

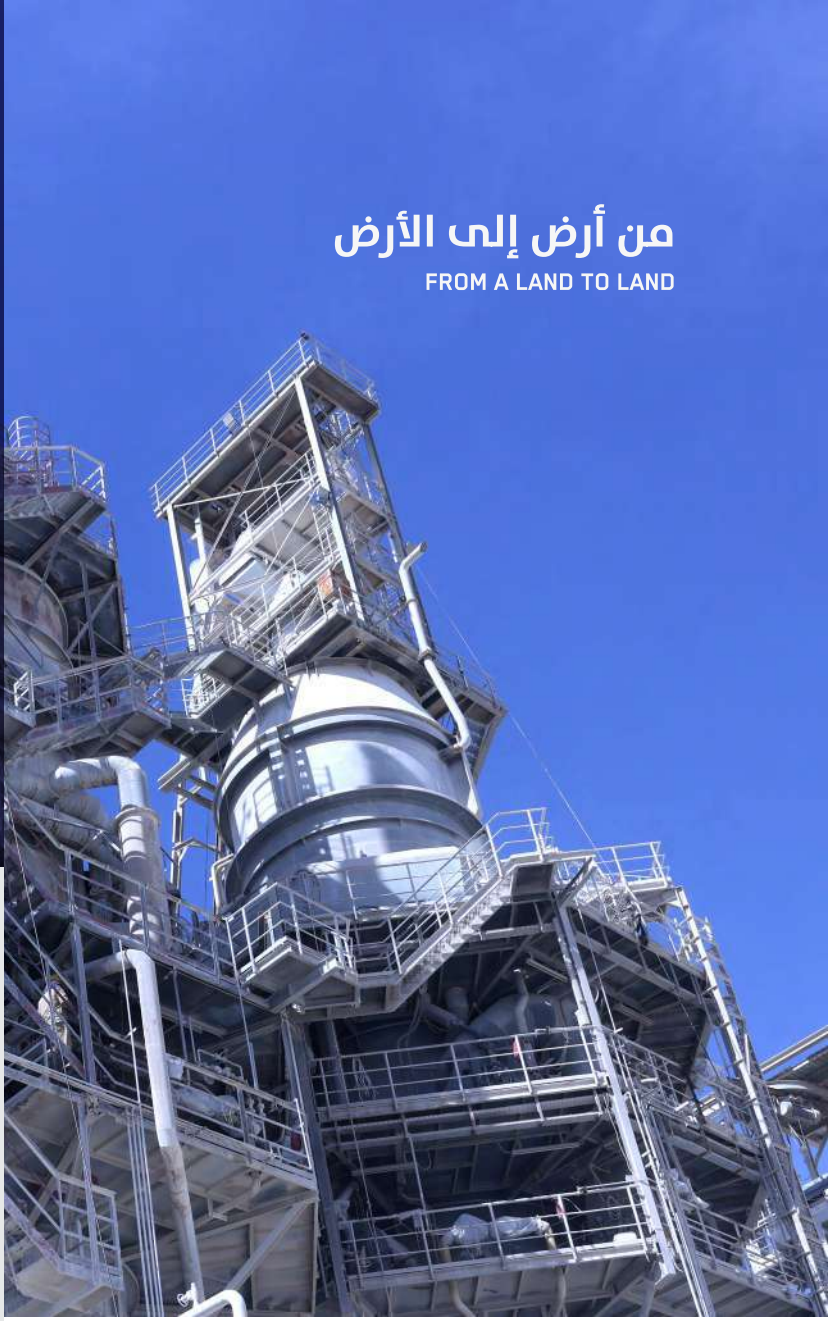
**1. Viewing and discussing the Board of Directors' report  
for the fiscal year ended on December 31, 2023.**



SL

الشركة السعودية  
للصناعات الجيرية

من أرض إلى الأرض  
FROM A LAND TO LAND



# Annual Report

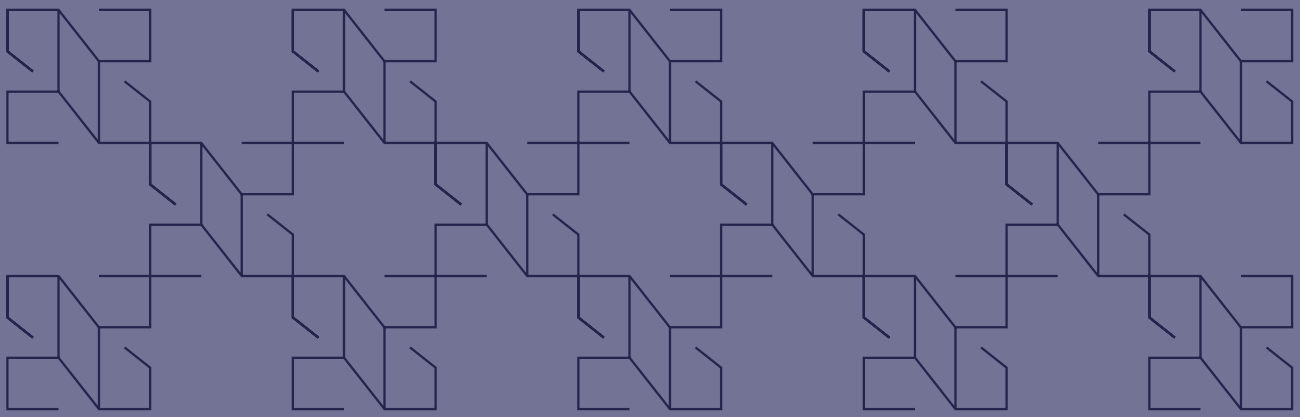
2023



بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ







## 06

### Capital and Ownership Reports

- Capital and Key Changes during 2023
- Disclosure of Treasury Shares and Investment Restrictions
- Statement of Share Performance
- Statement of the Ownership of the Shares of the Members of the Board and the Committees and their Families and the Change during the Year

## 07

### Dividends and Remuneration

- Dividend Policy
- Dividends during 2023
- Remuneration and Allowance Policy
- Relationship between the Remuneration Awarded and the Remuneration Policy (Note)
- Statement of the Remuneration and Attendance Allowances of the Members of the Board of Directors
- Statement of what the Members of the Board received as Employees or Administrators
- Statement of Remuneration Paid and Due to Committee Members
- Senior Executive Compensation and Remuneration
- Commitment to Display the Remuneration of Executives in Tables (Note)
- Statement of Investments or Reserves Developed for the Benefit of Employees

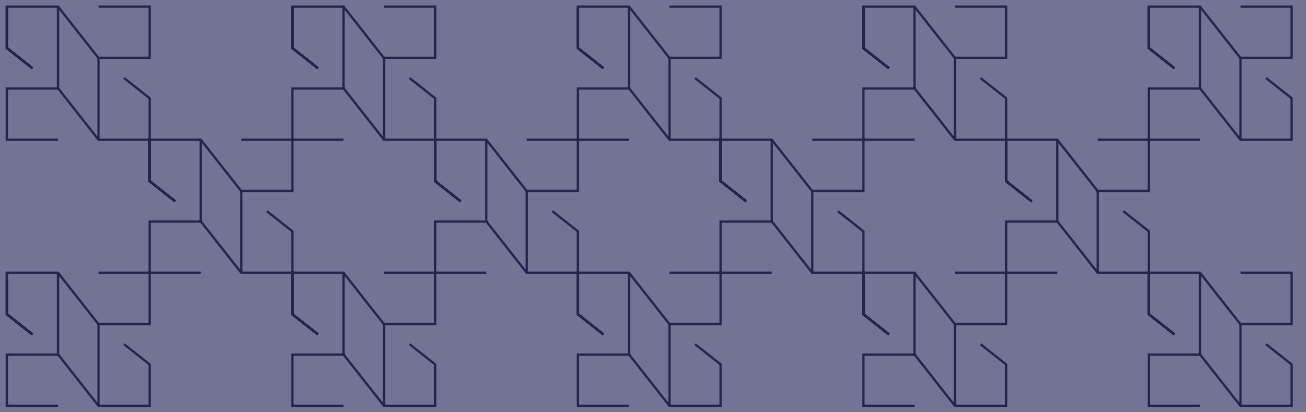
## 08

### Governance of "Saudi Lime Industries"

- Governance General Framework
- Acknowledgments as per Corporate Governance Regulations
- Transactions with Related Parties
- Compliance with Corporate Governance Regulations
- Shareholder Ordinary General Assembly
- Board of Directors
- Executive Management
- Audit, Internal Control and Audit Committee Outputs
- Auditor Fees
- Procedures for Briefing Board Members on Shareholder Proposals
- The means adopted by the Board of Directors in evaluating its performance and the performance of its members and committees
- Compliance and Shareholder Relations
- Applications of "Saudi Lime Industries" for the Shareholders' Register and Reasons
- Announcements of "Saudi Lime Industries" Systematically Disclosed during the Year



The term "Company" or "Saudi Lime Industries" wherever mentioned in this report means "Saudi Lime Industries Company"



# Introduction

**01**

## Introduction

The year 2023 witnessed further successes in achieving targets and outstanding handling of many challenges and underscored our strong position as a leader in the local and regional lime and limestone sand brick industries.

We were inspired by our values to increase our value, developed our methods while preserving our heritage, and succeeded in achieving the governance of the Labor Law in a way that meets the requirements of the next stage and establishes an advanced method of institutional work. Over more than four decades of continuous growth, diligent effort and hard work, we have become one of the largest leading companies in the field of lime industries in the Kingdom of Saudi Arabia and the first to produce lime bricks and sand blocks.

We have also made steady progress and succeeded in securing supplies of limestone and its derivatives of quicklime, dolomite, hydrated lime and calcium carbonate for many vital industries and sectors nationally and internationally.

We believe that we have the talent and infrastructure to compete in leading markets. We pride ourselves on having a track record of executing the most challenging transactions across the region. In addition, we have the capabilities to provide complete support and supply solutions for all our product applications with the required quality to our customers.

## Incorporation

Saudi Lime Industries Company is a Saudi joint stock company established in Riyadh, Kingdom of Saudi Arabia in 1395H (corresponding to 1977G) as a limited liability company under the name “Saudi Lime Company”

Sand Bricks and Building Materials



Due to the development of the Company and the shift of the main activity to the production of lime in response to market demand, the name was changed to “Saudi Lime Industries Company” and turned into a closed joint stock company in 1432H (corresponding to 2011G).

In April 2023, it was transformed into a public joint stock company and its shares were listed and traded on the parallel Saudi market (Nomu) to become the first Saudi listed joint stock company operating in the field of lime industries.

## Company Objectives and Activity

The “Saudi Lime Industries Company” was established for the purpose of producing quicklime, hydrated lime, sand-lime bricks, millimeter limestone powder and grindery, calcium carbonate, dolomite and dololime and investing in them inside and outside the Kingdom of Saudi Arabia. For this purpose, it may practice mining and exploiting quarries and all that enables it to obtain the raw materials necessary for the manufacture of lime and limestone sand bricks.

The company operates through three main sites:

- Site No. (1) in the Second Industrial Zone in the City of Riyadh where bricks, sand-lime blocks, quicklime and hydrated lime and calcium carbonate are produced.
- Site No. (2) in the Third Industrial Zone in the City of Riyadh where quicklime, dolomite and hydrated lime and calcium carbonate are produced.
- Site No. (3) in Industrial Zone the City of Jeddah where bricks, sand-lime blocks and hydrated lime are produced.



# Subsidiaries (Sister Companies)

## Saudi Insulating Bricks Company – Under Liquidation

The Saudi Company for Insulating Bricks Limited is a sister company established in the Kingdom of Saudi Arabia and its head office is located in the City of Riyadh, with a capital of 100 million Saudi riyals, in which the ownership of the Saudi Lime Industries Company is 50%. Its activity is summarized in the production of bricks and unloaded cement blocks (light). Because the factory is suspended from production, the partners agreed to liquidate it.



«There are no shares or debt instruments issued by «Saudi Lime Industries Company» for the Saudi Insulating Bricks Company»

## Saudi Lime Industries Policy

We work hard to be the best and the strongest and the first choice through:

### Mission



«To participate in the development and expansion of the limestone industry, by being pioneers in terms of quality and leadership, to be the customers' first choice»

### Our Enduring Care



“We believe that pride comes from a sense of belonging and love, and that its highest degree may be reached by embracing our motherland and building our future with our own hands.”

### Our Guiding Values



“Our values convey beliefs that positively influence our behavior and the way we interact with individuals and communities. They represent the deepest beliefs and feelings we can aspire to, which shape our culture and the nature of our society. They are interconnected values ranging from national spirit to excellence.”

### Vision



Manufacturing sustainable products that help build a better world

## Our Guiding Values

### National Spirit

Our deep belonging to our land has instilled in us a sense of care, which encourages us to adopt best practices of sustainability and resource protection for the benefit of future generations.

### Sustainability

We assume responsibility to ensure a sustainable tomorrow by being part of daily life. In addition to addressing the most urgent environmental challenges such as safety, pollution, energy efficiency and waste disposal, we follow the highest technical standards in mining practice, and our operational operations do not produce harmful waste to the environment.

### Credibility

Openness, transparency and reliability go into everything we do with investors, employees, customers and all stakeholders.

### Growth and Progress

Growth and progress are a big part of our future ambition. We seek to align our goals towards growth, both for individuals and companies. This includes the continuous development of workplace quality, performance, and most importantly the lives of our employees.

### Organized Teamwork

We, at "Saudi Lime Industries", provide the best performance when we work together as a team. We value teamwork and cooperation and deal with opportunities in an effective and efficient collaborative manner.

### Excellence

By following the highest industry standards, we are operating in the best way possible, and we are even continuing to take the initiative. Excellence is a commitment to improve everything we do, from business and products to services.



## Strategic Orientation

The Company follows a development strategy to achieve its ambition taking into account social responsibility and the preservation of the environment, and in line with the Kingdom's Vision 2030. It depends on several axes:

### Financial Axis

It includes the exploitation of the Company's resources to achieve the best returns and to ensure the continuation of a strong financial position annually.

### Operations and Operation Axis

It includes plans to increase production capacity at lower costs while maintaining the level of quality in addition to producing new products in order to increase the market share inside and outside the Kingdom while paying attention to the environment and preserving it.

### Development and Education Axis

It is considered as one of the most important investments of the Company in the development of skills and keenness to obtain certificates of quality and excellence.

### Customer and Stakeholder Axis

It aims to ensure that their needs are provided with the best quality and the most appropriate price.

## Key Future Expectations for the work of the “Saudi Lime Industries Company”

**The mining sector is one of the modern sectors that the Kingdom leadership attaches great importance to. The company is currently studying many aspects of investment to increase the efficiency of work and achieve sustainable development in light of this growing interest by the Kingdom in the mining sector and support the economy with non-oil resources. In this regard:**

- It is expected that the demand for the Company’s products will increase during the coming period as a result of the increase in demand for iron products to meet the needs of the local market in new projects or facilities necessary for many upcoming events such as Expo 2030.
- It is currently working to exploit investment opportunities to increase the Company’s growth and sustainability of its resources.
- We seek to improve social responsibility towards society and the environment and to find more effective solutions for by-products.



## Board of Directors



**Mr. Abdulaziz Majid Alkassabi**  
Chairman of Board of Directors



**Mr. Abdulaziz Tariq Al-Bassam**  
Deputy Chairman



**Dr. Adel Khaled Al-Subaih**  
Member of the Board of Directors



**Mr. Hamad Mohammed Al-Saad**  
Member of the Board of Directors



**Mr. Bader Saleh Al-Issa**  
Member of the Board of Directors



**Eng. Fahad Musaed Alrasheedi**  
Member of the Board of Directors -  
CEO



**Mr. Saud Abdulaziz Aljomaih**  
Member of the Board of Directors

# Chairman's Message Our Esteemed Shareholders

## May Peace, mercy, and blessings of Allah be upon you

On behalf of myself and on behalf of my fellow members of the Board of Directors, I am pleased to meet with you and review the annual report containing the results of the work of the financial year ending on 31 December 2023, which reflects the most important achievements, especially after the transformation into a listed joint stock company and what this transformation represents as a real test of the strength of the Saudi Limestone Industries Company and the flexibility of work methods and performance development to deal with challenges with full efficiency.

From the beginning, we have sought to add real sustainable value to all stakeholders and succeeded in increasing capital through public offering, which is an exceptional event in the company's history, especially after it was underwritten by more than 300%, which reflects investors' confidence in the strength and position of "Saudi Lime Industries Company.

Internally, success has also been achieved in many challenges, perhaps the most important of which is the improvement and development of the work environment in a manner befitting the history and value of the company and reflecting the thought of the next stage and establishing among employees the concept of development and success and emphasizing the idea of belonging to a stable entity with a strong identity.

The infrastructure of the digital environment has also been completed and most of the financial and operational processes have been automated through the launch of one of the best ERP systems (INFOR ERP).

Efforts continue with the aim of enhancing our core investments and achieving sustainable resource development in a way that enhances the position of Saudi Lime Industries Company and supports its future.

The increasing interest of the Kingdom's leaders in mining and industrial activity gives us hope for a better future, which will reflect more positively on the performance, enhance the Company's position among stakeholders, and support its condition to remain one of the first leading companies in the region with a high-quality Saudi product capable of competing inside and outside the Kingdom.

In conclusion, I can only extend my sincere thanks and appreciation to all those who deal with the Saudi Lime Industries Company, the members of the Board of Directors and all its employees for their trust, great efforts and continuous support. We ask Allah Almighty to guide us to further progress and success.

**Abdulaziz bin Majid Alkassabi**

Chairman of the Board of Directors

## CEO's Message

### May Peace, mercy, and blessings of Allah be upon you

At the end of an exceptional and unique year, the team of Saudi Lime Industries Company achieved many successes and faced many challenges that it was able to deal with, with Allah willing and then the efforts of the Company's loyal personnel.

We consider the results achieved during 2023, despite their importance, to be the supporting pillar and the beginning of supreme and different goals.

Since the approval of the transformation into a joint stock company listed in the parallel market (Nomu), the executive team is making the necessary efforts for this exceptional event. A complete ecosystem of regulations for business governance has been developed in line with the new situation, and we have interacted more professionally with the requests and inquiries of customers and stakeholders.

The work environment has also been developed with the opening of a modern administrative building that befits the status of the Saudi Lime Industries Company, supports its identity and brings all administrative units to work in one place, which enhances communication and encourages cooperation and teamwork.

At the beginning of the year, we came across many challenges and could praise be to Allah, to deal with them and reduce them. We also achieved, praise be to Allah, an increase in sales compared to last year's sales.

We have also succeeded in achieving unprecedented rates of increase in production from our quarries. In addition, we have achieved higher productivity in most production lines to meet market demand while maintaining the quality of products.

We have set our sights on the goals of «Saudi Lime Industries Company” to enhance its profitability and sustainability as well as increasing the rate of returns in order to achieve the ambition of stakeholders. We have followed the institutional work method to achieve strong and sustainable development.

In conclusion, I extend my sincere thanks to the Company's employees and all partners of success, including the Chairman and members of the Board of Directors, shareholders and all stakeholders for their support and confidence. May Allah grant us success and help.

**Engineer/ Fahad bin Musaed Alrasheedi**

Chief Executive Officer - Member of the Board of Directors

# Saudi Lime Industries Company Methodology and Objectives

The Company's methodology since its establishment in 1977 revolves around a set of well-established principles that have been set as goals that we do not deviate from, the result of which has been the confidence of our customers today in the strength of the company, the quality of its products, the confidence of investors in management and their support for its decisions.

We are always proud of this high trust. They are the partners of success and the pillar that leads us, after Allah Almighty, to further growth and development so that we became one of the largest large-scale suppliers not only inside the Kingdom, but also outside it.

The objectives of the Saudi Lime Industries Company are derived from its policies, which the executive management is committed to carry out within the framework of the Company's vision and main values in accordance with the statutory requirements.

## The key objectives that we work on are:



Quality



Human Capital



Environment Protection and Safety



Compliance



Success Partners

## From Land to the Homeland

From the land we love, we start extracting raw materials from our quarries in the heart of the Saudi desert and deal with them to bring them back with good by producing a range of high-quality lime products. We look forward to tomorrow in a steady spirit, eagerly seeking to maintain our start, intensifying investment in the development of our resources and implementing our operations according to the highest standards of safety and reliability in order to achieve increased growth based on sustainability and to realize the best returns on investments.



## Quality

At Saudi Lime Industries Company, we strive to achieve the highest standards of quality, both for the product and for technical and administrative practices, which is a commitment by us to our partners. We are distinguished by the quality of our products. Conscious planning and adherence to strict, verifiable and measurable standards lead to identical products in their specifications that meet consumer demand and reduce the occurrence of errors to the minimum. To this end, we attract those with experience and support efforts and document them with certificates that many aspire to obtain, including:

### **(ISO9001:2015) The international standard that defines the requirements of a quality management system**

It helps to provide products and services that consistently meet customer and regulatory requirements and is considered as the most internationally recognized standard for quality management

- **(ISO14001) International Standard for an Effective Environmental Management System**

It helps to reduce waste in the use of resources and unnecessary expenses

- **(ISO45001) Global International Standard for Occupational Health and Safety**

It provides protection for employees and visitors from work-related accidents and damages and provides a safe and healthy work environment

- **(SASO) Certificate of Product Conformity to Saudi Specifications and Standards**

The company has obtained a certificate of conformity with the Saudi specifications and Standards for brick products and sand-lime block, and it is planned to obtain it for the rest of the products.



## Compliance

The Company adheres to the statutory principles and rules within the framework of the Corporate Governance Law and is keen to ensure that all business and documents are within a legal framework, whether in operational or administrative processes.

## Environment Protection

Since its establishment, and in commitment to social responsibility towards the environment and the homeland, the Company has sought to be an environmentally conscious organization and continues its efforts under the slogan «**Towards a Clean Environment for Our Homeland**». The Company allocates part of its investments to implement an integrated policy to maintain a healthy and safe work environment.

It also applies the best standards to control the sources of pollution. It has developed internal policies responsible for good practices to preserve the environment in an effective and sustainable manner, which included many measures, including:

Ensuring the efficiency of dust filters on all production lines and maintaining them periodically to achieve leadership in supporting the Kingdom's vision to reduce emissions.

- We are working to increase the efficiency of all the Company's factory equipment, which reduces energy use and reduces operating exhausts.
- We started using alternative fuel sources (natural gas) with lower exhaust rates than the current fuel.
- Providing measuring devices for all company sites to continuously monitor emissions and measure dust, sulfur dioxide, nitrogen oxides, carbon monoxide, total organic hydrocarbons, hydrogen chloride and others by a competent company qualified by the General Authority of Meteorology and Environmental Protection to make periodic measurements of emissions of dust, gases and noise to ensure that they are within the framework of international standards and preparing an integrated environmental record for all work sites to indicate the extent of compliance with the requirements of the General Authority of Meteorology and Environmental Protection
- Obtaining statutory environmental permits.
- Working to increase the cultivated area inside the factory and its surroundings.



## Occupational Safety

At Saudi Lime Industries Company, we care about occupational health and safety. It is one of our most important objectives to «ensure the safety and health of our employees through a healthy and safe work environment, and it is not limited to the safety of those who work within the Company, but also extends to visitors and all customers.

In order to achieve its objectives, the Company organized many hours of safety training, induction and simulation for employees with the aim of implementing safety and emergency preparedness policies, in addition to:

- Updating and addressing the deficiencies in all occupational safety and health regulations and policies to increase the protection of employees from work injuries and occupational injuries by counting accident cases and their causes and taking preventive measures to prevent their recurrence.
- Appointing qualified national cadres to manage the safety ecosystem with high occupational and professional competence.
- Covering all sites with security cameras, including quarries, and ensuring that all security and safety laws and guidelines are applied.
- Organizing training courses for individuals to increase awareness of risks, such as fires and occupational injuries, and methods of dealing with them.
- We started to modify the internal coordination of the factories to keep pace with the latest internal traffic systems to avoid accidents inside the factory.

## Human Capital

Human capital is one of our most important assets. We are proud of the quality of the relationship between the Company and its employees. We have worked to invest in training and development programs and have succeeded in developing skills and a spirit of loyalty and belonging to work. In addition, we provide a good work environment that enables success and excellence.

We seek to attract and retain competencies and talents, support consistent teamwork and allow for the expression of ambitions and the sharing of ideas through surveys while enhancing the identity of the Company as an attractive work environment for distinguished elements

## Success Partners

We are committed to transparency with all partners of success and maintain strong and balanced relations with all stakeholders and build bridges of credible communication with all parties in a way that preserves rights for all and leads to the continued growth of « the Company and supports its progress.

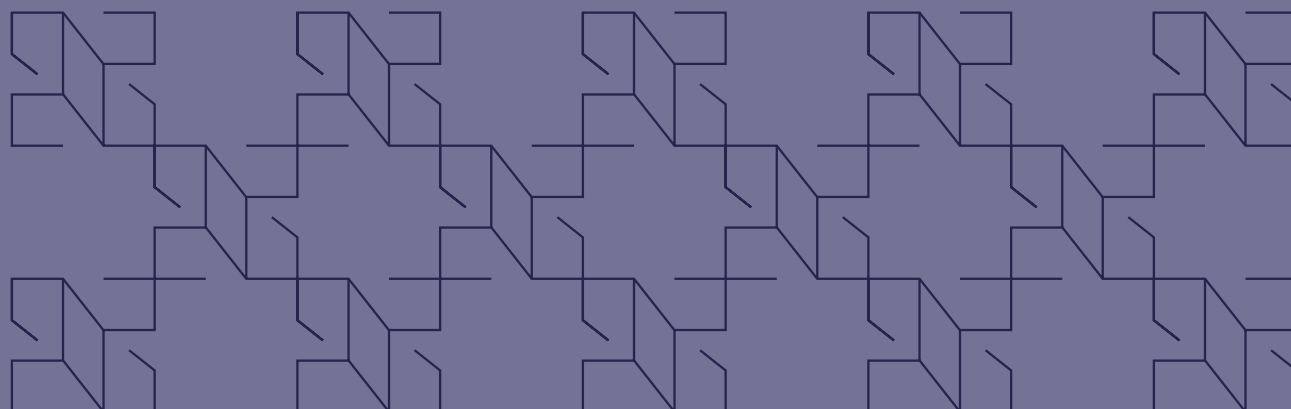


## Social Contributions of the Company

A team from Saudi Lime Industries Company was honored to participate in the Wa'ed Technical Forum for Employment and Training in Al-Jouf, in the presence of His Royal Highness Prince Faisal bin Nawaf bin Abdulaziz Al Saud, and the Governor of the Technical and Vocational Training Corporation, Dr. Ahmed bin Fahd Al-Fuhaid. This initiative resulted in providing many opportunities of distinguished national energies in various disciplines to enable the country's competencies towards sustainable development.

The Company has participated and activated Tamheer Program, which is an on-the-job training program for Saudi graduates from national and foreign universities, and graduates of institutes. It aims at training them in government institutions and distinguished companies in the private sector, so that they can acquire the necessary experiences and skills to prepare them to join the labor market.





## Summary of Operational Performance

# 02

## Summary of Operational Performance

The main activity of the Company is the production and sale of limestone of all kinds and lime products (quicklime, hydrated lime and dolomite in addition to bricks and sand-lime blocks



## Limestone Products (Calcium Carbonate - Gravel)

This includes the supply of various sizes of limestone through crushing, gritting, grinding and sorting of these sizes to meet all industries. They are divided into two main groups according to size, calcium carbonate group and gravel group

### 01

Cement, building materials, civil works and road paving industries.

### 02

Water treatment and purification.

### 03

Feed for poultry, animals and feed supplements.

### 04

Glass industry, agriculture, oil and gas.

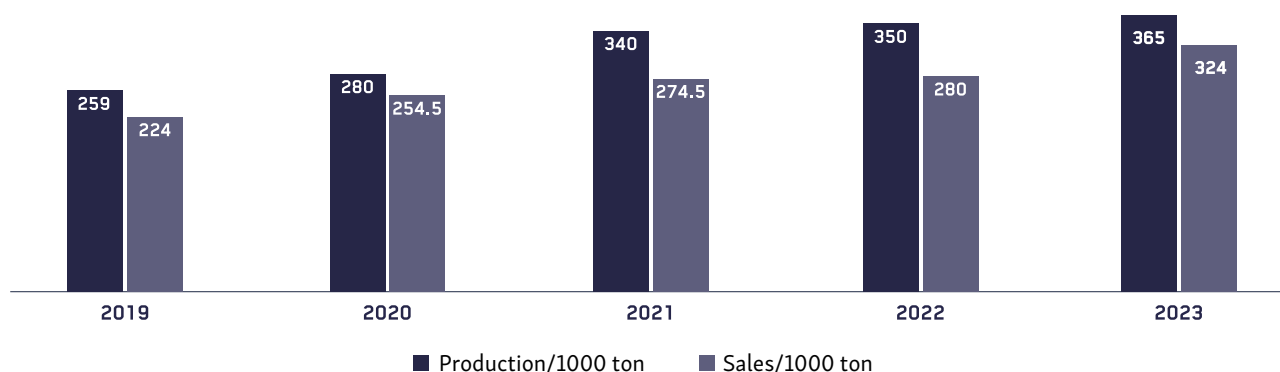
### Productive Capacity

# 380

Tons per year

Thousand MT	2023	2022	2021	2020	2019
<b>Production Quantity</b>	365	350	340	280	259
<b>Sales</b>	324	280	274.5	254.5	224

### Production and sales of carbonates and gravel



## Lime Products

«Include the industry of quick and hydrated lime and dolomite in all sizes and all types of packaging»

### 1. Quicklime and Dolomite

Calcium oxide commercially is known as quicklime. It is widely used in multiple industries. It is the result of heating high purity limestone in special furnaces under high temperature.



#### THE MOST COMMON APPLICATIONS ARE:

**01**

Mainly metal, iron and steel industries.

