Inventories	10	(164,016)	127,324
Trade receivables	11	(2,404,639)	14,674,229
Prepaid expenses and other debit balances	12	(326,458)	12,865,496
Trade payables	17	3,290,135	7,115,446
Accrued expenses and other credit balances	18	(215,055)	(20,284,359)
Cash flows generated from / (used in) operating activities		**4,584,796**	**15,363,430**
Employees' defined benefit obligations - paid	16	(363,704)	(270,914)
Zakat differences from previous years		(414,993)	(290,979)
Zakat paid	19-2	(924,840)	(3,001,158)
Net cash flows generated from / (used in) operating activities		**2,881,259**	**11,800,379**
Cash flows from investing activities:			
Net payments to purchase property and equipment	5.1	(3,393,848)	(2,065,568)
Strategic spare parts additions	5.2	(310,495)	-
Net payments to purchase capital projects in progress	5.3	(35,184,534)	(42,783,591)
Proceeds from the sale of investments at fair value through other comprehensive income	7	-	10,699,643
Proceeds from the sale of investments at fair value through profit or loss	8	3,333,337	14,858,129
Dividends received from associates	6	2,062,121	2,577,792
Cash flows (used in) investing activities		**(33,493,419)**	**(16,713,595)**
Cash flows from financing activities:			
Proceeds from Islamic Financing	25	31,500,000	-
Paid from the interest of Islamic finance	25	(1,760,582)	-
Lease obligations - paid	9	(647,888)	(647,888)
Cash flows (used in) financing activities		**29,091,530**	**(647,888)**
Net (Decrease) in cash and cash equivalents		(1,520,630)	(5,561,104)
Cash and cash equivalents at the beginning of the year		3,622,917	9,184,021
Cash and cash equivalents at the end of the year		**2,102,287**	**3,622,917**
Non-cash transactions:			
Losses transferred from projects under construction during the year	5.1	(26,221,006)	-
Unrealized (Losses) / gains on investments at fair value through other comprehensive income		(5,756,902)	(3,130,126)
Gains / (Losses) from re-measurement of employee defined benefit obligations	16	84,214	400,508

Financial Manager **Chief Executive Officer** **Chairman of the Board of Directors**

The accompanying notes form an integral part of these financial statements and should be read with them

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

1. Company and activity

National Gypsum Company ("the company") is a Saudi joint stock company registered in the city of Riyadh, Kingdom of Saudi Arabia under the commercial registration No. 1010001487 dated Shawwal 19, 1378H (corresponding to April 27, 1959).

Company activity

The main activity of the company, according to the register, is the manufacture and production of gypsum and its derivatives extracted from concession areas, trading in gypsum and its derivatives, the production of various materials that can be extracted from gypsum mechanically and chemically, and carrying out all the necessary work to achieve its purpose, which helps to achieve this purpose. The company has concession rights for raw stone in three concession areas (quarries) in the city of Riyadh, the city of Dammam and the city of Yanbu.

Company Branches:

The company has several branches registered as follows:

Branch	C.R. Date	C.R. No
Jeddah	26 Muharram 1392H	4030007100
Dammam	6 Rajab 1395H	2050003512
Yanbu	18 Rabi Awwal 1400H	4700000546
The National Factory for Gypsum Walls – Riyadh	10 Rabi al-Akhir 1425H	1010198301
The National Gypsum Company Factory – Dammam	4 Jumada Al-Akhir 1426H	2050048707
National Gypsum Company – Dammam	4 Rabi al Awwal 1428H	2050053971

The company's capital

The company's capital is SR. 316,666,667, divided into 31,666,667 shares, with a nominal value of SR.10 per share.

Company Address:

General and commercial administration
Prince Muhammad Bin Abdulaziz Road - Al Olaya District
PO Box 187 Riyadh, Postal Code 11411
Riyadh, Saudi Arabia

Fiscal year

The company's fiscal year starts from the beginning of January of each calendar year and ends at the end of December of the same year.

Sustainability and environmental, social standards, and governance

As part of the company's commitment to sustainability and responsible business practices, the company continues to integrate environmental, social, and governance principles into its operations while enhancing risk management to ensure business continuity and mitigate potential impacts on operations. Key sustainability efforts include:

- **Environmental Impact:** National Gypsum is implementing initiatives to improve energy efficiency, optimize resource usage, and reduce its carbon footprint. The company has also adopted sustainable manufacturing practices aimed at minimizing waste and enhancing recycling efforts across all its facilities.
- **Social Responsibility:** The company prioritizes workforce development, diversity, inclusion and Saudization, alongside efforts to increase the participation of women and people with disabilities in the workplace. Investments in employee training and workplace safety have resulted in zero lost-time injuries by the end of 2024.
- **Governance and Risk Management:** National Gypsum is committed to applying best governance practices to ensure regulatory compliance, enhance transparency, and promote accountability. The company follows a comprehensive risk management framework aimed at identifying and analyzing operational and strategic risks and implementing the necessary measures to mitigate them, thereby ensuring business continuity and protecting the interests of investors and stakeholders.

2. Basis of preparation

2.1. Statement of compliance

The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). Wherever the term "IFRS" appears in these notes, it refers to the "IFRS as endorsed in the Kingdom of Saudi Arabia, along with other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA)."

The endorsed IFRS comprise the standards issued by the International Accounting Standards Board (IASB), in addition to any requirements and disclosures added by SOCPA to certain of those standards, as set out in the IFRS endorsement document.

"Other standards and pronouncements" refer to those standards and technical releases issued by SOCPA to address matters not covered by IFRS, such as Zakat.

2.2. Basis of measurement

These financial statements have been prepared in accordance with the historical cost principle and using accrual basis and going concern principle except for:

- Investments in equity instruments, which are measured at fair value through other comprehensive income.
- Investments in equity instruments, which are measured at fair value through profits or losses.
- Employees' defined benefit obligations, which are measured at the present value of future obligations in accordance with the projected credit unit method.

2.3. Functional and presentation currency

These financial statements are presented in Saudi Arabian Riyals ("SR") which is the functional and presentation currency of the company. All figures are rounded to nearest Saudi Riyal unless otherwise stated.

2.4. Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its mandatory repayment obligations in respect of trade payables and Islamic financing facilities as disclosed in the relevant notes.

As at 31 December 2025, The Company incurred a total comprehensive loss of SAR 35,486,402 (2024: SAR 15,120,546). As of that date, the Company's current liabilities exceeded its current assets by SAR 10,790,879, and cash and cash equivalents amounted to SAR 2,102,287. In addition, current liabilities include Islamic financing amounting to SAR 31,784,245.

These results are mainly attributable to operational challenges faced by the Company, including increased costs and reduced profit margins due to market competition, in addition to the recognition of significant provisions and impairment losses during the year, which had a material impact on the Company's results.

Management has developed and implemented several operational improvement initiatives for the entities under its control and has taken measures to enhance profitability through improving operational efficiency across production units. These measures include:

1. During the year, the Company made investments in the development and expansion of production lines, with total additions to property, plant and equipment amounting to SAR 125,962,271, comprising direct additions of SAR 3,393,848 and transfers from capital work-in-progress of SAR 122,568,423.
2. Improving human resource management and recruitment processes.
3. Expanding the customer base and strengthening distribution channels, in addition to improving product quality and increasing market competitiveness.
4. Implementing a forward-looking business plan aimed at improving financial and operational performance in future periods. Management has assessed the Company's ability to continue as a going concern based on forecasted future cash flows prepared by management, which indicate the Company's ability to generate positive cash flows in future periods in line with the prepared study. These forecasts are based on key assumptions including revenue growth, improved profit margins, effective working capital management, and the ability to refinance or settle existing obligations.

These investments and initiatives are intended to enhance operational efficiency, increase production capacity, and improve product quality, thereby supporting the Company's ability to generate positive future cash flows and strengthen its ability to continue as a going concern. Management believes that the expected improvement in operating performance in subsequent periods, together with the planned initiatives, will support the Company's ability to generate sufficient cash flows to meet its obligations.

Management acknowledges that a material uncertainty remains regarding the Company's ability to generate sufficient cash flows and meet its obligations as they fall due, including refinancing or repayment of its financing facilities. However, based on the plans and

measures described above, management has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.
If, for any reason, the Company is unable to continue as a going concern, this may have a material impact on the Company's ability to realise its assets at their recognised amounts and to settle its liabilities in the normal course of business at the amounts stated in the financial statements.

2.5 Significant accounting estimates, assumptions and judgments

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies on the reported amounts of assets, liabilities, revenue and expenses.

Although these estimates and judgments are based on management's best information regarding current operations and events, actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. The recognized accounting estimates are reviewed in the period in which the estimates are revised prospectively, In the event that the changed estimates affect the current and future periods.

The following is an explanation of information about the most important estimates and cases of uncertainty when applying accounting policies that have a significant impact on the amounts shown in the financial statements.

Measurement of employees benefits obligations

The Company's obligation in respect of defined benefit plan is calculated by estimating the amount of future benefits that employees have earned in current and prior periods and discounting that amount to arrive at present value. The calculation is performed annually by a qualified actuary using the projected unit credit method. Judgments are used in estimating the actuarial assumptions.

Impairment of inventories

Management estimate the impairment of inventories to reach the net realizable value. Where the goods are measured at the lower of cost and net realizable value. Factors that affect the inventories value include obsolescence, changes in demand for the goods, technological changes, or the presence of damaged inventory or part of it, or if the selling price is less than its cost.

Provision for expected credit losses (ECL)

The Company applies the expected credit loss (ECL) model to determine the impairment losses of trade receivables and other receivables. This requires the Company to take certain factors to ensure that the balances of receivables are not overvalued as a result of the possibility of un-collecting them, such as ageing of receivables and continuous credit evaluation. Provisions are recorded when there is an objective evidence indicates the possibility of un-collection according to IFRS 9.

2. Basis of preparation (Continued)

2.5. Significant accounting estimates, assumptions and judgments (Continued)

Impairment of non-financial assets

At each financial reporting date, the Company reviews the carrying amounts of its non-financial assets (excluding inventory) to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of the asset is estimated.

