1. **Review the Board of Directors' report for the fiscal year ending on 31-12-2024 and discuss it**

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مـن أرض إلى الأرض
FROM LAND TO LAND

Annual Report - 2024
Saudi Lime Industries Company

الشركة السعودية للصناعات الجيرية
Saudi Lime Industries Company

بسم الله الرحمن الرحيم

Custodian of the Two Holy Mosques
King Salman bin Abdulaziz Al-Saud

His Royal Highness

Prince Mohammed bin Salman bin Abdulaziz Al Saud

Crown Prince, Prime Minister

Chairman of the board of directors

Mr. Abdulaziz Majid Al-Kassabi

Vice chairman

Mr. Abdulaziz Tariq Al-Bassam

Board member

Dr. Adel Khaled Al-Subaih

Board member

Eng. Hamad Mohammed Al-Saad

Board member

Eng. Bader Saleh Al-Issa

Board Member – Chief Executive

Eng. Fahad Musaed Al-Rashidi

Board member

Mr. Saud Abdulaziz Al-Jomaih

Chairman's Message

We strongly believe that our products serve as a fundamental contributor to the success of our clients, as their growth and prosperity reflect our own achievements and objectives. From this perspective, we adopt a collaborative approach that emphasizes close cooperation with our customers to address the challenges they encounter and fulfill the needs of their target markets. Furthermore, our vision extends beyond immediate business goals; our ultimate aspiration is to play a significant role in fostering a more sustainable world.

I am honored to present the consolidated annual report of Saudi Lime Industries, which offers a comprehensive overview of the company, encompassing its governance, performance, and aspirations. This report integrates financial, operational, and sustainability dimensions at the core of our business strategy. We aim to illustrate how various facets of our operations contribute to creating sustainable value and fostering a positive impact over the long term.

In pursuit of our commitment to expand our horizons and solidify our market position, I am pleased to announce a key achievement from this year: the successful acquisition of the former Astra Mining Company, now known as Lime Mining Factory. This esteemed organization is a leader in the industrial sector. This acquisition is a significant step not only towards the expansion of our services but also in reinforcing our dedication to aligning with the objectives of the Kingdom of Saudi Arabia's Vision 2030. Our aim is to enhance the industrial sector's contribution to sustainable development as well as to bolster economic and social welfare.

We are confident that the insights gained from the recent period will significantly enhance the company's performance in the upcoming phase. Our commitment to delivering sustainable solutions positions us to offer modern products of superior quality and distinguished services that will support the company's operational functions. We believe that the organization's strengths and expertise will further bolster its leadership in both regional and local markets. Despite the challenges encountered, the company has successfully enhanced its capabilities and potential, securing numerous significant projects. Furthermore, we are resolutely committed to capitalizing on forthcoming opportunities.

On behalf of my fellow board members, I would like to express our gratitude to the shareholders, the executive management team, and all employees who have contributed to the company's improved performance during the recent period. I would also like to extend my sincere appreciation to the members of the Board of Directors for their diligent efforts in advancing the company's position. Additionally, we convey our heartfelt thanks to our esteemed customers for their trust and ongoing support.

Please accept my sincere greetings,

Abdul Aziz Majid Al-Kasabi

Chairman of the Board of Directors

CEO's Message

Change is an unavoidable aspect of life; however, transformation represents a deliberate decision. While the previous decade has primarily emphasized individual work dynamics, the forthcoming decade will likely center on adapting to changes and advancing institutional transformation. Therefore, the ability to swiftly adapt to change will be crucial for ensuring the continuity and success of the entire system.

Throughout a business journey spanning over four decades, the Saudi Lime Industries Company has emerged as a prominent entity within its industry, significantly contributing to the economic landscape of this esteemed nation. I wish to express my gratitude to His Excellency the Chairman of the Board of Directors, the respected members of the Board, the esteemed shareholders, and my dedicated colleagues at the company. Special thanks are also due to all those who have played a role in fostering our ongoing achievements.

The Industrial Sector Development Program serves as a fundamental pillar in pursuit of the objectives outlined in the Kingdom's Vision ٢٠٣٠. This initiative is pivotal in promoting sustainable development through the Sector Development Corporation, ensuring both stability and longevity. Additionally, the program facilitates the diversification of income sources and the cultivation of skilled human resources to secure a promising future. We extend our appreciation to the Ministry of Industry for its unwavering support, particularly concerning the competitiveness program, which has greatly advanced our strategic aims and enhanced the quality and efficiency of our operational processes.