**02**

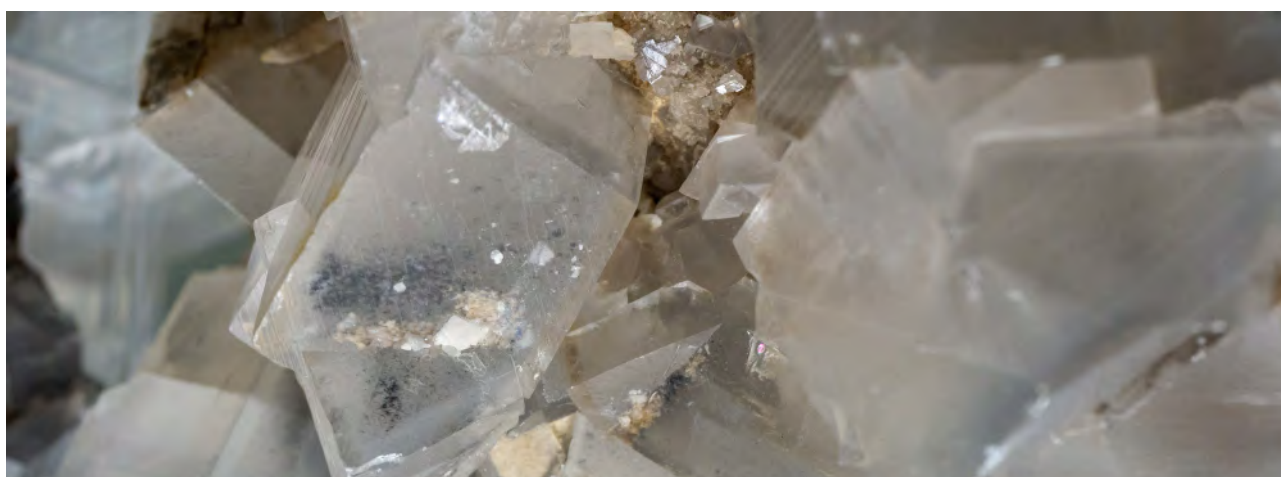
Chemical industry

**03**

Food Industry

**04**

Mining, gold, fiberglass, and water treatment.



## 2. Hydrated lime

Hydrated lime is produced by the hydration process, where a specific amount of water is mixed with ground quicklime according to precise procedures in hydration units. This year, a new product was produced and sold (Dolomite hydrated lime).



### THE MOST COMMON APPLICATIONS ARE:

#### 01

Drinking water treatment and wastewater treatment.

#### 02

Treatment of petroleum waste flue gases and mercury removal.

#### 03

Mining industry, sugar industry, leather industry, chemical industry.

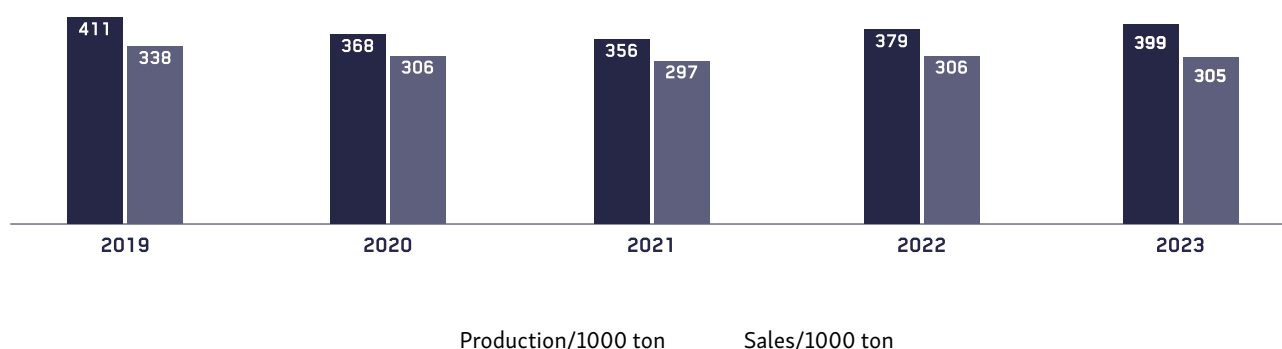
### Productive Capacity

# 525

Tons per year

Thousand MT	2023	2022	2021	2020	2019
Quantity	399	379	356	368	411
Sales	305	306	297	306	338

### Lime products (Quick and Hydrated Lime and Dololime)



## Sand-lime Bricks and Blocks

Includes the industry of sand-lime bricks and blocks used in buildings and fences as well as its outstanding use as an environmentally friendly product to cladd the facades of buildings

- **Saudi Lime Industries Company products of sand-lime blocks and bricks are distinguished by being**
  - Environmentally friendly products made from natural materials
  - Their attractive architectural appearance
  - Renowned for their durability in confronting high pressures.
  - Their effectiveness in thermal and acoustic insulation in addition

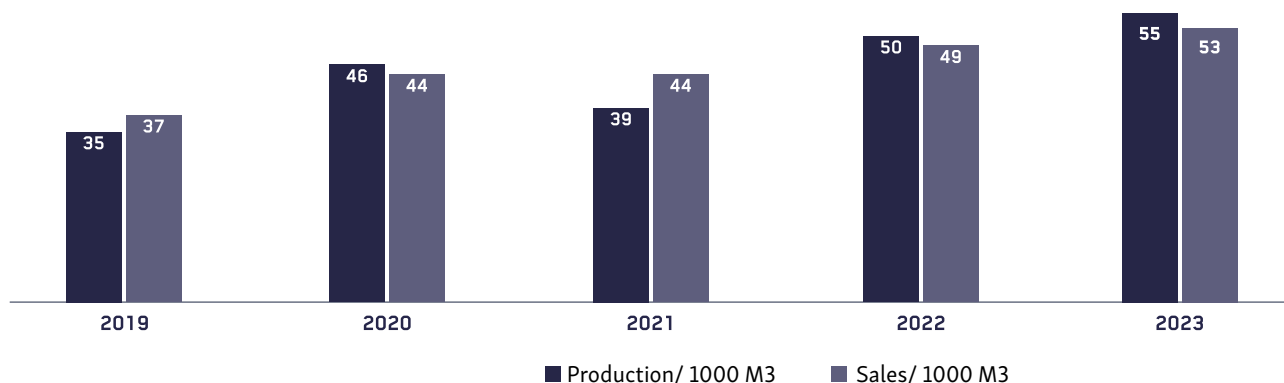


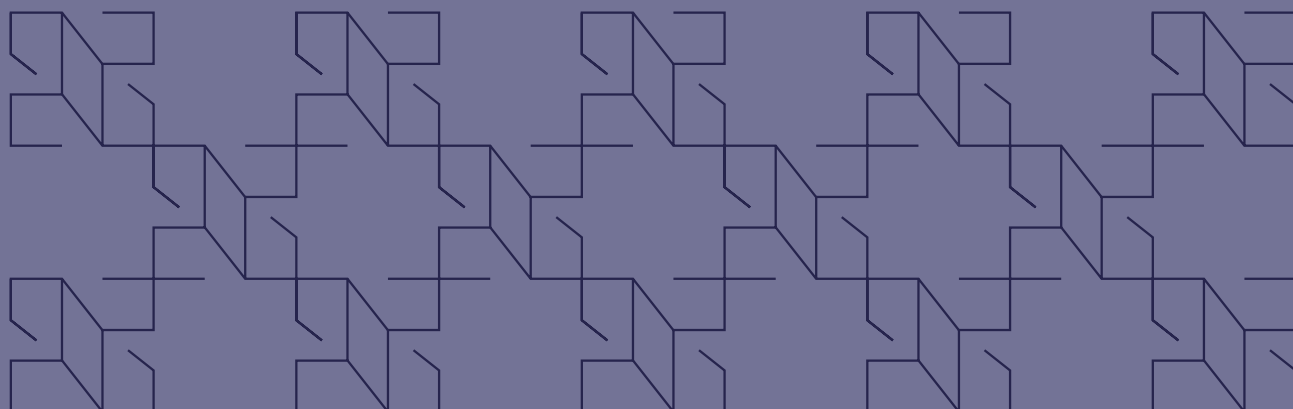
This year, the product has obtained the Saudi Standards and Metrology Organization (SASO) certificate.



Thousand MT	2023	2022	2021	2020	2019
<b>Production Quantity</b>	55	50	39	46	35
<b>Sales</b>	53	49	44	44	37

### Sand-Lime Bricks





## Summary of Executive Performance

# 03



## Commercial Sector (Sales Department)

In general, we aim to increase sales performance, develop sales methods and tools and improve the final results while keeping pace with the market situation and conditions and following up on developments in terms of products, prices and accompanying services.

A number of challenges were dealt with during the year that negatively affected operational costs and thus the prices of sales contracts, which forced the company to review prices in line with its policy and ensure the continuity of supplies and maintain its market share. The Company was also able to achieve an increase in total sales from the previous year.

### Key achievements include:

- Contracting with new customers from local and Gulf steel companies and renewing supply agreements for prominent customers in many industrial sectors in addition to increasing supply quantities compared to previous years.
- Signing memorandums of understanding with large local entities to cover their needs of lime products for their future projects.
- Maintaining market share locally and regionally and being able to expand and enter new markets.
- Marketing and selling new products such as (Dolomitic hydrated lime).

## Operations Sector (Production/Maintenance)

Efforts have been completed to achieve the most prominent axes of the annual targets, which include training and qualifying the sector's employees, increasing the efficiency of operation, and adding competitive continuous challenges in order to increase the performance to achieve the Company's objectives and meet market demands.

Efforts have also been completed to provide development solutions and additions to productive assets in order to improve reliability and keep the work of the production system in a good technical condition.

### Among the most important achievements during the year:

- Increasing customer satisfaction by providing their requirements through continuous follow-up around the clock.
- Full reliance on limestone quarry of the Company as the main source for the supply of raw material of calcium carbonate within a deliberate operation plan.
- Rehabilitation of the dolomite quarry of Saudi Lime Industries Company to be the main source of supply of Dolomite crude instead of relying on an external supplier.
- Using international consulting companies to rehabilitate some production lines and automate all production units using the ERP system to increase their operating efficiency.
- Scheduling preventive maintenance and establishing strategic stocks to not violate customer orders within periodic production plans.
- Increasing the productivity of lime and carbonate production lines in varying proportions according to market requirements within a deliberate plan commensurate with the strategy of reducing suspension and forced breakdowns.
- Establishing an umbrella for employee parking lots covered with solar cell panels, which represents a novelty, to supply the main administration building with clean electricity, within the framework of the Company's tendency to the green ecosystem which is part of the Company's sustainability policy.
- Automation of the fully automatic Palletizer filling line in order to achieve higher efficiency in stacking the bags of hydrated lime and speed up the production process to meet more orders by customers.

Automation of the fully automatic Palletizer filling line in order to achieve higher efficiency in stacking the bags of hydrated lime and speed up the production process and to meet more orders by customers

## Supply Chains Sector

The Company's supply chain ecosystem has been restructured to harmonize modern management concepts. Its objectives and the most important challenges it faces and future risks have also been identified.

### Key Objectives and Achievements

- **Enhancing Operational Efficiency:** Work methods have been developed that have led to faster delivery, improved fulfillment rates of purchase orders and increased productivity. Business has also been re-planned and some jobs have been merged.
- **Improving resource utilization, managing costs and inventory and reducing unnecessary costs:** Initiatives such as strategic sourcing, supplier standardization, and inventory management techniques have been pursued as part of efforts to reduce costs while maintaining quality of service, which led to renegotiation and improvement of relations with suppliers have also led to lower prices with better conditions.
- **Promoting sustainable practices with the aim of developing good and adaptable performance:** The system of automating warehouse functions has been implemented, in addition to developing the foundations for dealing with supplier contracts in line with the Company's governance regulations.

## Shared Services and Compliance

### Human Resources Department

Saudi Lime Industries Company works to continuously improve a motivating and supportive work environment for the success of its employees, by providing strategic

solutions that align with organizational goals and promote a culture of cooperation, innovation and continuous development.

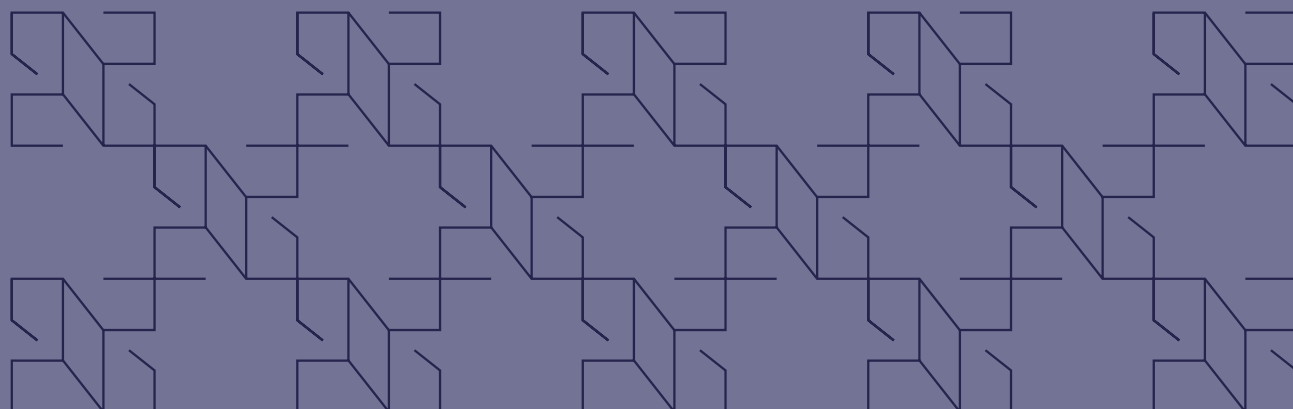
The Company's interest in diversity, women's empowerment and digital transformation also helps to continue making a difference in improving the balance of comprehensiveness among its employees. On the other hand, the Saudization rate for the year 2023 reached 33% compared to 29.9% for the same period in 2022. The Company also focused on training and developing employees during the year. The Company's employees received training on several programs, the most prominent of which are digital transformation programs.

### Compliance and Governance Department

Saudi Lime Industries Company adheres to the legal principles and rules within the framework of the Corporate Governance Law and is keen to ensure that all works and documents are within a legal framework. It also applies compliance standards in all its activities and works in line with the Corporate Governance Regulation and the application of the best governance practices in force. These policies are updated continuously based on any update or amendment in the laws and regulations issued by the competent authorities

**The Compliance and Governance Department has made many achievements during the year 2023, including but not limited to:**

- Working on laws that help the Company shift from a closed joint stock to a listed joint stock company.
- Developing the matrix of administrative powers.
- Establishing a modern integrated system of governance that includes the regulations and policies of the work of the Board of Directors and its committees.
- Preparation, approval and harmonization of the Company's Articles of Association according to the New Companies Law.



## Financial Performance

04

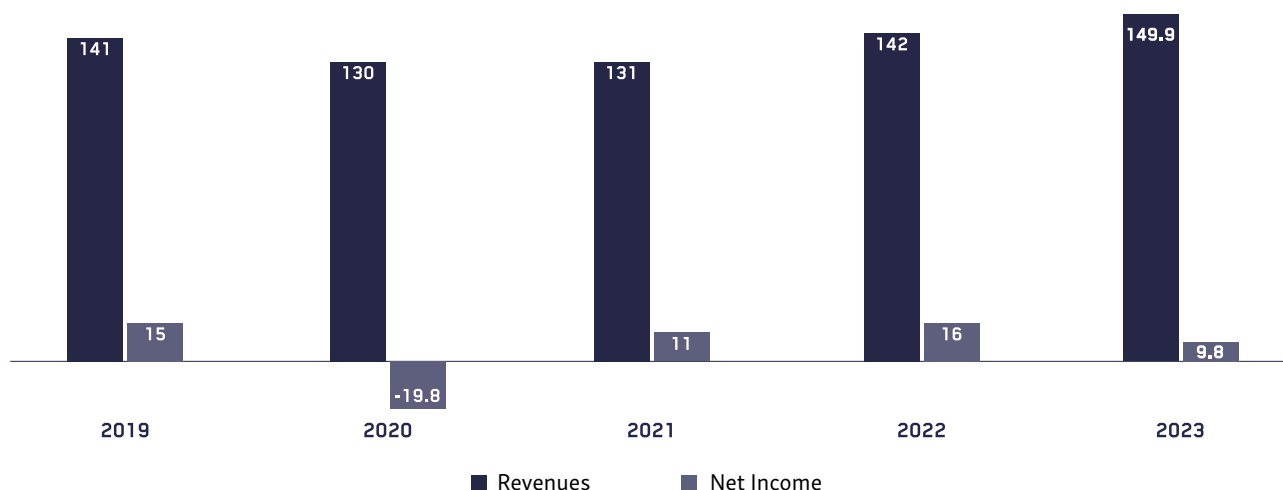
## Summary of Financial Performance

### Performance Indicators (5-Year Comparison)

#### Net income/ revenues (SAR million)

The Company's revenues increased as a result of the increase in the amount of sales and the improvement in selling prices, while year profits amounted to about 9.8 million Saudi riyals with a decrease of (38.3) compared to the profits achieved in 2022 as a result of the increase in cost.

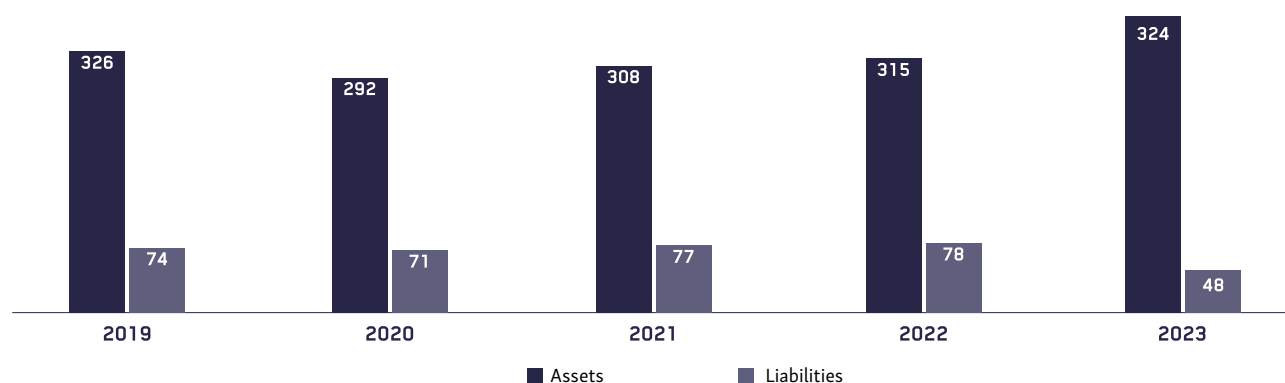
Description	2023	2022	2021	2020	2019
Revenues (Sales)	149.9	142	131	130	141
Net Income	9.8	15.8	11.3	-19.8	15



## Assets and Liabilities

Description	2023	2022	2021	2020	2019
Total Assets/ Million Riyals	324	315	308	292	326
Total Liabilities/ Million Riyals	48	78	77	71	74

Assets - Liabilities / Million Riyals



## Equity

The value of equity increased by about 38.5 million riyals as a result of many factors including capital increase with an amount of 20 million riyals in addition to the share premium of about 9.2 million riyals as well as the profits of the year, and other revenues.

Description	2023	2022	2021	2020	2019
Equity/ Million Riyals	276	237	231	220	252

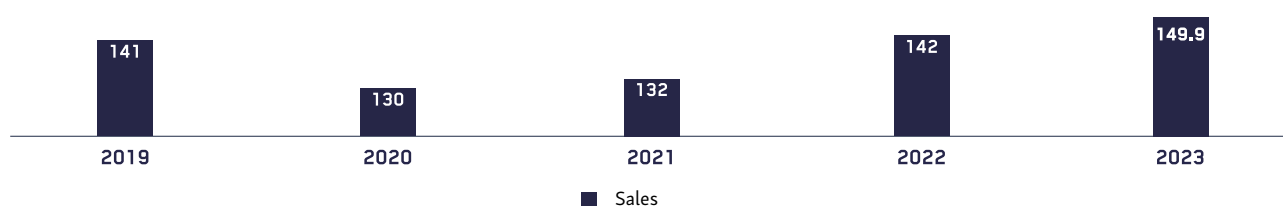


## Sales

The value of sales in 2023 increased by 7.6 million riyals (by 5.33 %) to reach about 149.9 million riyals compared to 142.3 million riyals in 2022. This is due to many factors, the most important of which is the increase in the quantities sold and also because of the improvement in selling prices. The value of domestic sales decreased by 7.3 million riyals (by 4.58%) and the value of export sales for 2023 increased by 15.3 million riyals from sales of 2022 (by 63.8%).

Description	2023	2022	2021	2020	2019
Sales Value/ Million Riyals	149.9	142	132	130	141

Sales/ Million Riyals

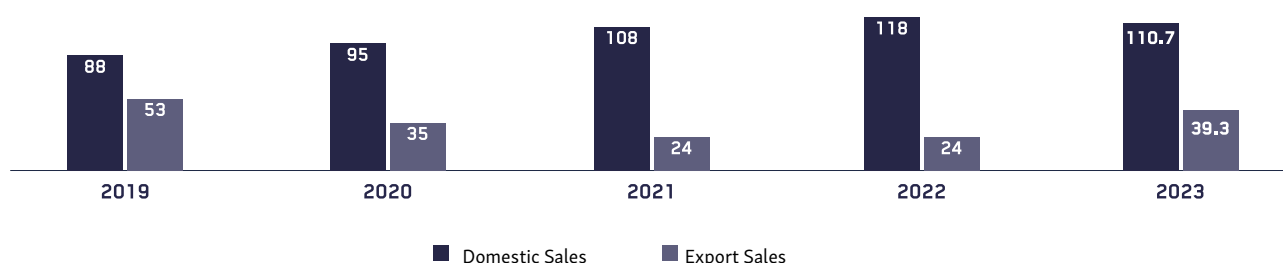


## Geographical Analysis of the Total Revenues of Saudi Limestone Industries Company

The Company's revenues result from the practice of its activity in the production and sale of quick and hydrated lime and calcium carbonate in addition to sand-lime bricks and blocks. It is mainly concentrated in the internal market and extends to the Gulf region and the markets of some countries in which we strive to increase our share.

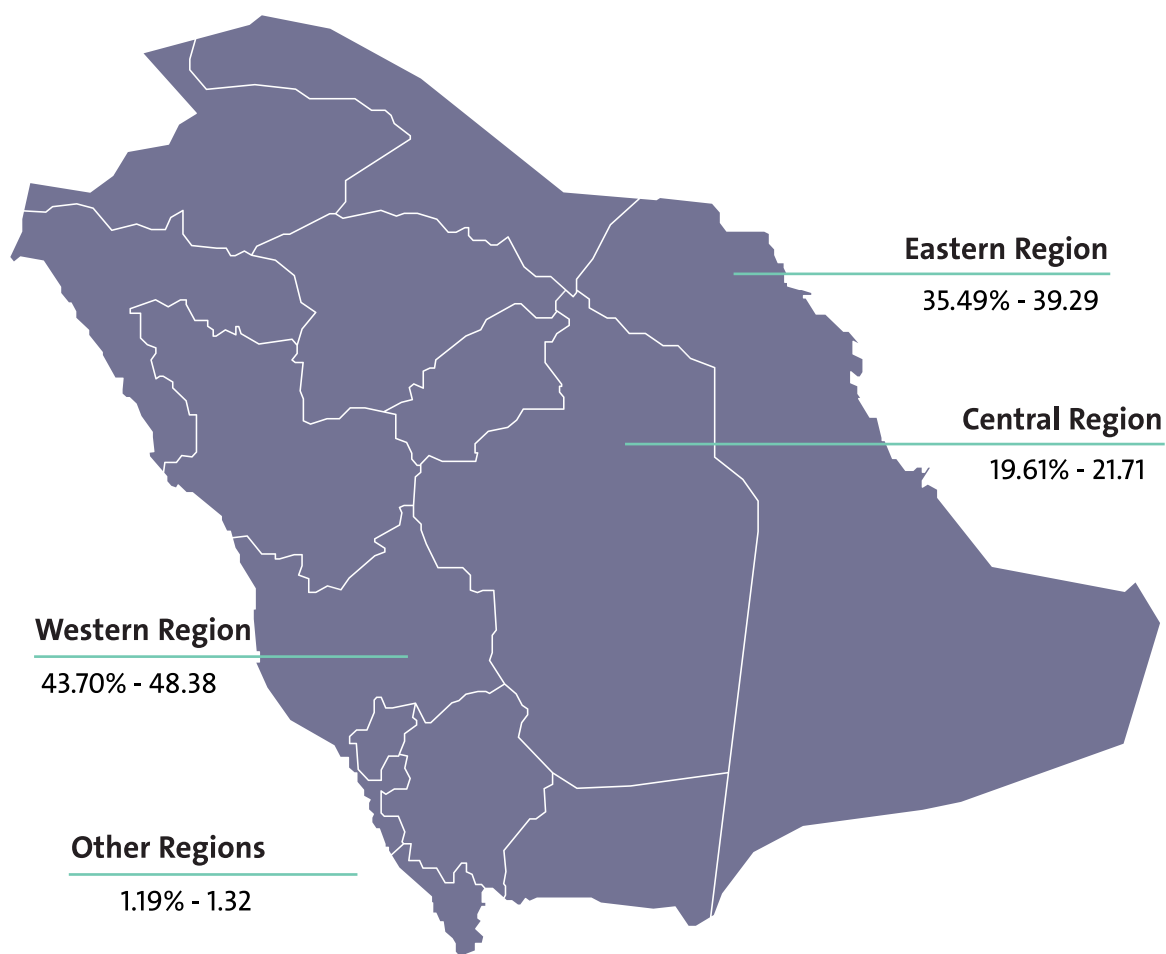
Description	2023	2022	2021	2020	2019
Domestic Revenues	110.7	118	108	95	88
Export Revenue	39.3	24	24	35	53

Geographical Distribution of Sales



## Geographical Analysis of Revenues from the Domestic Market

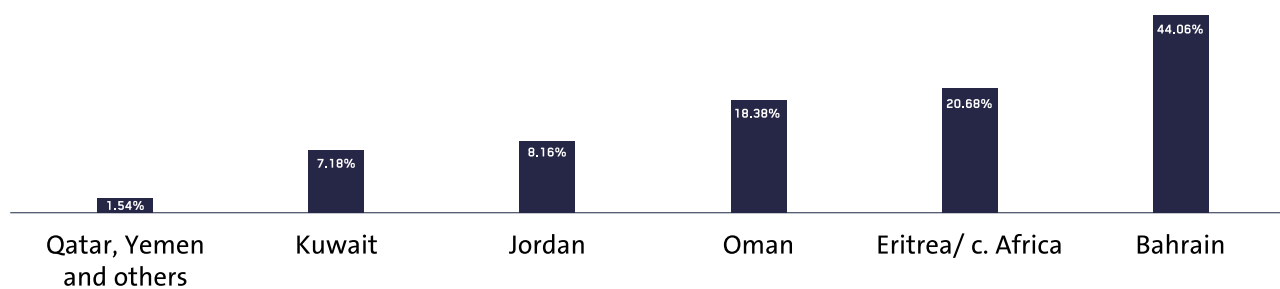
Region	Million Riyals	%
Central Region	21.71	19.61%
Eastern Region	39.29	35.49%
Western Region	48.38	34.70%
Other Regions	1.32	1.19%
<b>Total</b>	<b>110.70</b>	<b>100%</b>



## Geographical Analysis of Revenue from Export Sales

Contry	Million Riyals	%
Bahrain	17.32	44.06%
Eritrea/ S. Africa	8.13	20.68%
Oman	7.22	18.38%
Jordan	3.21	8.16%
Kuwait	2.82	7.18%
Qatar, Yemen and others	0.61	1.54%
<b>Total</b>	<b>39.30</b>	<b>100.00%</b>

Geographical Analysis of Export Sales/Million Riyals





## Note on Significant Differences in Operational Results

Despite the increase in the value of sales by 5.33%, the strong negative impact of the increase in cost items led to a difference in the operating results for 2023 from the same in 2022, where the net operating profit decreased by 38.3% to reach 9.8 million riyals compared to 15.8 million riyals in 2022. The most important items affected by the increase in net operating profit are the following:

### Cost of Sales Items

- Increased operating expenses resulting from increased sales quantity.
- High prices of energy sources since the beginning of the year.
- High prices of dolomite crude
- High transportation expenses, whether for stone imported for production or for products supplied to customers due to the increase in the price of diesel.