For impairment testing, assets are grouped into the smallest units that generate cash inflows largely independent of the cash inflows from other assets or cash-generating units.

The recoverable amount of an asset or a cash-generating unit is the higher of its value in use or its fair value less costs to sell. Value in use is based on estimated future cash flows discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit.

An impairment loss is recognized if the carrying amount of the asset or cash-generating unit exceeds its recoverable amount.
An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized.

Useful lives of property and equipment

The management determines the estimated useful lives of property and equipment for calculating depreciation. This estimate is determined after considering expected usage of the assets or physical wear and tear. Management reviews the residual value and useful lives annually, and the change in depreciation expenses (if any) is adjusted in the current and future periods.

Measurement of Lease Liabilities:

The incremental borrowing rate is used to measure lease liabilities. The incremental borrowing rate is the interest rate that the company would have to pay to borrow the necessary funds, over a similar term and with similar security, to obtain an asset of a value similar to the "right-of-use" asset in a similar economic environment.
Therefore, the incremental borrowing rate reflects what the company "would have to pay," which requires estimation when observable rates are not available or when adjustments are needed to reflect the terms and conditions of the lease. The incremental borrowing rate is estimated using observable inputs (such as market interest rates) when available, which requires making certain entity-specific estimates.

Determination of Lease Term for Contracts with Renewal and Termination Options:

The lease term is determined as the non-cancellable period of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain that this option will be exercised, or any periods covered by an option to terminate the lease if it is reasonably certain that this option will not be exercised.
The company applies judgment in assessing whether it is reasonably certain to exercise or not exercise renewal or termination options. In doing so, it considers all relevant factors that create an economic incentive to exercise either the renewal or termination option.
After the lease commencement date, the lease term is reassessed if a significant event or change in circumstances occurs that is within the company's control and affects its ability to exercise (or not exercise) the renewal or termination option.

3. Material accounting policies

The material accounting policies set of below have been applied consistently to all periods presented in these financial statements.

3.1. Foreign currency

Transactions in currencies other than Saudi Riyals are recorded at the rates of exchange prevailing on the dates of the transactions. At reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Gains or losses from exchange rate differences are included in the statement of profits or losses and other comprehensive income.

3. Material accounting policies (Continued)

3.2Employee benefits

Retirement Benefit Costs under GOSI

The company contributes to employees' retirement benefit costs in accordance with the regulations of the General Organization for Social Insurance (GOSI), calculated as a percentage of employees' wages.
Payments to government-administered retirement benefit plans are treated as payments to defined contribution plans, as the company's obligation under these plans is equivalent to its obligation for defined contribution plans.
Contributions to retirement plans are recognized as an expense when they are incurred.

Short-term employee benefits

Liabilities for benefits related to wages, salaries, annual leave, and sick leave are recognized and measured in the period in which the related services are rendered, based on the undiscounted amounts of the benefits expected to be paid in exchange for those services.

Defined Benefit Obligations for Employees

General Description for End of Service Benefits (EOSB)
The company is required, in accordance with the labor law of the Kingdom of Saudi Arabia, to pay end-of-service benefits (defined benefit obligations).
These are calculated based on half of the last monthly salary for each of the first five years of service (including partial years), and one full month's salary for each subsequent year of service (including partial years).
Employees are entitled to the same benefits in the case of resignation. The end-of-service benefit plan is unfunded.

Actuarial Valuation Method and Key Assumptions

In compliance with IAS 19 – Employee Benefits, end-of-service benefit obligations are calculated using an actuarial valuation based on the Projected Unit Credit Method at the end of each financial year.

Actuarial gains and losses arising from remeasurements are recognized in Other Comprehensive Income (OCI) in the period in which they occur and are not recognized in profit or loss.
The current service cost of the defined benefit plan is recognized in the statement of profit or loss under employee benefit expenses, reflecting the increase in the obligation resulting from employee services during the current year, as well as any plan amendments, curtailments, or settlements.
Past service costs are also recognized immediately in profit or loss.
Interest cost is calculated using the discount rate at the beginning of the period.

3.3. Zakat and tax

3.3.1. Zakat

The company is subject to zakat in accordance with the regulations issued by the Zakat, Tax and Customs Authority in the Kingdom of Saudi Arabia. A provision for zakat is made on an accrual basis, and this provision is charged to the statement of profit or loss and other comprehensive income.
The zakat provision is calculated according to the zakat base or the adjusted net profit, whichever is higher, and any differences between the calculated zakat and the final assessment (if any) are recognized within the profit or loss in the year in which the assessment is finalized. Zakat is calculated based on 2.5% of the zakat base or adjusted net income, whichever is higher.

3.3.2. Value added tax (VAT)

Value Added Tax is a tax on the supply of goods and services that is ultimately borne by the final consumer. Therefore, the treatment of VAT in the company's accounts must reflect its role as a tax collector, and VAT should not be included in income or expenses. However, there will be circumstances in which the company bears VAT, and in such cases where VAT is not refundable and must be included in the cost of the product or service.

3.3.3. Withholding tax

The management withholds taxes on non-resident parties according to the Authority's regulations, which are not recognized as expenses because the amounts of the obligations on the counterparty are deducted on its behalf.

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

3. Material accounting policies (Continued)

3.4. Property, Plant and equipment

Recognition and measurement

Items of property and equipment are recognized at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes costs of materials, direct labor and any other costs directly attributable to preparing the asset for its intended use and the costs of dismantling, removing, and reinstalling the asset on site.

When the useful lives of some items of property and equipment are different, they are accounted for as separate components (major components) of property and equipment.

Profits or losses are determined upon disposal of any item of property and equipment by comparing the amount obtained from disposal with the book value of the asset and is recognized at net within other income in the statement of profits or losses.

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits will flow to the company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized.

Depreciation

Depreciation is regular allocation of depreciable amount of property, plant and equipment (the cost of the asset less the residual value) over useful life.

Depreciation expense is recognized in the statement of profit or loss and other comprehensive income on a straight-line method over the estimated useful lives of each item of property, plant and equipment. Leased assets are depreciated on the lower of the lease period or the useful lives.

The estimated useful lives of items of property, plant and equipment are as follow:

Item	Useful Life	Item	Useful Life
Buildings	3% - 5%	Roads	10%
Machinery and equipment - Gypsum sector	Units of production method	Machinery and equipment – Gypsum walls sector	3.3%
Machinery and equipment – Supplementary	3% - 7%	Water extensions	10%
Electricity extensions	7%	Vehicles	10% - 25%
Tools	10% - 25%	Furniture and fixtures	10% - 20%

The Company reviews the methods of depreciation, useful lives and the residual values of property, plant and equipment at the end of each financial year and if there is a difference, it is treated as changes in the accounting estimates (in the year of change and subsequent years). The disclosures for property, plant and equipment include both capital projects in progress and strategic spare parts. Refer to Policies No. (3-5) and (3-6), respectively.

3.5. Project under construction

Assets under construction or development are capitalized within the capital projects in progress account. Assets under construction or development are transferred to the appropriate category within property, plant and equipment or investment properties (according to the nature of these businesses) when the assets are delivered to their location and/or condition necessary for their intended use by the management.

The cost of an item of capital projects in progress represents the construction/development cost and any other costs directly related to the costs of constructing or acquiring an item as intended by management.

Project under construction are measured at cost less any recognized impairment. Project under construction are not subject to depreciation. Depreciation begins only when the assets can be used as intended by management. It is then transferred to the appropriate asset class.

3. Material accounting policies (Continued)

3.5. Project under construction

The carrying amount of Project under construction is reviewed to ensure that there is no impairment in their value, especially when events or changes in circumstances indicate that the carrying amount may not be recoverable.

If such evidence exists and the carrying amount exceeds the recoverable amount, the value of property, plant, and equipment is reduced to the recoverable amount. The recoverable amount is defined as the higher of the asset's fair value less costs to sell or the present value of the estimated future cash flows expected to be derived from the asset.

3.6 – Impairment of Non-Financial Assets

Impairment losses are recognized when the carrying amount of an asset exceeds its fair value less costs of disposal. Such impairment losses, if any, are recognized in the statement of profit or loss. Fair value is determined in accordance with **IFRS 13 – Fair Value Measurement**, and costs of disposal represent the incremental costs directly attributable to the disposal of the asset.

The carrying amount of assets is also assessed based on the present value of future cash flows, discounted while taking into account the risks associated with cash flows in the country in which the entity operates.

At each reporting date, non-financial assets—other than financial assets and those previously impaired—are reviewed for any indication that an impairment loss previously recognized may no longer exist or may have decreased. If such indication exists, the impairment loss is reversed.

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to its revised recoverable amount, provided that it does not exceed the carrying amount that would have been determined had no impairment loss been recognized in prior years. The reversal of an impairment loss is recognized immediately as income in the statement of profit or loss.

3.7. Inventories

Inventory Valuation

Inventory (excluding damaged items) is measured at the lower of cost and net realizable value (NRV). Any write-down to NRV is recognized as an expense in the period in which the decline occurs. Any subsequent reversal of such write-down is recognized in the statement of profit or loss in the period in which the reversal arises.

NRV is determined based on the estimated selling price in the ordinary course of business, less the estimated costs necessary to complete the sale, including marketing, distribution, and selling expenses.

The cost of inventory is determined as follows:

Item	Costing Method
Raw materials	Weighted average
Fuel and others	Weighted average
Finished goods and WIP	Weighted average
Goods in transit	Purchase cost or supplier invoice value plus directly attributable costs necessary to complete the purchase

Inventory cost includes the cost of purchase and directly attributable expenses such as transportation, insurance, customs duties (if any), and any other costs incurred to bring the inventory to its present location and condition.

Spare parts

Spare parts are the interchangeable parts of property, plant and equipment that are necessary to support routine maintenance and overhaul of plant and equipment or its emergency use for repairs.

Strategic spare parts (within property, plant and equipment)

The company maintains strategic and reserve spare parts inventory for its plants. The management aims to maintain for periods more than one year. The management expects to obtain future economic benefits from the use of all property, plant and equipment that includes strategic spare parts. The management reviews spare parts that are in reserve equipment, which should be available as needed and depreciated with the estimated useful life of the associated asset.