The year ٢٠٢٤ has presented unprecedented challenges on multiple fronts; however, the spirit of teamwork has been a vital asset among our employees at Saudi Lime Industries Company, as well as with our customers and the communities we serve. We have diligently worked to reorganize our management structure, regulate costs, and refine the Enterprise Resource Planning (ERP) system. This transformation aims to enhance operational performance through the centralization of roles and responsibilities, thereby improving efficiency and readiness to address future challenges effectively.

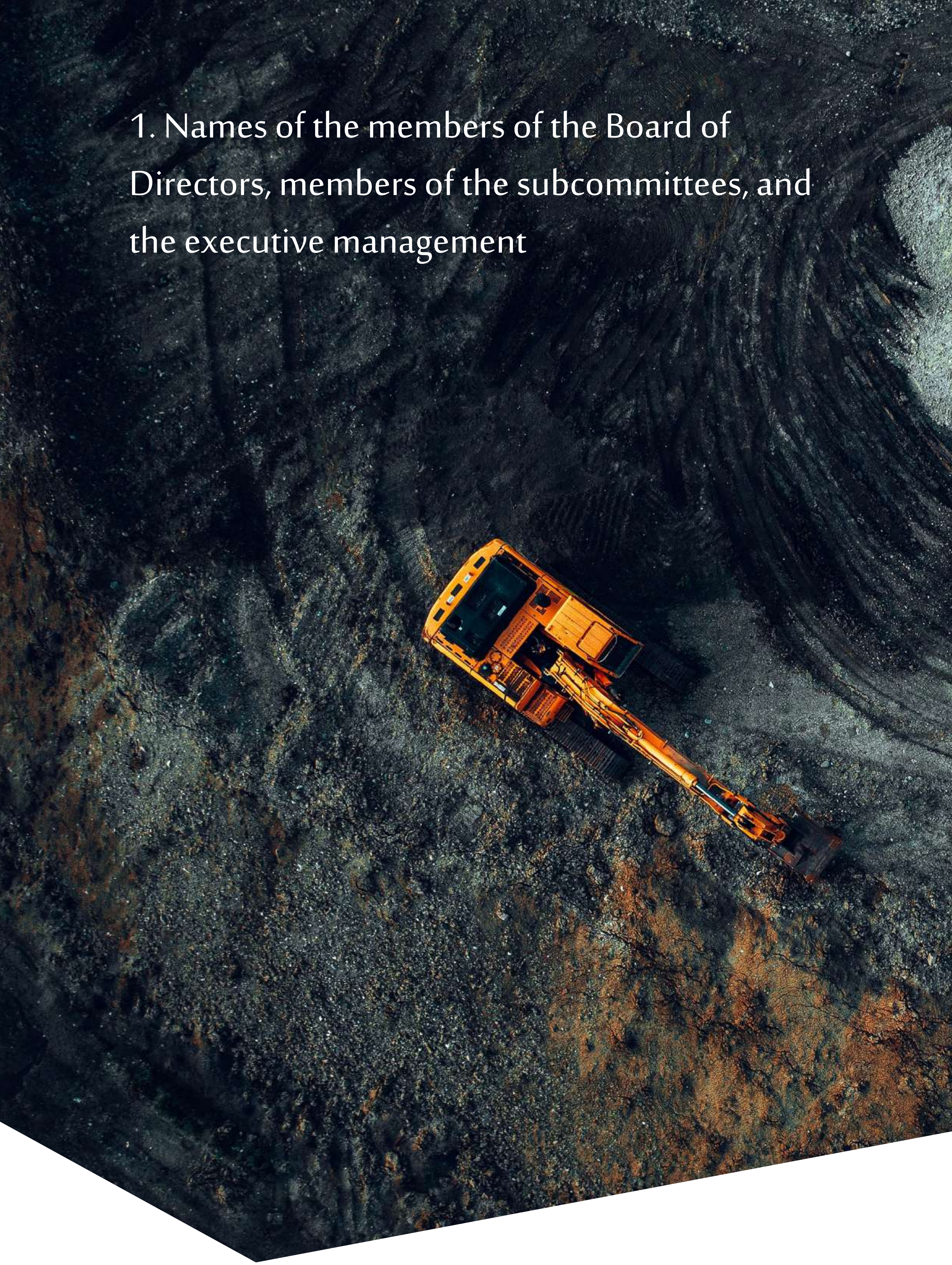
One of the notable achievements for our company this year is the successful acquisition of the entire capital shares of Astra Mining Company Ltd. (Lime Mining Factory). This strategic acquisition has played a significant role in enhancing the company›s sales and expanding its market share in both domestic and international arenas. This move aligns with the vision of the Board of Directors for accelerated growth and the exploration of new sectors, demonstrating our commitment to enhancing operational efficiency through innovation and effective management. The team has consistently exhibited creativity and innovation in forging long-term partnerships with our new collaborators, enabling the execution of major and sustainable projects.