### General Expenses Items

- High IT expenses after switching to the INFOR ERP system and automating most processes
- Consultancy fees necessary to study investment opportunities
- Increased expenses of external review and auditing

Operational Results for 2023	Operational Results for 2022
SAR 9,763,778	SAR 15,826,057

## 5-Year Income Statement Summary

Description	2023	2022	2021	2020	2019
Revenue	149,976,450	142,381,406	131,593,842	130,098,538	140,732,665
Revenue Cost	(83,265,988)	(79,241,387)	(72,878,312)	(81,572,106)	(76,289,068)
<b>Total Profit</b>	<b>66,710,462</b>	<b>63,140,019</b>	<b>58,715,530</b>	<b>48,526,432</b>	<b>64,443,597</b>
Selling and Distribution Expenses	(30,885,308)	(30,413,809)	(29,702,604)	(35,637,070)	(37,768,917)
General and Administrative Expenses	(27,303,011)	(16,893,322)	(19,223,809)	(16,774,142)	(8,548,600)
Expected Credit Losses/ Reversal of Impairment of Trade Debtors	(2,198,126)	(131,180)	0	1,208,555	128,458
<b>Net Profit /Loss from Main Activities</b>	<b>6,324,017</b>	<b>15,701,708</b>	<b>9,789,117</b>	<b>(2,676,225)</b>	<b>18,254,538</b>
Share in the Results of the Business of the Associate Company	(172,871)	(1,331,191)	(1,239,490)	(15,133,526)	(1,434,914)
Reversal of Provision for Impairment Losses on Investment in the Associate Company	0	1,500,000	0	0	
Financing Expenses	(717,381)	(588,549)	(607,145)	(1,103,484)	(812,997)
Other Revenues	6,481,231	2,018,067	4,915,015	240,672	94,137
<b>Profit before Zakat</b>	<b>11,914,996</b>	<b>17,300,035</b>	<b>12,857,497</b>	<b>(18,672,563)</b>	<b>16,100,764</b>
Zakat	(2,151,218)	(1,473,968)	(1,596,666)	(1,183,150)	(689,447)
<b>Net Profit/Loss for the Year</b>	<b>9,763,778</b>	<b>15,826,067</b>	<b>11,260,831</b>	<b>(19,855,713)</b>	<b>15,411,317</b>
<b>Profit/Loss on Remeasurement of Employee Defined Benefit Liabilities</b>	<b>(470,883)</b>	<b>282,327</b>	<b>(539,981)</b>	<b>(1,943,104)</b>	<b>(1,790,087)</b>
Total Comprehensive Income	9,292,895	16,108,394	10,720,850	(21,798,817)	13,621,230
Profit/Loss from Main Activities	0.30	0.79	0.49	(0.13)	0.91
Net Profit /Loss for the Year	0.46	0.79	0.56	(0.99)	0.77
Total Comprehensive Income/ Comprehensive Loss	0.44	0.81	0.54	(1.09)	0.68

## Summary of 5-Year Statement of Financial Position

Description	2023	2022	2021	2020	2019
Total Non-Current Assets	200,075,836	197,879,980	213,722,346	212,071,779	238,697,839
Total Current Assets	123,942,714	117,153,108	94,645,404	80,163,449	87,092,484
<b>Total Assets</b>	<b>324,018,550</b>	<b>315,033,088</b>	<b>308,367,750</b>	<b>292,235,228</b>	<b>325,790,323</b>
Total Non-Current Liabilities	10,365,836	11,660,414	23,996,858	25,518,683	18,676,691
Total Current Liabilities	37,900,839	66,108,031	53,214,643	46,281,146	54,879,416
<b>Total Liabilities</b>	<b>48,266,675</b>	<b>77,768,445</b>	<b>77,211,501</b>	<b>71,799,829</b>	<b>73,556,107</b>
Capital	220,000,000	200,000,000	200,000,000	200,000,000	200,000,000
Premium on Shares	9,194,337	0	0	0	0
Statutory Reserve	27,628,988	27,628,988	26,046,381	53,357,764	53,357,764
Other Reserves	(5,213,436)	(4,742,553)	(5,024,880)	(4,484,899)	(2,541,795)
Retained profits	24,141,986	14,378,208	10,134,748	(28,437,466)	1,418,247
<b>Total Equity</b>	<b>275,751,875</b>	<b>237,264,643</b>	<b>231,156,249</b>	<b>220,435,399</b>	<b>252,234,216</b>
<b>Total Liabilities and Equity</b>	<b>324,018,550</b>	<b>315,033,088</b>	<b>308,367,750</b>	<b>292,235,228</b>	<b>325,790,323</b>

## Statement of total loans, total repayments and total repayments during the year 2023

Lender	Loan Principal + Interests	Finance Obtaining Date	Total paid until 31/12/2023	Paid during 2023	Balance on 31/12/2023	Term of Loan
Alinma Bank	966,584.00	2020	966,584.00	81,775.00	-	Three years
Alinma Bank	576,952.45	2020	576,952.45	45,260.00	-	Three years
Alinma Bank	1,002,722.51	2020	1,002,722.51	158,875.00	-	Three years
Arab Bank	16,676,262.55	2018	16,676,262.55	1,549,663.00	-	Three years
Arab Bank	6,365,037.36	2020	6,365,037.36	1,342,978.00	-	Three years
Arab Bank	14,790,175.50	2021	13,378,550.50	5,341,308.00	1,400,000.00	Three years
Arab Bank	9,368,014.44	2021	8,452,901.44	3,790,841.00	900,000.00	Three years

## Note on Difference from Accounting Standards

«There is no deviation in the application of accounting standards because the financial statements for the financial year ended 31 December 2023 have been prepared in accordance with the International Accounting Standards (IFRS) adopted in the Kingdom of Saudi Arabia and the accounting standards issued by the Saudi Organization for Certified Public Accountants. There are also no material observations or reservations by the auditors on the semi-annual and annual financial statements during the financial year 2023.»

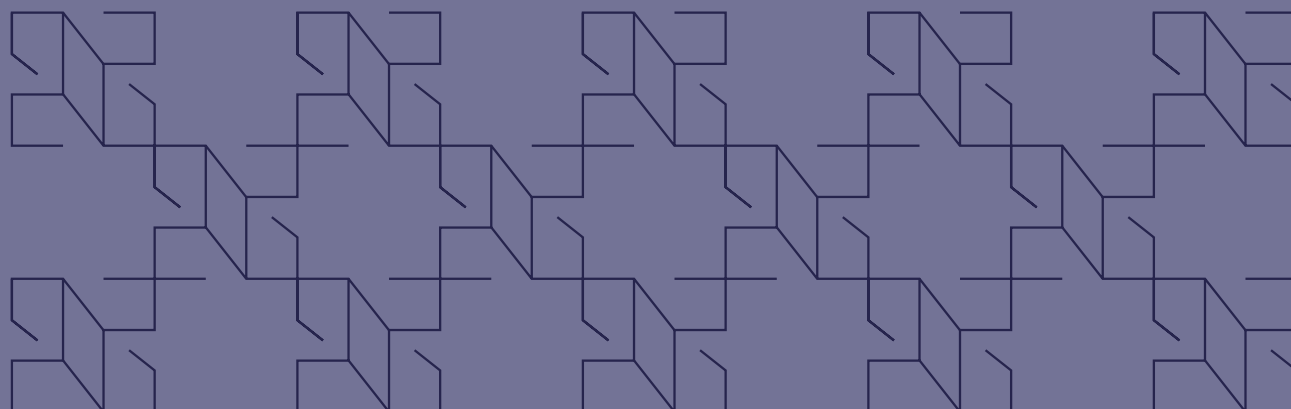
## Taxes and Government Payments

The Company paid the amounts due as taxes (value added / withholding) according to the tax returns by 1,870,920 riyals, and the amount due at the end of the year was 347,472 riyals.

Authority	Paid during the year	Due at the end of the year	Description
Sharia Zakat	1,473,968	2,180,668	The amount paid during the year represents the due Zakat for the year 2022. The due is the Zakat provision for the year 2023. The Zakat provision has been calculated on the basis of the Zakat base or the adjusted net profit, whichever is greater.
Custom Duty	309,798	0	The company is subject to customs regulations and the value of the customs due is paid in advance when any spare parts, equipment or materials imported from outside the Kingdom are cleared.
Fees for subscriptions to government platforms, licenses, records, traffic and driving licenses	63,420	0	Regular payments to obtain government services, certificates or licenses necessary for the exercise of the Company's activity and shall be paid when the are due.
Quarrying Fees	735,500	177,554	The financial fee for the rent of the land and the exploitation of raw materials quarries are paid every three calendar months according to the Mining Investment Law in the Kingdom
Social Insurance Contributions	1,853,078	251,027	The Company's employees are subject to the Social Insurance Law and contributions are paid monthly on an accrual basis.
Renewal fees/ issuance of residence permits, work permits and visa fees	167,542	0	According to the Kingdom's residency regulations, all non-Saudi employees are subject to payment of fees that are paid when due
Fees of professional bodies and modification of professions	17,400	0	Statutory payments to the Association of Accountants and Engineers and the are paid when due

## Note on sanctions and penalties imposed on «Saudi Lime Industries» during 2023

No sanctions, penalties, precautionary measure, or precautionary restriction has been imposed on the Company by the Authority, or any supervisory, regulatory, or judicial authority, and there are no cases filed against any external party.



## Risk Management

# 05

## Risk Management – General Perception

**Risk management is defined as a proactive, collaborative approach for the purpose of dealing with any potential external or internal risks that may occur within companies in the future, which negatively affect their performance. It includes processes for measuring risks, developing a strategy for dealing with them, and reducing their impact.**

## Importance of Risk Management

**Risk Management derives its importance from its objectives, the most important of which are:**

- Correctly help enable business continuity by preparing and dealing effectively with the risks that occur.
- Enhancing the efficiency of resource utilization by analyzing opportunities and identifying related risks.
- Preserving the Company's assets to protect the rights of stakeholders.



## Nature of the Risks Faced by the Company

### Operational Risks

- Change in energy and fuel prices.
- Change in transport prices.
- Availability of sufficient stock of raw materials and fluctuation in their prices
- Adherence to quality standards and specifications required by customers.
- Obtaining the necessary licenses and permits.
- Production equipment stop for maintenance, which affects the fulfillment of customer orders.

### Finance Risks

- Change of Interest Rates
- Liquidity Management
- Currency Changes
- Cost Management
- Credit Risks

### Market risk

- Increased Intensity of Competition
- Export Restriction
- Change in customer situations and market structure

### Human Resources Risks

- Retention of Competencies
- Succession Planning
- Availability of National Skills

### IT Risks

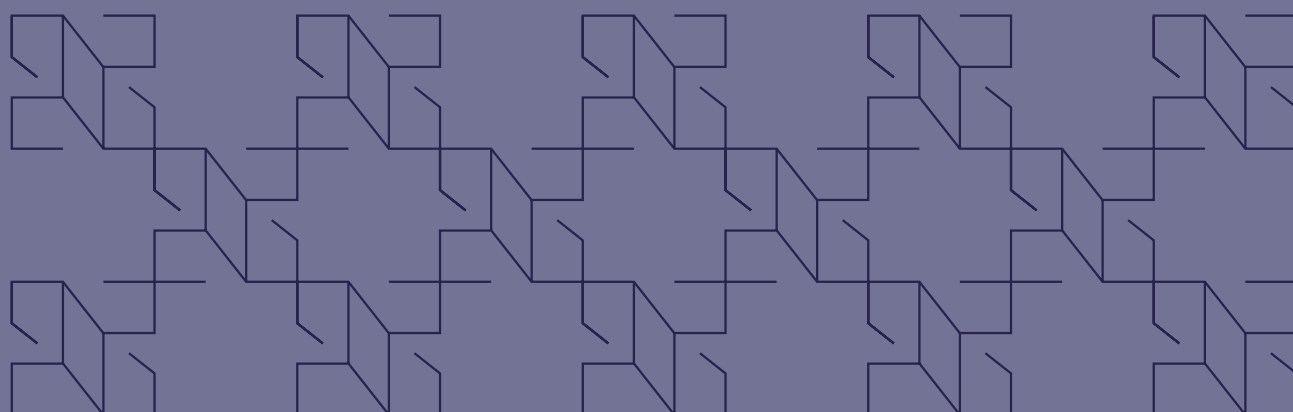
- Data Breach Protection
- The efficiency of the information system in providing data and information
- Infrastructure and updating it to suit technical development
- Necessary costs for the continuation of the system and its operating licenses
- Continue technical support from the source

## Company Policy for Managing and Controlling these Risks

**These risks are continuously monitored and closely controlled by the Board of Directors and its committees and the Executive Management. The company has the systems and long experience to find professional solutions to face risks flexibly and in a way that maintains the efficiency of operation, protects the rights of stakeholders and achieves business continuity in the event of crises.**

### Ways to achieve this end:

- Scheduling Preventive Maintenance Operations.
- Reviewing selling prices with customers whenever possible and following up on market trends.
- Increasing the efficiency of the Company's laboratories and providing them with modern equipment to maintain the stability of product quality.
- Working to develop human cadres and reduce labor turnover
- Following up on obtaining the necessary licenses, certificates and permits and ensuring that they are renewed before their expiry dates.
- Preparing a list of risks and preventive safety, updating it continuously, circulating it and increasing awareness of individuals to abide by it.
- Continuous monitor of the risks related to individuals and property and preparing the necessary measures to confront them by the concerned executive departments
- Keeping all executive departments informed of all internal and external work developments and new challenges and working to find plans to address them through periodic administrative meetings.



## Capital and Ownership Reports

# 06



## Capital

After approving the listing of the shares of Saudi Lime Industries Company in the parallel market (Nomu), the Company increased its capital to SAR 220 million through a public offering of two million (2,000,000) new ordinary shares representing about (9.09%) of the total capital after offering (which represents 10% of the capital before the increase). The share premium amounted to SAR 9.2 million.

### A statement showing the information of the change in the capital of Saudi Lime Industries Company and the number of its shares during the year 2023:

Description	1/1/2023	31/12/2023
Authorized Capital/SAR	200,000,000	220,000,000
Paid up Capital/SAR	200,000,000	220,000,000
Number of Issued Shares	20,000,000	22,000,000
Nominal Value of the Share/SAR	10	10
Paid Value per Share/SAR	10	10
Company number in the capital market (Nomu)	-	9566
Country Code	-	+SA15Q08KLF13

### Saudi Lime Industries Company confirms that:

- All of its issued shares are ordinary shares and it does not have preferred shares or shares that enjoy special priority in voting, whether for shareholders, members of the Board of Directors or its employees, and that all the shares of the Company are ordinary shares of equal nominal value and equal voting rights and other rights according to the law.
- Saudi Lime Industries Company does not hold any treasury shares as of 31/12/2023
- There are no restrictions on investing in the shares of Saudi Lime Industries Company according to the rules governing the investment of qualified foreign financial institutions in listed securities and the instructions regulating the ownership of strategic foreign investors in listed companies in accordance with the Articles of Association and the instructions issued by the supervisory and regulatory authorities to which they are subject.

## Statement of the performance of the share during the year

Share price on 31/12/2023	Share price at the beginning of trading on 27/04/2023	The highest price from the beginning of trading	Lowest price from the beginning of trading	Percentage change from the beginning of trading until 31/12/2023
14 Saudi riyals	17.48 Saudi riyals	20.98 Saudi riyals	12.52 Saudi riyals	-19.9%

## Shares of Board Members, Committee Members and their Families

Member Name	Capacity	Ownership Type	Number of Shares Held				Change during the year	
			On 1/1/2023		On 31/12/2023		Number	Percentage
			Number	Percentage	Number	Percentage		
Mr. * Abdulaziz Majid Alkassabi	Chairman	Indirect	1,000,000	5.00%	1,000,000	4.55%	0	-9.09%
		Direct	40,000	0.2000%	372,318	1.6924%	332,318	746.18%
Mr. Abdulaziz Tariq Al-Bassam	Deputy Chairman	Indirect	0	0.00%	0	0.00%	0	0.00%
		Direct	13,428	0.067%	167,200	0.760%	153,772	1031.96%
Eng. Hamad Mohammed Al-Saad	Member of the Board	Indirect	0	0.00%	0	0.00%	0	0.00%
		Direct	0	0.00%	0	0.00%	0	0.00%
Dr. Adel Khaled Al-Subaih	Member of the Board	Indirect	0	0.00%	0	0.00%	0	0.00%
		Direct	0	0.00%	0	0.00%	0	0.00%
* Mr. Bader Saleh Al-Issa	Member of the Board	Indirect	162,293	0.81%	162,293	0.74%	0	-9.09%
		Direct	0	0.00%	0	0.00%	0	0.00%
Mr. Saud Abdulaziz Al Jomaih	Member of the Board	Indirect	0	0.00%	0	0.00%	0	0.00%
		Direct	0	0.00%	0	0.00%	0	0.00%
Eng. Fahad MUSAEDI Alrasheedi	Member of the Board	Indirect	0	0.00%	0	0.00%	0	0.00%
		Direct	0	0.00%	0	0.00%	0	0.00%

\* Mr. Abdulaziz Alkassabi holds 1 million shares indirectly as a result of his 50% ownership of Mushira Company, which holds 2 million shares of Saudi Lime Industries Company

\* Mr. Bader Saleh Al-Issa holds 162,293 shares indirectly as a result of his 20% ownership of Amlak Al-Issa Real Estate Company, which holds 811,466 shares of Saudi Lime Industries Company

## Note

“None of the executives of Saudi Lime Industries Company or their relatives holds any of its shares.”

## Shares of Committee Members and their Families

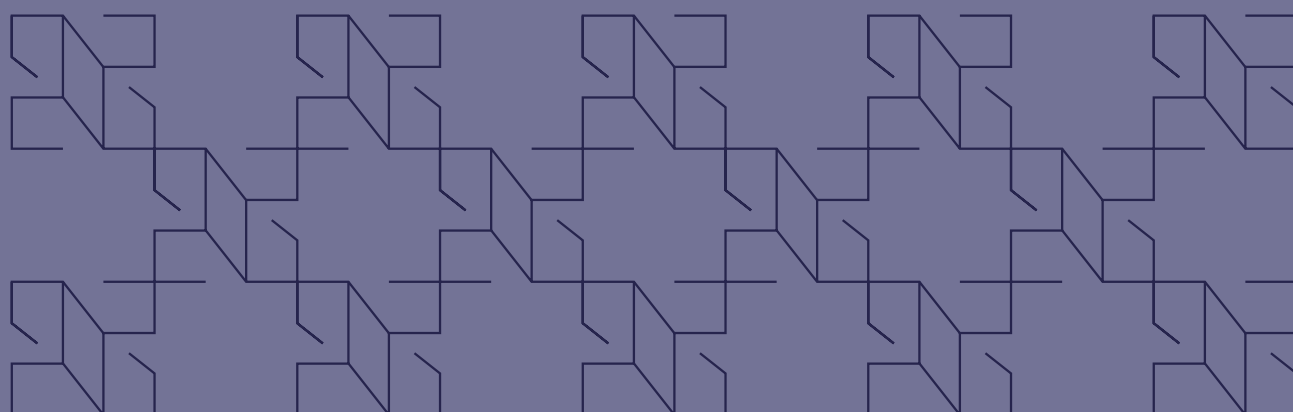
- **Shareholdings of the Nomination and Remuneration Committee Members**
- The equities of its members are disclosed in the statement of the Board of Directors

## Shareholdings of Audit Committee Members

Member Name	Number of Shares Held				Change during the year		Remarks
	On 1/1/2023		On 31/12/2023		Number	Percentage	
	Number	Percentage	Number	Percentage			
Audit Committee Members (for the current session, which started on 21/7/2023)							
Mr. Abdulaziz Tariq Al-Bassam	13,428	0.067%	167,200	0.760%	153,772	1031.96%	Member of the previous and current session
Mr. Ihsan Amanullah Makhdoom	0	0.00%	0	0.00%	0	0.00%	Member of the previous and current session
Mr. Younis Abdul Karim Ishan	0	0.00%	0	0.00%	0	0.00%	
Mr. Saleh Al-Yahya	0	0.00%	0	0.00%	0	0.00%	
Former Audit Committee Members (for the session ended on 20/7/2023)							
Mr. Ali Ayedh Al-Qahtani	0	0.00%	0	0.00%	0	0.00%	

## Shareholdings of Executive Committee Members

Member Name	Number of Shares Held				Change during the year		Remarks
	On 1/1/2023		On 31/12/2023		Number	Percentage	
	Number	Percentage	Number	Percentage			
Executive Committee Members (for the current session, which started on 21/7/2023)							
Mr. Abdulaziz Majid Alkassabi	Disclosed in the statement of the Board of Directors						Member of the previous and current session
Mr. Abdulaziz Tariq Al-Bassam	Disclosed in the statement of the Board of Directors						Member of the previous and current session
Mr. Abdul Majeed Hamad Al Jomaih	0	0.00%	0	0.00%	0	0.00%	Member of the previous and current session
Eng. Fahad Musaed Alrasheedi	0	0.00%	0	0.00%	0	0.00%	
Mr. Zourik Aram Bosnian	0	0.00%	0	0.00%	0	0.00%	
Former Executive Committee Members (for the session ended on 20/7/2023)							
Mr. Saud Al-Maghams	0	0.00%	0	0.00%	0	0.00%	



## Dividends and Remuneration

**07**

## Dividend Policy

Dividends depends on the net profits realized during the year, taking into account cash flows, future expectations of capital investments, and the importance of maintaining a strong financial position.

«Although the Company has realized annual profits, there are no guarantees for future dividends.»

As set forth in the Articles of Association and the Dividend Policy of Saudi Lime Industries Company, the net annual profits shall be distributed as follows

**As set forth in the Articles of Association and the Dividend Policy of «Saudi Lime Industries», the net annual profits shall be distributed as follows:**

- The Ordinary General Assembly may, based on the proposal of the Board of Directors, set aside a percentage not exceeding (10%) of the net profits to form a consensual reserve to be allocated for a specific purpose or purposes specified by the General Assembly.
- The Ordinary General Assembly may decide to form other reserves, to the extent that achieves the interest of the Company or ensures the distribution of fixed profits as much as possible to the shareholders.
- Subject to the provisions stipulated in the Company's Articles of Association, and Article (seventy-six) of the Companies Law, the remuneration of the Board of Directors, a certain amount, an attendance allowance for the sessions, in-kind benefits, or a certain percentage shall be allocated from the net profits. Two or more of the above may be combined, provided that the entitlement to this remuneration is proportional to the number of sessions attended by the member.
- Saudi Lime Industries may distribute interim dividends to its shareholders on a semi-annual or quarterly basis in accordance with the controls issued by the Capital Market Authority.
- The shareholder shall be entitled to his share in the profits in accordance with the decision of the General Assembly issued in this regard, or the resolution of the Board of Directors to distribute interim profits. The resolution shall indicate the due date and the date of distribution.
- The cash dividends to be distributed to the shareholders shall be deposited in their accounts linked to their investment portfolios, and the granted shares shall also be deposited in the shareholders' investment portfolios after announcing this via official channels.

## Dividends

**«No interim dividends were distributed for the financial year 2023 and there are no guarantees for any future distributions.»**

## Remuneration and Allowances Policy (Board of Directors/ Committees /Executive Management)

- The Remuneration Policy for the members of the Board of Directors and its committees aims to find the appropriate foundations in order to attract members with scientific, technical and administrative competence in addition to the appropriate expertise in order to motivate them to perform their duties with high professionalism.
- The annual remuneration of the members of the Board of Directors and the committees shall be determined based on the policy set by the Board and in accordance with the Articles of Association of Saudi Lime Industries Company and the applicable regulations.
- Remuneration is organized in a manner consistent with the strategic objectives and in a manner that is a motivating factor for the members of the Board and its committees to achieve those objectives and enhance the capabilities of the Company and the development and sustainability of its business.
- The remuneration shall be fair and proportionate to the functions of the member and the work and responsibilities he carries out in addition to the objectives specified by the Board of Directors to be achieved during the financial year.
- The annual remuneration also aim to urge the members of the Board of Directors and the Executive Management to follow up the success and development of the business in the long term by following up the mechanism of implementation by the Executive Management of the work plans.
- The remuneration shall be disbursed annually to the Board after the approval of the General Assembly .
- Holders of leadership positions shall be granted incentive and motivational remuneration commensurate with their executive tasks and their contributions to the annual results and the implementation of the set objectives.

## Note on the relationship between the remuneration granted and the applicable Remuneration Policy and deviation from it

«All remunerations awarded during 2023 were in accordance with the approved and applicable Remuneration Policy and there is no material deviation from this Policy.»



## Statement of Remuneration Compensation for the Board of Directors

Members Names	Fixed Rewards						Variable Rewards					End of Service Reward	Total Amount	Expense Allowance	
	Specified Amount	Council Session Attendance Allowance	Total Committee Session Attendance Allowance	In-kind Benefits	Technical, Administrative, and Consultative Work Reward	Reward for the Chairperson, Managing Member, or Secretary if a Member	Total	Percentage of Profits	Periodic Rewards	Short-term Incentive Plans	Long-term Incentive Plans				Value of Granted Shares
Independent Members															
Mr. Abdulaziz Tariq Al-Bassam	200,000	18,000	15,000	0	0	0	233,000	0	0	0	0	0	0	233,000	0
Mr. Saud Khaled Al-Mughamis **	200,000	0	3,000	0	0	0	203,000	0	0	0	0	0	0	203,000	0
Non-Executive Members															
Mr. Abdulaziz Majed Al-Qasbi	200,000	18,000	15,000	0	0	0	233,000	0	0	0	0	0	0	233,000	0
Dr. Adel Khaled Al-Subaih	200,000	18,000	0	0	0	0	218,000	0	0	0	0	0	0	218,000	0
Mr. Hamad Mohammed Abdullah Al-Saad	200,000	18,000	0	0	0	0	218,000	0	0	0	0	0	0	218,000	0
Mr. Badr Saleh Al-Essa	200,000	18,000	6,000	0	0	0	224,000	0	0	0	0	0	0	224,000	0
Mr. Saud Abdulaziz Al-Jumaih *	0	18,000	6,000	0	0	0	24,000	0	0	0	0	0	0	24,000	0
Mr. Abdulmajid Hamad Al-Jumaih **	200,000	0	12,000	0	0	0	212,000	0	0	0	0	0	0	212,000	0
Executive Members															
Engineer Fahd Mosaad Alrasheedi *	0	18,000	12,000	0	0	0	30,000	0	0	0	0	0	0	30,000	0
<b>Total</b>	<b>1,400,000</b>	<b>126,000</b>	<b>69,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,595,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,595,000</b>	<b>0</b>

\* He was appointed as a member for the new term of the council starting from 21/07/2023 for a period of 3 years

\*\* Their membership ended at the conclusion of the councils term on 20/07/2023

## Note on the amounts paid to the members of the Board of Directors as workers or administrators or what they received for any technical or administrative work or consultancy

No member has received sums or financial or in-kind benefits in exchange for technical work or consultancy, except for what Eng. Fahad Alrasheedi received in terms of salary and allowances for his work as CEO, and it has been included in the Remuneration and Compensation for Senior Executives.

### Statement of Remuneration Paid during the Year for Committee Membership

#### Audit Committee

Name	Fixed Remuneration	Session Attendance Allowance	Total	Remarks
Mr. Ali Ayedh Al-Qahtani	50,000	0	50,000	For the previous session ending on 20/7/2023
Mr. Abdulaziz Tariq Al-Bassam	50,000	0	53,000	For the previous session ending on 20/7/2023
	0	3,000		The current session as of 21/07/2023
Mr. Ihsan Amanullah Makhdoom	50,000	0	59,000	For the previous session ending on 20/7/2023
	0	9,000		The current session as of 21/07/2023
Mr. Younis Abdul Karim Ishan	0	9,000	9,000	The current session as of 21/07/2023
Mr. Saleh Al-Yahya	0	9,000	9,000	
<b>Total</b>	150,000	30,000	180,000	

#### Nomination and Remuneration Committee

Name	Fixed Remuneration	Session Attendance Allowance	Total	Remarks
Mr. Abdulaziz Majid Alkassabi	0	0	0	For the previous session ending on 20/7/2023
Mr. Abdulaziz Tariq Al-Bassam	0	0	0	
Mr. Bader Saleh Al-Issa	0	0	28,466	
	22,466	6,000		
Eng. Matar Ali Al-Zahrani	16,303	3,000	19,303	The current session as of 21/07/2023
Mr. Saud Abdulaziz Al Jomaih	22,466	6,000	28,466	
Eng. Fahad Musaed Alrasheedi	0	0	0	Resigned from the Committee to be appointed as Chief Executive Officer
<b>Total</b>	61,235	15,000	76,235	



## Executive Committee

Name	Fixed Remuneration	Allowance for attending sessions	Total	Remarks
Mr. Saud Al-Maghams	0	3,000	3,000	Previous Session
Mr. Abdulaziz Majid Alkassabi	0	3,000	3,000	Previous Session
	22,466	12,000	34,466	The current session as of 21/07/2023 2023/07/21 م
Mr. Abdul Majeed Hamad Al Jomaih	0	3,000	3,000	Previous Session
	22,466	9,000	31,466	The current session as of 21/07/2023 2023/07/21 م
Mr. Abdulaziz Tariq Al-Bassam	22,466	12,000	34,466	The current session as of 21/07/2023
Eng. Fahad Musaed Alrasheedil	22,466	12,000	34,466	
Mr. Zohrab Aram Bosnian	22,466	12,000	34,466	
<b>Total</b>	112,329	66,000	178,329	

## Compensation for Senior Executives

Statement of remuneration and compensation paid to senior executives who received the highest remuneration, including the CEO and the CFO during 2023:

Description	
Fixed Remuneration	Amount
Salaries	3,543,730
In-kind benefits	0
<b>Total Fixed Remuneration</b>	<b>3,543,730</b>
Variable Remuneration	-
Periodic Remunerations	27,054
Profits	0
Short-term incentive plans	0
Long-term incentive plans	0
Value of granted shares	0
Other	280,000
<b>Total Variable Remuneration</b>	<b>307,054</b>
End of Service Benefit	779,256
Total remuneration of executives for the Board, if any	0
<b>Grand Total</b>	<b>4,630,040</b>

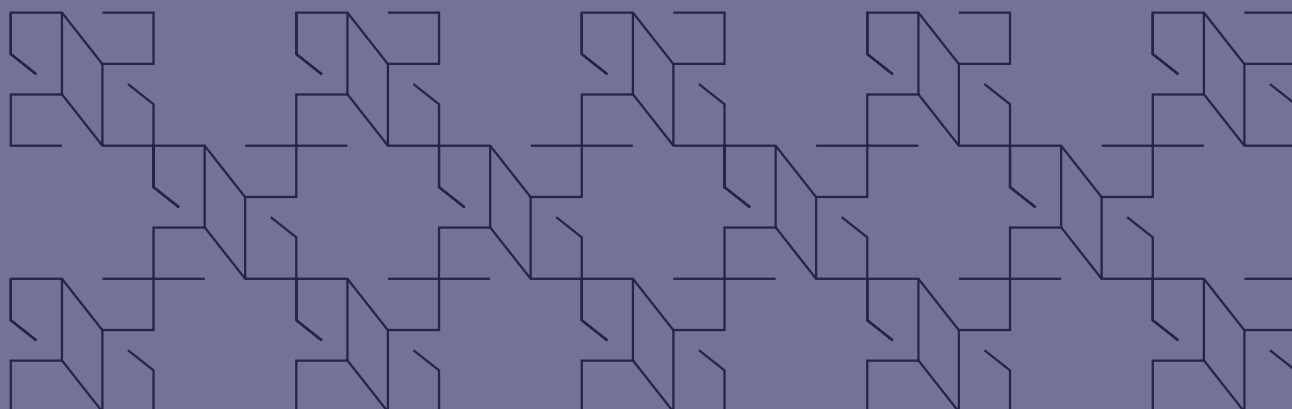
## Note on the Compliance to Present the Table of Executive Remuneration Details

The elements of the remuneration granted to senior executives have been disclosed in aggregate in accordance with the statutory requirements contained in (Clause /4 of Sub-paragraph /4 of Article/ 90) of the Corporate Governance Regulations, without detailed disclosure (as stated in Appendix (1) for Senior Executives of the Corporate Governance Regulations) to protect the interests of the Company, its shareholders and employees and to avoid causing any damage that may result if mentioned in detail, which may be represented in the creation of a climate of competition and job instability, which would negatively affect the performance of the Company and thus the shareholders.