3.8. Investments in associates

Associates are those entities in which the company has significant influence, but not control, over the financial and operating policies. The company's investments in its associates are accounted for using the equity method of accounting from the date of such influence. In the event of non-temporary impairment of investments, the cost of investment is reduced and the impairment is recorded in the statement of profit or loss and other comprehensive income for the year.

3. Material accounting policies (Continued)

3.8. Investments in associates (Continued)

When the company's losses exceed the investment values in the investee associate companies, the book value of investment is reduced to nil and no other losses are charged except for the existence of legal or guarantor obligations of the obligations of the investee.

3.8. Investments in equity instruments held at fair value through other comprehensive income

Investments in equity instruments held at fair value through other comprehensive income represent investments in ordinary shares of entities that are not under the control of the Company and over which the Company's management has no significant influence.

The investment is recognized when it is acquired at cost and is subsequently modified to reflect the changes in the fair value of the investment as on the date of the statement of financial position, the difference is recognized in other comprehensive income through the statement of profit or loss and other comprehensive income.
The Company may transfer this amount from other reserves to retained earnings when the related shares are derecognized.
The fair value is determined by reference to the market value if an active market exists. In the absence of an active market, the fair value is determined through other indicators. Otherwise, cost, less impairment losses, is considered fair value. Profits on investments are recognized when the right to obtain dividend payments within the income, unless the dividends clearly represent a recovery of part of the investment cost.

3.9. Related parties

Transactions with related parties comprise transfer of resources, services, obligations or financing between the company and the related party, regardless of whether such transactions are carried out on terms that are similar to those prevailing in an arm length basis or not.

A person related to the company is deemed to be kin of that person's family:

A - One of the senior management personnel in the company
B - Has a joint influence or control over the company
C - Has an important impact on the decisions and trends of the company
D - Senior management personnel are those persons who have the authority and responsibility to plan, direct and control the activities of the company, directly or indirectly, including any manager, whether executive or otherwise.

An entity is considered to be related to the company if:

A - The entity and the company are members of the same group or owned by joint owners
B - The entity is an associate or owned to the company
C - The fact that the entity is controlled by the company, or vice versa, or the entity and the company are subject to joint control.

3.10. Right-of-use assets and leases obligations

(A) Right-of-Use Assets

The lease is recognized as a right-of-use asset with its corresponding obligations on the date on which the leased asset becomes ready for use by the company. Each payment of the lease is allocated between the obligations and the cost of financing. The cost of financing is recognized in the statement of profits or losses over the term of the lease.

Right-of-use assets are depreciated over shorter the useful life of the asset and the term of the lease, on a straight- line basis. Depreciation begins on the lease commencement date.

Right-of-use (ROU) assets include the following:
The initial measurement of the corresponding lease liability
Lease payments made at or before the commencement date
Any initial direct costs
Subsequently, ROU assets are measured at cost less accumulated depreciation and impairment losses. A provision is recognized and measured in accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets when the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located, or return the underlying asset to the condition required by the terms and conditions of the lease. Such costs are included in the cost of the related ROU asset, unless they are incurred to produce inventory.

3. Material accounting policies (Continued)

3.10. Right-of-use assets and leases obligations (Continued))

ROU assets are depreciated over the lease term or the useful life of the underlying asset, whichever is shorter. However, if the lease transfers ownership of the underlying asset or if the cost of the ROU asset reflects that the Company expects to exercise a purchase option, the ROU asset is depreciated over the useful life of the underlying asset. Depreciation commences at the lease commencement date. ROU assets are presented as a separate line item in the statement of financial position.

The Company applies IAS 36 – Impairment of Assets to determine whether a ROU asset is impaired and to account for any impairment loss.

Variable lease payments that depend on an index or rate are included in the measurement of the lease liability and the ROU asset. Other variable payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included under "Other Expenses" in the statement of profit or loss.

ROU assets are depreciated over the lease term or useful life, whichever is shorter, as follows:

Yanbu land right-of-use contract:	10 years
Riyadh quarries right-of-use contract:	26 years
Yanbu quarries right-of-use contract:	20 years
Dammam quarries right-of-use contract:	13 years

B) Lease obligations

On the commencement date of the lease, the company records the lease obligations measured at the present value of lease payments made over the term of the lease. Lease payments include fixed payments (including fixed payments in substance) less any receivable rental incentives, variable rental payments that are index or rate based, and amounts expected to be paid under residual value guarantees. Lease payments include the price of exercising a purchase option when there is reasonable certainty that the company will exercise this right in addition to the lease termination fines payments in the event that the terms of the lease stipulate that the company exercises the option to cancel. Regarding, variable rent payments that are not dependent on an indication or rate, are recorded as an expense in the period in which the payment is made. Lease payments are deducted using the interest rate included in the lease agreement or the company's incremental borrowing rate.

The lease obligation is presented in a separate line item in the statement of financial position.

C) Short-term leases and impaired assets

Short-term leases are contracts with a lease term of 12 months or less. Impaired assets are items that do not meet the company's capitalization limits and are not material to the company's statement of financial position as a whole. Payments for short-term leases and leases with impaired assets are recognized on a straight line basis in the statement of profits or losses.

D) Variable lease payments

Certain leases include variable payments related to the use / performance of the leased asset. These assets are recognized in the statement of profits or losses.

3.11. Financial instruments

The company has applied the classification and measurement requirements for financial instruments.

Recognition of financial assets

The financial asset and liability are recognized when the company becomes a party to the contractual obligations of the instrument, and this is generally done at the trading date. The company derecognizes financial assets when the contractual cash flows of those assets expire or when the company transfers the right to obtain contractual cash flows from the financial asset in a transaction in which all the risks and rewards of ownership of the financial assets are transferred substantially. Any interest resulting from the transferred financial assets that the company creates or maintains are recognized as separate assets or liabilities.

De-recognition

Upon disposal of a financial asset, the difference between the carrying amount and the total of (1) the consideration amount received (including any newly acquired asset after deducting any newly assumed liabilities) (2) any accumulated profits or losses recognized in the statement of other comprehensive income , is recognized within profit or loss. However, with respect to equity shares classified as fair value through other comprehensive income, any accumulated profit / loss recognized in the statement of other comprehensive income is de-recognized in the profit or loss when de-recognized. A financial liability is derecognized from the statement of financial position when the Company has discharged its obligation or the contract has been canceled or expired.

3. Material accounting policies (Continued)

3.12. Financial instruments (Continued)

Classification of financial instruments
Assets that are measured at amortized cost, or

The fair value through profit or loss, or

Fair value through other comprehensive income - investment in equity instruments.

The classification is based on the Company's business model for managing financial instruments and the contractual terms of cash flows for financial assets.

Financial assets are not reclassified subsequent to the initial measurement unless the company changes the business model for managing financial assets in this case, all financial assets that will be affected by that are reclassified on the first day of the first financial period following the change in the business model.

Financial assets are measured at amortized cost if the following two conditions are met, and they are not recognized as financial assets at fair value through profit or loss:

It is maintained through a business model that aims to hold assets to collect contractual cash flows, or
The contractual terms lead to entering into specific dates for cash flows, which represent the principal amount and the interest of the outstanding principal amount.

Upon initial measurement of investments in financial instruments that are not held by the Company for the purpose of trading, the Company can choose to display any subsequent changes in the fair value of these investments in the statement of other comprehensive income. This selection is made on a per-investment basis.

Any other financial assets that are not classified and measured at amortized cost or fair value through other comprehensive income as indicated above are measured at fair value through profit or loss.

Financial assets - subsequent measurement - profit or loss / accounting policy:

Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses (see below). Interest income, foreign exchange gains and losses and impairment in value are recognized in profit or loss. Any gain or loss is recognized in profit or loss.
Financial assets at FVOCI	Subsequent measurement of these assets is carried at fair value. Dividends are recognized as other income in the statement of profit or loss, unless these dividends represent recoverable amounts for part of the investment cost.
	Any other profits or losses are recognized in the statement of other comprehensive income and shall not be reclassified to the statement of profit or loss.
Financial assets at FVTPL	All assets are classified as measured at fair value through the statement of profit or loss, such as shares held for trading, which are not classified on the basis of fair value through other comprehensive income. Subsequent measurement of these assets is carried at fair value. Net profits or losses, including any benefits or dividends are recognized in the statement of profits or loss.

Financial liabilities
Financial liabilities are classified according to the contractual arrangements, which also include creditors, the amounts payable and loans. All financial obligations are initially measured at fair value, after the initial recognition, the direct transaction costs are recorded at amortized cost using the effective commission rate over the life of the instrument and are recognized in the statement of profit or loss and other comprehensive income. Loans are classified under current liabilities unless the Company has an unconditional right to defer payment for a period of at least 12 months after the statement of financial position date.

3. Material accounting policies (Continued)

3.12. Financial instruments (Continued)

Offsetting of financial instruments
Offsetting between financial assets and liabilities and the net amounts determined in the financial statements takes place when there is a legally enforceable right to set off those included amounts, as well as when the company has an intention to settle them on a net basis or sell the assets to pay the liabilities simultaneously.

Impairment
Impairment of financial assets
IFRS 9 states that, the entity is required to follow an Expected Credit Loss ("ECL") model for the impairment of financial assets. For account receivables, the company applies the simplified approach, which requires expected lifetime losses to be recognized from initial recognition of receivables. Expected loss rates were derived from the historical information of the company and are adjusted to reflect the expected future outcome.

3.13. Impairment of non-financial assets

Impairment losses are recognized in the statement of profit or loss. Impairment losses related to cash-generating units are initially allocated to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (or group of units) on a pro rata basis.

At each financial reporting date, an assessment is made to determine whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such an indication exists, the Company estimates the recoverable amount of the asset or the cash-generating unit.
A previously recognized impairment loss is reversed if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment was recognized. The reversal is limited so that the asset's carrying amount does not exceed its recoverable amount, nor does it exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized in prior years. Such a reversal is recognized in the statement of profit or loss.