In addition, the company has implemented a comprehensive approach to serving local communities and established an effective governance framework. Numerous initiatives have been introduced to improve the local environment and the communities surrounding our mining operations. Furthermore, we have prioritized occupational safety and health by investing in training programs and adopting international best practices.

Looking ahead, we remain optimistic about the future. We place great trust in the innovation of our team and the strength of our partnerships. Our objective is to build a sustainable future for all stakeholders by leveraging the extensive knowledge and exceptional management expertise we have acquired, thus facilitating further progress and achievement.

Fahad Musaed Al-Rashidi
Chief Executive Officer & Board Member

1. Names of the members of the Board of Directors, members of the subcommittees, and the executive management



Mr. Abdulaziz Majid Al-Kassabi

Position: Chairman (Non-executive)

Committees Membership: Chairman of the Executive Committee

Educational and Academic Qualifications:

- MBA from Claremont University California - USA.
- Bachelor of Engineering Management from Missouri University of Science and Technology - USA.

Professional Experience:

- **Owner and CEO of Musheera Saudi Company.**

Current Memberships:

- Chairman of the Board of Directors of the Saudi Lime Industries Company.
- Chairman of the Executive Committee of the Saudi Lime Industries Company.
- Vice Chairman and Member of the Audit Committee of Petromin.
- Member of the Board of Directors and member of the Audit Committee of Qassim Cement Company.
- Chairman of the Board of Directors of VIM ENTERTAINMENT.

Mr. Abdulaziz Tariq Al-Bassam

Position: Vice Chairman (Independent)

Committees Membership: Member of the Executive Committee and Member of the Audit Committee

Educational and Academic Qualifications:

- **MBA from London Business School.**
- **Bachelor of Economics from the American University of Beirut.**
- **Diploma in Project Management from the University of Liverpool.**

Professional Experience:

- General Manager of Nesta Development Company Limited.
- General Manager of Al-Bassam International Company.
- Marketing Manager for General Trading and Equipment Company, then Deputy General Manager, then General Manager, and currently holds the position of Chief Executive Officer.
- Member of the Contracting Committee in the Asharqia Chamber of Commerce.
- Member of the Executive Council of Young Businessmen at the Asharqia Chamber of Commerce.
- Member of the Board of Directors and Chairman of the Audit Committee at Hail Cement Company.

Current Memberships:

- Vice Chairman of the Board of Directors, Member of the Executive Committee, and Member of the Audit Committee of the Saudi Lime Industries Company.
- Member of the Board of Directors of the National Industrial Gases Company.
- Vice Chairman of the Board of Directors of the General Trading and Equipment Company.
- Executive member of the Saudi-German Business Council.

Dr. Adel Khalid Sobeih Al-Subaih

Position: Board Member (Non-Executive)

Professional Experience

• Chairman of the Board of Directors of the National Industries Company in Kuwait and then Vice Chairman of the Board of Directors.

• Held several ministerial positions in Kuwait until 2002, including: (Ministry of Health / Ministry of Electricity and Water / Ministry of Oil).

Educational and Academic Qualifications:

• Ph.D. in Mechanical Engineering from the University of North Carolina.

• Bachelor of Mechanical Engineering from the Worcester Polytechnic Institute.

•Higher Diploma in Mechanical Engineering from the Worcester Polytechnic Institute.

Academic Experience:

• Held several academic positions at Kuwait University.

• He has many scientific researches besides owning two patents.