## Statement of Investments or Reserves Developed for the Benefit of the Employees of the Company

**There are no investments or reserves allocated to incentives or entitlements of employees except for the provision of end of service benefit.**

- There are some services and incentive programs for employees to encourage and support them, such as:
- The annual remuneration approved by the Board of Directors, which is based on the annual evaluation of the employee and the results of the year's business.
- Career Development Programs and Qualifying Courses
- Providing adequate housing for most employees at or near the production site and equipping it with all means of living while providing good transportation to and from the work site.
- Appropriate medical insurance for all employees.



## Governance of “Saudi Lime Industries”

08

## General Framework of Governance in Saudi Lime Industries Company

- The management structure of the Company consists of: Board of Directors - Committees – Executive Management
- The Board of Directors is responsible for forming the Executive Management, setting the foundations of the governance of «Saudi Lime Industries» and its policies, supervising and reviewing their implementation to ensure that the Executive Management complies with the relevant plans and systems, while promoting the growth and sustainability of the Company.
- The Executive Management is responsible for the daily management of all operations necessary for the conduct of work and the management of resources in an optimal and effective manner in light of the Company's strategic plans and objectives. It also prepares periodic financial and non-financial reports and submits them to the Board of Directors to take appropriate decisions.

## Acknowledgments as per Corporate Governance Regulations

### Acknowledgments of the Board of Directors

**In addition to the other acknowledgments referred to in this report, the Board of Directors acknowledges that:**

- The accounting records have been prepared correctly
- The internal control system was prepared

on sound foundations and implemented effectively.

- There is no minor doubt regarding the Company's ability to continue its activity.
- There has been no interruption in the business of the Company that affects or significantly affected the financial position during the last (12) months.
- The Company is not subject to lawsuits or legal proceedings that may, alone or in their entirety, affect substantially the Company's business or financial position.
- Saudi Lime Industries Company did not issue or grant any convertible debt instruments, contractual securities, subscription right notes, or any similar rights during the financial year 2023.
- Saudi Lime Industries Company has not issued or granted any rights of conversion or subscription under any convertible debt instruments, contractual securities, subscription right notes, guarantees or similar rights.
- There is no redemption, purchase or cancellation by the Company of any redeemable debt instruments.
- There are no arrangements or agreements under which a member of the Board of Directors or a senior executive has waived any salaries or remunerations
- No member of the Board of Directors has engaged in any business competing with the Company's business. If he wishes, he must first obtain the approval of the Ordinary General Assembly of the Company's shareholders.
- There are no arrangements or agreements under which one of the shareholders of Saudi Lime Industries Company waived his rights to profits.

## Confirmations of the Board of Directors

- That the company has all the basic licenses and approvals required to carry out its activities.
- There is no power for Board members or senior executives to borrow from the Company.
- There is no power to give a member of the Board of Directors or the CEO the right to vote on remuneration granted to them.
- The auditors' report indicates that the annual financial statements of the Saudi Lime Industries Company for the financial year 2023 are devoid of any material remarks and there are no reservations about them.
- The Company did not receive from the Auditor a request to hold the General Assembly during the financial year ended 31/12/2023 and it has not been held.
- During the financial year 2023, the external auditor of the Company did not provide any advisory services and did not receive any fees in this regard.
- The Board of Directors did not recommend changing the auditor before the end of the period for which he was appointed.

## Liabilities of the Board of Directors

- The Board of Directors is committed to working to protect the rights of shareholders to ensure justice and equality among them.
- The Board of Directors and the Executive Management shall not discriminate between shareholders who own shares of the same category and type and shall not withhold any right from them.
- The Board of Directors is committed to providing complete, clear, correct and non-misleading information to enable the Shareholder to exercise its rights to the fullest and in a timely manner.

## Transactions with Related Parties

- Saudi Lime Industries Company acknowledges that there are no works, contracts or deals to which the Lime Industries Company is a party, and in which there is or was an interest of one of the members of the Board of Directors or Senior Executives or any person related to any of them.

## Compliance with Corporate Governance Regulation

- Saudi Lime Industries Company acknowledges the application of all the provisions contained in the Corporate Governance Regulations with the exception of some guiding articles that the Company seeks to implement whenever necessary, which are as follows:

.S.N	Article No.	Paragraph No.	Sub-Paragraph No.	Reasons for non-compliance	Remarks
1	16	3		Upon the formation of the Board on 21/7/2023, this paragraph was adhered to. On 1/12/2023, Board member Eng. Fahad Musaed Alrasheedi was appointed as CEO.	
2	37	2		All board members and committees are highly experienced in their field and are briefed on the Company's strategy and all its financial and operational activities in addition to their rights and obligations.	Guidance Article
3	39			The current session of the Board of Directors and its committees began on 21/7/2023. Therefore not a year has passed since the session of the Board and its committees. The statutory requirements will be conducted one year after the beginning of their session, i.e. as of the second half of 2024.	Guidance Article
4	67			The Executive Management Team is currently following up on risks under the supervision of the Board of Directors and the sub-committees in their respective fields. A risk management policy is currently being prepared and will be submitted to the Board for approval. The Board will form a risk management committee whenever it deems necessary.	Guidance Article
5	68			Not applicable for failure to form a risk management committee for the reasons mentioned in paragraph (4) above.	Guidance Article
6	69			Not applicable for failure to form a risk management committee for the reasons mentioned in paragraph (4) above.	Guidance Article
7	82			The Executive Management is currently studying the development of a program to develop and motivate employees. Periodic workshops and surveys have already been held to listen to the opinions of employees. The Company is studying proposing programs, including granting employee's shares or a portion of profits. It will be proposed to establish social institutions for employees when necessary.	Guidance Article
8	84			Development of a social responsibility policy that ensures a balance between the objectives of the Company and the objectives of society is being studied in order to develop economic and social conditions.	Guidance Article
9	85			Participation in appropriate social work initiatives will be according to the Company's directions and societal need.	Guidance Article
10	86	3		The website is being developed to better suit disclosure requirements.	Guidance Article
11	92			Not applicable for failure to form a committee on corporate governance. However, to ensure the implementation of governance mechanisms and rules, follow-up is carried out by the Board of Directors and the Executive Management, where the Compliance and Governance Department and a qualified internal team have been established to follow up the effectiveness of the implementation of the Company's governance law and the decisions issued by the Board in this regard.	Guidance Article

## General Assemblies of Shareholders

The General Assembly of Shareholders is the supreme authority in Saudi Lime Industries Company with its exclusive powers, including appointing the members of the Board of Directors, determining their remuneration and dismissing them, approving the financial statements, appointing the external auditor, determining its fees, approving the distribution of profits according to the recommendation of the Board of Directors, amending the Articles of Association and increasing or decreasing the capital. The General Assembly held (3) meetings during 2023

Member Name	Position	Meetings of the General Assembly during 2023		
		Ordinary	Ordinary	Extraordinary
		14 Jun	2 July	14 Nov
<b>Members of the Board of Directors (for the current session, which began on 21/7/2023)</b>				
Mr. Abdulaziz Majid Alkassabi	Chairman	Present	Present	Present
Mr. Abdulaziz Tariq Al-Bassam	Deputy Chairman	Present	Present	Present
Eng. Hamad Mohammed Al-Saad	Member	Present	Apologized	Apologized
Dr. Adel Khaled Al-Subaih	Member	Apologized	Apologized	Apologized
Eng. Bader Saleh Al-Issa	Member	Present	Apologized	Present
Eng. Fahad Musaed Alrasheedi	Member	N/A	N/A	Present
Mr. Saud Abdulaziz Al Jomaih	Member	N/A	N/A	Present
<b>Former members of the Board for the session ended on 20/7/2023)</b>				
Mr. Abdul Majeed Hamad Al Jomaih	Former Member	Present	Apologized	N/A
Mr. Saud Khaled Al-Maghams	Former Member	Apologized	Present	N/A

## Board of Directors

The Board of Directors shall develop the main plans, policies, strategies and objectives, and oversee their implementation and review them periodically. In addition, it shall determine the optimal capital structure, strategies and financial objectives of the Company, approve estimated budgets and supervise major capital expenditures. The Board of Directors of Saudi Lime Industries Company consists of (7) seven members with great professional abilities and who have the necessary expertise to manage the Company's business efficiently and competently. The current session of the Board began on 21/7/2023 for a period of 3 years. In support of the role of the Board and in order to enhance its responsibilities, (8) meetings were held during 2023.

Member Name	Nature of Membership	Meetings of the Board of Directors during 2023							
		First	Second	Third	Fourth	Fifth	Sixth	Seventh	Eighth
		11 Apr	22 May	18 July	17 Aug	7 Sep	8 Nov	27 Nov	27 Dec
<b>Members of the Board of Directors for the current session that started on 21/07/2023</b>									
Mr. Abdulaziz Majid Alkassabi – Chairman	Non-Executive	Present	Present	Present	Present	Present	Present	Present	Present
Mr. Abdulaziz Tarek Al-Bassam - Deputy Chairman	Independent	Present	Present	Present	Present	Present	Present	Present	Present
Eng. Hamad Mohammed Al-Saad - Member	Non-Executive	Present	Present	Present	Present	Present	Present	Present	Present
Dr. Adel Khaled Al-Subaih	Non-Executive	Present	Present	Present	Present	Present	Present	Present	Present
Eng. Bader Saleh Al-Issa - Member	Non-Executive	Present	Apologized	Present	Present	Present	Present	Present	Present
Eng. Fahad Musaed Alrasheedi - Member	Executive	N/A	N/A	Present	Present	Present	Present	Present	Present
Mr. Saud Abdulaziz Al Jomaih - Member	Non-Executive	N/A	N/A	Present	Present	Present	Present	Present	Present
<b>Members of the Board of Directors for the previous session ending on 20/07/2023</b>									
Mr. Abdul Majeed Hamad Al Jomaih – Former Member	Non-Executive	Present	Present	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Saud Khaled Al-Maghams – Former Member	Independent	Present	Present	N/A	N/A	N/A	N/A	N/A	N/A

\* Eng. Fahad Musaed Alrasheedi was appointed as CEO in addition to being a member of the Board of Directors as of 1/12/2023



## Current and Former Positions, Qualifications and Experience of Board of Directors Members

Member Name	Current Position	Former Position	Qualifications	Experiences and memberships of other boards
Mr. Abdulaziz bin Majid Alkassabi	- Chairman of the Board of Directors of Saudi Lime Industries Company		- Master of Business Administration from the University of Claremont, California	- Developed executive management strategies and analyze financial statements
	Chairman of the Executive Committee of Saudi Lime Industries Company			Deputy Chairman of Hail Cement Company and Chairman of the Nominations Committee.
	- Owner and CEO of Saudi Musheera Company		- Bachelor of Engineering Management from Missouri University of Science and Technology, USA	- Deputy Chairman of the Board and member of the Audit Committee of Petromin Corporation - Member of the Board of Directors of IAN Investment Group Company
Mr. Abdulaziz Tariq Al-Bassam	- Deputy Chairman of the Board of Directors, member of the Audit Committee and member of the Executive Committee of Saudi Lime Industries Company	- General Manager of Nasta Development Limited	- Master of Business Administration	- Member of the Board of Directors and Chairman of the Audit Committee, Hail Cement Company
			- Bachelor of Economics	- Deputy Chairman and CEO of the General Equipment Company
		- Deputy General Manager of Al-Bassam International Company	- Project Management Diploma	- Member of the Board of Directors of Industrial Gases Company
Dr. Adel Khaled Subaih Al-Subaih	- Member of the Board of Directors of Saudi Lime Industries Company	- Chairman of the Board of Directors and then Deputy Chairman of the Board of Directors of the National Industries Company in Kuwait	- PhD in Mechanical Engineering University of North Carolina	- He held several ministerial positions in Kuwait until 2002, such as the Ministry of Health /Ministry of Electricity and Water/ Ministry of Oil
			- Higher Diploma in Mechanical Engineering, Worcester Polytechnic Institute	- Member of the Board of Directors of National Industries Company in Kuwait
			- Bachelor of Mechanical Engineering, Worcester Polytechnic Institute	- He has held many academic positions at Kuwait University and has many researches in addition to two patents
Eng. Hamad Mohammed Abdullah Al-Saad	- Member of the Board of Directors of Saudi Lime Industries Company	- Director of Investment/ Valuation Department at Kuwait Small Projects Development Company	- Bachelor of Industrial and Systems Engineering from the University of Southern California.	- More than 30 courses in the fields of engineering/ management/ computer/ risk management and money laundering
	- CEO of Ammar Finance and Leasing Company in Kuwait			- Vice Chairman and CEO of National Industries Company in Kuwait
Eng. Bader Saleh Al-Issa	- Member of the Board of Directors and member of the Nomination Committee of Saudi Lime Industries Company	- Chairman of the Board of Directors of Aqar Investments Company in Kuwait	- Bachelor of Applied Engineering from California State University/ Pomona	- Managing Partner, Hamad Abdullah Al Issa & Sons Co.
	- Authorized Partner of Amlak Al Issa Real Estate Investment Company			- Vice Chairman of Tharwa Investment Company in Kuwait. - Partner and delegate in Amlak International Holding Company – Kuwait

Member Name	Current Position	Former Position	Qualifications	Experiences and memberships of other boards
Mr. Saud bin Abdulaziz Al Jomaih	- Member of the Board of Directors and member of the Nomination and Remuneration Committee of Saudi Lime Industries Company		- Master of Finance from University of Warwick - Britain	- Experience in financial consulting for listed and private companies - Samba Capital - Saudi Arabia
			- Bachelor of Business Administration from George Washington University - USA	- Corporate Financial Advisory - Deloitte - UAE
	- General Manager of Ladaen Al Washm Factory For Industry			- Member of the Executive Committee of Al Jomaih Holding Company
Eng. Fahad MUSAED Alrasheedi	- Member of the Board of Directors and member of the Executive Committee of Saudi Lime Industries Company	- Chief Operating Officer, Hail Cement Company	- Executive MBA from King Fahd University of Petroleum and Minerals	- Secretary of the Board of Directors of Hail Cement Company
				- General Manager of Cementics Company
	- CEO of Saudi Lime Industries Company		- Bachelor of Chemical Engineering	- Factory Manager at Qassim Cement
				- Vice Chairman of the Industrial Committee at Hail Chamber

## Board of Directors Committees

### Audit Committee

- The Audit Committee consists of at least three members and not more than five members. At its meeting on 18/7/2023, the Board of Directors issued its resolution to reconstitute the Audit Committee, which consists of three non-executive members.
- At its meeting on 07/09/2023, the Board of Directors decided to increase the members of the Audit Committee to four members with the entry of Mr. Abdulaziz bin Tariq Al-Bassam as a committee member.
- The Audit Committee is responsible for monitoring the work of «Saudi Lime Industries», verifying the integrity of the reports and financial statements (before presenting them to the Board of Directors), reviewing its internal and financial control systems and ensuring compliance with laws, regulations and policies. Its scope of work includes many tasks, including the following:
  - **Auditor:** Recommending to the Board of Directors the nomination and dismissal of auditors, determining their fees, evaluating their performance, verifying their independence, reviewing the scope of their work, their work plan, the conditions of contracting with them, and verifying that they do not submit any technical or advisory work outside the scope of the audit work. It also examines the audit report and responds to its feedback on the financial statements.
  - **Financial Reports:** Reviewing abridged and annual financial statements and expressing opinion thereon before presenting them to the Board of Directors to ensure their integrity and verifying the material issues contained in the financial reports
  - **Internal Audit:** Includes providing recommendation to the Board of Directors to appoint the internal auditor and propose its remuneration in addition to monitoring and supervising its performance and studying and reviewing the internal and financial control systems in the company.

The Audit Committee held (4) meetings during the year. The names of the members and their attendance are as follows:

Member Name	Capacity	Nature of Membership	Audit Committee Meetings during 2023				Remarks
			First	Second	Third	Fourth	
			9 Apr	9 Aug	22 Aug	27 Dec	
Mr. Abdulaziz Tariq Al-Bassam	Member	BOD Member - Independent	Present	N/A	N/A	Present	Joined the current session of the Committee by the resolution of the Board of Directors dated 7/9/2023
Mr. Ihsan Amanullah Makhdoom	Committee Chairman	From outside the Board	Present	Present	Present	Present	
Mr. Younis Abdul Karim Ishan	Member	From outside the Board	N/A	Present	Present	Present	
Mr. Saleh Al-Yahya	Member	From outside the Board	N/A	Present	Present	Present	
Former Audit Committee Members (for the session ended on 20/7/2023)							
Mr. Ali Ayedh Al-Qahtani	Former Committee Chairman	From outside the Board	Present	N/A	N/A	N/A	His membership has expired

## Nomination and Remuneration Committee

- The Nomination and Remuneration Committee was formed under the resolution of the Board of Directors of «Saudi Lime Industries» at its meeting No. 52 dated 18/07/2023 for the purpose of assisting the Board in taking appropriate decisions related to remuneration and incentives in addition to laying the foundations for evaluating performance and nominating qualified persons to the Board of Directors, members of committees and Executive Management
- The committee shall consist of at least three members, and not more than five members who are not executive members of the Board of Directors
- Eng. Matar Al-Zahrani was appointed as a member of the committee on 7/9/2023 to succeed Eng. Fahad Alrasheedi, who was appointed as the CEO of the company.
- The Committee shall carry out the tasks assigned to it in accordance with the provisions of the Governance Regulations. Functions of the Committee include:
  - Developing fair remuneration policies for the Board of Directors and Executive Management to attract high performance active members
  - Managing the process of evaluating the performance of the members of the Board, the committees and the Executive Management, identifying the strengths and weaknesses and proposing solutions to address them, as well as supervising the nomination process for membership of the board and its committees.
  - Annual verification of the independence of independent members and the absence of any conflict of interests.

**Nomination and Remuneration Committee held (2) meetings during the year. The names of the members and their attendance are as follows:**

Member Name	Capacity	Nature of Membership	Remuneration and Nomination Committee Meetings during 2023		Remarks
			First	Second	
			28 Aug	31 October	
<b>Nomination and Remuneration Committee Members (for the current session which started on 21/7/2023)</b>					
Eng. Matar Al-Zahrani	Committee Chairman	From outside the Board of Directors	N/A	Present	Appointed on 7/09/2023
Eng. Bader Saleh Al-Issa	Member of the Committee	Member of Board of Directors - Non-Executive	Present	Present	
Mr. Saud Abdulaziz Al Jomaih	Member of the Committee	Member of Board of Directors - Non-Executive	Present	Present	
Eng. Fahad Musaед Alrasheedi	Member of the Committee	Member of Board of Directors– Executive	Present	N/A	His membership expired on 7/09/2023 to assume the position of CEO
<b>Former members of the Committee for the session ended on 20/7/2023)</b>					
Mr. Abdulaziz Majid Alkassabi	Former Member	Member of Board of Directors - Non-Executive	N/A	N/A	His Membership expired at the end of the session
Mr. Abdulaziz Tariq Al-Bassam	Former Member	BOD Member - Independent	N/A	N/A	His Membership expired at the end of the session

## Executive Committee

- The Executive Committee was reconstituted as per the resolution of the Board of Directors at the meeting No. 52 dated 18/7/2023
- The committee shall consist of at least three members, and not more than five members.
- The Executive Committee undertakes the tasks and functions entrusted to it by the Board and submits its reports to it. It is not entitled to amend or object to any decision issued by the Board of Directors, as one of the tasks and competencies of the Committee is the following:
  - Supervising and participating in the development of the Company's general strategic plan and evaluating the proposals submitted by the Executive Management and submitting them to the Board for approval and adopting and ensuring their application and effectiveness in achieving the desired goals.
  - Reviewing the performance of the company on a quarterly basis in light of the reports that the Executive Management of the Company provides to the committee and alerting the Executive Management of the points of importance.
  - The Executive Committee shall exercise all the powers entrusted to it by the Board of Directors, as well as supervise the preparation of the financial statements and annual budgets of the Company. It shall submit the Company's work policies and procedures to the Board of Directors for approval.

**The Executive Committee held (4) meetings during the year. The names of the members and their attendance are as follows:**

Member Name	Capacity	Nature of Membership	Executive Committee Meetings during 2023				Remarks
			First	Second	Third	4	
			2 Aug	27 Aug	9 Nov	18 Dec	
Mr. Abdulaziz Majid Alkassabi	Committee Chairman	Member of Board of Directors - Non-Executive	Present	Present	Present	Present	
Mr. Abdulaziz Tariq Al-Bassam	Member of the Committee	Independent Board Member	Present	Present	Present	Present	
Eng. Fahad Musaed Alrasheedi	Member of the Committee	Member of Board of Directors- Executive	Present	Present	Present	Present	
Mr. Abdul Majeed Hamad Al Jomaih	Member of the Committee	From outside the Board	Present	Present	Apologized	Present	
Mr. Zohrab Aram Bosnian	Member of the Committee	From outside the Board	Present	Present	Present	Present	

## Committee Members from outside the Board of Directors

Member Name	Current Position	Former Position	Qualifications	Experiences
Mr. Ihsan Amanullah Makhdoom	Chartered Accountant - Owner of Ihsan bin Amanullah Makhdoom Firm for Auditing Services	Chartered Accountant - Partner Deloitte & Touche Chartered Accountants	Bachelor's degree in Accounting	<ul style="list-style-type: none"> <li>- Owner and founder of the office of Ihsan bin Amanullah Makhdoom Firm for Auditing Services</li> <li>- One of the managing partners of Deloitte &amp; Touche in the Kingdom of Saudi Arabia</li> <li>- Managing Partner in charge of Riyadh Office – Professional Services at Deloitte &amp; Touche</li> <li>- The partner responsible for communicating with regulators and the partner responsible for combating money laundering at Deloitte &amp; Touche in the Kingdom of Saudi Arabia</li> <li>- Nominations Committee Member – Deloitte &amp; Touche Middle East</li> <li>- Member of the Accounting Standards Board of the Saudi Organization for Chartered and Professional Accountants and its Executive Committee</li> <li>- Member of the Audit Standards Committee of the Saudi Organization for Chartered and Professional Accountants and Chairman of its Executive Committee</li> <li>- Member of the Accounting Standards Committee of the Saudi Organization for Chartered and Professional Accountants and its Executive Committee</li> <li>- Member of the Follow-up Committee for Field Inspection at the Saudi Organization for Chartered and Professional Accountants</li> <li>- Member of the General Assembly of the Gulf Accounting and Auditing Organization for GCC States - Member of the Advisory Services Committee of the Saudi Society of Internal Auditors</li> <li>- Member of boards of directors and audit, risk and compliance committees - governmental and semi-governmental enterprises, enterprises subject to regulatory supervision and public accountability, private enterprises.</li> </ul>
Mr. Younis Abdul Karim Ishan	Head of Governance, Risk and Compliance	Executive Director of Internal Audit, Bupa Arabia	BSc/ MSc Computer Science	<ul style="list-style-type: none"> <li>- Head of Governance, Risk and Compliance - Petromin Company (2021 - currently)</li> <li>- Executive Director of Internal Audit - Bupa Arabia Cooperative Insurance Company (2020 - 2021)</li> <li>- General Manager of Internal Audit - Abdul Latif Jameel Finance Company (2014 - 2020)</li> <li>- Chief Technical Auditor - General Authority of Civil Aviation (2013 - 2014)</li> <li>- Senior Consultant - Ernst &amp; Young (2010 - 2013)</li> </ul>
Mr. Saleh Al-Yahya			Bachelor's degree in Accounting	<ul style="list-style-type: none"> <li>- Leka Audit Partner - Al Lahid &amp; Al Yahya Chartered Accountants (Nov 2016 - Present)</li> <li>- Audit Partner - Ernst &amp; Young (Feb 2014 - Nov 2016)</li> <li>- Senior Audit Manager - Ernst &amp; Young, Dallas Texas (September 2011 - February 2014)</li> <li>- Assistant Audit Manager - Ernst &amp; Young (March 2006 – August 2011)</li> <li>- Accountant of Ariel Contracting (Aug 2002 – Mar 2006)</li> <li>- Member of the Audit Committee of the Green Mile Group of Companies</li> <li>- Member of the Audit Committee of Tadawul Real Estate Company</li> <li>- Member of the Audit Committee of Al-Andalus Real Estate Company</li> <li>- Financial and accounting consultant for several companies</li> <li>- SOCPA Examiner, QC Program Member</li> </ul>

Member Name	Current Position	Former Position	Qualifications	Experiences
Mr. Abdul Majeed Hamad Al Jomaih	-	-	- Bachelor of Commercial Law - MBA - Finance	<ul style="list-style-type: none"> <li>- CEO and Co-Founder of Global Recycling Company, January 2023 - Present</li> <li>- Deputy Commercial Director, Al Jomaih Holding Company, April 2017 - May 2018</li> <li>- Member of the Board of Directors of the Saudi Insulating Brick Company, August 2017 - October 2021, and a member of the Executive Committee, August 2017 - September 2021.</li> <li>- Member of the Board of Directors of Al Jomaih Tyre and Maintenance Services (Bitline), August 2022 - present, and Chairman of the Steering Committee, August 2022 - Present.</li> <li>- Member of the Board of Directors of the Saudi Lime Industries Company, July 2017 - July 2023, and member of the Executive Committee, February 2021 - Present.</li> <li>- Member of the Board of Directors of Wishes Land Real Estate Development Company, February 2017 - Present</li> <li>- Member of the Board of Directors of Al Jomaih Tyre Company, January 2021 - Present</li> <li>- Member of the Board of Directors of GAD International LTD, June 2023 - Present, and Chairman of the Nomination and Remuneration Committee, June 2023 - Present</li> <li>- Member of the Advisory Board of Xpence Global Holdings LTD, November 2021 - Present</li> <li>- Member of the Business Advisory Board of Palau Bank - Palladium Foundation, 2022 - 2025</li> </ul>
Mr. Zohrab Aram Bosnoyan	CEO - Eastern Office of Trade	CEO - Zoran SAL	BA American University	
Eng. Matar Ali Al-Zahrani	Retired	CEO	Bachelor of Chemical Engineering	<ul style="list-style-type: none"> <li>- CEO of Ayed Bin Dujam Group in Saudi Arabia and the UAE - CEO of Hail Cement Company</li> <li>- General Manager of Obeikan Paper Industries Company - Director of Operations and Quality Department at Al-Jubail Petrochemical Company (Kemya) (one of SABIC companies)</li> </ul>

## Executive Management

- The executive management team is responsible for managing the daily work and conducting its activities and is specialized in implementing the main plans, policies and objectives of «Saudi Lime Industries». Taking into account the functions established for the Board of Directors, the most important matters that fall within the functions and tasks of the executive management are the following:
  - Implementing internal policies and laws and applying internal control systems approved by the Board of Directors
  - Submitting proposals regarding the optimal capital structure, capital expenditures, ownership of assets, organizational structures and internal policies related to the business and development of the Company.
  - Preparing periodic financial and non-financial reports and providing the Board of Directors with the necessary information to exercise its functions.

## Members of the Executive Management, their current and previous positions, qualifications and experience

Name	Current Position	Former Position	Qualifications	Experiences
Eng. Fahad Musaed Alrasheedi	- Member of the Board of Directors and member of the Executive Committee of Saudi Lime Industries Company - CEO of Saudi Lime Industries Company	- Chief Operating Officer, Hail Cement Company	- Executive MBA from King Fahd University of Petroleum and Minerals - Bachelor of Chemical Engineering	- Secretary of the Board of Directors of Hail Cement Company - General Manager of Cementics Company - Factory Manager at Qassim Cement - Vice Chairman of the Industrial Committee at Hail Chamber
Mr. Assem Ismail Abdel Aal	Vice President of the Financial Sector and Advisor to the Chairman of the Board of Directors	Director of the Internal Audit Department of Saudi Lime Industries Company	Bachelor of Commerce - Cairo University	- Head of Accounts of Shakeeb Kharfan Sons Company - Jordan - CFO of Coca-Cola Company - Jordan - More than 22 years of experience in financial and accounting affairs at Saudi Lime Industries Company
Mr. Ehab Mahdi Mufti	Vice President of Compliance and Shared Services and Secretary of the Board of Directors		- Postgraduate education in Accounting - Bachelor of Science Administration	- 21 years of experience in major joint stock companies in the Kingdom of Saudi Arabia
Mr. Eric Annaian	Vice President for Supply Chain Sector	Operations Manager of LibanPost Company - Lebanon	MBA	More than 26 years of experience in management, operations strategy, logistics and business development, large scale digital transformation processes, planning, auditing and financial analysis



## Audit, Internal Control and Audit Committee Outputs

The Audit Committee directly supervises internal audit, and periodically verifies the efficiency and effectiveness of internal control systems in protecting the assets of the Company and the extent of compliance with the regulations and policies that achieve its objectives. It depends on an audit method based on following up risks and activities that may pose a significant risk to the performance of the Company, and then reports it to the Board of Directors. Accordingly, the Board of Directors confirms that:

- There is nothing in the reports of the Audit Committee or the External Auditor to indicate that there is a material deficiency that requires disclosure with regard to the integrity of financial systems and the accuracy of accounting records.
- The Executive Management has maintained an effective internal control system that mitigates the risks that the Company may come across, and monitors compliance with policies and systems.
- Corrective actions are taken in the event of any observations or recommendations.
- There is no conflict between the recommendations of the Audit Committee and the resolutions of the Board. The Board did not refuse to take them into account regarding the appointment and dismissal of the Company's auditor, the determination of its fees, the evaluation of its performance, or the appointment of the internal auditor.