Any non-financial assets that have been impaired – excluding goodwill, if any – are reviewed at the end of each financial reporting period for the possibility of reversing the impairment loss.

3.14. Provisions

A provision is recognized if the Company has a present (legal or constructive) obligations arising from previous events and it is probable that an outflow of economic benefit will be required to settle the obligations, and can be measured reliably. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to this liability.

3.15. Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at banks, and other short-term, highly liquid investments with maturities of three months or less from the date of the original investment and which are available to the company without restrictions. The statement of cash flows is prepared according to the indirect method.

3.16. Accounts payable and accruals

Trade payables are recognized for amounts payable in the future for goods and services received, whether or not billed by suppliers.

3.17. Classification of assets and liabilities as current \ non-current

The Company presents assets and liabilities in the statement of financial position based on current / non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

3. Material accounting policies (Continued)

3.17. Classification of assets and liabilities as current \ non-current (Continued)

All other assets are classified as non-current.

A liability is current when it is:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

3.18. Revenue recognition

Revenue is recognized when the company transfer control of assets and fulfills its obligations in contracts with clients at an amount that reflects the material compensation for the goods sold. The company establishes contracts with clients based on a five-step model as defined in IFRS 15:

Step 1. Determine the contract (s) with a client: A contract is an agreement concluded between two or more parties that establishes rights and undertakings and sets out the criteria that must be fulfilled for each contract.

Step 2. Determine the performance obligations in the contract: A performance commitment is a promise in the contract with the client to transfer goods or provide services to the client.

Step 3. Determine the transaction price: The transaction price is the amount of the consideration that the company expects to receive in exchange for transferring the goods or services promised to the client, excluding the amounts collected on behalf of third parties.

Step 4. Allocation of the transaction price to the performance obligations in the contract: In a contract that contains more than one performance obligation, the company will distribute the transaction price to each performance obligation in an amount that determines the amount of the consideration that the company expects to receive in exchange for fulfilling each performance obligation.

Step 5. Recognition of revenue when (or where) the entity fulfills a performance obligation. If the amount intended to be paid in the contract includes a variable amount, the company shall estimate the amount that the company is entitled to in exchange for transporting the goods and services committed to be provided to the client.

The Company satisfies a performance obligation and recognizes revenue over time if one of the following criteria is met:

- The Company's performance does not create an asset with an alternative use to the Company, and the Company has a legal right to payments for performance performed until the Company's performance amounts to creating or enhancing an asset that the customer controls during the creation or enhancement of the asset.
- The customer's receipt and consumption of the benefits provided by the company's performance simultaneously with the company's performance.
- For performance obligations that do not meet one of the above conditions, revenue is recognized at the time the performance obligation is satisfied.

Sale of goods

Revenues are recognized when control of the asset is transferred and the entity meets performance obligations, and are stated net after deducting discounts and exemptions.

Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and the revenues and costs can be measured reliably.

3. Material accounting policies (Continued)

3.18. Revenue recognition (Continued)

The goods sold with retrospective volume discounts based on aggregate sales over a 12 month period. Revenue from these sales is recognized based on the price, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur.

3.19. Expenses

Production costs of direct and indirect expenses related to production are classified as cost of sales. All other expenses are classified as general and administrative or selling and distribution expenses.

3.20. Borrowing costs

Borrowing costs directly attributable to production of qualifying assets, which is required a period of time to be ready for required usage when all necessary activities are completed that related to preparation of the qualified asset for its intended use. All other borrowing costs are recognized as an expense and charged to the statement of profits or losses and other comprehensive income in the period in which they are incurred (IAS 23). The Company does not have any such costs to be capitalized in the current year.

3.21. Segment information

The company's main business is the manufacture and production of gypsum inside the Kingdom of Saudi Arabia, therefore it provides reports on the operating segments in different geographical areas within the Kingdom of Saudi Arabia.

3.22. Earning / (Loss) per share

Basic earnings per share and diluted earnings per share (if any) are presented for ordinary shares, where basic earnings per share is calculated by dividing the profit or loss of the ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the year, adjusted for the number of ordinary shares repurchased or issued during the period. Diluted earnings per share is calculated by adjusting the profit or loss of the ordinary shareholders of the company and the weighted average number of shares outstanding during the period for the effects of all the diluted ordinary shares that are likely to be issued.

3.23. Dividends

Final dividends are recorded in the financial statements in the period in which these dividends are approved by the general assembly of shareholders.

3.24- Fair Value of Assets and Liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, or, in the absence of that, in the most advantageous market available at that date. The fair value of a liability reflects the risk of non-performance.

When measuring the fair value of a financial asset or liability, the Company uses observable market data as much as possible.

Fair values are categorized into levels within a fair value hierarchy based on the inputs used in valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (such as prices) or indirectly (derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

3. Material accounting policies (Continued)

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, the entire measurement is categorized within the lowest level input that is significant to the overall measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. As at December 31, 2025 and December 31, 2024, there were no transfers between the levels.

December 31, 2025	Level One Saudi Riyal	Level Two Saudi Riyal	Level Three Saudi Riyal	Total Saudi Riyal
Investments in equity instruments at fair value through other comprehensive income	13,568,839	-	-	**13,568,839**
Investment in equity instruments at fair value through profit or loss	-	23,511,581	-	**23,511,581**
	13,568,839	23,511,581	-	**37,080,420**

December 31, 2024	Level One Saudi Riyal	Level Two Saudi Riyal	Level Three Saudi Riyal	Total Saudi Riyal
Investments in equity instruments at fair value through other comprehensive income	19,325,741	-	-	**19,325,741**
Investment in equity instruments at fair value through profit or loss	-	26,887,389	-	**26,887,389**
	19,325,741	26,887,389	-	**46,213,130**

3.25- Statutory Reserve

The statutory reserve was established in accordance with the provisions of the previous Saudi Companies Law and the Company's former Articles of Association. In prior years, 10% of net profit was transferred to the statutory reserve until it reached 30% of the share capital. With reference to the new Saudi Companies Law, effective January 19, 2023 (corresponding to 26 Jumada Al-Thani 1444H), the requirement to maintain a statutory reserve has been abolished. The existing balance continues [ts11.1][AA11.2] to be presented within equity as of the date of the financial statements.

3.26- Investment Properties

Investment property is property held to earn rentals and/or for capital appreciation. Rental income and operating expenses related to investment properties are recognized within revenue and cost of revenue.

Investment property is initially recognized at cost. Transaction costs are included in the initial measurement. Cost comprises costs incurred initially and costs incurred subsequently to add to, replace part of, or service a property. If the cost of a replacement is recognized in the carrying amount of an item of investment property, the carrying amount of the replaced part is derecognized. Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the asset) is recognized in profit or loss.

Depreciation

Depreciation is the systematic allocation of the depreciable amount of an item of investment property (cost of the asset less its residual value) over its useful life.

Depreciation expense is recognized in the statement of profit or loss and other comprehensive income using the straight-line method over the estimated useful lives of investment properties. Leased assets are depreciated over the lease term or their useful lives, whichever is shorter.

The estimated useful lives of investment properties are as follows:

Item	Useful Life
Buildings	3% – 5%

4. New standards, amendments to standards and interpretations

The amendments to standards effective from January 1, 2025 are as follows:

Amendments to IAS 21 – Lack of Exchangeability

An entity is affected by these amendments when it has a transaction or operation in a foreign currency that is not exchangeable into another currency at the measurement date for a specified purpose.

The adoption of the above amendments has no material impact on the financial statements for the year.

Issued Standards Not Yet Applied

The following are the new standards and amendments to the applicable standards for years beginning on or after January 1, 2026, with early adoption allowed. However, the company has not applied them when preparing these financial statements. The company is currently assessing the impact of applying these standards on the financial statements.

Amendments to IFRS 9 and IAS 7 – Classification and Measurement of Financial Instruments

Amendments:

- Clarification of the requirements for the timing of recognition and derecognition of certain financial assets and liabilities, including a new exception for certain financial liabilities settled through an electronic cash transfer system.
- Clarification and additional guidance on assessing whether a financial asset meets the "solely payments of principal and interest" (SPPI) criterion.
- Introduction of new disclosure requirements for certain instruments with contractual terms that may alter cash flows—such as instruments with features linked to environmental, social, and governance (ESG) objectives.
- Updates to disclosures related to equity instruments measured at fair value through other comprehensive income (FVOCI).

IFRS 18 – Presentation and Disclosure in Financial Statements

The new standard on presentation and disclosure of financial statements, effective for annual reporting periods beginning on or after January 1, 2027, places particular emphasis on updates to the statement of profit or loss. Key new concepts introduced in IFRS 18 include:

- The structure of the statement of profit or loss;
- Required disclosures in the financial statements for certain performance measures of profit or loss that are reported outside the entity's financial statements (i.e., management-defined performance measures); and
- Enhancing the aggregation and classification principles applicable to both the primary financial statements and the accompanying notes.