Current Memberships:

• ember of the Board of Directors of the Saudi Lime Industries Company.

• Member of the Board of Directors of the National Industries Company in the State of Kuwait.

Eng. Hamad Mohamed Abdullah Al-Saad

Position: Board Member (Non-Executive)

Professional Experience:

• Director of Investment and Valuation Department at Kuwait Small Projects Development Company.

• CEO of Amar Finance and Leasing Company in Kuwait.

Educational and Academic Qualifications:

• B.A. in Industrial and Systems Engineering from the University of Southern California.

Academic Experience:

• Holds more than 30 training courses in the fields of engineering, management, computer, risk management, and money laundering.

Current Memberships:

• Vice Chairman and CEO of the National Industries Company in the State of Kuwait.

• Member of the Board of Directors of the Saudi Lime Industries Company.

Eng. Bader Saleh Hamad Al-Issa

Position: Board Member (Non-Executive) and Member of the Remuneration and Nomination Committee

Professional Experience:

• Managing Partner at Hamad Abdullah Alessa & Sons.

• Managing partner at Alessa Real Estate Company.

• COO of Al-Shall Consulting Company.

• General Manager of Hamad Abdullah Alessa & Sons Company.

• Deputy General Manager of National Investments Company.

• Director of Planning at Gulf Bank.

Educational and Academic Qualifications

• Bachelor of Industrial Engineering from California State University, Pomona, USA.

• Pass the CPA Montana exam - USA.

Previous Memberships:

• Member of the Board of Directors of Gulf Investments Company - Bahrain.

• Member of the Board of Directors of Amar Hotel Investment Company.

• Member of the Board of Directors of Alessa Industries Company - Saudi Arabia.

• Member of the Board of Directors of Al-Sarraj Holding Company.

• Chairman of the Board of Directors of Aqar Real Estate & Investment Company.

• Member of the Board of Trustees of Kuwait Technical College.

Current Memberships:

• Chairman of Amlak Al Issa Real Estate Investment Company.

• Vice Chairman of Tharwa Investment Company.

• Member of the Board of Directors and member of the Remuneration and Nomination Committee at the Saudi Lime Industries Company.

• Member of the Board of Directors of Al-Shall Investment Holding Group.

• Member of the Board of Directors of Al-Shall Consulting Company.

Mr. Saud bin Abdulaziz Aljomaih

Position: Board Member (Non-Executive)

Committees Membership: Member of the Nomination and Remuneration Committee

Educational and Academic Qualifications

• Master of Finance from the University of Warwick, UK.

• Bachelor of Business Administration from George Washington University, USA.

Professional Experience:

• Hebal Al-Najah Nutrition Company, Riyadh - Founder and Chief Financial Officer.

• Saudi Casting Company and Alwashim Polymers Industrial Factory- Founder and Director.

• Samba Capital & Investment Management Company - Head of Investment Banking.

• Deloitte Corporate Finance Dubai, UAE - Senior Assistant Corporate Finance Advisory.

• Deloitte Corporate Finance Dubai, UAE - Senior Assistant Valuation & Financial Modeling Services.

Current Memberships:

• Chairman of the Board of Directors of Saudi Casting Company Ltd.

• Chairman of the Board of Directors of Hebal Al-Najah Nutrition Company.

• Member of the Executive Committee of Aljomaih Holding Company.

• Member of the Board of Directors of the International Beverages Ltd. Co.

• Member of the Board of Directors of Al Rabih Real Estate Development Company.

• Member of the Board of Directors and member of the Remuneration and Nomination Committee at the Saudi Lime Industries Company.

• Member of the Board of Directors of Aljomaih Equipment Co. Ltd.

• Member of the Executive and Investment Committee and Chairman of the Audit Committee of the Muhammad Abdullah Al-Jomaih Endowment Foundation.

Eng. Fahad Musaed Al-Rashidi

Position: Board Member (Executive)

Committees Membership: Member of the Executive Committee

Educational and Academic Qualifications

• Executive MBA - King Fahd University of Petroleum and Minerals.

• Bachelor of Chemical Engineering - King Fahd University of Petroleum and Minerals.

Professional Experience:

• CEO of Saudi Lime Industries.

• General Manager of Lime Company for Mining Factory.

• Chief Operating Officer of Hail Cement Company.