## Auditor's Report

**Bakertilly MKM & Co. – Chartered Accountants, the external auditor of Saudi Lime Industries», submitted its report for the year ended 31 December 2023. Its report did not contain any reservations on the annual financial statements for the financial year 2023**

## Procedures for Briefing Board Members on Shareholder Proposals regarding the Company and its Performance

The Articles of Association and the Governance Regulations of «Saudi Lime Industries» include all shareholders' rights related to the shares. The Board of Directors has taken a number of procedures for the purpose of informing the members of the Board of the shareholders' proposals regarding the Company and its performance, including:

- Receiving the proposals and inquiries of the shareholders or their complaints through all available communication channels.
- Proposals or inquiries are submitted to the Board of Directors for information during its meetings after being sorted and classified.
- The Board members attend to the meetings of the General Assemblies of Shareholders, where the Shareholders present their proposals and opinions to the Board directly during the meeting of the General Assembly and the Board of Directors responds to them during the meeting.
- The work regulations of the committees emanating from the Board of Directors obligated the chairmen of the committees or their representatives to attend the General Assemblies to answer the shareholders' inquiries.
- Shareholders' questions and proposals shall be recorded in the minutes of the meetings of the General Assembly and shall be kept at the Company's headquarters and any shareholder may view them when necessary.

## The means adopted by the Board of Directors in evaluating its performance and the performance of its members and committees

The performance of the Board and its committees shall be evaluated annually by reviewing the percentage of objectives achieved, which shall be determined annually in accordance with the Company's strategic plan and general policies.

Each of the Board and its committees has a role in the process of reviewing and evaluating performance in accordance with what is set forth in their respective work regulations, especially the Nomination and Remuneration Committee, which plays a key role in the performance evaluation process. A third party will be used to undertake the evaluation process if necessary.

## Shareholder Relations

«Saudi Lime Industries» is keen to pay attention to the rights of its shareholders and achieve continuous communication based on a common understanding of the Company's objectives, strategy and interests by activating the role of the Board of Directors and its committees. During 2023, the Company continued to abide by all the shareholders' rights contained in the Company's Articles of Association, Governance Regulations and other relevant regulations.

## Applications of «Saudi Lime Industries» for the Shareholders' Register during 2023

### A statement indicating the dates of the applications of «Saudi Lime Industries» for the shareholders' register during 2023 and their reasons

S.N.	File type	Application Date:	File Date	Reason for Application
1	Shareholder Ownership	11/05/2023	10/05/2023	General Assembly
2	Shareholder Ownership	03/06/2023	29/05/2023	Company Actions
3	Shareholder Ownership	11/06/2023	14/06/2023	General Assembly
4	Restrictions File	19/06/2023	21/06/2023	General Assembly
5	Shareholder Ownership	19/06/2023	02/07/2023	General Assembly
6	Shareholder Ownership	22/06/2023	20/06/2023	General Assembly
7	Shareholder Ownership	29/10/2023	26/10/2023	Company Actions
8	Shareholder Ownership	12/11/2023	14/11/2023	General Assembly

## Announcements of «Saudi Lime Industries» Systematically Disclosed during the Year 2023

S.N.	Announcement Date	Reason for Announcement
1	01/05/2023	Announcement by Saudi Lime Industries Company of the opening of nomination for membership of the Board of Directors
2	21/05/2023	Announcement by Saudi Lime Industries Company of inviting its shareholders to attend the Ordinary General Assembly Meeting (First Meeting)
3	22/05/2023	Corrective announcement by Saudi Lime Industries Company regarding the time of the Ordinary General Assembly
4	08/06/2023	Announcement by Saudi Lime Industries Company of inviting its shareholders to attend the Ordinary General Assembly Meeting (First Meeting)
5	15/06/2023	Announcement by Saudi Lime Industries Company of the results of the Ordinary General Assembly Meeting (First Meeting)
6	03/07/2023	Announcement by Saudi Lime Industries Company of the results of the Ordinary General Assembly Meeting (First Meeting)
7	18/07/2023	Announcement by Saudi Lime Industries Company of the appointment of the Chairman of the Board of Directors and the Deputy Chairman of the Board of Directors, the formation of committees, the appointment of representatives of the Company and the appointment of a secretary of the Board.
8	22/08/2023	Announcement by Saudi Lime Industries Company of the termination of the CEO's employment contract and the assignment of a CEO to the Company
9	24/08/2023	Announcement by Saudi Lime Industries Company of the abridged financial results for the period ending on 30/06/2023 (6 months)
10	24/08/2023	An appendix announcement by Saudi Lime Industries Company regarding the announcement of the termination of the contract of CEO's employment contract and the assignment of a CEO to the Company.
11	04/09/2023	Announcement by Saudi Lime Industries Company of the end of the assignment of the CEO and the appointment of a new CEO
12	06/09/2023	Corrective announcement by Saudi Lime Industries Company regarding the abridged financial results for the period ended 30/06/2023 (6 months)
13	10/09/2023	Announcement by Saudi Lime Industries Company of the appointment of a member of the Audit Committee
14	15/10/2023	Announcement by Saudi Lime Industries Company of inviting its shareholders to attend the Extraordinary General Assembly Meeting (First Meeting)
15	15/11/2023	Announcement by Saudi Lime Industries Company of the results of the Extraordinary Assembly Meeting (First Meeting)

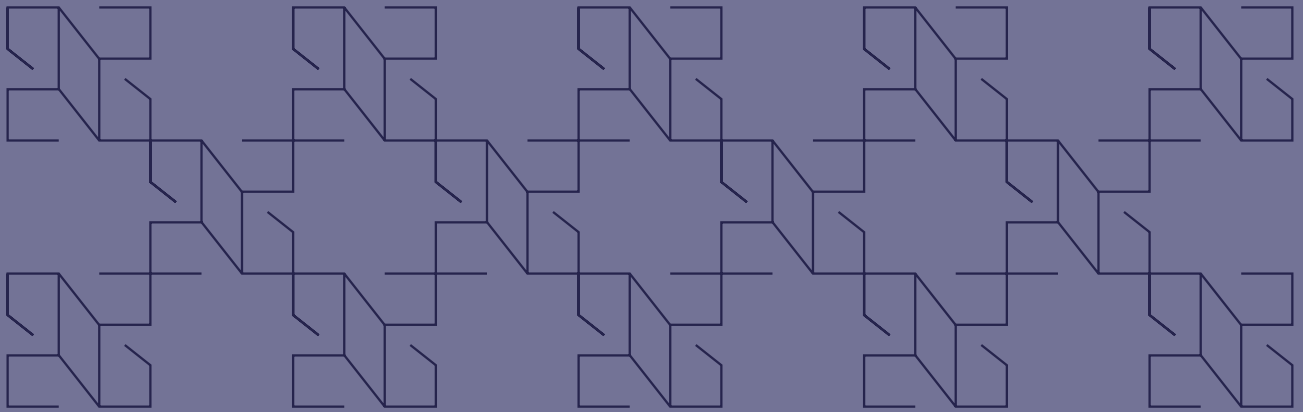


We are pleased to communicate with the shareholders, receive their inquiries and provide the necessary support through the following contact details:

Investor Relations Manager  
Mr. Ahmed Elsayed Ibrahim  
Tel: +966 (11) 2652929 - 101

Investor Relations  
[a.adham@saudilime.com](mailto:a.adham@saudilime.com)

Compliance Department  
[compliance@saudilime.com](mailto:compliance@saudilime.com)



Saudi Lime Industries Company  
Riyadh 11471 P.O.Box 3130  
Kingdom of Saudi Arabia  
Tel: +966 (11) 2652929  
Fax: +966 (11) 2651175  
E-mail:  
[info@saudilime.com](mailto:info@saudilime.com)

## **Audit Committee Report**

الشركة السعودية للصناعات الجيرية  
**Saudi Lime Industries Company**

**Audit Committee Report**  
**for the fiscal year ended on December 31, 2023**

**Introduction:**

The current Audit Committee was formed by a decision of the Board of Directors on 18/07/ 2023, for a duration of three years, ending with the conclusion of the current Board of Directors' term. The committee is composed of the following members:

- 1- Mr. Ehsan A Makhdoum (Chairman - Independent Member from outside the Board).**
- 2- Mr. Saleh Abdullah Al-Yahya (Member - Independent Member from outside the Board).**
- 3- Mr. Yunus Abdulkareem Eishan (Member - Independent Member from outside the Board).**

As decided by the Board of Directors on 07/09/2023, the number of committee members was increased to four members, and Mr. Abdulaziz Tariq Al-Bassam (an independent member) was appointed to the committee.

The Audit Committee in the Saudi Lime Industries Company governs its operations according to the regulation and laws issued by the Ministry of Commerce and the Capital Market Authority, in addition to the Audit Committee's regulations that specify its duties, competencies, authorities, and responsibilities.





## **The main activities carried out by the committee during the year 2023 were:**

- **Committee Meetings:**

During the year 2023, the Audit Committee held (4) four meetings, during which the quarterly and annual financial statements, internal audit reports, and executive management reports were reviewed and discussed. Additionally, the committee carried out its duties, which include monitoring the company's operations, ensuring the integrity and reliability of financial reports, and internal control systems to conduct audits in accordance with the approved framework and recognized professional standards.

<b>Member Name</b>	<b>First Meeting (April 09 - Previous term)</b>	<b>Second Meeting (August 09)</b>	<b>Third Meeting (August 22)</b>	<b>Fourth Meeting (December 28)</b>
<b>Ali Ayed Al-Qahtani</b>	✓	See the note	See the note	See the note
<b>Ehsan A Makhdoum</b>	✓	✓	✓	✓
<b>Abdulaziz Tariq Al- Bassam</b>	✓	✓	✓	✓
<b>Yunus Abdulkareem Eishan</b>	Not A member	✓	✓	✓
<b>Saleh Abdullah Al- Yahya</b>	Not A member	✓	✓	✓

**Note:** The first meeting was part of the previous term, and the committee consisted of only three members, with Mr. Ali Al-Qahtani chairing the committee.

**Here** are the main activities carried out by the committee during the year 2023:

### **Firstly : Financial Reports**

- Reviewing, expressing opinions, and providing recommendations to the Board of Directors regarding the preliminary and annual financial statements of the company, including all disclosures related to the company's financial performance, before presenting them to the Board of Directors to ensure their integrity, fairness, and transparency.
- Reviewing any significant or unusual matters listed in the financial statements and accounts of the company and reviewing any issues raised by the company's Chief Financial Officer (or representative), Compliance Officer, or external auditors, if any.

- Reviewing the company's annual budget estimate and providing any comments to the Board of Directors, if any.
- Examining the accounting estimates related to significant matters in the company's financial statements and reports.
- Reviewing the accounting policies in place and providing its opinion to the Board, along with any recommendations regarding them.

### **Secondly: Internal Audit Management**

- Studying the annual audit plan with its management and approving it.
- Reviewing and evaluating the effectiveness of the company's internal control, financial systems, and risk management systems.
- Supervising the operations control plan to ensure the executive management's compliance with its implementation.
- Reviewing internal audit reports and monitoring the implementation of corrective actions regarding the comments included.
- Monitoring and supervising internal auditors and managing the company's internal audit to ensure their access to necessary resources and effectiveness in performing assigned tasks and duties.
- Making recommendations to the Board of Directors regarding the appointment, dismissal, and compensation of internal auditors and the head of internal audit management.
- Reviewing the performance and activities of external auditors and the head of internal audit management on an annual basis and making recommendations to the Board of Directors regarding their annual fees.
- Recommending to the Board of Directors the organizational structure of internal audit management and ensuring its independence within the company's organizational structure.

### **Thirdly: External Auditors**

- Making recommendations to the Board regarding the appointment, dismissal, and compensation of external auditors after reviewing the scope of work of external auditors and the terms of their engagement, taking into consideration the independence of the external auditor.
- Reviewing the professional qualifications of external auditors and the staff who will work with the external auditors for the company.
- Reviewing the performance of external auditors, supervising their activities, and submitting a report to the Board with recommendations in this regard.

- Conducting an annual review and verification of the independence, objectivity, fairness, and effectiveness of the external auditors' work, considering relevant rules and standards, and making recommendations to the Board in this regard.
- Reviewing the scope, approach, and audit plan proposed by external auditors and providing any comments on them.
- Ensuring that external auditors do not provide any technical or managerial services outside the scope of the audit and making recommendations to the Board in this regard.
- Addressing any questions raised by external auditors.
- Reviewing the reports, qualifications, and observations of the external auditor regarding the company's financial statements and monitoring the actions taken regarding them.

#### **Fourthly: Compliance Assurance**

- Reviewing the results of regulatory reports and ensuring that the company takes necessary actions regarding them.
- Verifying the company's compliance with relevant systems, regulations, policies, and instructions.
- Reviewing contracts and transactions proposed by the company with related parties and providing opinions on them to the Board of Directors.
- Raising any issues deemed necessary for action to the attention of the Board of Directors and providing recommendations for the actions that need to be taken.

#### **Fifthly: Submitting Reports**

- Developing the appropriate mechanism whereby employees, clients, and shareholders can report any breaches of the company's internal regulations, including those related to financial statement preparation, ensuring that this mechanism includes safeguards to protect the rights of the whistleblower.
- Establishing proper procedures for the submission and monitoring of reports by company employees, ensuring the independence of these procedures.

#### **➤ Results of the annual internal audit of the effectiveness and procedures of the internal control system, financial management, and risk management:**

The company management is responsible for preparing a comprehensive and effective internal control system. Based on the reports presented to and reviewed by the committee during the fiscal year 2023, along with discussions held with the company's management and external auditors, the committee believes that the

company's internal control system requires improvement. It is important to note that no matter how efficient an internal control system may be, it cannot provide absolute assurance regarding the implemented internal control systems.

Best regards,

**Audit Committee Members:**

<b>Name</b>	<b>Membership status</b>	<b>Signature</b>
<b>Mr. Ehsan A Makhdoum</b>	Chairman	
<b>Mr. Abdulaziz Tariq Al-Bassam</b>	Member	
<b>Mr. Saleh Abdullah Al-Yahya</b>	Member	
<b>Mr. Yunus Abdulkareem Eishan</b>	Member	

## **2. Viewing and discussing the financial statements for the fiscal year ended on December 31, 2023.**

**SAUDI LIME INDUSTRIES COMPANY**  
**(A Saudi Joint Stock Company)**  
**FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**SAUDI LIME INDUSTRIES COMPANY  
(A Saudi Joint Stock Company)**

---

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2023**

<b><u>INDEX</u></b>	<b><u>PAGE</u></b>
Independent auditor's report	1 – 3
Statement of financial position	4
Statement of profit or loss and other comprehensive income	5
Statement of changes in equity	6
Statement of cash flows	7
Notes to the financial statements	8 - 29

## Independent Auditor's Report

### To the Shareholders

**Saudi Lime Industries Company**  
 (A Saudi Joint Stock Company)  
 Riyadh, Kingdom of Saudi Arabia

### Opinion

We have audited the financial statements of Saudi Lime Industries Company (the "Company"), which comprise the statement of financial position as at December 31, 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by 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 the Kingdom of Saudi Arabia ("ISAs"). 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 Ethics for Professional Accountants that is endorsed in the Kingdom of Saudi Arabia and we have fulfilled our other ethical responsibilities in accordance with this code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters (KAMs) are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The following is a description of the key audit matter and how it was addressed during our audit.

KAM	How the KAM was addressed in our audit
<p><b>Revenue recognition</b></p> <p>Revenue generated from the company's main activities is recognized in accordance with the requirements of International Financial Reporting Standard No. (15) 'Revenue from Contracts with Customers'.</p> <p>The recognition of revenue was considered a key audit matter, given that revenues are an important element of the Company's performance and results, and given that professional standards for auditing assume that there are significant risks related to the recognition of revenues.</p> <p>As shown in Note (21), for the year ended December 31, 2023, the Company recognised net revenues of SR 149,976,450 (2022: SR 142,381,406).</p> <p>Please refer to Note (30), which includes the accounting policies related to revenue recognition, and Note (21) which explain the details of revenues.</p>	<p>We have performed the following procedures among other matters, based on our professional judgment:</p> <ul style="list-style-type: none"> <li>• Reviewing the revenue recognition policy and its appropriateness with the requirements of IFRS. 15 - "Revenue from Contracts with Customers".</li> <li>• Understanding the revenue recognition and trade receivables as well as testing the design and implementation of internal control procedures related to revenue recognition and their operational effectiveness.</li> <li>• Implementing analytical audit procedures for revenues by comparing sales quantities and prices for the current year with the prior year and determining whether there are any significant trends or fluctuations that need additional examination.</li> <li>• Reviewing the supporting documents for revenues transactions on a sample basis to validate the revenue recognition.</li> <li>• Cut-off procedures to verify recording revenues in its correct periods.</li> </ul>



## **Independent Auditor's Report (Continued)**

**To the Shareholders**

**Saudi Lime Industries Company**

### **Other Information**

Other information consists of the information included in the Company's 2023 annual report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information in its annual report which are expected to be available to us after the date of this report.

Our opinion on the financial statements does not cover the other information and we do 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, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and those Charged with Governance for the Financial Statements**

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

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 based on these financial statements.

## Independent Auditor's Report (Continued)

To the Shareholders  
Saudi Lime Industries Company

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current 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.

**BAKER TILLY MKM & CO.**  
*Certified Public Accountants*

**Majid Muneer Alnemer**  
License No. 381

Riyadh on Ramadan 16, 1445H  
Corresponding to March 26, 2024G



**SAUDI LIME INDUSTRIES COMPANY**  
(A Saudi Joint Stock Company)

**STATEMENT OF FINANCIAL POSITION**

**AS AT DECEMBER 31, 2023**

(Expressed in Saudi Riyals)

	Note	December 31, 2023	December 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	192,691,036	195,349,052
Right-of-use assets	6	2,323,995	2,530,928
Intangible assets	7	5,060,805	-
		<u>200,075,836</u>	<u>197,879,980</u>
<b>Current assets</b>			
Asset held for sale	8	-	23,677,774
Inventories	9	33,216,201	27,363,190
Trade receivables	10	41,288,505	32,249,163
Prepaid expenses and other receivables	12	7,488,138	8,914,282
Cash and cash equivalents	13	41,949,870	24,948,699
		<u>123,942,714</u>	<u>117,153,108</u>
<b>Total Assets</b>		<u>324,018,550</u>	<u>315,033,088</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	1	220,000,000	200,000,000
Shares premium		9,194,337	-
Statutory reserve	14	27,628,988	27,628,988
Other reserve	15	(5,213,436)	(4,742,553)
Retained earnings		24,141,986	14,378,208
<b>Total Equity</b>		<u>275,751,875</u>	<u>237,264,643</u>
<b>Non-current liabilities</b>			
Employee defined benefits obligations	17	8,633,711	7,408,364
Lease liabilities	6	1,732,125	1,952,050
Long-term loans	18	-	2,300,000
		<u>10,365,836</u>	<u>11,660,414</u>
<b>Current liabilities</b>			
Lease liabilities, current portion	6	358,205	420,308
Long term loans – current portion	18	2,300,000	12,310,700
Due to an associate	8	355,503	18,756,360
Trade payables		20,783,167	15,220,137
Accrued expenses and other payables	19	10,545,765	16,519,577
Dividends payable		1,377,531	1,377,531
Zakat provision	20	2,180,668	1,503,418
		<u>37,900,839</u>	<u>66,108,031</u>
<b>Total liabilities</b>		<u>48,266,675</u>	<u>77,768,445</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>324,018,550</u>	<u>315,033,088</u>

CFO  


CEO  


CBD  


The accompanying notes form an integral part of these financial statements.

**SAUDI LIME INDUSTRIES COMPANY**

(A Saudi Joint Stock Company)

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME****FOR THE YEAR ENDED DECEMBER 31, 2023**

(Expressed In Saudi Riyals)

	Note	2023	2022
Revenues	21	149,976,450	142,381,406
Cost of revenues	22	(83,265,988)	(79,241,387)
<b>Gross profit</b>		<b>66,710,462</b>	63,140,019
Selling and distribution expenses	23	(30,885,308)	(30,413,809)
General and administrative expenses	24	(27,303,011)	(16,893,322)
Expected credit losses	10	(2,198,126)	(131,180)
<b>Operating profit</b>		<b>6,324,017</b>	15,701,708
Share in results of an associate	8	(172,871)	(1,331,191)
Reversal of impairment losses on investment in an associate	8	-	1,500,000
Finance costs	25	(717,381)	(588,549)
Other income	26	6,481,231	2,018,067
<b>Profit before Zakat</b>		<b>11,914,996</b>	17,300,035
Zakat	20	(2,151,218)	(1,473,968)
<b>Net profit for the year</b>		<b>9,763,778</b>	15,826,067
<b>Other Comprehensive Income</b>			
<i>Items that will not be reclassified to profit or loss in subsequent years:</i>			
Remeasurements of employee defined benefits obligation	17	(470,883)	282,327
<b>Other comprehensive (loss) income</b>		<b>(470,883)</b>	282,327
<b>Total comprehensive income for the year</b>		<b>9,292,895</b>	16,108,394
<b>Earnings per share:</b>			
<b>Basic and diluted EPS</b>	27	<b>0.46</b>	0.79

CFO  


CEO  


CBD  


The accompanying notes form an integral part of these financial statements

**SAUDI LIME INDUSTRIES COMPANY**  
(A Saudi Joint Stock Company)

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
(Expressed In Saudi Riyals)

	Note	Share Capital	Share Premium	Statutory Reserve	Other Reserve	Retained Earnings	Total
<b>For the year ended December 31, 2023:</b>							
At January 1, 2023		200,000,000	-	27,628,988	(4,742,553)	14,378,208	237,264,643
Share issue	1	20,000,000	9,194,337	-	-	-	29,194,337
Net profit for the year		-	-	-	-	9,763,778	9,763,778
Other comprehensive loss		-	-	-	(470,883)	-	(470,883)
Total comprehensive income for the year		-	-	-	(470,883)	9,763,778	9,292,895
At December 31, 2023		<b>220,000,000</b>	<b>9,194,337</b>	<b>27,628,988</b>	<b>(5,213,436)</b>	<b>24,141,986</b>	<b>275,751,875</b>
<b>For the year ended December 31, 2022:</b>							
At January 1, 2022		200,000,000	-	26,046,381	(5,024,880)	10,134,748	231,156,249
Net profit for the year		-	-	-	-	15,826,067	15,826,067
Other comprehensive income		-	-	-	282,327	-	282,327
Total comprehensive income for the year		-	-	-	282,327	15,826,067	16,108,394
Dividends declared	16	-	-	-	-	(10,000,000)	(10,000,000)
Transfer to the statutory reserve		-	-	1,582,607	-	-	(1,582,607)
At December 31, 2022		200,000,000	-	27,628,988	(4,742,553)	14,378,208	237,264,643

CFO 

CEO 

CRD 

The accompanying notes form an integral part of these financial statements

**SAUDI LIME INDUSTRIES COMPANY**

(A Saudi Joint Stock Company)

**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED DECEMBER 31, 2023**

(Expressed In Saudi Riyals)

	2023	2022
<b>OPERATING ACTIVITIES</b>		
Profit before Zakat	<b>11,914,996</b>	17,300,035
Adjustments for non-cash transactions:		
Depreciation of property, plant and equipment	<b>15,180,066</b>	12,838,107
Depreciation of right-of-use assets	<b>398,496</b>	439,714
Amortisation of intangible assets	<b>57,426</b>	-
Share in results of an associate	<b>172,871</b>	1,331,191
Allowance for slow-moving inventories	<b>1,207,362</b>	181,123
Expected credit losses	<b>2,198,126</b>	131,180
Reversal of impairment losses on investment in an associate	-	(1,500,000)
Employee defined benefits obligation charged	<b>1,315,302</b>	1,162,020
Losses (Gains) from disposal of property, plant and equipment	<b>702,421</b>	(39,999)
Finance cost incurred	<b>717,381</b>	588,549
Changes in the operating assets and liabilities:		
Inventories	<b>(7,060,373)</b>	1,386,486
Trade receivables	<b>(11,169,386)</b>	2,236,561
Prepaid expenses and other receivables	<b>1,358,062</b>	(2,931,465)
Trade payables	<b>5,563,030</b>	2,739,838
Accrued expenses and other payables	<b>(5,973,812)</b>	(739,010)
	<b>16,581,968</b>	35,124,330
Finance costs paid	<b>(234,427)</b>	(216,476)
Zakat paid	<b>(1,473,968)</b>	(1,562,210)
Employee defined benefits obligation paid	<b>(944,924)</b>	(1,659,461)
<b>Net cash generated from operating activities</b>	<b>13,928,649</b>	31,686,183
<b>INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	<b>(15,200,200)</b>	(20,802,264)
Additions to intangible assets	<b>(3,168,815)</b>	-
Proceed from the disposal of property, plant and equipment	<b>26,313</b>	40,000
Proceeds from the liquidation of an associate company	<b>5,104,046</b>	18,755,066
<b>Net cash used in investing activities</b>	<b>(13,238,656)</b>	(2,007,198)
<b>FINANCING ACTIVITIES</b>		
Dividends paid	-	(9,845,749)
Proceeds from share issue	<b>29,194,337</b>	-
Repayment of Long-term loans	<b>(12,310,700)</b>	(19,479,716)
Lease liabilities paid	<b>(572,459)</b>	(519,705)
<b>Net cash generated from (used in) financing activities</b>	<b>16,311,178</b>	(29,845,170)
<b>Net changes in cash and cash equivalents</b>	<b>17,001,171</b>	(166,185)
<b>Cash and cash equivalents at January 1</b>	<b>24,948,699</b>	25,114,884
<b>CASH AND CASH EQUIVALENTS at DECEMBER 31</b>	<b>41,949,870</b>	24,948,699

CFo  


CEO  


CBD  


The accompanying notes form an integral part of these financial statement

**SAUDI LIME INDUSTRIES COMPANY**  
(Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
(Expressed in Saudi Riyals)

**1. ORGANIZATION AND ACTIVITY**

The Saudi Limestone Industries Company (the "Company") is a closed joint stock company registered in the city of Riyadh under Commercial Registration No. 1010011738 dated 10 Rabi' al-Thani 1397H. The Company also operates under Industrial License No. 11 dated 5 Rabi' al-Thani 1441H. The Company's activities are represented in the manufacturing of quick and hydrated lime, quicklime powder, the manufacturing of lime sand bricks of various sizes, and the manufacturing of calcium carbonate.

The Company's headquarter is located in Al-Kharj Road - Second Industrial City, PO Box 355208, Riyadh 11383, Kingdom of Saudi Arabia.

On Dhul-Qi'dah 30, 1443H, corresponding to June 29, 2022, the General Assembly approved an increase in the Company's capital from SR 200 million to SR 220 million through the issuance of two million shares and offering them in a public offering.

On 2 Jumada al-Akhirah 1444H, corresponding to December 26, 2022, the Capital Market Authority approved the Company's request to list its shares and offer 2,000,000 shares representing (9.09%) of its shares in the parallel market. The offering of two million shares with a nominal value of 10 riyals per share was completed on April 27, 2023, and the proceeds of the offering amounted SR 34 million at SR 17 per share. The transaction costs for the share issue, which were deducted from the share premium account, amounted SR 4,805,663.

The accompanying financial statements include the assets, liabilities, and activities of the Company and its following branches:

<u>Branch name</u>	<u>City</u>	<u>Commercial Registration No</u>	<u>Registration date</u>
Saudi Factory for Lime Sand Bricks and Building Materials	Jeddah	4030038260	1 Jumada al-Akhirah 1403H
Saudi Lime Industries Company	Riyadh	1010831123	6 Rabi' al-Awwal 1444H
Saudi Lime Industries Company	Riyadh	1010839140	12 Rabi' al-Thani 1444H

**2. BASIS OF PREPARATION**

The Company's financial statements were prepared for the year ending December 31, 2023 in accordance with the International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants. Details of the Company's material accounting policies are disclosed in note 30.

The financial statements were prepared on a historical cost basis, with the exception of financial instruments measured at fair value. The financial statements are presented in Saudi Riyals, which is the Company's functional currency, and all amounts are rounded to the nearest Saudi Riyal, unless otherwise stated.

**3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES, AND ASSUMPTIONS**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The Company's significant judgments, estimates, and assumptions are set out below.

**SAUDI LIME INDUSTRIES COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2023**

(Expressed in Saudi Riyals)

**3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES, AND ASSUMPTIONS (CONTINUED)**

**Uncertain assumptions and estimates**

Uncertain assumptions and estimates of significant risks that may cause significant changes in the carrying amounts of assets and liabilities during the year are included in the following notes:

- Note 10 – Expected credit loss on trade receivables.
- Note 17 - Measurement of employees' defined benefits obligation in addition to gains or losses from changes in actuarial assumptions.
- Note 9 Inventories – Impairment of obsolete and slow-moving inventories.

**Impairment of inventories and allowance for slow moving inventories**

At the reporting date, the Company's management determines whether there is any impairment in inventories or slow-moving inventories. The determination of impairment requires significant decisions to be made involving valuation factors that include the nature of the industry and market conditions.

**Expected credit loss of trade receivables.**

Based on a forward-looking vision, the Company assesses the expected credit losses associated with its debt instruments that are part of its financial assets carried at amortized cost.

For trade receivables, the Company applies the simplified approach, which requires recording the expected losses based on lifetime from the date of initial recognition of receivables. To measure expected credit losses, receivables have been grouped based on the common credit risk characteristics and the number of aging days. The expected loss rates have been inferred from the Company's historical information and adjusted to reflect the expected future outcome which also includes future information on macroeconomic factors such as inflation and GDP growth rate.

Other financial assets such as employee receivables and bank balances have low credit risk, so the effect of applying ECL is not significant.

**Useful lives of property, plant and equipment**

The Company determines the estimated useful lives of property, plant and equipment to calculate depreciation. This estimate is determined by calculating the expected use of the asset or the physical wear and tear factors from use. The management revises the residual value and useful lives annually and the future depreciation expense is adjusted when management considers that the useful lives differ from previous estimates.

**Impairment of property plant and equipment**

The Company's management assesses the impairment of property and equipment in certain events or changes in circumstances indicating that the carrying amount may not be recoverable. Factors that are significant and which may lead to a review the impairment within other factors include:

- Significant changes in technology and regulatory environment.
- Evidence from Internal reports indicates that the economic performance of the asset is expected to be bad or will be bad.