(All amounts in Saudi Riyals unless otherwise stated)

5. Property, plant and equipment - net

	December 31, 2025	December 31, 2024
Property, plant and equipment (Note 5.1)	245,465,523	175,447,115
Add:		
Strategic spare parts (Note 5.2)	11,410,487	13,931,542
Capital projects in progress (Note 5.3)	-	55,993,577
	256,876,010	**245,372,234**

5.1 Property, plant and equipment - net

For the year ended December 31, 2025

	Lands	Buildings*	Roads	Machinery and equipment	Water extensions	Electricity extensions	Vehicles	Tools	Furniture and fixtures	Total
Cost										
At the beginning of the year	22,211,718	124,823,066	14,150,239	490,504,782	3,056,929	8,346,011	14,927,508	1,397,058	10,544,626	689,961,937
Additions during the year	174,934	77,190	-	2,619,235	-	-	426,000	1,217	95,272	3,393,848
Transferred from Capital Work in Progress	-	26,249,134	-	96,319,289	-	-	-	-	-	122,568,423
Transferred to Investment Property (Note 25)	-	(4,541,507)	-	-	-	-	-	-	-	(4,541,507)
At the end of the year	**22,386,652**	**146,607,883**	**14,150,239**	**589,443,306**	**3,056,929**	**8,346,011**	**15,353,508**	**1,398,275**	**10,639,898**	**811,382,701**
Depreciation and impairment losses:										
At the beginning of the year	-	112,212,044	10,260,630	356,842,815	2,691,530	7,735,910	13,859,943	1,363,877	9,548,073	514,514,822
Charged during the year	-	2,076,255	986,215	5,445,858	56,341	168,184	183,220	7,536	330,964	9,254,573
Transferred to Investment Property (Note 25)	-	(4,541,506)	-	-	-	-	-	-	-	(4,541,506)
Impairment Loss	-	7,196,000	-	39,493,289	-	-	-	-	-	46,689,289
At the end of the year	-	**116,942,793**	**11,246,845**	**401,781,962**	**2,747,871**	**7,904,094**	**14,043,163**	**1,371,413**	**9,879,037**	**565,917,178**
Net book value:										
On December 31, 2025	**22,386,652**	**29,665,090**	**2,903,394**	**187,661,345**	**309,058**	**441,917**	**1,310,345**	**26,862**	**760,861**	**245,465,523**
On December 31, 2024	**22,211,718**	**12,611,022**	**3,889,609**	**133,661,967**	**365,399**	**610,101**	**1,067,565**	**33,181**	**996,553**	**175,447,115**

* The land on which one of the company's factories was established in the city of Yanbu is leased from the Royal Commission for Jubail and Yanbu (Ministry of Energy) for 10 years starting from 2020. The annual rent is 287,888 Saudi riyals.

Other buildings are constructed on land owned by the company.

** The land item includes land valued at SAR 8,000 pledged as collateral to obtain Islamic financing from a local bank as of December 13, 2025, as disclosed in (Note 25).

(All amounts in Saudi Riyals unless otherwise stated)

5. Property, plant and equipment – net (Continued)

5.1 Property, plant and equipment – net (Continued)

Depreciation on property, plant and equipment is distributed in the statement of profit or loss and other comprehensive income as follows:

	December 31, 2025	December 31, 2024
Cost of sales	8,543,351	8,921,996
Selling and marketing expenses (Note 21)	98,299	99,238
General and administrative expenses (Note 22)	612,923	619,518
	9,254,573	**9,640,752**

For the year ended December 31, 2024

	Lands	Buildings*	Roads	Machinery and equipment	Water extensions	Electricity extensions	Vehicles	Tools	Furniture and fixtures	Total
Cost										
At the beginning of the year	22,211,718	124,684,200	14,112,261	489,007,974	3,005,929	8,291,011	14,832,942	1,397,058	10,353,276	687,896,369
Additions during the year	-	138,866	37,978	1,496,808	51,000	55,000	94,566	-	191,350	2,065,568
At the end of the year	**22,211,718**	**124,823,066**	**14,150,239**	**490,504,782**	**3,056,929**	**8,346,011**	**14,927,508**	**1,397,058**	**10,544,626**	**689,961,937**
Depreciation and impairment losses:										
At the beginning of the year	-	109,473,143	9,269,051	351,703,474	2,639,333	7,572,294	13,620,001	1,363,877	9,232,897	504,874,070
Charged during the year	-	2,738,901	991,579	5,139,341	52,197	163,616	239,942	-	315,176	9,640,752
At the end of the year	-	**112,212,044**	**10,260,630**	**356,842,815**	**2,691,530**	**7,735,910**	**13,859,943**	**1,363,877**	**9,548,073**	**514,514,822**
Net book value:										
On December 31, 2024	**22,211,718**	**12,611,022**	**3,889,609**	**133,661,967**	**365,399**	**610,101**	**1,067,565**	**33,181**	**996,553**	**175,447,115**
On December 31, 2023	**22,211,718**	**15,211,057**	**4,843,210**	**137,304,500**	**366,596**	**718,717**	**1,212,941**	**33,181**	**1,120,379**	**183,022,299**

The land on which one of the company's factories was established in Yanbu is leased from the Royal Commission for Jubail and Yanbu (Ministry of Energy) for a period of 10 years starting from 2020, the annual rent amounting to SR. 287,888

(All amounts in Saudi Riyals unless otherwise stated)

5.Property, plant and equipment – net (Continued)
5.1 Property, plant and equipment – net (Continued)

Movement in Impairment Loss on Property, Plant and Equipment is as follows:

	December 31, 2025	December 31, 2024
Balance on 1 January	-	-
PPE Impairment Loss for the Year	20,467,623	-
Impairment Transferred from Puc	26,221,666	-
Balance on 31 December	**46,689,289**	-

5.2. Strategic spare parts - net

	December 31, 2025	December 31, 2024
Cost		
Balance on 1 January	16,860,840	17,063,921
Additions during the year	310,494	-
Used during the year	-	(203,081)
Impairment Loss	(2,072,814)	-
Balance on 31 December	**15,098,521**	**16,860,840**
Accumulated Depreciation		
Balance on 1 January	2,929,298	2,246,739
Charged during the year	758,736	682,559
Balance on 31 December	**3,688,034**	**2,929,298**
Net book value	**11,410,487**	**13,931,542**

Movement in Impairment Loss on Strategic Spare Parts is as follows:

	December 31, 2025	December 31, 2024
Balance on 1 January	-	-
Impairment Loss on Strategic Spare Parts during the Year*	2,072,814	-
Balance on 31 December	**2,072,814**	-

*The impairment losses are represented by the strategic spare parts value loss resulting from the revaluation of the company's assets on December 31, 2025.

5.3. projects under construction.

	December 31, 2025	December 31, 2024
Cost		
Balance on 1 January	85,672,333	42,888,742
Additions during the year	36,896,090	42,783,591
Net Transfers to Property, Plant and Equipment during the Year	**(122,568,423)**	-
	-	85,672,333
Impairment loss in capital projects in progress	(26,221,666)	(29,678,756)
Impairment Transferred to Property, Plant and Equipment during the Year	26,221,666	-
Balance on 31 December	-	**55,993,577**

Movement in Impairment Loss on Projects is as follows:

	December 31, 2025	December 31, 2024
Balance on 1 January	29,678,756	29,678,756
Reversal of Impairment Loss on Capital Work in Progress	(3,457,090)	-
Transferred to Property, Plant and Equipment during the Year	(26,221,666)	-
Balance on 31 December	-	**29,678,756**

The reversal of impairment loss represents an increase in the value of project under construction resulting from the revaluation of Alpha and Beta Dammam plant as at 31 December 2025.

(All amounts in Saudi Riyals unless otherwise stated)

5. Property, plant and equipment – net (Continued)

The Project under construction as of 31, December 2025 represents Nil .According to the following projects:

5-3-1
Construction of the Alpha and Beta plant in Dammam was completed and transferred to property, plant and equipment during the year ended 31 December 2025 at a net value of SAR 25,700,000 (31 December 2024: SAR 20,129,967).
5-3-2
Construction of Gypsum Walls Plant – Riyadh 2 was completed and transferred to property, plant and equipment during the year ended 31 December 2025 at a value of SAR 35,546,366 (31 December 2024: SAR 8,208,534).
5-3-3
Construction of Panels Plant – Riyadh 1 was completed and transferred to property, plant and equipment during the year ended 31 December 2025 at a value of SAR 24,367,890 (31 December 2024: SAR 19,255,980).
5-3-4
Construction of Panels Plant – Dammam was completed and transferred to property, plant and equipment during the year ended 31 December 2025 at a value of SAR 10,732,500 (31 December 2024: SAR 8,399,096).

6. Investments in associates at equity method

	December 31, 2025	**December 31, 2024**
Qatari Saudi Gypsum Industries Company	32,904,642	33,321,921
	32,904,642	**33,321,921**

- The investments in an associate company represent in the investment in the Qatari Saudi Gypsum
- Industries Company The movement on investment during the year is as follows:

	Main business sector	**Country of incorporation**	**Shareholding %**	**December 31, 2025**	**December 31, 2024**
	Basic materials	Qatar	33.37%		
Balance at beginning of the year				33,321,921	33,920,879
Company's share of the associate's net income				656,767	1,676,334
Company's share of the associate's other comprehensive income*				988,075	302,500
Dividend				(2,062,121)	(2,577,792)
Balance at end of the year				**32,904,642**	**33,321,921**

* The balance of the reserve for revaluation of investment through other comprehensive income of the investee associate company using equity method amounted to SR 9,196,036.

6. Investments in associates at equity method (Continued)

The following are the condensed financial statements of the associate company based on the audited financial statements:

2025	**Assets**	**Liabilities**	**Total revenue**	**Net profit for the year**	**Total other comprehensive income**
Qatari Saudi Gypsum Industries Company	100,738,482	2,133,023	1,861,506	1,968,141	2,960,977

2024	**Assets**	**Liabilities**	**Total revenue**	**Net profit for the year**	**Total other comprehensive income**
Qatari Saudi Gypsum Industries Company	102,364,343	2,508,422	3,662,512	5,023,475	906,503

(All amounts in Saudi Riyals unless otherwise stated)

6- The movement of investment in associate companies through other comprehensive income using equity method is as follows:

	December 31, 2025	December 31, 2024
Balance at beginning of the year	**8,207,961**	**7,905,461**
Movement through other comprehensive income	988,075	302,500
Balance at end of the year	**9,196,036**	**8,207,961**
Fair Value Reserve through Other Comprehensive Income		
Equity Method Investment Reserve	9,196,036	8,207,961
Balance of fair value reserve for investments measured at fair value through other comprehensive income (Note 7)	(11,806,083)	**(6,049,181)**
Revaluation reserve of investments at fair value through other comprehensive income	**(2,610,047)**	**2,158,780**

7. Investments in equity instruments at fair value through other comprehensive income

	No. of shares			
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Investments in stocks				
Saudi Arabian Oil Company (Aramco) (Note 7.1)	**363,000**	**363,000**	8,650,290	10,182,150
Saudi Kayan Petrochemical Company (Note 7.2)	**500,000**	**500,000**	2,365,000	3,510,000
Methanol Chemicals Company (Note 7.3)	**249,770**	**249,770**	1,845,800	4,620,745
Tabuk cement company (Note 7.4)	**77,142**	**77,142**	700,449	992,046
National Building and Marketing Co. (Note 7.5)	**100**	**100**	7,300	20,800
			13,568,839	**19,325,741**

Investments in equity classified as FVOCI are not held for trading, but instead, are held for medium to long-term strategic purposes. Accordingly, management has elected to classify these equity investments at fair value through other comprehensive income because the recognition of short-term fluctuations in the fair value of these investments in net income will not be in line with the company's strategy of saving these investments for long-term purposes and achieving their potential performance in the long term.