**Uncertain Zakat positions**

The Company's current zakat payable relates to management's assessment of the zakat amount due for the year. It is possible that the final result will differ when the final assessment is issued by the Zakat, Tax and Customs Authority ("ZATCA") in future periods. The status of zakat assessments has been disclosed in note (20).

**Judgments**

The management makes the following judgments that have a material impact on the amounts included in the Company's financial statements, when applying the Company's accounting policies.



**SAUDI LIME INDUSTRIES COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
(Expressed in Saudi Riyals)

**3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES, AND ASSUMPTIONS(CONTINUED)**

**Components of property, plant and equipment**

The Company's property, plant and equipment have been determined into important components and are depreciated on a straight-line basis over their useful lives. Judgment is required when verifying the important components of the major assets, and while determining the importance of the component, the management considers the quantitative importance of this component as well as qualitative factors such as a difference in the useful life compared to the related asset.

**Determining control, joint control, and significant influence.**

With regard to the investee company, the Company's management concluded that it exercises significant influence on it. Significant influence is defined as the power to participate in decisions about the financial and operating policies of the investee and is not 'control' or 'joint control'. International Financial Reporting Standards endorsed in the Kingdom of Saudi Arabia provide various indicators of significant influence, including representation on the Board of Directors and participation in decision-making, and the company's representatives are entitled to attend the general meetings of the investee company, and to participate in the formulation of operational and financial policies and decision-making. The management believes that the Company exercises significant influence over this investee ("associate").

**4. OPERATING SEGMENTS**

Operating segment is a separate and distinct segment of the Company engaged in business activities that result in the recognition of revenues or expenses. Operating segments are disclosed on the basis of internal reports reviewed by the chief operating decision-maker, who is responsible for resource allocation, performance evaluation, and strategic decision-making on operational segments. Operating segments with similar economic characteristics, products, services, and similar customer categories are aggregated and recorded where possible as sectors to be reported.

**Basis of segmentation**

The Company has the following strategic sectors. These sectors provide different products and are managed separately because they have different economic characteristics - such as sales growth trends, rates of return, and capital investment - and they also have different marketing strategies.

The following is a summary of the operations of each segment.

<b>Segment</b>	<b>Operations</b>
Limestone sector	Includes the manufacturing of quicklime in various sizes; hydrated lime in all kinds of packing; and dolomite of all sizes
Carbonate sector	Includes supplying different sizes through crushing processes, as well as grinding and sorting processes for those sizes for the manufacture of glass and filters
Block sector	Includes the manufacturing of sandy building blocks, as well as cladding bricks for building facades, from sandstone
Support services sector	Serves all major sectors

Due to the nature of the Company's business and the structure of its management, it is not possible to allocate the items of current assets and liabilities to the various operating segments. All the Company's assets are located within the Kingdom of Saudi Arabia.

The information for each segment is listed below. The gross profit of the segment is used to measure performance because management considers that this information is most appropriate to assess the results of the relevant sectors relating to other enterprises operating in the same industries.

**SAUDI LIME INDUSTRIES COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
(Expressed in Saudi Riyals)

**4. OPERATING SEGMENTS (CONTINUED)**

	<b>Limestone sector</b>	<b>Carbonate sector</b>	<b>Block sector</b>	<b>Support services sector</b>	<b>Total</b>
<b>2023</b>					
Revenues	<b>110,530,616</b>	<b>25,047,615</b>	<b>14,398,220</b>	-	<b>149,976,451</b>
Cost of revenues	<b>(65,085,761)</b>	<b>(12,656,528)</b>	<b>(5,488,614)</b>	-	<b>(83,230,903)</b>
Gross profit	<b>45,444,855</b>	<b>12,391,087</b>	<b>8,909,606</b>	-	<b>66,745,548</b>
<b>2022</b>					
Revenues	106,962,690	22,303,784	13,114,932	-	142,381,406
Cost of revenues	(59,225,783)	(12,490,119)	(7,344,362)	-	(79,060,264)
Gross profit	47,736,907	9,813,665	5,770,570	-	63,321,142
<b>December 31, 2023</b>					
Property, plant and equipment	<b>105,298,062</b>	<b>1,434,568</b>	<b>14,719,945</b>	<b>58,646,359</b>	<b>180,098,934</b>
<b>December 31, 2022</b>					
Property, plant and equipment	130,883,865	3,906,981	15,627,924	24,573,878	174,992,648

**SAUDI LIME INDUSTRIES COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
(Expressed in Saudi Riyals)

**5. PROPERTY, PLANT AND EQUIPMENT**

	Land	Buildings*	Machinery and equipment	Electronic Devices	Strategic spare parts	Others	Capital work in progress	Total
<b>Cost</b>								
At January 1, 2023	30,289,061	249,453,018	174,587,757		5,552,376	17,012,289	15,048,575	491,943,076
Reclassification	-	(62,756)	(832,773)	4,013,546	-	(3,118,017)	-	-
Additions	-	867	1,956,089	344,550	-	170,499	12,728,195	15,200,200
Transfer from capital work in progress	-	12,281,933	2,481,068	1,556,092	-	1,405,373	(17,724,466)	-
Transfers to intangible assets	-	-	-	-	-	(445,116)	(1,830,268)	(2,275,384)
Transfers from spare parts	-	-	-	-	(227,899)	-	227,899	-
Disposals	-	-	(510,000)	-	(719,739)	(290,597)	-	(1,520,336)
At December 31, 2023	<b>30,289,061</b>	<b>261,673,062</b>	<b>177,682,141</b>	<b>5,914,188</b>	<b>4,604,738</b>	<b>14,734,431</b>	<b>8,449,935</b>	<b>503,347,556</b>
<b>Accumulated depreciation</b>								
At January 1, 2023	-	140,020,898	142,347,062	-	244,547	13,981,517	-	296,594,024
Transfers	-	-	35,095	3,331,012	-	(3,366,107)	-	-
Depreciation charge	-	9,902,533	4,039,533	237,484	218,009	782,507	-	15,180,066
Disposals	-	-	(509,999)	-	-	(281,603)	-	(791,602)
Transfers to intangible assets	-	-	-	-	-	(325,968)	-	(325,968)
At December 31, 2023	-	<b>149,923,431</b>	<b>145,911,691</b>	<b>3,568,496</b>	<b>462,556</b>	<b>10,790,346</b>	-	<b>310,656,520</b>
<b>Net book value</b>								
At December 31, 2023	<b>30,289,061</b>	<b>111,749,631</b>	<b>31,770,450</b>	<b>2,345,692</b>	<b>4,142,182</b>	<b>3,944,085</b>	<b>8,449,935</b>	<b>192,691,036</b>
At December 31, 2022	30,289,061	109,432,120	32,240,695	-	5,307,829	3,030,772	15,048,575	195,349,052

**SAUDI LIME INDUSTRIES COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
(Expressed in Saudi Riyals)

**5. PROPERTY, PLANT, AND EQUIPMENT (CONTINUED)**

	Land	Buildings*	Machinery and equipment	Strategic spare parts	others	Capital work in progress	Total
<b>Cost</b>							
At January 1, 2022	30,289,061	246,171,102	166,451,566	2,091,682	15,739,128	10,938,773	471,681,312
Additions	-	211,669	2,158,618	3,460,694	1,813,661	13,157,622	20,802,264
Transfer from spare parts inventory	-	3,070,247	5,977,573	-	-	(9,047,820)	-
Disposals	-	-	-	-	(540,500)	-	(540,500)
At December 31, 2022	30,289,061	249,453,018	174,587,757	5,552,376	17,012,289	15,048,575	491,943,076
<b>Accumulated depreciation</b>							
At January 1, 2022	-	131,460,172	138,764,610	-	14,071,634	-	284,296,416
Depreciation charge for the year	-	8,560,726	3,582,452	244,547	450,382	-	12,838,107
Disposals	-	-	-	-	(540,499)	-	(540,499)
At December 31, 2022	-	140,020,898	142,347,062	244,547	13,981,517	-	296,594,024
<b>Net book value</b>							
At December 31, 2022	30,289,061	109,432,120	32,240,695	5,307,829	3,030,772	15,048,575	195,349,052

- The buildings item include buildings of the Company's factories on leased land from government authorities for a nominal rent until 2030.
- The capital works in progress represent the cost of improvements to the factory and installation of new production lines amounting SR 8.4 million, and the cost of additional works to complete the capital works in progress amounts SR 7.1 million
- Depreciation charged for the years ended December 31 was allocated as follows:

	2023	2022
Cost of revenues	14,615,059	12,410,852
Selling and distribution expenses	12,965	31,484
General and administrative expenses	552,042	395,771
	<b>15,180,066</b>	<b>12,838,107</b>

SAUDI LIME INDUSTRIES COMPANY  
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(Expressed in Saudi Riyals)

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

	2023	2022
<b>6.1 Right-of-use assets</b>		
<b>Cost</b>		
Balance at January 1,	4,872,280	4,730,123
Additions	159,855	142,157
Adjustments	31,708	-
Disposals	(546,560)	-
<b>Balance at December 31,</b>	<b>4,517,283</b>	<b>4,872,280</b>
<b>Accumulated depreciation</b>		
Balance at January 1,	2,341,352	1,901,638
Depreciation for the year (note 24)	398,496	439,714
Disposals	(546,560)	-
Balance at December 31,	2,193,288	2,341,352
<b>Net Book Value</b>	<b>2,323,995</b>	<b>2,530,928</b>
<b>6.2 Lease liabilities</b>		
Balance at January 1,	2,372,358	2,636,445
Additions during the year	159,856	142,157
Adjustments	31,708	-
Paid during the year	(572,460)	(519,705)
Finance cost (note 25)	98,868	113,461
<b>Balance at December 31,</b>	<b>2,090,330</b>	<b>2,372,358</b>
Current portion	358,205	420,308
Non-current portion	1,732,125	1,952,050

7. INTANGIBLE ASSETS

	Software	Work in progress	Total
<b>Cost</b>			
January 1, 2023	-	-	-
Transfers from property, plant, and equipment	1,830,268	445,116	2,275,384
Additions	2,705,641	463,174	3,168,815
Transfers	(4,003,512)	4,003,512	-
December 31, 2023	532,397	4,911,802	5,444,199
<b>Accumulated depreciation</b>			
January 1, 2023	-	-	-
Transfers from property, plant, and equipment	-	325,968	325,968
Depreciation for the year	-	57,426	57,426
December 31, 2023	-	383,394	383,394
<b>Net book value</b>			
<b>At December 31, 2023</b>	<b>532,397</b>	<b>4,528,408</b>	<b>5,060,805</b>

## SAUDI LIME INDUSTRIES COMPANY

(A Saudi Joint Stock Company)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023 (Expressed in Saudi Riyals)

#### 8. ASSETS HELD FOR SALE

The Company owns 50% in the associate company, "Saudi Insulating Brick Company", which is accounted for using the equity method.

The Saudi Insulating Brick Company is a limited liability company with Saudi Gulf capital registered in the Kingdom of Saudi Arabia with Commercial Registration No. 1010260635 dated 10 Muharram 1430H (corresponding to January 7, 2009G).

The activity of the associate company, as stated in its commercial register, is the general construction of residential buildings, the retail sale of building materials of cement, blocks, gypsum, cement tiles, the manufacture of hollow cement blocks and bricks, and the wholesale sale of bricks, blocks, tiles, stone, marble, ceramics and porcelain. The associate company also has a factory branch of the Saudi Insulating Bricks Company in Jeddah. The associate company is active in the production of light insulating bricks, wholesale trade in light insulating bricks, building materials and equipment, and general contracting for buildings.

On March 26, 2020, the General Assembly of the Saudi Insulating Brick Company decided to approve the sale, liquidation, or merger after the cessation of its operations, noting that there were no actual indications of the possibility of an actual sale on that date. On May 31, 2022, the associate's Board of Directors directed the executive management to begin taking legal measures to liquidate Saudi Insulating Brick Company and terminate its license and commercial registration. The actual liquidation process began during the year 2022 through the sale of its fixed assets. Accordingly, the investment in the associate company was classified as a current asset held for sale as of December 31, 2022.

The Company derecognised its investment in the associate company as a result of the liquidation process reaching an advanced stage, and the liquidation process did not have an impact on profit or loss, as there was no material difference between the liquidation proceeds and the book value of the investment as of December 31, 2023.

#### 9. INVENTORIES

	December 31, 2023	December 31, 2022
Finished goods	17,815,302	12,800,740
Raw materials	1,711,721	224,913
Spare parts	16,318,343	15,759,340
	35,845,366	28,784,993
Less: allowance for obsolete and slow-moving inventory	(2,629,165)	(1,421,803)
	<u>33,216,201</u>	<u>27,363,190</u>

The Company has re-presented the production in operation as of December 31, 2022, amounting to SR 4,027,906, to be part of the complete production, as the company also sells the production in operation directly to customers, according to market requirements.

The movement in the allowance for obsolete and slow-moving inventory during the years ending December 31 is as follows:

	2023	2022
At January 1,	1,421,803	1,240,680
Charged for the year	1,207,362	181,123
At December 31,	<u>2,629,165</u>	<u>1,421,803</u>

#### 10. TRADE RECEIVABLES

	December 31, 2023	December 31, 2022
Trade receivables	47,229,815	35,992,347
Allowance for expected credit losses	(5,941,310)	(3,743,184)
	<u>41,288,505</u>	<u>32,249,163</u>

**SAUDI LIME INDUSTRIES COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
(Expressed in Saudi Riyals)

**10. TRADE RECEIVABLES (CONTINUED)**

The movement in the allowance for expected credit losses during the years ending December 31 is as follows:

	<u>2023</u>	<u>2022</u>
Balance at January 1,	3,743,184	3,612,004
Charged for the year	2,198,126	131,180
<b>Balance at December 31,</b>	<b>5,941,310</b>	<b>3,743,184</b>

The aging analysis table for trade receivables as of December 31 is as follows:

	<u>Past due balances</u>				<u>Total</u>
	<u>From 1 to 90 days</u>	<u>From 91 to 180 days</u>	<u>From 181 to 365 days</u>	<u>More than 365 days</u>	
<b>December 31, 2023</b>	<b>35,147,468</b>	<b>3,230,231</b>	<b>3,199,580</b>	<b>5,652,536</b>	<b>47,229,815</b>
December 31, 2022	25,863,627	6,482,145	22,338	3,624,237	35,992,347

**11. BALANCES AND TRANSACTIONS WITH RELATED PARTY**

The benefits of key management personnel incurred during the years ended December 31, are as follows:

	<u>2023</u>	<u>2022</u>
Short term benefits	3,850,784	2,516,560
Employee defined benefits obligation (Balance at the end of the year)	779,256	1,199,557
	<b>4,630,040</b>	<b>3,716,117</b>

The remuneration of members of the Board of Directors and its committees during the year ending December 31, 2023 amounted SR 1,205,000 (2022: SR 1,430,000).

**12. PREPAID EXPENSES AND OTHER RECEIVABLES**

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Advances to suppliers	5,074,898	5,469,643
Prepaid expenses	1,489,927	1,287,144
Staff receivables	344,218	299,322
Margins on letter of guarantee	252,457	252,457
Refundable deposits	26,570	46,754
Expenses related to offering	-	1,549,592
Others	300,068	9,370
	<b>7,488,138</b>	<b>8,914,282</b>

**13. CASH AND CASH EQUIVALINTS**

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash at Bank	1,672,382	5,909,342
Cash on hand	255,988	39,357
Short term deposits	40,021,500	19,000,000
	<b>41,949,870</b>	<b>24,948,699</b>

**14. STATUTORY RESERVE**

The new Saudi Companies Law, which became effective on January 19, 2023, removed the requirement to maintain a statutory reserve that existed in the previous Law.

**SAUDI LIME INDUSTRIES COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
(Expressed in Saudi Riyals)

**15. OTHER RESERVE**

The movement in the other reserve which is related to employee defined benefits obligation during the year is as follows:

	<u>2023</u>	<u>2022</u>
At January 1,	(4,742,553)	(5,024,880)
Remeasurement charged to OCI	470,883	282,327
At December 31,	<u>(5,213,436)</u>	<u>(4,742,553)</u>

**16. DIVIDENDS**

During the year 2022, the General Assembly approved the distribution of dividends in the amount of SR 10 million. No dividends were declared during the year 2023.

**17. EMPLOYEE DEFINED BENEFITS OBLIGATION**

	<u>2023</u>	<u>2022</u>
At January 1,	8,172,040	8,856,591
Current service cost	1,315,302	1,162,020
Discount cancellation	384,086	258,612
Re-measurements charged on OCI	470,883	(282,327)
Closed advanced payments	-	(351,875)
Payments during the year	<u>(944,924)</u>	<u>(1,470,981)</u>
	9,397,387	8,172,040
Advance payments to employees	<u>(763,676)</u>	<u>(763,676)</u>
At December 31,	<u>8,633,711</u>	<u>7,408,364</u>

**Actuarial assumptions:**

	<u>December 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
Discount rate	5.03%	4.98%
Salary increases rate	3%	2%

**Sensitivity analysis on significant assumptions:**

	<u>December 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
<b>Discount rate 0.5% (+/-)</b>		
Increase	8,165,432	7,753,576
Decrease	9,135,762	8,620,889
<b>Change in salary 0.5% (+/-)</b>		
Increase	9,148,605	8,630,874
Decrease	8,149,722	7,740,851

**18. LOANS**

The Company obtained banking facilities from local banks in the form of term loans (Murabaha and Tawarruq). The balance of these facilities as at December 31, 2023 amounted SR 2.3 million (December 31, 2022: SR 14.6 million), and they carry commission rates based on SIBOR plus an agreed upon margin. The loan is repaid in quarterly installments. These facilities are guaranteed by promissory notes. The following is the details of the facilities:

	<u>December 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
Long-term loan, current portion	2,300,000	12,310,700
Long-term loan, non-current portion	-	2,300,000
	<u>2,300,000</u>	<u>14,610,700</u>



**SAUDI LIME INDUSTRIES COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
(Expressed in Saudi Riyals)

**19. ACCRUED EXPENSES AND OTHER PAYABLES**

	<b>December 31, 2023</b>	December 31, 2022
Accrued employee benefits	<b>4,247,639</b>	4,200,303
Advances from customers	<b>1,977,362</b>	2,607,952
Value-added tax payable	<b>1,676,832</b>	354,334
Accrued Board of directors' remunerations	<b>1,574,543</b>	1,417,500
Accrued expenses	<b>457,437</b>	2,100,569
Other payables	-	1,128,019
Other provisions	<b>611,952</b>	4,710,900
	<b><u>10,545,765</u></b>	<u>16,519,577</u>

**20. ZAKAT PROVISION**

The Company submits its financial statements and zakat returns to the Zakat, Tax and Customs Authority (ZATCA). Zakat is due at the rate of 2.5% of the zakat base or adjusted net profit, whichever is higher. The following are the main components of the Company's zakat base according to zakat regulations:

	<b>2023</b>	2022
Equity	<b>250,182,345</b>	221,156,249
Non-current assets	<b>(247,353,573)</b>	(238,648,285)
Beginning balance of provisions and other adjustment	<b>64,290,125</b>	56,086,588
Adjusted net profit	<b>18,929,820</b>	20,364,161
Zakat base	<b><u>86,048,717</u></b>	<u>58,958,713</u>

The movement of zakat provision during the year ended December 31, is as follows:

	<b>2023</b>	2022
At January 1	<b>1,503,418</b>	1,591,660
Charged during the year	<b>2,151,218</b>	1,473,968
Paid during the year	<b>(1,473,968)</b>	(1,562,210)
At December 31	<b><u>2,180,668</u></b>	<u>1,503,418</u>

**Status of Zakat assessments**

The Company has submitted zakat declarations up to the year ended December 31, 2022, according to which the Company has paid the due zakat and obtained a zakat certificate valid until April 30, 2024.

During the year 2023, the Company finalized the zakat assessment for the year 2017 and 2018 with ZATCA, and an amount of SR 314,784 was paid. The zakat returns for the years from 2019 to 2022 are still under review by ZATCA.

**21. REVENUES**

	<b>2023</b>	2022
Local revenue	<b>116,046,260</b>	122,260,245
Export revenue	<b>39,736,147</b>	23,453,441
Local returns and discounts	<b>(5,805,957)</b>	(3,332,280)
Export returns and discounts	<b>(453,833)</b>	(20,380)
	<b><u>149,976,450</u></b>	<u>142,381,406</u>

**SAUDI LIME INDUSTRIES COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**  
(Expressed in Saudi Riyals)**22. COST OF REVENUES**

	<b>2023</b>	<b>2022</b>
Cost of raw materials	<b>31,981,506</b>	29,222,199
Depreciation of property, plant and equipment	<b>14,615,059</b>	12,410,852
Employee benefits	<b>14,543,838</b>	13,820,810
Equipment rent	<b>9,975,004</b>	7,246,579
Maintenance	<b>7,570,838</b>	5,886,439
Slow-moving inventory	<b>1,207,362</b>	181,123
Quarry fees	<b>733,453</b>	1,754,462
Insurance	<b>690,585</b>	331,954
Health Insurance	<b>640,710</b>	741,636
Penalty and government expenses	<b>243,108</b>	392,212
Hospitality and cleaning	<b>179,088</b>	383,589
Consumable materials	<b>41,498</b>	27,259
Other	<b>843,939</b>	6,842,273
	<b>83,265,988</b>	79,241,387

**23. SELLING AND DISTRIBUTION EXPENSES**

	<b>2023</b>	<b>2022</b>
Freight out	<b>28,140,205</b>	26,805,916
Employee benefits	<b>1,402,145</b>	1,331,626
Sales commissions	<b>425,942</b>	137,241
Advertising and marketing	<b>276,407</b>	1,330,885
Utilities	<b>100,869</b>	251,154
Maintenance	<b>58,747</b>	138,607
Depreciation of property, plant and equipment	<b>12,965</b>	31,484
Other	<b>468,028</b>	386,896
	<b>30,885,308</b>	30,413,809

**24. GENERAL AND ADMINISTRATIVE EXPENSES**

	<b>2023</b>	<b>2022</b>
Employee benefits	<b>14,954,523</b>	9,272,612
Professional fees	<b>3,260,756</b>	1,331,408
Bonus	<b>2,518,342</b>	2,506,422
Consumable material	<b>1,593,236</b>	158,472
Board of directors' remuneration	<b>1,205,000</b>	1,430,000
Utilities	<b>1,070,635</b>	104,777
Insurance	<b>887,758</b>	654,249
Depreciation of property, plant and equipment	<b>552,042</b>	395,771
Depreciation of Right-of-use assets	<b>398,496</b>	439,714
Amortisation of intangible assets	<b>57,426</b>	-
Other	<b>804,797</b>	599,897
	<b>27,303,011</b>	16,893,322

**25. FINANCE COSTS**

	<b>2023</b>	<b>2022</b>
Unwinding of discount on employee defined benefits obligation	<b>384,086</b>	258,612
Commissions on loans	<b>234,427</b>	216,476
Unwinding of discount on lease liabilities	<b>98,868</b>	113,461
	<b>717,381</b>	588,549

**SAUDI LIME INDUSTRIES COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
(Expressed in Saudi Riyals)

**26. OTHER INCOME**

	<u>2023</u>	<u>2022</u>
Finance income from term deposits	<b>2,035,418</b>	255,176
Other income	<b>1,427,475</b>	1,722,892
Reversal of provision no longer required	<b>3,720,759</b>	-
(loss) Gain from disposal of property, plant and equipment	<b>(702,421)</b>	39,999
	<b><u>6,481,231</u></b>	<b><u>2,018,067</u></b>

**27. EARNINGS PER SHARE**

The calculation of basic and diluted earnings per share is based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding.

Earnings per share had been calculated for the year ended on December 31, 2023, based on the weighted average number of outstanding shares of 21,333,33 shares (2022: 20,000,000 shares). There are no dilutive or potential ordinary shares.

**28. FINANCIAL INSTRUMENTS**

**28.1 Fair value of financial instruments**

Due to the short-term nature of current financial instruments, the carrying value of financial instruments is considered a close approximation to their fair values.

**28.2 Risk management of financial instruments**

The Company's activities expose it to a variety of financial risks, credit risk, liquidity risk, market price risk, currency risk and interest rate risk.

**Currency risk**

Currency risks are the risks resulting from the fluctuation of the value financial instruments due to the changes in foreign exchange rates. Currency risks arise from assets and liabilities recognized and denominated in currency other than the functional currency of the company. The Company's exposure to foreign currency risk is primarily limited to transactions in US dollars. The Company's management believes that its exposure to currency risks linked to the US dollar is very limited. Fluctuations in exchange rates against other currencies are monitored on an ongoing basis.

**Credit risk**

Credit risk is the risk that one party to financial instruments will fail to discharge an obligation and cause the other party to incur a financial loss.

The Company is exposed to credit risk on asset balances as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Trade receivables	<b>41,288,505</b>	32,249,163
Other receivables	<b>923,313</b>	2,157,495
Cash at banks and short-term deposits	<b>41,693,882</b>	24,909,342
	<b><u>83,905,700</u></b>	<b><u>59,316,000</u></b>

The book value of financial assets represents the maximum exposure to credit risk.

The Company manages credit risk in relation to trade receivables by monitoring them in accordance with defined policies and procedures. The Company seeks to reduce credit risk with respect to customers by setting credit limits for each customer and monitoring uncollected receivables on an ongoing basis.

The concentration of receivables is represented by four customers, which constitute 38% of the total receivables as at December 31, 2023, and their sales amounted to 39% of the Company's total sales during the year 2023 (December 31, 2022: 51% and 42%, respectively).

**SAUDI LIME INDUSTRIES COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED DECEMBER 31, 2023**

(Expressed In Saudi Riyals)

**28. FINANCIAL INSTRUMENTS (CONTINUED)****liquidity risk**

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from the inability to sell a financial asset quickly at an amount close to its fair value. Following are the contractual maturities at the end of the reporting period of financial liabilities.

	<b>Book value</b>	<b>Less than a year</b>	<b>More than a year</b>
<b>December 31, 2023</b>			
Lease liabilities	<b>2,409,320</b>	<b>429,070</b>	<b>1,980,250</b>
Long-term loans	<b>2,300,000</b>	<b>2,300,000</b>	-
Due to a related party	<b>355,503</b>	<b>355,503</b>	-
Trade payables	<b>20,783,167</b>	<b>20,783,167</b>	-
Accrued expenses and other payables	<b>8,568,403</b>	<b>8,568,403</b>	-
Dividends payable	<b>1,377,531</b>	<b>1,377,531</b>	-
<b>Total</b>	<b>35,793,924</b>	<b>33,813,674</b>	<b>1,980,250</b>
<b>December 31, 2022</b>			
Lease liabilities	2,679,905	504,425	2,175,480
Long-term loans	14,949,481	12,630,383	2,319,098
Due to a related party	18,756,360	18,756,360	-
Trade payables	15,220,137	15,220,137	-
Accrued expenses and other payables	9,200,725	9,200,725	-
Dividends payable	1,377,531	1,377,531	-
<b>Total</b>	<b>62,184,139</b>	<b>57,689,561</b>	<b>4,494,578</b>

Liquidity risk is managed by monitoring on a regular basis and ensuring that sufficient funds and credit facilities are available to meet the future obligations of the Company.

**Market risk**

Market price risk is the risk that the value of financial instruments will fluctuate due to changes in market prices, such as foreign exchange rates and interest rates, which will affect the Company's income or the value of financial assets. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while optimizing return. The Company is not exposed to significant market risks.

**29. CONTINGENT LIABILITIES AND COMMITMENTS**

The Company has contingent liabilities represented in letters of guarantee and Letters of credit as at December 31, 2023 in the amount of SR 3,719,091 and a cash margin of SR 252,457 (2022: SR 3,525,457, SAR 252,457).

There are contractual capital commitments related to capital work in progress amounting SR 4,713,688.

## SAUDI LIME INDUSTRIES COMPANY

(A Saudi Joint Stock Company)

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

(Expressed in Saudi Riyals)

#### 30. MATERIAL ACCOUNTING POLICIES

The following is a summary of the material accounting policies used by the Company in preparing these financial statements:

##### Classification of assets and liabilities into current or non-current

The Company presents assets and liabilities in the statement of financial position on a current or non-current basis.

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.

All other assets are classified as non-current assets.

The obligation is considered among the current liabilities in the event of:

- 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.
- The Company classifies all other liabilities as non-current.

##### Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses if any. The initial cost includes the purchase price and any directly attributable cost of bringing the property, plant and equipment to the operating site and making it operational. Expenses incurred after the operation of property, plant and equipment, such as repairs, maintenance, and full refurbishment, are included in the statement of profit or loss and other comprehensive income in the period in which they are incurred. Where it is clearly shown that the expense has resulted in an increase in the future economic benefits expected to be obtained from the use of an asset to a higher extent than the originally defined benchmark, these expenses are capitalized as an additional cost to the property, plant and equipment.

If significant and important parts of an item of property, plant and equipment have different useful lives they are accounted for as separate items (major components) of property, plant and equipment, depreciation is calculated on a straight-line basis over the estimated useful lives of the items of property, plant and equipment. The estimated useful life of some machines and equipment is as follows:

<u>Item</u>	<u>Depreciation rate</u>
Buildings and constructions	3-5 %
Machinery and equipment	5-20 %
Motor vehicles	20-25 %
Tools	10-20 %
Furniture	10-20 %
Improvements to machinery and equipment	20 %
Strategic spare parts	5 %

The value of properties, plant, and equipment is reduced to their recoverable amount if their carrying value exceeds the estimated recoverable amount. The useful life, residual value, and method of depreciation are reviewed periodically to ensure that they are consistent with the expected economic benefit of each item of properties, plant, and equipment. Changes in estimates are accounted for as of the beginning of the fiscal year in which the change occurs. Upon disposal or retirement of properties, plant, and equipment, their cost, accumulated depreciation, and accumulated impairment losses are removed from the accounts, and any resulting gain or loss from their disposal is included in the profit or loss.

**SAUDI LIME INDUSTRIES COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
(Expressed in Saudi Riyals)

**30. MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**Property, plant and equipment (continued)**

Capital work in progress includes the purchase price, construction or development costs, and any directly attributable costs incurred in the creation or acquisition of an asset by the company. Capital work in progress is measured at cost less any impairment losses recognized. Capital work in progress is not depreciated until the assets are capable of operating in the manner intended by management after being transferred to the appropriate category of assets.

Strategic spare parts are capitalized within property, plant, and equipment when they meet the definition of property, plant, and equipment. Otherwise, they are classified as inventory.

**Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are recognized as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**Impairment of assets – property, plant and equipment**

The Company assesses at each reporting date to determine whether there is any indication that an asset has been impaired. If such an indication arises, or when an impairment test is required, the Company estimates the recoverable amount of that asset (or cash-generating unit). The recoverable amount of an asset (or cash-generating unit) is the fair value of the asset (or cash-generating unit) less costs to sell or value in use, whichever is greater and is determined for each individual asset unless the asset's cash flow is substantially independent of that produced by the asset or another group of assets and the recoverable amount is then assessed as part of the cash-generating unit to which the asset belongs. When the carrying amount of an asset (or cash-generating unit) exceeds its recoverable amount, the asset is impaired and is reduced to its recoverable amount. In assessing value in use, estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the specific risks of the asset (or cash-generating unit). An impairment loss must be recognized immediately in profit or loss.

**Intangible assets**

Intangible assets acquired individually are measured upon initial recognition at cost. The cost of intangible assets acquired as a result of a business combination is the fair value on the acquisition date. After initial recognition, intangible assets are stated at cost less any accumulated amortization and any accumulated impairment losses, if any. Internally developed intangible assets are not capitalized, and expenses are included in the statement of profit or loss when incurred.

The expected useful lives of intangible assets are estimated for a specific period of time or for an indefinite period.

Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in profit or loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the CGU level. The assessment of indefinite life is reviewed annually to determine whether indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

## SAUDI LIME INDUSTRIES COMPANY

(A Saudi Joint Stock Company)

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

(Expressed in Saudi Riyals)

#### 30. MATERIAL ACCOUNTING POLICIES (CONTINUED)

##### **Non-current assets held for sale and discontinued operations**

The Company classifies non-current assets of discontinued operations and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Such non-current assets and Disposal Groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the sale, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or Disposal Group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of the classification.

Assets, plant and equipment and intangible assets are not depreciated or amortized once classified as assets held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

##### **Right-of-use assets and leases liabilities (the company as a lessee)**

At contract inception, the Company assesses whether the contract contains a lease. The Company recognizes the Right-of-use asset and Lease contracts liabilities in connection with all lease arrangements at which the company is a lessee.

##### ***Right-of-use assets***

The Company recognizes the right to use the assets on the lease commencement date (ie the date the underlying asset is available for use). Right-of-use assets are measured at cost less than any accumulated impairment losses and amortization, adjusted for any re-measurement of the Lease contracts liabilities. The cost of right-of-use assets includes the amount of Lease contracts liabilities recognized, initial direct costs incurred, lease payments made on or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use asset is depreciated on a straight-line basis over the shorter of the estimated useful life and lease term. If the terms of the lease provide for a transfer of ownership of the underlying asset or the cost of the right-of-use asset reflects the Company's expectation to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the asset. Depreciation begins on the lease start date. Right-of-use assets are presented as a separate line item on the statement of financial position. The Company applies IAS 36 to determine whether the right-of-use asset is impaired, and the impairment loss is determined as described in the "Impairment of Non-Financial Assets" policy.

##### ***Leases liabilities***

At the commencement date of the lease, the Company recognizes Lease contracts liabilities measured at the present value of the lease payments to be made over the lease term. Lease payments include fixed payments (including embedded fixed payments) less than any lease incentives receivable, variable lease payments that depend on an index or rate, and amounts expected to be paid under residual value guarantees. Lease payments also include the exercise price of a purchase option that the Company is certain to exercise and payments of penalties for terminating the lease, if the lease term reflects that the Company exercises the option to terminate. Variable lease payments that do not depend on an index or rate are recognized as an expense in the period in which the event or condition that triggers the payment occurs.

When calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease start date if the interest rate implicit in the lease is not readily determinable. After the start date, the amount of the lease obligations is increased, to reflect the accrual of interest and reduce lease payments made. In addition, the carrying amount of Lease contracts liabilities is remeasured if there is a modification, a change in the lease term, a change in secured fixed lease payments, or a change in the valuation for the purchase of the underlying asset.

## SAUDI LIME INDUSTRIES COMPANY

(A Saudi Joint Stock Company)

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

(Expressed in Saudi Riyals)

#### 30. MATERIAL ACCOUNTING POLICIES (CONTINUED)

##### Right-of-use assets and leases liabilities (the company as a lessee) (continued)

###### Short term leases

The Company applies the short-term lease recognition exemption to short-term leases of property, plant and equipment (i.e. leases that have a term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments under short-term leases are recognized as an expense on a straight-line basis over the lease term.

###### **Inventories**

Inventories are stated at a cost or net realizable value whichever is lower. The cost is determined by using the weighted average method. The raw materials are valued cost basis or net realizable value whichever is lower through the weighted average cost. The cost of total production and production in progress includes the cost of raw materials, direct wages, and indirect operating expenses. When necessary, a provision is made for slow-moving and obsolete inventories. The net realizable value is the actual or estimated selling price of the inventories during the ordinary course of business, less the cost of completion of inventory production (if it needs to be completed) and all necessary expenses expected to be incurred for the sale of inventories.

Inventory of spare parts is valued at cost or net realizable value. Cost is determined on a weighted average cost basis. Provision for obsolete and slow-moving items (if any) is estimated at the reporting date.

The goods in transit consist of the value of the purchases that the Company has contracted and has not yet received up to the date of the financial statements taking into consideration that the terms of shipment and receipt and the returns and risks of the commodity in the possession of the Company.

###### **Financial instruments**

###### **Financial assets of low credit value**

The Company assesses at each reporting date whether the financial assets carried at amortized cost have a low credit value. A financial asset is considered to be "impaired" when one or more events have had an adverse effect on the estimated future cash flows of the financial asset.

###### **Presentation of impairment**

Losses from provisions for financial assets measured at amortized cost are deducted from the total carrying amount of the total assets.

###### **Trade receivables**

Trade receivables, advance payments, and other non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, these financial assets are subsequently measured at amortized cost using the effective interest method less any impairment in its value, in accordance with IFRS 9 ("Financial Instruments"). Amortized cost is calculated by calculating any discount or premium on the acquisition, fees, or costs that represent an integral part of the effective interest method. The amortization of the effective interest method is included in the statement of profit or loss and other comprehensive income. Impairment losses are recognized in profit or loss.



**SAUDI LIME INDUSTRIES COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
(Expressed in Saudi Riyals)

**30. MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**Financial instruments (continued)**

**De-recognition of financial assets**

A financial asset (or part of a financial asset or a part of a group of similar financial assets or a similar asset) is derecognized when:

- A) The right to receive cash flows from the asset has expired.
- B) The Company transfers the right to receive the cash flows from the asset or, in return, bears an obligation to pay the cash expenses received in full without material delay to another party under the "receipt and payment" arrangement; (a) the Company transfers all significant risks and rewards of the asset; (b) the Company has neither transferred nor retained substantially all the significant risks and rewards of the asset but has lost control over that asset.

When the Company has transferred its rights to receive cash flows from the asset or has entered into the "receipt and payment" arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset or lost control over the asset, the asset is recognized to the extent that the Company continues to control the asset. In this case, the Company shall also record the relevant obligation. The transferred asset and the related liability are measured on a basis that reflects the rights and obligations that the Company holds.

**Impairment of financial assets**

At the financial reporting date, the Company assesses whether there is an indication that the value of an asset may be impaired. If there is any indication of this, or when annual impairment testing for an asset is required, the Company estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of the fair value of the asset or cash generating unit less the cost to sell or the value in use of the asset. It is determined for a single asset unless the asset does not generate cash flows that are largely independent of the flows generated by other assets or groups of assets. When the book value of an asset or cash generating unit exceeds its recoverable value, the value of the asset has declined and the value of the asset must be reduced to its recoverable amount.

Impairment losses for continuing operations are recognized in profit or loss from continuing operations.

An assessment is made at the financial reporting date to determine whether there is any indication that previously recognized impairment losses for non-financial assets, other than goodwill, have reversed. The reversal of a impairment loss is recognized in profit or loss.

**Financial liabilities**

The Company's financial liabilities include amounts due to trade payables, Accrued expenses and other payables. The Company's financial liabilities are subsequently measured at amortized cost using the effective interest rate method.

**Trade payables and accruals**

Liabilities are recognized at amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

**De-recognition of financial liabilities**

Financial liability is de-recognized when the obligation associated with the liability is discharged, canceled, or expired. When an existing financial liability is replaced by another from the same creditor on significantly different terms or substantially modified the existing financial liability terms, the change or adjustment is treated as a de-recognition of the original liability. The new financial liability is recognized and the difference in the relevant carrying amount is recognized in the statement of profit or loss.

Financial liabilities are eliminated only when the liability is discharged or settled. The difference between the carrying amount of the liability and the consideration paid and the creditors are recognized in the statement of profit or loss.

**SAUDI LIME INDUSTRIES COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2023**

(Expressed in Saudi Riyals)

**30. MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**Offsetting**

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position when there is an enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the asset and settle the liabilities simultaneously. The right in force should not depend on future events and should be effective in the normal course of business and in the event that the Company or counterparty is exposed to insolvency or bankruptcy.

**Cash and cash equivalents**

Cash and cash equivalent on the statement of financial position comprise cash on hand and at banks and short-term deposits, which are not subject to a significant risk of change in value. The book value of these assets is approximately equal to their fair value.

**Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources will be required to include economic benefits to settle the obligation and the amount of the obligation can be estimated reliably. Provisions for future operating loss are not calculated. In the case of several similar obligations, the probability of a resource flow for settlement is determined by considering the category of obligations as a whole. An allowance is recognized when the probability of a flow of resources in respect of any item included in the same category of liabilities is minimal. Provisions are measured at the present value of the best management estimates of the expenditure required to settle the present obligation at the end of the financial period.

The present value is determined by discounting the expected future cash flows that reflect current market assessments of the time value of money and the risks associated to that obligation.

**Employees' defined benefits obligation**

Obligations stated in the statement of financial position relating to the employee-defined benefit plan are measured at the present value of the expected future payments at the reporting date, using the projected unit credit method, and recorded as non-current liabilities. The defined benefit obligation is calculated at the end of each annual reporting period by an independent actuary using the projected unit credit method. The actuarial evaluation process takes into account the provisions of the Saudi labor law and the Company's policy. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using commission rates for high-quality corporate bonds denominated in the currency in which the benefits will be paid and have terms that approximate those of the related obligations (or, if they are not available, use market rates on government bonds). Commission cost is calculated by applying the discount rate to the net defined benefit obligation balance and this cost is recognized in profit or loss.

The cost of the defined benefit obligation is calculated using actuarially determined termination costs at the end of the previous financial year, adjusted for significant market fluctuations and any significant one-time events such as program modification, downsizing, and payment. In the absence of significant market fluctuations and one-off events, the actuarial obligations are extended based on the assumptions made at the beginning of the year. In the event that there are significant changes in assumptions or arrangements during the year, they must be considered to re-measure these obligations and related costs.

Remeasurement gains and losses arising from adjustments and changes in actuarial assumptions in the year in which they occur are recognized in other comprehensive income. Changes in the present value of the defined benefit obligation resulting from plan modifications or downsizing are recognized directly in the profit or loss as past service costs.

## **SAUDI LIME INDUSTRIES COMPANY**

(A Saudi Joint Stock Company)

### **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2023**

(Expressed in Saudi Riyals)

#### **30. MATERIAL ACCOUNTING POLICIES (CONTINUED)**

##### **Short-term employee obligations**

Obligations related to benefits owed to employees, represented by wages, salaries, annual leave, and travel tickets, which are expected to be paid during the twelve-month period after the end of the fiscal year in which employees provide the relevant services, are recognized and measured in the financial statements by the undiscounted amounts expected to be paid when settling the obligations.

##### **Foreign currency transactions**

Transactions in foreign currencies are translated into Saudi Riyals using the exchange rates prevailing at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into Saudi Riyals at the rates of exchange prevailing at the reporting date. Exchange gains or losses are recognized as an expense or revenue in profit or loss. Non-monetary items denominated in foreign currencies at fair value are retranslated at the rates of exchange ruling at the date when the fair value was determined. Non-monetary assets and liabilities denominated in foreign currencies at fair value are translated to Saudi Riyals at the foreign exchange rates ruling at the date of determining the transaction. In the case of non-monetary assets whose change in fair value is recognized directly in other comprehensive income, foreign exchange differences are recognized directly in other comprehensive income. For non-monetary assets whose change in fair value is recognized directly in profit or loss, all foreign exchange differences are included in profit or loss.

#### **REVENUE RECOGNITION**

##### **Revenue from contracts with customers**

The Company recognizes revenue from contracts with customers based on a five-step model as defined in IFRS 15 "Revenue from Contracts with Customers". Revenue from contracts with customers is recognized when control of goods or services is transferred to the customer at a value that reflects the compensation to which the company expects to be entitled in exchange for this transfer.

##### **Performance obligations**

The Company generates revenues mainly from the sale of products, and the performance obligation in product sales contracts is to supply products to customers according to the contractual terms. The performance obligation is satisfied when the goods are delivered.

##### **Assets and liabilities resulting from rights of return**

The right of return represents the Company's right to recover the goods from the customer when settling a return obligation. It is measured by reference to the previous carrying amount of inventory, minus any expected costs of returning those goods, including the potential decrease in the value of the returned goods. At the end of each reporting period, the Company updates the measurement of the asset arising from changes in expectations about the goods to be returned, in addition to the potential decrease in their value. Refund obligations represent the company's obligations to refund all or part of the compensation received (or to be collected) to which the company does not expect to be entitled. At the end of each reporting period, the Company updates the estimates of return obligations (and the corresponding change in the transaction price).

##### **Volume discount**

The Company provides a retroactive volume discount to some customers when the quantity of goods purchased during the period exceeds a certain limit as stipulated in the contract. Rebates are deducted against the amounts owed by the customer. The company applies the requirements for restricting estimates of variable compensation and confirms a refund obligation for expected future rebates.

##### **Expenses**

Selling and distribution expenses are those expenses resulting from the Company's efforts of marketing, sales and distribution departments. All other expenses, excluding the cost of revenues and finance charges, are classified as general and administrative expenses. Allocation of common expenses among cost of sales, sales and distribution expenses, and general and administrative expenses, when necessary, consistently.

## **SAUDI LIME INDUSTRIES COMPANY**

(A Saudi Joint Stock Company)

### **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2023**

(Expressed in Saudi Riyals)

#### **30. MATERIAL ACCOUNTING POLICIES (CONTINUED)**

##### **Dividends**

Dividends are recognized in the period in which they become a liability to the Company.

##### **Earnings per share**

###### **Basic earnings per share**

If no potential ordinary shares are issued by the Company, the basic earnings per share shall be equal to the diluted earnings per share. Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

###### **Diluted earnings per share**

Diluted earnings per share are calculated by adjusting the figures used to determine earnings per share, considering the weighted average number of additional ordinary shares that will be on the assumption that all potential ordinary shares are converted into existing shares.

##### **Contingent liabilities**

Contingent liabilities are recognized in the financial statements only when the use of economic resources to settle an existing or anticipated legal obligation as a result of past events is probable and the amount expected to be repaid can be estimated significantly. Otherwise, contingent liabilities are disclosed unless the possibility of an economic loss is remote.

Contingent assets are not recognized in the financial statements but are disclosed when economic benefits arising from past events are probable.

##### **Value added tax**

Revenues, expenses and assets are recognized net of value added tax, except in the following cases:

- Where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- Receivables and payables are stated with the amount of value-added tax included

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

##### **Zakat**

The Company provide for zakat in accordance with the instructions of the Zakat, Tax and Customs Authority in the Kingdom of Saudi Arabia. The provision is charged to profit or loss.

#### **31. APPROVAL OF THE FINANCIAL STATEMENTS**

These financial statements were approved by the Company's Board of Directors on Ramadan 16, 1445H (corresponding to March 26, 2024G).

### **3. Voting and discussing the auditor's report for the fiscal year ended on December 31, 2023.**

## Independent Auditor's Report

### To the Shareholders

**Saudi Lime Industries Company**  
 (A Saudi Joint Stock Company)  
 Riyadh, Kingdom of Saudi Arabia

### Opinion

We have audited the financial statements of Saudi Lime Industries Company (the "Company"), which comprise the statement of financial position as at December 31, 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by 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 the Kingdom of Saudi Arabia ("ISAs"). 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 Ethics for Professional Accountants that is endorsed in the Kingdom of Saudi Arabia and we have fulfilled our other ethical responsibilities in accordance with this code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters (KAMs) are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The following is a description of the key audit matter and how it was addressed during our audit.

KAM	How the KAM was addressed in our audit
<p><b>Revenue recognition</b></p> <p>Revenue generated from the company's main activities is recognized in accordance with the requirements of International Financial Reporting Standard No. (15) 'Revenue from Contracts with Customers'.</p> <p>The recognition of revenue was considered a key audit matter, given that revenues are an important element of the Company's performance and results, and given that professional standards for auditing assume that there are significant risks related to the recognition of revenues.</p> <p>As shown in Note (21), for the year ended December 31, 2023, the Company recognised net revenues of SR 149,976,450 (2022: SR 142,381,406).</p> <p>Please refer to Note (30), which includes the accounting policies related to revenue recognition, and Note (21) which explain the details of revenues.</p>	<p>We have performed the following procedures among other matters, based on our professional judgment:</p> <ul style="list-style-type: none"> <li>• Reviewing the revenue recognition policy and its appropriateness with the requirements of IFRS. 15 - "Revenue from Contracts with Customers".</li> <li>• Understanding the revenue recognition and trade receivables as well as testing the design and implementation of internal control procedures related to revenue recognition and their operational effectiveness.</li> <li>• Implementing analytical audit procedures for revenues by comparing sales quantities and prices for the current year with the prior year and determining whether there are any significant trends or fluctuations that need additional examination.</li> <li>• Reviewing the supporting documents for revenues transactions on a sample basis to validate the revenue recognition.</li> <li>• Cut-off procedures to verify recording revenues in its correct periods.</li> </ul>

## **Independent Auditor's Report (Continued)**

**To the Shareholders**

**Saudi Lime Industries Company**

### **Other Information**

Other information consists of the information included in the Company's 2023 annual report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information in its annual report which are expected to be available to us after the date of this report.

Our opinion on the financial statements does not cover the other information and we do 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, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and those Charged with Governance for the Financial Statements**

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

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 based on these financial statements.

## Independent Auditor's Report (Continued)

To the Shareholders  
Saudi Lime Industries Company

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current 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.

**BAKER TILLY MKM & CO.**  
*Certified Public Accountants*

**Majid Muneer Alnemer**  
License No. 381

Riyadh on Ramadan 16, 1445H  
Corresponding to March 26, 2024G





**4. Voting on the appointment of the company's external auditor from among the candidates based on the recommendation of audit committee, to review and audit of the financial statements for the semi-annual and annual financial statements of the fiscal year 2024, and determining their fees.**

## عروض مراجعين الحسابات لعام 2024

## Auditor's presentations for the year 2024

CO	Fees	الأتعاب	الاسم
Bakertilly	SR 425,000	ريال 425,000	بيكرتيلي وشركائه
BDO	SR 350,000	ريال 350,000	شركة الدكتور محمد العمري وشركائه

**5. Voting on the disbursement of a bonus amounting to 1,050,000 Saudi riyals to the members of the Board of Directors for the year ended 2023.**

**6. Voting on the transferring the entire balance of the regular reserve account, amounting to (27,628,988) Saudi riyals, to the undistributed profits.**

## **7. Voting on amending the audit committee's regulations.**

**Amendment of the Audit Committee  
Charters**

**(Saudi Lime Industries Company)  
Listed Saudi Joint Stock Company**

After Amendment	Before Amendment	Title Article
<p>This regulation aims to regulate the work of the audit committee by defining its tasks, powers and responsibilities, in addition to the controls and procedures of its work, the rules for selecting its members, and how to nominate them, in light of the rules regulating the audit committees in the listed joint-stock companies stipulated in the Companies Law, and the Corporate Governance Regulations. Companies issued by the Capital Market Authority.</p>	<p>2.1.1 This Charter regulates the operations of the Audit Committee and delineates the scope of its duties and responsibilities, as well as how it carries out these duties and responsibilities. This includes, but is not limited to, the committee's structure and procedures.</p> <p>2.1.2 The General Assembly of the company, based on a proposal from the Board, issues a working regulation for the Audit Committee. This regulation should encompass the committee's work guidelines, its tasks, the rules for selecting its members, the nomination process, the duration of their membership, their remuneration, and the procedure for appointing temporary members in case of a vacancy on the committee.</p> <p>2.1.3 The Audit Committee reviews its charter annually and recommends to the Board any changes it deems appropriate in accordance with applicable laws, regulations, and rules, in addition to aligning it with best practices.</p> <p>2.1.4 The Board evaluates the performance of the Audit Committee annually, with the assistance of the Nomination and Remuneration Committee, if applicable.</p>	<p align="center"><b>The Purpose</b></p>
<ul style="list-style-type: none"> <li>• The Audit Committee shall be formed by a decision of the Board of Directors of the company, and the General Assembly of the company shall approve the Audit Committee's work regulations, tasks, work controls, remuneration of its members, and the term of their membership, based on a proposal from the Board of Directors.</li> <li>• The Audit Committee is composed of non-executive members of the executive Board,</li> </ul>	<p>2.1.5 The Board, through the Audit Committee, must ensure that the company's management maintains appropriate internal policies, procedures, and controls for:</p> <ul style="list-style-type: none"> <li>• Protecting the company's assets.</li> <li>• Accurately recording transactions and events as they occur.</li> <li>• Preparing accurate and reliable financial information.</li> <li>• Supervising and monitoring the overall risks related to the company's operations.</li> </ul>	<p align="center"><b>Formation of the Committee</b></p>

**Amendment of the Audit Committee  
Charters**

**(Saudi Lime Industries Company)  
Listed Saudi Joint Stock Company**

After Amendment	Before Amendment	Title Article
<p>whether shareholders or others, and the number of Committee members shall not be less than three members and shall not exceed five members, with the majority of Committee members being independent, and among them there must be a financial and accounting expert.</p> <ul style="list-style-type: none"> <li>• It is stipulated that a member of the audit committee should not be a member of the audit committees in more than five joint-stock companies listed in the market at the same time.</li> <li>• The Board of Directors of the company appoints members of the Audit Committee according to the following selection rules: <ul style="list-style-type: none"> <li>• The candidate should have experience related to the tasks of the audit committee.</li> <li>• The candidate should have knowledge of the company's activities, business and the risks it faces.</li> <li>• The candidate should have a university or accounting qualification, and be familiar with the financial and accounting aspects, if he is among the candidates specialized in financial and accounting affairs.</li> </ul> </li> <li>• A person who works or was working during the past two years in the executive or financial management of the company, or with the company's auditor, may not be a member of the audit committee.</li> <li>• The candidate should not have been convicted of committing an act contrary to honor or trust, or</li> </ul>	<p>2.1.6 The mentioned aspects should be independently and periodically assessed by the company's internal audit management.</p> <p>2.1.7 The primary purpose of the Audit Committee, a subsidiary of the Board, is to oversee the company's affairs as outlined below, among other matters, on behalf of the Board.</p> <ul style="list-style-type: none"> <li>• The adequacy, accuracy, and integrity of internal control systems, financial accounting, reporting preparation policies and practices, the effectiveness of internal audit management, as well as external audit reviews.</li> <li>• Adherence to the company's approved policies and procedures.</li> <li>• The adequacy, accuracy, and integrity of the policies and procedures regarding the safety and security of the company's assets and resources, as well as the integrity of the company's interim and annual financial statements.</li> <li>• The performance of the internal audit management and external auditors in the company, as well as their independence.</li> <li>• The presence of a framework for identifying, managing, and reviewing risks, including agreement on risk tolerance.</li> <li>• Identifying the key risks of the company's operations and ensuring the appropriate systems are in place to manage those risks.</li> <li>• Reviewing and evaluating strategic risks and receiving regular reports on these risks as well as any other risks.</li> <li>• Maintaining a positive culture that enables the management of opportunities, threats, and uncertainties within the company.</li> </ul>	

**Amendment of the Audit Committee  
Charters**

**(Saudi Lime Industries Company)  
Listed Saudi Joint Stock Company**

<b>After Amendment</b>	<b>Before Amendment</b>	<b>Title Article</b>
<p>in violation of the laws and regulations in the Kingdom of Saudi Arabia or any other country.</p> <ul style="list-style-type: none"><li>• The selection of the candidate should not be in violation of the relevant regulations and instructions.</li><li>• The chairman of the committee is chosen by the board of directors, or the members of the committee choose a chairman from among themselves. In the absence of the committee chairman from the meeting, the committee members appoint one of them to chair the meeting.</li><li>• The committee shall have a secretary appointed by the audit committee or the board of directors.</li><li>• A member of the committee performs his duties from the date of his appointment, bearing in mind that his membership ends in one of the following cases:<ul style="list-style-type: none"><li>• The term of the board of directors ends.</li><li>• Resignation, without prejudice to the company's right to compensation if the resignation was at an inappropriate time.</li><li>• Suffering from any of the diseases that prevent him from performing his duties in the committee, or his death.</li><li>• Issuance of a court ruling against the member.</li><li>• Conviction of dishonorable act, dishonesty, forgery, or violation of laws and regulations in</li></ul></li></ul>		



**Amendment of the Audit Committee  
Charters**

**(Saudi Lime Industries Company)  
Listed Saudi Joint Stock Company**

After Amendment	Before Amendment	Title Article
<p>the Kingdom of Saudi Arabia or in any other country.</p> <ul style="list-style-type: none"> <li>• Issuance of a decision by the Board of Directors of the company to exempt him from membership in the Committee for any of the following reasons:               <ul style="list-style-type: none"> <li>a) His breach of his responsibilities, duties, and duties, which results in damage to the company.</li> <li>b) His absence from three consecutive meetings during one year without a legitimate excuse.</li> <li>c) other reasons the Board of Directors deems appropriate, without prejudice to the right of the dismissed member towards the company to claim compensation if the dismissal occurred for an unacceptable reason or at an inappropriate time.</li> <li>d) Loss, at any time, of any of the membership selection rules for the Audit Committee prescribed by law or by virtue of these bylaws.</li> </ul> </li> </ul> <p>If the position of a committee member becomes vacant in one of the previous cases or others during the term of membership, the Board of Directors may temporarily appoint a member in the poetic position, if he is one of those who meet the selection rules in these regulations.</p>		
<p>The audit committee is responsible for monitoring the company's business and verifying the integrity and integrity of reports, financial statements, and internal control systems. The committee's duties include, in particular, the following: <b><u>Financial reports:</u></b></p>	<ul style="list-style-type: none"> <li>• Committee Structure</li> <li>• According to the "Corporate Governance Regulations" issued by the Saudi Arabian Capital Market Authority, a Audit Committee is formed by a resolution of the company's Ordinary General Assembly, consisting of at least one independent member, excluding any executive board</li> </ul>	<p><b>Tasks and Responsibilities of the Committee</b></p>

**Amendment of the Audit Committee  
Charters**

**(Saudi Lime Industries Company)  
Listed Saudi Joint Stock Company**

After Amendment	Before Amendment	Title Article
<ul style="list-style-type: none"> <li>• Review, express opinions, and make recommendations to the Board of Directors regarding the interim and annual financial statements of the company, including all announcements related to the company's financial performance, to ensure their integrity, fairness, and transparency.</li> <li>• Upon the request of the Board of Directors, provide a technical opinion regarding the fairness, balance, and comprehensiveness of the Board's report and the financial statements of the company, as well as whether they contain the necessary information to enable shareholders and investors to evaluate the company's financial position, performance, business model, and strategy.</li> <li>• Review any significant, unusual, or material matters included in the financial reports and accounts of the company and address any issues raised by the Chief Financial Officer of the company (or their representative) or the compliance officer, or the external auditors.</li> <li>• Review the company's annual budget and provide any comments to the Board of Directors if applicable.</li> <li>• Examine the accounting estimates related to important matters in the company's financial statements and reports.</li> </ul>	<p>members. The Audit Committee should have no less than 3 and no more than 5 members, and at least one member should be a financial and accounting expert. Accordingly, the company has approved the appointment of 3 members to the Audit Committee.</p> <ul style="list-style-type: none"> <li>• Individuals who have worked or were employed within the past two years in the executive or financial management of the company, or with the external auditors of the company, are not allowed to be members of the Audit Committee.</li> <li>• The committee may appoint non-board members from outside the company as experts in the Audit Committee.</li> <li>• Members of the Audit Committee elect an independent member from among themselves to serve as the committee's chairman.</li> <li>• Members of the Audit Committee are appointed by the General Assembly of Shareholders based on the recommendation of the Nominations and Remuneration Committee, if available, or by the Board. They can be removed by the General Assembly upon the recommendation of the Board, according to its discretion.</li> <li>• A member of the Audit Committee is not allowed to simultaneously serve on the audit committee of a competing company.</li> <li>• The chairman of the board is not permitted to be a member of the Audit Committee.</li> <li>• The membership term of the Audit Committee shall not exceed the term of the board. The membership of a member of the Audit Committee, if they are also a member of the board, shall end with the conclusion of their board membership or their voluntary resignation from the Audit Committee. The membership of non-board members shall end with their resignation or the conclusion of the Audit Committee's term.</li> </ul>	