7.1. Saudi Arabian Oil Company (Aramco) (a Saudi joint stock company listed on the stock market) (Tadawul) and the company owns 363,000 shares, and the company has re-evaluated the balance of that investment at fair value according to the market price as at December 31, 2025, whereas the share price at that date amounted to SR 23.83 per share (at December 31, 2024 SR 28.05 per share).

7.2. Saudi Kayan Petrochemical - is a Saudi joint stock company listed on the stock exchange (Tadawul) in which the company owns 500,000 shares. The company has re-evaluated the balance of that investment at fair value according to the market price as at December 31, 2025, where the share price on that date was SR. 4.73 per share (on December 31, 2024 at SR. 7.02 per share).

7.3. Methanol Chemicals Company, a Saudi joint stock company listed on the financial market (Tadawul), in which the company owns 249,770 shares, and the company has re-evaluated the balance of that investment at fair value according to the market price as of December 31, 2025, as the share price on that date amounted to SR. 7.39 per share (on December 31, 2024: SR. 18.50 per share).

7.4. Tabuk Cement Company (a Saudi joint stock company listed on the stock market) (Tadawul) in which the company owns 77,142 shares. The company has re-evaluated the balance of that investment at fair value according to the market price as on December 31, 2025, where the share price on that date was SR 9.08 per share (On December 31, 2024, at SR. 12.86 per share).

7.5. National Building and Marketing Co., a Saudi joint stock company listed on the stock exchange (Tadawul - Nomu), in which the company owns 100 shares. The company has re-evaluated the balance of that investment at fair value according to the market price as on December 31, 2025, where the share price on that date was SR. 73 per share (on December 31, 2024: SR. 208 per share).

- All investments in shares of listed joint stock companies were evaluated according to the share price as of December 31, 2025.

(All amounts in Saudi Riyals unless otherwise stated)

7. Investments in equity instruments at fair value through other comprehensive income (Continued)

The movement of investment during the year was as follows:

	December 31, 2025	December 31, 2024
Balance at the beginning of the year	19,325,741	33,155,510
Net unrealized (losses) / gains of fair value	(5,756,902)	(3,130,126)
Disposals during the year	-	(10,699,643)
Balance at the end of the year	**13,568,839**	**19,325,741**

The movement of fair value reserve for investments at fair value through other comprehensive income is as follows:

	December 31, 2025	December 31, 2024
Balance at the beginning of the year	(6,049,181)	4,416,363
Net unrealized (losses) / gains of fair value	(5,756,902)	(3,130,126)
Realized gains from the sale of investments at fair value through other comprehensive income	-	(7,335,418)
Balance at the end of the year	(11,806,083)	**(6,049,181)**
Fair Value Reserve on Investments at Fair Value through Other Comprehensive Income		
Balance of Fair Value Reserve on Investments at Fair Value through Other Comprehensive Income	(11,806,083)	(6,049,181)
Balance of investment reserve in associates using the equity method (Note 6)	9,196,036	**8,207,961**
	(2,610,047)	**2,158,780**

8. Investments in equity instruments at fair value through profit or loss

	December 31, 2025	December 31, 2024
Balance at the beginning of the year	26,887,389	41,550,919
Recovered during the year**	(3,333,337)	(14,858,129)
Loss from change in fair value during the year	(42,471)	194,599
Balance at the end of the year *	**23,511,581**	**26,887,389**

* The investments in equity instruments at fair value through profit or loss represent an investment in closed funds managed by Riyadh Capital Company.

**The amounts redeemed during the year represent units redeemed as a result of the fund's maturity.

9. Right of use assets and Lease obligations

9-1 Right of use assets	December 31, 2025	December 31, 2024
Cost:		
Balance at the beginning of the year	8,611,161	8,611,161
Additions during the year	-	-
Balance on 31 December	**8,611,161**	**8,611,161**
Accumulated Depreciation:		
Balance at the beginning of the year	2,717,660	2,174,128
Charged during the year	543,532	543,532
Balance on 31 December	3,261,192	2,717,660
Right of Use Assets (Net)	**5,349,969**	**5,893,501**

9-2 Lease Liabilities

Lease contract obligations	December 31, 2025	December 31, 2024
The present value of the obligation at the beginning of the year	**5,555,015**	**6,130,653**
Interest charged for the year (Note 30)	89,014	72,250
Paid during the year	(647,888)	(647,888)
Balance on 31 December	**4,996,141**	**5,555,015**
Current portion - of lease obligations	542,595	592,909
Non-current portion - of lease obligations	4,453,546	4,962,106
Balance at the end of the year	**4,996,141**	**5,555,015**

Refer to (Note 29) for lease contract liability maturity aging.

(All amounts in Saudi Riyals unless otherwise stated)

9. Right of use assets and Lease obligations (Continued)

December 31, 2025	During the Year	From 2 to 5 Years	Total
Lease Payments	647,887	6,531,548	7,179,435
Less: Future Finance Charges	(105,292)	(2,078,002)	(2,183,294)
Net Present Value	**542,595**	**4,453,546**	**4,996,141**

December 31, 2024	During the Year	From 2 to 5 Years	Total
Lease Payments	647,887	7,179,435	7,827,322
Less: Future Finance Charges	(54,978)	(2,217,329)	(2,272,307)
Net Present Value	**592,909**	**4,962,106**	**5,555,015**

*** The Company's lease contracts mainly relate to land and quarry leases. Lease payments are fixed and payable annually. The discount rate used in measuring right-of-use assets and lease liabilities is 3.00%.**

**** During the years 2025 and 2024, the Company incurred expenses related to short-term and low-value leases (operating leases) amounting to SAR 4,067 (2024: nil).((Explanation 21)**

10. Inventories – Net

	December 31, 2025	December 31, 2024
Material	18,395,292	18,824,322
Fuel and other	4,440,446	4,704,385
Finished production and production in progress	1,926,277	2,203,845
Spare parts	2,229,312	2,275,233
	26,991,327	**28,007,785**
Provision for slow moving inventory (Note 10.1)	(12,756,067)	(10,389,646)
Total	**14,235,260**	**17,618,139**

10/1. Movement in provision for slow moving inventories during the year:

	December 31, 2025	December 31, 2024
Balance at the beginning of the year	10,389,646	8,013,842
used during the Year	(1,180,474)	-
Provided during the year	3,546,895	2,375,804
Balance at the end of the year	**12,756,067**	**10,389,646**

11. Trade receivables - net

	December 31, 2025	December 31, 2024
Trade receivables	23,584,570	26,322,528
Provision for expected credit losses (Note 11.1)	(9,400,000)	(14,538,797)
Total	**14,184,570**	**11,783,731**

(All amounts in Saudi Riyals unless otherwise stated)

11. Trade receivables – net (Continued)

11.1. Movement in provision for expected credit losses during the year:

	December 31, 2025	December 31, 2024
Balance at the beginning of the year	14,538,797	14,538,797
Provided during the year	1,423,936	-
No Longer Required during the Year	(1,420,136)	-
Write off	(5,142,597)	-
Balance at the end of the year	**9,400,000**	**14,538,797**

* During the financial year ended 31 December 2025, the Company collected an amount of **SAR 1,420,136** from Qatar Gypsum Board Factory, following the issuance of a final court judgment in favor of the Company in relation to a lawsuit filed in prior years. The amount was recognized under "Reversal of allowance for expected credit losses" in the statement of profit or loss for the current year, as it represents the recovery of a legal claim after the uncertainty associated with it had been resolved.

The aging of trade receivables based on their due dates as at 31 December is as follows:

	December 31, 2025	December 31, 2024
Not Yet Due	5,093,316	5,737,085
Up to 3 Months	6,550,235	1,859,624
3 to 6 Months	1,360,833	4,004,852
6 to 12 Months	2,286,961	3,758,741
Over One Year	8,293,224	10,962,226
Balance on 31 December	**23,584,570**	**26,322,528**

12. Prepaid expenses and other debit balances-net

	December 31, 2025	December 31, 2024
Advance payments to suppliers and contractors	5,487,624	9,297,173
Margin for Letters of Guarantee	2,385,000	-
Prepaid expenses	1,741,546	1,319,742
Accrued revenue	1,564,091	-
Employees' receivables	823,444	948,932
Other receivables	-	109,400
Provision for expected credit losses (Note 12.1)	(821,169)	(168,839)
Total	**11,180,536**	**11,506,408**

12.1. Movement in the provision for expected credit losses during the year

	December 31, 2025	December 31, 2024
Balance at the beginning of the year	168,839	168,839
Formed during the year	652,330	-
Balance at the end of the year	**821,169**	**168,839**

13. Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash at banks	1,466,265	3,061,256
Checks under collection	-	350,000
Cash on hand	273,521	90,316
Cash at investment portfolio	362,501	121,345
Total	**2,102,287**	**3,622,917**

(All amounts in Saudi Riyals unless otherwise stated)

14. Share Capital

As at December 31, 2025, the company's capital is amounting to **SR. 316,666,667** (December 31, 2024: SR. 316,666,667) authorized, subscribed and fully paid, divided into **31,666,667** shares (December 31, 2024: 31,666,667 shares), of SR. 10 each.

15. Statutory Reserve

The statutory reserve was established in accordance with the provisions of the previous Saudi Companies Law and the Company's former Articles of Association. In prior years, 10% of net profit was transferred to the statutory reserve until it reached 30% of the share capital. With reference to the new Saudi Companies Law, effective January 19, 2023 (corresponding to 26 Jumada Al-Thani 1444H), the requirement to maintain a statutory reserve has been abolished. The existing balance continues [ts36.1][AA36.2] to be presented within equity as of the date of the financial statements.

16. Employees' defined benefits obligations

The Company provides a defined end-of-service benefits plan for its employees in accordance with the requirements of the Labor Law in the Kingdom of Saudi Arabia. Payments under the plan are based on employees' final salaries and allowances and their accumulated years of service at the date of termination of employment. In accordance with the provisions of the Labor Law in the Kingdom of Saudi Arabia, employee end-of-service benefit plans are unfunded plans whereby the relevant entities settle their obligations for employee benefit payments as they become due The Company performed an actuarial valuation of its employee benefit obligations as at 31 December 2025 and engaged an independent licensed actuary to perform this valuation. The related disclosures of the actuarial valuation performed by the Company are as follows:

	December 31, 2025	December 31, 2024
Balance at beginning of the year	4,843,586	4,616,069
Current service cost	789,526	691,486
Interest charged for the year (Note 30)	244,741	207,453
(Losses) / gains of re-measurement of the obligation	(84,214)	(400,508)
Paid during the year	(363,704)	(270,914)
Balance at the end of the year	**5,429,935**	**4,843,586**

The company provides defined benefit plans to its employees in accordance with the requirements of the Saudi Labor Law. The payments under these benefits are based on employees' final salaries and allowances, as well as their accumulated years of service at the date of termination In accordance with the provisions of the Saudi Labor Law, employee defined benefit plans are unfunded plans, under which the Company settles its benefit obligations to employees as they become due.

The following are the most significant actuarial assumptions used to calculate the present value of employee benefits:

	December 31, 2025	December 31, 2024
Discount rate	4.85%	5.25%
Salary increases rate	2%	2%
Employee turnover rates	10%	10%

The impact of the defined benefit obligation value was presented on one of the actuarial assumptions, which has a reasonable rate of change, with all other variable elements fixed as follows:

	December 31, 2025	December 31, 2024
Discount rate +1%	5,147,539	4,603,266
Discount rate -1%	5,750,657	5,115,191
Long-term salary Increases+1%	5,784,963	5,142,415
Long-term salary Increases-1%	5,112,201	4,575,356

Although the above analysis does not take into account the full distribution of expected cash flows, management believes that it provides a reasonable representation of the sensitivity assumptions shown.

The company pays the end of service to its employees in accordance with the provisions of the labor law in the Kingdom of Saudi Arabia. The entitlement to these benefits depends on the employee's final salary, length of service, and completion of a minimum service period. End of service is paid to the employee when the work stops.

(All amounts in Saudi Riyals unless otherwise stated)

17. Trade payables

	December 31, 2025	December 31, 2024
Suppliers	11,836,984	8,276,385
Advance payments from customers	123,069	393,533
Total	**11,960,053**	**8,669,918**

18. Accrued expenses and other credit balances

	December 31, 2025	December 31, 2024
Dividend payable	5,888,908	5,890,873
Accrued Bonuses and Incentives	736,742	-
Accrued expenses	500,419	825,213
Value added tax (VAT) payable (net)	7,267	42,050
Other credit balances	967,147	1,557,402
Total	**8,100,483**	**8,315,538**

19. Zakat

19.1. The Zakat calculation are as follows:

	December 31, 2025	December 31, 2024
Total items subject to zakat	334,440,354	362,533,606
Total items not subject to zakat	(334,440,354)	(330,800,786)
Zakat base	-	31,732,820
Zakat base for the year* (The base 354/365 days)	-	32,808,508
Adjusted net (loss) / profit	-	-
Adjusted Zakat Base	-	32,808,508
Zakat payable at 2.5%	-	**924,840**
Zakat on Overseas Investments	106,156	-
Zakat Liability	**106,156**	**924,840**

- The zakat payable is calculated at 2.5% of the zakat base or from the adjusted net profit for the year, whichever is higher.
- Zakat was calculated in proportion to the number of days of the financial year according to the period of the financial statements attributable to the number of the lunar year 354 days after excluding the profits and losses of the year because it pertains to the period, based on Article Fourteen of the new Zakat levy Regulations issued by Ministerial Resolution No. (2216) dated 07/07/1440 H.

19.2. Movement of zakat Provision

	December 31, 2025	December 31, 2024
Balance at beginning of the year	924,840	3,001,158
Less: Zakat paid during the year	(924,840)	(3,001,158)
Charged for the year	106,156	924,840
Balance at the end of the year	**106,156**	**924,840**

(All amounts in Saudi Riyals unless otherwise stated)

19. Zakat (Continued)

19.3. Zakat status

- The Company submitted its zakat assessments with the Zakat, Tax and Customs Authority for the years 2021 and 2022. The current year was charged with zakat assessment differences related to the aforementioned years amounting to SAR 414,993.
- The Company filed its zakat returns for the years 2023 and 2024, and no comments have been received on those assessments up to the date of issuance of the financial statements.
- The Company registered for Value Added Tax (VAT) in the Kingdom of Saudi Arabia in line with the regulations of the Zakat, Tax and Customs Authority. The Company submitted all its tax returns within the statutory deadlines during the year 2025.

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20. Net revenue

	December 31, 2025	December 31, 2024
Revenue	64,790,547	64,886,397
Revenue discount	(4,207,798)	(1,564,149)
	60,582,749	**63,322,248**

Revenue classification:

A- Classification by product:

	December 31, 2025	December 31, 2024
Gypsum	40,371,966	49,575,847
Gypsum walls	24,418,581	15,310,550
	64,790,547	**64,886,397**

- All of the above revenues are recognized at a certain point in time.
- All of the above revenues have been disclosed in accordance with the geographical distribution, as presented in the segment reporting note (Note 29).

21. Cost of Revenue

	December 31, 2025	December 31, 2024
Opening Inventory	28,007,787	28,135,109
Cost of Purchases	34,911,100	30,271,822
Closing Inventory	(26,991,327)	(28,007,787)
Employee Salaries and Other Benefits	12,234,796	10,486,863
Depreciation of PPE	9,302,087	9,604,554
Amortization of Right-of-Use Assets	543,532	543,532
Short-term lease contracts	4,067	-
Others	2,010,581	5,004,437
Total	**60,022,623**	**56,038,530**

22. Selling and distribution expenses

	December 31, 2025	December 31, 2024
Employee salaries and other benefits	2,607,037	2,826,633
Maintenance and repair	113,947	82,771
Advertising	108,394	125,887
Depreciation for property, plant and equipment (Note 5-1)	98,299	99,238
Others	593,000	490,955
Total	**3,520,677**	**3,625,484**

(All amounts in Saudi Riyals unless otherwise stated)

23. General and administrative expenses

	December 31, 2025	December 31, 2024
Employee salaries and other benefits	3,682,208	3,351,320
Remuneration of the board of directors and committees (Note 27)	1,422,000	1,343,000
Depreciation for property, plant and equipment (Note 5-1)	612,923	619,518
Fees and subscriptions	471,390	431,197
Professional and legal fees	377,000	625,453
Maintenance and repair	311,076	272,339
Electricity and water	129,472	107,232
Others	1,661,232	752,660
	8,667,301	**7,502,719**

24- Other Income – Net

	December 31, 2025	December 31, 2024
Government Grant for Fuel Transition	1,564,091	-
Net Income from Prior Years	815,893	-
Rental Income	606,420	1,016,554
Scrap Sales	26,087	-
	3,012,491	**1,016,554**

25- Islamic Financing

	December 31, 2025	December 31, 2024
Loans from Local Banks (A)	31,500,000	-
Adjustment to the Present Value of the Loan	(108,825)	-
Interest Charged during the Year	2,153,652	-
Repayments during the Year	(1,760,582)	-
Total	**31,784,245**	-
Analyzed as follows:		
Current Portion of Loans	31,784,245	-
Non-current Portion of Loans	-	-
Balance as at Year End	**31,784,245**	-

(A) Loans from local banks:
The Company obtained short-term Islamic financing facilities (Sharia-compliant Murabaha) from Riyad Bank amounting to SAR 31,500,000 to finance projects, working capital, and enhance liquidity. The unutilized and available Islamic banking facilities (Murabaha) amounted to nil as at 31 December 2025.

These facilities are subject to commission based on the prevailing interbank rates in Saudi Arabia (SAIBOR) plus an agreed margin. The facilities are secured by land with a value of SAR 8,000 pledged in favor of the bank, as disclosed in Note (4-1).

During 2025, the Company rescheduled the Islamic financing facilities, with the final installment due on 25 November 2025.

(B)
During the year ended 31 December 2025, the capitalization rate applied to qualifying assets was 5% (31 December 2024: 0.0%). The total borrowing costs capitalized during the year amounted to SAR 1,711,555.

(All amounts in Saudi Riyals unless otherwise stated)

26- Investment Properties

	Buildings	Total
Cost:		
Balance on 1 January	-	-
Transferred from Property, Plant and Equipment (Note 5)	4,541,507	4,541,507
Balance on 31 December	**4,541,507**	**4,541,507**
Accumulated Depreciation		
Balance on 1 January	-	-
Transferred from Property, Plant and Equipment (Note 5)	4,541,506	4,541,506
Balance on 31 December	**4,541,506**	**4,541,506**
Net book value:		
On December 31, 2025	1	1
On December 31, 2024	-	-

The following amounts have been recognized in profit or loss in relation to investment properties:

	December 31, 2025	December 31, 2024
Rental Income from Investment Property	606,420	1,019,500

Investment property mainly consists of a number of commercial properties in Al Olaya building that are leased to third parties. The fair value of the investment properties as at 31 December 2025 amounted to SAR 1,993,380.

The table below shows the minimum undiscounted future cash flows expected to be received from operating lease contracts:

Period	Amount (SAR)
Within one year	118,000
From one to five years	400,000
More than five years	-
Total	518,000

Additional information:

Lease terms range between one and ten years.

The Company is not exposed to any significant residual value risk related to the leased assets.

27. Earnings per share

Basic and diluted earnings per share

Basic and diluted earnings per share was calculated based on net income \ (loss) for the year divided by the weighted average number of outstanding shares at the end of the year December 31.