**Amendment of the Audit Committee  
Charters**

**(Saudi Lime Industries Company)  
Listed Saudi Joint Stock Company**

After Amendment	Before Amendment	Title Article
<ul style="list-style-type: none"> <li>• Review the accounting policies in place and provide its opinion to the Board and any recommendations concerning them.</li> </ul> <p><b><u>Internal Audit Department:</u></b></p> <ul style="list-style-type: none"> <li>• Studying the annual audit plan with its management and approval.</li> <li>• Review and assess the effectiveness of the company's internal control and financial systems and risk management systems.</li> <li>• Supervise the implementation of the process control/audit plan to ensure the executive management's compliance with it.</li> <li>• Review internal audit reports and monitor the implementation of corrective actions regarding the comments therein.</li> <li>• Monitor and supervise the internal auditor and the management of internal audit to ensure they have the necessary resources and are effective in carrying out their tasks and responsibilities.</li> <li>• Make recommendations to the Board on decisions related to the appointment, dismissal, and compensation of the internal auditor and the head of the internal audit management.</li> <li>• Evaluate the performance and activities of the internal auditor and the head of the internal audit on an annual basis and provide recommendations to the Board regarding their annual remuneration and salary adjustments.</li> </ul>	<ul style="list-style-type: none"> <li>• The Audit Committee appoints a secretary to keep records of its proceedings and decisions. The secretary may be a member of the Audit Committee. If the secretary is not a member of the committee, they must attend its meetings without the right to vote on its decisions. The secretary, if not a member of the Audit Committee, is not permitted to participate in any duties or responsibilities that may result in a conflict of interest with their role as secretary.</li> <li>• The secretary is responsible for the following tasks: <ul style="list-style-type: none"> <li>• Maintaining complete records of the Audit Committee meetings for the purpose of reporting the committee's performance to the Board.</li> <li>• Disseminating the decisions of the Audit Committee to the relevant parties.</li> <li>• Coordinating with relevant departments regarding Audit Committee decisions that require legal compliance and regulatory procedures.</li> <li>• Establishing a mechanism for monitoring and reviewing the decisions of the Audit Committee.</li> <li>• Performing any other tasks or responsibilities assigned by the Chairman of the Audit Committee or any of its members.</li> </ul> </li> <li>• The Board, through the Audit Committee, has the right to access the Secretary, who is responsible for providing reports to the Committee regarding its procedures.</li> <li>• Compensation for Committee Members</li> <li>• Each member of the Audit Committee is entitled to receive the specified compensation, as approved by the Board of Directors, and based on the recommendations of the Compensation and Nomination Committee, if available:</li> <li>• An annual compensation, the amount of which is determined annually based on the recommendation of the Compensation and</li> </ul>	

**Amendment of the Audit Committee  
Charters**

**(Saudi Lime Industries Company)  
Listed Saudi Joint Stock Company**

After Amendment	Before Amendment	Title Article
<ul style="list-style-type: none"> <li>• Recommend to the Board the organizational structure of the internal audit management and ensure its independence in the company's organizational structure.</li> </ul> <p><b><u>External Auditors:</u></b></p> <ul style="list-style-type: none"> <li>• Recommend to the Board the appointment, separation, and compensation of external auditors after reviewing the scope of work of the external auditors and their contractual conditions, taking into account the independence of the external auditors.</li> <li>• Review the professional qualifications of external auditors and employees who will work with the external auditors for the company.</li> <li>• Review the performance of external auditors and oversee their activities, reporting to the Board with recommendations as necessary.</li> <li>• Annually review the independence, objectivity, and fairness of the external auditors and the effectiveness of the audit work of the external auditors, in accordance with relevant rules and standards, and make recommendations to the Board in this regard.</li> <li>• Review the scope, approach, and audit plan proposed by the external auditors and provide any comments on them.</li> <li>• Ensure that external auditors do not provide any non-audit services beyond the scope of the audit</li> </ul>	<p>Nomination Committee. In the absence of such committee, the amount is determined by the Board of Directors.</p> <ul style="list-style-type: none"> <li>• Since all members of the Audit Committee are non-executive members, they should not receive any compensation related to their performance.</li> <li>• Members of the Audit Committee who reside outside the registered office of the company are entitled to receive all the expenses they incur to attend the meetings. This includes round-trip business class airfare from their place of residence to the registered office of the company or the location of the meeting, in addition to any accommodation and transportation expenses they incur.</li> <li>• The Secretary, if not a member of the Audit Committee, is entitled to receive an annual compensation. The reports presented by the Board to the General Assembly must disclose the compensations and other payments to the members of the Audit Committee.</li> <li>•</li> <li>• Meetings and Procedures of the Committee</li> <li>• The Audit Committee approves its annual meeting schedule at the first meeting of each year. At the end of each meeting, members must set the date for the next meeting.</li> <li>• The Audit Committee meets regularly, with no fewer than 4 meetings during the company's fiscal year.</li> <li>• Meetings of the Audit Committee are convened by its Chair or any two members. This invitation must be accompanied by the meeting agenda as well as the documents, files, and presentation. It should be delivered or sent to committee members electronically or by any other means at least 7 working days prior to the meeting date.</li> </ul>	

**Amendment of the Audit Committee  
Charters**

**(Saudi Lime Industries Company)  
Listed Saudi Joint Stock Company**

After Amendment	Before Amendment	Title Article
<p>and provide recommendations to the Board in this regard.</p> <ul style="list-style-type: none"> <li>• Dealing with any questions raised by external auditors.</li> <li>• Review the reports, qualifications, and comments of external auditors concerning the financial statements of the company and monitor the actions taken in response to them.</li> </ul> <p><b><u>Compliance Assurance:</u></b></p> <ul style="list-style-type: none"> <li>• Review the results of reports from regulatory authorities and verify that the company takes the necessary actions in response.</li> <li>• Verify the company's compliance with relevant laws, regulations, policies, and instructions.</li> <li>• Review contracts and transactions proposed to be conducted by the company with related parties and provide its views to the Board.</li> <li>• Raise issues requiring action by the Board and provide recommendations for the actions to be taken.</li> </ul>	<ul style="list-style-type: none"> <li>• The Secretary of the Audit Committee prepares the agenda for each meeting after obtaining approval from its Chair.</li> <li>• Unless the Chair of the Audit Committee directs otherwise (meetings may be attended in person, via telephone, or through video conferencing), the Committee must meet at the registered office of the company.</li> <li>• The Audit Committee meets regularly with the external auditors and, if applicable, the internal auditor of the company.</li> <li>• The internal auditor and external auditors may request a meeting with the Audit Committee whenever necessary.</li> <li>• Except for the Secretary of the Committee and its members, no member of the Board or executive management is allowed to attend its meetings. However, others may attend at the invitation of the Committee Chair if the Audit Committee requests to hear their opinions or seek their advice.</li> <li>• The presence of a majority of the Audit Committee members constitutes the legal quorum for the committee's meetings.</li> <li>• An Audit Committee member is not allowed to appoint a substitute member to vote on their behalf in meetings.</li> <li>• The Audit Committee, with the approval of its chairperson, is entitled to make decisions by consensus.</li> <li>• The decisions of the Audit Committee are issued by the majority of votes of those present. In the event of a tie, the side voted for by the Chairperson of the Audit Committee prevails, in accordance with the powers specified in the authority matrix.</li> <li>•</li> <li>• Meeting Minutes</li> </ul>	

**Amendment of the Audit Committee  
Charters**

**(Saudi Lime Industries Company)  
Listed Saudi Joint Stock Company**

After Amendment	Before Amendment	Title Article
	<ul style="list-style-type: none"> <li>• Recording the discussions and decisions of the Audit Committee in the minutes of the meetings. These minutes should be kept alongside the council's records. These minutes are provided to each member of the Audit Committee after the approval of all members who attended the meeting.</li> <li>• The Audit Committee must maintain a record of its meetings and submit a report to the board. The meetings of the Audit Committee should be documented as outlined below:</li> <li>• The meetings of the committee must be documented, and minutes should be prepared, including discussions and deliberations (including a summary of the discussions held in the meeting). The committee's recommendations and voting results should be documented, stored in a dedicated and organized record, along with the names of the attending members and any reservations expressed, if applicable. These minutes should be signed by all attending members.</li> <li>• The draft minutes are prepared by the secretary within 3 working days after each meeting and sent to all members of the Audit Committee for review. Any comments on the minutes must be submitted by any of the Audit Committee members within a week from the date of receiving the draft. Otherwise, the minutes are considered approved. The secretary makes amendments to the draft minutes based on the comments of the Audit Committee members, if any, and sends the minutes along with these comments to the head of the Audit Committee.</li> <li>• The secretary prepares the final minutes based on the recommendation of the head of the Audit Committee and sends them to the members of the Audit Committee, signed by both the chairman and the secretary.</li> </ul>	

**Amendment of the Audit Committee  
Charters**

**(Saudi Lime Industries Company)  
Listed Saudi Joint Stock Company**

After Amendment	Before Amendment	Title Article
	<ul style="list-style-type: none"> <li>• In the minutes of the committee meeting, if experts and specialists are consulted, it must be ensured that the name of the expert and their relationship to the company or executive management is mentioned.</li> <li>•</li> <li>• Authority of the Committee</li> <li>• The role of the Audit Committee should be one of review and advisory, not making any operational decisions. The Audit Committee must demonstrate a constructive, supportive, and advisory approach.</li> <li>• To achieve its objectives, the Audit Committee is empowered with the following:               <ul style="list-style-type: none"> <li>• Performing the specified duties and functions based on the directives and approval of the board, with the aim of investigating any of the company's activities.</li> <li>• The right to have full access to the executive management and employees at all levels to obtain reports or information regarding the company's financial affairs, as deemed necessary to fulfill its responsibilities, in coordination with the CEO. The Audit Committee also has the right to review the company's records and documents and request any clarification or statement from members of the board or executive management.</li> </ul> </li> <li>•</li> <li>•</li> <li>•</li> <li>•</li> <li>• Reporting its recommendations and findings regarding any corrective action to the board without issuing any directives to the executive management and employees in this regard. The board may either accept and implement the recommendations of the Audit Committee or</li> </ul>	

**Amendment of the Audit Committee  
Charters**

**(Saudi Lime Industries Company)  
Listed Saudi Joint Stock Company**

After Amendment	Before Amendment	Title Article
	<p>inform the Audit Committee of the reasons for not accepting the proposal.</p> <ul style="list-style-type: none"> <li>• Members of the Audit Committee are not permitted to independently access the executive management or employees of the company without a decision from the Audit Committee.</li> <li>• In the context of its supervisory role, the Audit Committee, in coordination with the CEO, is empowered to appoint consultants, auditors, or external advisors, or incur additional expenses for this purpose, which the company must bear without requiring board approval, provided it falls within its approved budget.</li> <li>• Responsibilities of the Committee in Reporting</li> <li>• The head of the Audit Committee presents an official report to the board regarding the actions taken after each meeting and all matters within its scope of duties and responsibilities.</li> <li>• The Audit Committee is required to provide recommendations to the board as it deems appropriate in any area within its responsibilities where action or improvement is deemed necessary.</li> <li>• The Audit Committee prepares an annual report on the number of meetings held during the year and the attendance of each member.</li> <li>• The head of the Audit Committee or their designated representative must attend the general meetings to answer shareholders' questions.</li> <li>• The Audit Committee may request the board to convene the company's general assembly if the board hinders its work or if the company incurs significant damages or losses. In the event of a conflict between the recommendations of the Audit Committee and the decisions of the board, or if the board rejects the committee's</li> </ul>	



**Amendment of the Audit Committee  
Charters**

**(Saudi Lime Industries Company)  
Listed Saudi Joint Stock Company**

After Amendment	Before Amendment	Title Article
	<p>recommendation regarding the appointment, dismissal, determination of fees, or evaluation of the performance of the external auditors or the appointment of the internal auditor, the board's report must include the committee's recommendation along with its justifications, and the reasons for not adopting them.</p>	
<ul style="list-style-type: none"> <li>• The committee is empowered to perform its duties and responsibilities. In particular, the committee must have the following: unrestricted access to all documents and records of the company.</li> <li>• Unrestricted access to the management and employees of the company (including members of the board of directors, executive officers, and members of the internal audit team of the company), and all of them must fully cooperate with the committee and promptly and fully respond to any questions posed by the committee.</li> <li>• Unrestricted access to the external auditors who cooperate fully with the committee and promptly and fully respond to any questions posed by the committee.</li> <li>• The right to establish subcommittees consisting of one or more members to perform the tasks assigned to them by the committee, as permitted by this regulation.</li> <li>• The right to appoint, retain, and terminate the services of external consultants, accountants, or</li> </ul>	<ul style="list-style-type: none"> <li>• The Audit Committee is responsible for carrying out the tasks and responsibilities outlined below.</li> <li>• Internal controls, financial and accounting policies, and procedures.</li> <li>• The Audit Committee must verify the accounting estimates in material matters presented in the financial reports, study the accounting policies adopted by the company, and provide its opinion and recommendation to the board regarding them. This should include any significant new adjustment or change to the current accounting policies and estimates applied by the company.</li> <li>• Examining and reviewing the effectiveness of the company's internal control system (including company policies and procedures) and risk management system, including information technology, security, and company-specific controls.</li> <li>• Understanding the scope of internal audit management and examining the external auditors' review of internal controls over financial reporting, reviewing reports on significant findings, implications, and recommendations, while considering the responses of the executive management.</li> <li>• Reviewing the effectiveness of coordination between internal audit management and external auditors to ensure comprehensive coverage of key control activities and high-risk areas, and to</li> </ul>	<p align="center"><b>Powers of the Committee</b></p>

**Amendment of the Audit Committee  
Charters**

**(Saudi Lime Industries Company)  
Listed Saudi Joint Stock Company**

After Amendment	Before Amendment	Title Article
<p>other specialists to provide consultations or assistance to the committee when needed (including the appointment, and any relationships with the company or its executive management, which must be recorded in the relevant committee meeting minutes).</p> <ul style="list-style-type: none"> <li>• The right to take any other reasonable actions that the committee deems necessary to perform its duties and responsibilities satisfactorily and fulfill its obligations under the regulation.</li> <li>• The committee may request the board of directors to convene a general assembly meeting if a serious financial loss or damage is disclosed, or if the board of directors obstructs the committee's work.</li> </ul>	<p>enhance the efficiency and effective use of audit and review resources.</p> <ul style="list-style-type: none"> <li>• External auditors and financial statements</li> <li>• The committee must recommend to the board the nomination, removal, determination of fees, and evaluation of the performance of external auditors, after verifying their independence and reviewing the scope of their work and terms of engagement.</li> <li>• Providing technical opinion, upon the board's request, on whether the board's report and the company's financial statements are fair, balanced, understandable, and include information that enables shareholders and investors to assess the company's financial position, performance, business model, and strategy.</li> <li>• Receiving and reviewing the evaluation of external auditors conducted by the internal audit management. Additionally, requests for proposals should be sought from external auditors on the shortlist prepared by internal audit management. Subsequently, an official and documented assessment of external auditors listed on the shortlist must be conducted by internal audit management. Specific expertise, the size of the external auditing firm, similar audit engagements, added value, as well as fees and charges should all be taken into consideration. The recommendations of the Audit Committee must be approved by the board, as well as endorsed by the general assembly.</li> <li>• The Audit Committee must make a decision at least once a year regarding the independence of external auditors, including:</li> <li>• Determining whether their performance of any non-audit or non-review service has compromised their independence. Additionally, the Audit</li> </ul>	

**Amendment of the Audit Committee  
Charters**

**(Saudi Lime Industries Company)  
Listed Saudi Joint Stock Company**

After Amendment	Before Amendment	Title Article
	<p>Committee must give prior approval for all non-audit or non-review services provided by external auditors, including specific prior approval for services related to internal control. External auditors should not be engaged in performing services unrelated to auditing or reviewing that are prohibited by laws, regulations, and rules.</p> <ul style="list-style-type: none"> <li>• Obtaining a written report from external auditors that includes any relationship between the external auditors and the company, or with any other person or entity that may affect their independence.</li> <li>•</li> <li>• External auditors may be reappointed, subject to the approval of the ordinary general assembly, provided that the total duration of their appointment does not exceed 5 consecutive years. Those who have completed this period may be reappointed after two years from the date of its expiration.</li> <li>• Reviewing the report of the external auditor and their notes on the financial statements and following up on the actions taken in response.</li> <li>• Reviewing the plan of the external audit and their activities, including coordinating efforts with internal audit management, and verifying that no technical or administrative work is provided beyond the scope of external audit responsibilities.</li> <li>• Examining any significant or unusual issues contained in the financial reports.</li> <li>• Reviewing the scope, responsibilities, and remuneration of any tax-related task that external consultants may undertake.</li> <li>• Reviewing and analyzing, in collaboration with the executive management and external auditors, the interim and annual financial statements of the company, in addition to the opinion of the external</li> </ul>	

**Amendment of the Audit Committee  
Charters**

**(Saudi Lime Industries Company)  
Listed Saudi Joint Stock Company**

After Amendment	Before Amendment	Title Article
	<p>auditors, before presenting them to the board, and expressing their opinion and recommendation regarding them, to ensure their integrity, fairness, and transparency.</p> <ul style="list-style-type: none"> <li>• Thoroughly investigating any issues raised by the company's Chief Financial Officer or their equivalent, the compliance officer within the company, or the external auditors.</li> <li>• Internal Audit</li> <li>• Supervising the management of internal auditing, and reviewing and approving its charter, audit risk register, scope, competency, independence, objectivity, performance, and internal audit plan based on relevant internal audit policies and procedures.</li> <li>• Reviewing and discussing the budget of the internal audit department with the board.</li> <li>• Supervising and overseeing the performance and activities of the internal audit department in the company to ensure the availability of necessary resources and its effectiveness in carrying out assigned tasks and responsibilities.</li> <li>• Recommending to the Board the appointment of the Head of Internal Audit Department and proposing their remuneration, unless delegated by the Board to the Audit Committee as specified in the authority matrix.</li> <li>• Approving the annual performance assessment and bonus for the Internal Audit Department.</li> <li>• Reviewing all internal audit reports, including observations/results, impacts, recommendations, executive management responses, as well as noted exceptions and monitoring the implementation of corrective actions.</li> <li>• Compliance with laws, regulations, rules, and internal policies</li> </ul>	

**Amendment of the Audit Committee  
Charters**

**(Saudi Lime Industries Company)  
Listed Saudi Joint Stock Company**

After Amendment	Before Amendment	Title Article
	<ul style="list-style-type: none"><li>• Reviewing the effectiveness of the compliance monitoring system for applicable laws, regulations, and rules, as well as the results of executive management investigations and follow-ups (including any disciplinary action) for any instances of non-compliance.</li><li>• Reviewing the results of regulatory authorities' reports and ensuring that the company takes necessary actions in response.</li><li>• Reviewing the contracts and transactions proposed by the company with related parties and providing its opinions on them to the board.</li><li>• Reviewing the process of communicating the code of conduct and ethics to the company's employees and monitoring compliance with it.</li><li>• Bringing to the attention of the Board any issues that the Audit Committee deems necessary to take action on and providing recommendations on the necessary steps to be taken.</li><li>• Other Responsibilities</li><li>• Conduct any necessary special investigations, oversee, and guide them as needed, regarding matters and issues related to the company's financial statements, internal controls, and compliance with laws, regulations, and business ethics.</li><li>• Review the status of Zakat, withholding tax, value-added tax, and other taxes with the Chief Financial Officer.</li><li>• The Audit Committee should establish a mechanism that allows employees of the company to confidentially report any discrepancies in financial reports or otherwise. The Audit Committee is responsible for ensuring the implementation of this mechanism by conducting an independent investigation commensurate with the magnitude of the error or</li></ul>	

**Amendment of the Audit Committee  
Charters**

**(Saudi Lime Industries Company)  
Listed Saudi Joint Stock Company**

After Amendment	Before Amendment	Title Article
	<p>discrepancy and adopting appropriate follow-up procedures.</p> <ul style="list-style-type: none"> <li>• Performing other activities as requested by the Board.</li> <li>•</li> </ul>	
<p><b><u>Powers of the Committee Chair:</u></b></p> <ul style="list-style-type: none"> <li>• Managing committee meetings and working on their effectiveness.</li> <li>• Representing the committee in the company's general assembly.</li> <li>• Ensuring that the topics presented to the committee are accompanied by sufficient information that enables the committee to take a decision regarding them.</li> <li>• Provide sufficient time to discuss agenda items.</li> <li>• Enhancing the effective participation of committee members and expressing their opinions in a manner that ensures the achievement of the committee's objectives.</li> <li>• Preparing periodic reports and the committee's work findings for the Board of Directors.</li> <li>• Follow up on the implementation of the decisions issued by the committee.</li> <li>• Evaluate the committee's performance.</li> <li>• Preparing the agenda for the meeting, taking into account the topics that the members or one of them would like to include on the agenda.</li> </ul> <p><b><u>Duties of the Secretary of the Committee:</u></b></p>		<p align="center"><b>Committee Operation Guidelines</b></p>

**Amendment of the Audit Committee  
Charters**

**(Saudi Lime Industries Company)  
Listed Saudi Joint Stock Company**

<b>After Amendment</b>	<b>Before Amendment</b>	<b>Title Article</b>
<ul style="list-style-type: none"><li>• Coordinating the committee meeting and developing a proposal for the agenda in coordination with the committee chairman.</li><li>• Informing the committee members of the dates of the meetings and providing them with its agenda and documents necessary to study the agenda items for the committee meeting.</li><li>• Attending and documenting committee meetings, preparing minutes, and keeping them on record.</li><li>• Keeping records and reports presented to the committee.</li><li>• Providing assistance and advice to the committee in matters that fall within his competence.</li></ul> <p><b><u>Duties of a committee member:</u></b></p> <ul style="list-style-type: none"><li>• Compliance with the provisions of the Companies Law, the Capital Market Authority, their implementing regulations, the relevant regulations, and the company's articles of association when exercising his duties and refraining from participating in any action that would harm the interest of the company.</li><li>• The member should be familiar with the tasks and responsibilities of the committee, and the member should allocate sufficient time to play his role in the committee.</li><li>• Carrying out his duties away from any influence, whether from inside or outside the company.</li></ul>		

**Amendment of the Audit Committee  
Charters**

**(Saudi Lime Industries Company)  
Listed Saudi Joint Stock Company**

<b>After Amendment</b>	<b>Before Amendment</b>	<b>Title Article</b>
<ul style="list-style-type: none"><li>• The member must present the interest of the company for his personal interests.</li><li>• Not accepting gifts from anyone who has business dealings with the company.</li><li>• Preparing for committee meetings, committing to attending them, and not being absent from them except by informing the committee chairman.</li><li>• Effective participation in committee meetings, studying and discussing the topics on the meeting schedule.</li><li>• Work to promote developments in the field of the company's activities, business and other related fields.</li></ul> <p><b><u>Committee meetings:</u></b></p> <ul style="list-style-type: none"><li>• The Audit Committee meets periodically, at least once every three months, and the committee chairman must invite the committee to meetings in exceptional cases, such as a request for a meeting from the Board of Directors, the auditor, or the head of the internal audit committee, or the request of two or more members to hold a meeting with an explanation of the reasons for calling the meeting The extraordinary.</li><li>• The committee holds its meeting at the company's head office, and it may meet outside the company's head office or meet through modern technology.</li><li>• The legal quorum for a committee meeting is the presence of half or a majority of its members,</li></ul>		



**Amendment of the Audit Committee  
Charters**

**(Saudi Lime Industries Company)  
Listed Saudi Joint Stock Company**

<b>After Amendment</b>	<b>Before Amendment</b>	<b>Title Article</b>
<p>whichever is greater. A committee member may assign one of the committee members to attend on his behalf and vote on the decisions issued by the committee.</p> <ul style="list-style-type: none"><li>• No committee member present may represent more than one absent member at the same meeting. In case the committee chair is unable to attend, they have the right to delegate another committee member to chair the meeting. If the committee chair does not delegate anyone to preside over the meeting, the members shall choose one from among them to chair the meeting.</li><li>• None of the members of the Board of Directors or the Executive Management who are not members of the Committee are entitled to attend meetings except upon an invitation from the Committee to take or listen to his opinion or obtain his advice.</li><li>• The decisions of the committee are issued by the majority of the votes of the members present, and in the event of equal votes, the side with which the chairman of the committee voted will prevail.</li><li>• A committee member has the right to object to any decision taken by the committee, provided that his objection is recorded in the minutes of the committee meeting, along with stating the reasons for his objection.</li><li>• The reason for the member's absence from the meeting in which a specific decision was passed</li></ul>		

**Amendment of the Audit Committee  
Charters**

**(Saudi Lime Industries Company)  
Listed Saudi Joint Stock Company**

<b>After Amendment</b>	<b>Before Amendment</b>	<b>Title Article</b>
<p>is not considered a reason for exemption from liability unless he proves that he is unable to object to it directly after learning of the decision.</p> <ul style="list-style-type: none"><li>• The committee may issue proposed decisions to all members for approval and signature (a scanned copy of the member's signature will be considered as approval). Written decisions require the majority approval of members, with the chair having a casting vote in case of a tie.</li></ul> <p><b><u>Follow up on the work of the committee:</u></b> The chairman of the committee submits its recommendations and findings to the board of directors at the first meeting of the board after the committee meeting.</p> <p><b><u>Documentation of committee meetings:</u></b></p> <ul style="list-style-type: none"><li>• The Committee Secretary shall prepare the minutes of the Committee's meetings, including:<ul style="list-style-type: none"><li>- Meeting place, date, start and end time of the meeting.</li><li>- The names of the present and absent members, with the names of those invited to attend the meeting other than members of the committee.</li></ul></li><li>• The deliberations and decisions of the committee, indicating the results of voting thereon and the reasons for the objection (if any).</li><li>• Determine the party responsible for implementing the decision taken and specify the time frame for its implementation.</li></ul>		

**Amendment of the Audit Committee  
Charters**

**(Saudi Lime Industries Company)  
Listed Saudi Joint Stock Company**

After Amendment	Before Amendment	Title Article
<ul style="list-style-type: none"> <li>• The committee secretary sends a draft minute of the meeting to the committee members to express their observations (if any).</li> <li>• After addressing the comments of the committee members on the draft minutes and after the approval of the committee chairman, the secretary of the committee sends the amended draft to the committee members for approval at the next committee meeting.</li> <li>• The minutes of the meeting shall be kept together with the agenda of the meeting and all accompanying documents in a register signed by the chairman and secretary of the committee.</li> </ul> <p><b><u>Evaluation of the committee's work:</u></b> Preparation of an annual written report assessing the adequacy of internal control systems, financial affairs, and risk management in the company, along with its recommendations. This report, as well as the tasks performed by the committee within its scope of responsibility, must be provided to the company's shareholders at the main headquarters, published on the company's website, and disclosed on the Saudi Stock Exchange (Tadawul) website at the time of issuing the invitation for the relevant annual general assembly meeting. A copy of the report should be read during that meeting.</p>		
The Audit Committee shall prepare a report on its opinion on the adequacy of the company's internal		<b>Committee Report to the</b>

**Amendment of the Audit Committee  
Charters**

**(Saudi Lime Industries Company)  
Listed Saudi Joint Stock Company**

After Amendment	Before Amendment	Title Article
control system and the other work it has undertaken within the scope of its specialization.		<b>General Assembly</b>
Each member of the committee is obliged to maintain the confidentiality of the information and documents they access, and under no circumstances may they disclose them to any individual or entity unless authorized by the board of directors. It is also prohibited to use this information for personal gain. The company has the right to seek compensation in case of a breach of this article, which also applies to the committee secretary.		<b>Confidentiality of Committee Affairs</b>
<ul style="list-style-type: none"> <li>• If a member has any conflict of interests in the subject listed on the committee’s agenda, he must disclose that before starting the discussion of the subject, provided that this is recorded in the minutes of the meeting, and he may not discuss the relevant subject, participate in its discussion, or vote on it.</li> <li>• If there is a conflict between the recommendations of the Audit Committee and the decisions of the Board of Directors, or if the Board refuses to take into account the recommendation of the Committee regarding the appointment of the company’s auditor and the dismissal and determination of fees and evaluation of its performance or the appointment of the internal auditor, the report of the Board of Directors must include the Committee’s</li> </ul>		<b>Conflict of Interests</b>

**Amendment of the Audit Committee  
Charters**

**(Saudi Lime Industries Company)  
Listed Saudi Joint Stock Company**

After Amendment	Before Amendment	Title Article
<p>recommendation and its justifications and reasons for not taking it into account.</p>		
<ul style="list-style-type: none"> <li>• Any compensation granted to committee members must comply with the company's compensation policy and be in accordance with the laws, regulations, and instructions applied by the company.</li> <li>• The Board of Directors determines what the committee secretary receives in terms of remuneration and allowances.</li> <li>• If a decision is issued by the Board of Directors of the company to exempt the member from his membership in the Audit Committee due to absence from three consecutive meetings within one year without an excuse accepted by the Board of Directors, this member shall not be entitled to any rewards or compensation for the period following the last meeting he attended.</li> <li>• If the member commits a dishonorable act, forgery, or violates the laws and regulations in the Kingdom of Saudi Arabia or in any other country, or fails to carry out his duties and responsibilities, the company has the right to claim compensation for damage to its reputation.</li> <li>• The company is obligated to cover transportation and housing expenses if the member is from outside the city in which the meeting is held, and</li> </ul>		<p align="center"><b>Committee Members' Compensation</b></p>

**Amendment of the Audit Committee  
Charters**

**(Saudi Lime Industries Company)  
Listed Saudi Joint Stock Company**

After Amendment	Before Amendment	Title Article
<p>any other expenses to enable the member to attend the committee meetings.</p>		
<p>The Board of Directors shall monitor the implementation of the Regulations, verify their effectiveness, and amend them when necessary. The audit committee work charter is also subject to periodic review by the Compliance and Governance Department and the Internal Audit Department for the purpose of developing and updating it in line with the relevant rules and regulations and according to what the Board of Directors deems appropriate. It may not be amended except by a recommendation from the Board of Directors, if it is presented to the General Assembly for approval.</p>		<p align="center"><b>Implementation and review of the regulations</b></p>
<ul style="list-style-type: none"> <li>• The regulation shall be effective from the date of its approval by the company's general assembly.</li> <li>• Everything that is not mentioned in this regulation shall be subject to the relevant laws and regulations issued by the competent authorities.</li> </ul>		<p align="center"><b>Enforcement</b></p>