Profit attributable to ordinary shareholders:

	2025	2024
Net (loss)	**(30,801,789)**	(12,693,428)
Weighted average number of common shares at the end of the year	**31,666,667**	31,666,667
Basic and reduced	**(0.97)**	(0.40)

28. Regulatory penalty

The company received a claim from the General Authority for Competition ("The Authority") requesting the payment of a penalty amounting to SAR 10.7 million during 2024, based on the Authority`s allegation that the company had violated competition regulations in the Kingdom of Saudi Arabia.

The company contested the Authority's claim before the Administrative Court in Riyadh, and in January 2024, the court ruled in favor of the company, dismissing the Authority's claim. However,

Authority appealed the decision, and in May 2024, the Court of Appeal ruled in favor of the Authority.

The company subsequently filed a petition with the Supreme Court to review the case, but the lawsuit against the General Authority for Competition was rejected. Accordingly, the company recorded the expense and paid the full claimed amount of SAR 10.7 million.

(All amounts in Saudi Riyals unless otherwise stated)

29. Segment reporting

The company is managed as a single operating sector in the production of gypsum of all kinds. The company operates in the Kingdom of Saudi Arabia. The Company's activities detail are as follows:

As at 31/12/2025	Riyadh	Yanbu	Dammam	Total
Net sales	35,979,320	2,725,002	21,878,427	**60,582,749**
Gross profit / loss	7,027,601	(6,113,351)	(354,124)	**560,126**
Net profit / loss before Zakat	(2,027,611)	(6,773,141)	(21,479,888)	**(30,280,640)**
Net property, plant, equipment and equivalent	93,076,388	31,956,976	131,842,646	**256,876,010**

As at 31/12/2024	Riyadh	Yanbu	Dammam	Total
Net sales	30,418,259	9,175,636	23,728,353	**63,322,248**
Gross profit / loss	3,909,050	942,098	2,432,567	**7,283,715**
Net profit / loss before Zakat	(5,063,874)	(4,246,439)	(2,167,296)	**(11,477,609)**
Net property, plant, equipment and equivalent	62,499,486	33,625,634	149,247,114	**245,372,234**

30- Finance costs

	December 31, 2025	December 31, 2024
Costs of obtaining Islamic financing	569,398	-
Islamic financing profit (interest) charged to the statement of profit or loss during the year	442,096	-
Interest on defined benefit obligations (Note 16)	244,741	207,453
Finance costs on lease liabilities (Note 9)	89,014	72,250
	1,345,249	**279,703**

(All amounts in Saudi Riyals unless otherwise stated)

31. Contingent liabilities and capital commitments

As at 31 December 2025, the Company had contingent liabilities in the form of bank guarantees issued in favor of third parties amounting to SAR 1.7 million (31 December 2024: SAR 1.7 million).

Capital commitments related to the construction of the Alpha factory in Riyadh amounted to SAR 10.7 million as at 31 December 2025 (31 December 2024: SAR 30.4 million).

32. Transactions with related parties

Transactions with related parties mainly represent salaries, allowances and remunerations for senior executives' staff.
Senior management personnel are persons who have the power and authority to plan, direct and control the activities of the company, directly or indirectly, including members of the board of directors and shareholders (whether executive or otherwise).

The following is a statement of the total amounts that were included in the statement of profits or losses during the year:

	December 31, 2025	December 31, 2024
Salaries and bonuses for senior management staff	867,000	800,000
Allowance for attending the company's committee sessions	210,000	180,000
Allowance for attending board meetings	195,000	213,000
Remuneration of committee members	150,000	150,000
Total	**1,422,000**	**1,343,000**

33. Financial risk management

Financial risk is part of the Company's activities and is managed through a process of determining its nature, measurement and continuous monitoring, according to risk limits and other elements of control. The risk management process is critical to the Company's continuing operations. The Company's activities expose it to a variety of financial risks, which mainly include market risk, credit risk and liquidity risk.

33.1. Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market prices. Market risk consists of commission rate risk, currency risk and other price risk.

(A) Commission rate risk

Commission rate risk is the fluctuation of the fair value or financial instrument due to changes in market commission rates. As on December 31, 2024, the company has bank facilities from a local bank to issue letters of guarantee and credit to suppliers. Therefore, the company is not exposed to these risks.

(B) Currency risk

Currency risk represents the risk resulting from the fluctuation in the value of financial instruments as a result of changes in foreign exchange rates. The Company is subject to fluctuations in foreign exchange rates during its normal business cycle. The company did not perform any significant transactions in currencies other than the Saudi Riyal, US dollar and euro during the year. Therefore, the company was not exposed to significant risks in other foreign currencies for the year ending on December 31, 2023, as the change in the exchange rate of the Saudi riyal against the US dollar and euro does not represent a significant currency risk.

(All amounts in Saudi Riyals unless otherwise stated)

33.2. Credit risk

Credit risk is the risk related to the inability of one party, for a financial instrument, to meet its obligations, resulting in the other party incurring a financial loss. The Company is exposed to credit risk arising from its operating activities mainly from cash at banks and trade receivables (customers). The company deposits its funds in banks with high reliability and creditworthiness. The Company also has a policy regarding the amount of funds deposited in each bank, and the management does not expect the existence of significant credit risks resulting from this.

The management also does not expect the company to be exposed to significant credit risks from customers accounts, since it has a wide base of customers that operate in different locations and in different activities, and it monitors the outstanding receivables periodically and the company has made the necessary provision for the expected credit loss.

Credit risk on the company on the following balances:

	December 31, 2025	December 31, 2024
Cash and cash equivalents	2,102,287	3,622,917
Trade receivables net	14,184,570	11,783,731

33.3. Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk may result from the inability to sell a financial asset quickly at an amount close to its fair value. The management works to ensure that sufficient funds are available to meet any obligations when they fall due.

The company's financial liabilities consist of trade payables, accrued expenses and other credit balances. The company works to reduce liquidity risk by making sure that bank facilities are available when needed, knowing that the company has an abundance of cash at banks.

Company sales terms require payments to be made within 30 to 60 days of the sale date. Accounts payable is usually paid within 30 to 60 days of the purchase date.

All accounts payable and due amounts do not bear any financing expenses, and payment is expected within 12 months from the date of the company's financial statements.

Contractual maturities financial liabilities as at	Less than one year	1-5 years	More than 5 years	Book value
December 31, 2025				
Lease obligations	542,595	4,453,546	-	4,996,141
Islamic finance	31,784,245	-	-	31,784,245
Trade payables	11,960,053	-	-	11,960,053
Accrued expenses and other credit balances	8,100,483	-	-	8,100,483
Total	**52,387,376**	**4,453,546**	-	**56,840,922**
December 31, 2024				
Lease obligations	592,909	4,962,106	-	5,555,015
Trade payables	8,669,918	-	-	8,669,918
Accrued expenses and other credit balances	8,315,538	-	-	8,315,538
Total	**17,578,365**	**4,962,106**	-	**22,540,471**

(All amounts in Saudi Riyals unless otherwise stated)

33.4 Financial risk management (Continued)

Capital management

For the purpose of managing the company's capital risk, the company's capital structure consists of shareholders' equity (consist of share capital, statutory reserve, Reserve for revaluation of investments through OCI, re-measurement reserve of employee defined benefit obligation and retained earnings). The main objective of capital management is to maximize shareholders' equity.

The company manages and adjusts its share capital structure in view of changes in economic conditions and financial commitment requirements. In order to maintain or adjust the share capital structure, the company may adjust dividends to shareholders or issue new shares.

The company has no capital structure with specific objectives or rates to be achieved in connection with managing capital risk. The overall strategy of the company remains unchanged from the previous year. The company's liabilities include net loans, term loans, accounts payable, expenses payable, and other credit balances, less bank balances.

33.4- Capital management

	31 December 2025	31 December 2024
Total liabilities	62,377,013	28,308,897
Less: Cash and cash equivalents	(2,102,287)	(3,622,917)
Net debt	60,274,726	24,685,980
Total equity	311,536,682	347,023,084
Leverage ratio	19.3%	7.1%

33.5- Geopolitical Risks

The Company operates in the Middle East region, which may be subject from time to time to political or military developments that could affect the economic environment in the region. Management continuously monitors these developments.

As at the date of the financial statements, the Company's operations and financial position have not been materially affected by such developments. However, future developments may have an impact on the Company's operations, supply chains, or financial performance.

Due to the uncertainty associated with the nature and extent of such events, the potential financial impact on the Company's financial statements cannot currently be reliably estimated.

34- Geographical Distribution

All of the Company's assets and liabilities are located in the Kingdom of Saudi Arabia, except for the investment in Qatar Saudi Gypsum Manufacturing Company, which is headquartered in Qatar (Note 6).

35. Subsequent events

There have been no significant subsequent events since the end of the year that require disclosure or adjustment to these financial statements, except for the recent geopolitical and security developments in the Middle East, which have contributed to increased instability in certain regional markets. Management has assessed these developments in accordance with IAS 10 "Events after the Reporting Period" and, based on this assessment, concluded that these are non-adjusting events, as they arose from conditions not existing at the reporting date. Accordingly, no adjustments to the balances or disclosures in the financial statements for the year ended 31 December 2025 are required.

Based on information available up to the date of approval of the financial statements, management has not identified any material indicators that may adversely affect the Company's ability to continue as a going concern. Management will continue to monitor relevant developments and take appropriate actions when necessary.

The Company's management received an official letter from Saudi Arabian Oil Company (Saudi Aramco) regarding the adjustment of fuel product prices used in production, effective from 1 January 2026.

Pursuant to the Extraordinary General Assembly meeting held on 24 February 2026, the Board approved the transfer of SAR 30,765,675 from the statutory reserve, as presented in the financial statements for the period ended 30 September 2025, to retained earnings.

Except as stated above, management believes that there were no other significant subsequent events between the statement of financial position date of 31 December 2025 and the date of approval of these financial statements that would require adjustment or disclosure.

36. Approval of the financial statements

These financial statements were approved by the Board of Directors on 12 Shawwal 1447H (corresponding to 31 March 2025).