• Secretary of the Board of Directors of Hail Cement Company.

• General Manager of Cementex Company for Readymix Concrete.

• Plant Manager at Qassim Cement Company.

Current Memberships:

• Member of the Board of Directors and member of the Executive Committee of the Saudi Lime Industries Company.

• Vice Chairman of the Industrial Committee in the Hail Chamber of Commerce.

• Member of the Industrial Cooperative Society in Hail.

Mr. Zohrab Aram Bosnian

Position: Member of the Executive Committee (outside the Board)

Educational and Academic Qualifications:

• B.A., American University of Beirut.

Professional Experience:

• Chief Executive Officer of Eastern Trading Office.

• CEO of Zoran Sall.

Current Memberships:

• Member of the Executive Committee of the Saudi Lime Industries Company.

Mr. Abdul Majeed Hamad Aljomaih

Position: Member of the Executive Committee (outside the Board)

Educational and Academic Qualifications:

• Bachelor of Commercial Law.

• MBA in Finance.

Professional Experience:

• Deputy Commercial Manager of Aljomaih Holding Company.

• Member of the Board of Directors of the Saudi Insulating Bricks Company and member of the Executive Committee.

• Member of the Business Advisory Board of Palau Bank - Palladium Foundation.

• Former Board Member of the Saudi Lime Industries Company.

• CEO and co-founder of Global Recycling Corporation (GRC).

Current Memberships:

• Member of the Board of Directors of Aljomaih Tyre and Maintenance Services (Petline), and Chairman of the Steering Committee.

• Member of the Executive Committee of the Saudi Lime Industries Company.

• Member of the Board of Directors of Wishes Land Real Estate Development.

• Member of the Board of Directors of Aljomaih Tyre Company.

•Member of the Board of Directors of GAD International LTD, and Chairman of the Remuneration and Nomination Committee.

• Member of the Advisory Board of Xpence Global Holdings LTD.

Mr. Saleh Al-Yahya

Position: Member of the Audit Committee (from outside the Board)

Educational and Academic Qualifications:

• Bachelor of Accounting.

Current position:

• Member of the Audit Committee of the Saudi Lime Industries Company.

Professional Experience:

• Audit Partner - LYCA Alluhaid & Alyahya Chartered Accountants.

• Audit partner - Ernst & Young.

• Senior Audit Manager - Ernst & Young, Dallas, Texas.

• Assistant Audit Manager - Ernst & Young.

• Accountant – Arail Construction and Industrial Company Ltd.

• Member of the Audit Committee of the Green Mile Group.

• Member of the Audit Committee of Tadawul Real Estate Company.

• Member of the Audit Committee of Al-Andalus Property.

• Financial and accounting consultant for several companies.

• SOCPA examiner, member of the Quality Control Program.

Mr. Ihsan Amanullah Makhdoom

Position: Chairman of the Audit Committee (outside the Board)

Educational and Academic Qualifications:

• Bachelor of Accounting.

Current position:

• Chartered Accountant – Owner of Ihsan Bin Amanullah Makhdoum Office for Financial Auditing and Reviewing.

• Chairman of the Audit Committee of the Saudi Lime Industries Company.

Professional Experience:

• Chartered Accountant – Partner: Deloitte & Touche Chartered Accountants.

• Owner and founder of Ihsan Bin Amanullah Makhdoum Office for Financial Auditing and Reviewing.

• One of the managing partners of Deloitte & Touche in Saudi Arabia.

• Managing Partner of Riyadh Office – Professional Services at Deloitte & Touche.

• Regulatory and anti-money laundering outreach partner at Deloitte & Touche in Saudi Arabia.

• Member of the Nomination Committee – Deloitte & Touche Middle East.

• Member of the Accounting Standards Board at the Saudi Organization for Chartered and Professional Accountants and a member of its Executive Committee.

• Member of the Auditing Standards Committee at the Saudi Organization for Chartered and Professional Accountants and Chairman of its Executive Committee.

• Member of the Committee for the follow-up of field examination work in the Saudi Organization for Chartered and Professional Accountants.

• Member of the General Assembly of the GCC Accounting and Auditing Organization for the Gulf Cooperation Council (GCC).

• Member of the Advisory Services Committee in the Saudi Institute of Internal Auditors.

• Member of boards of directors and audit, risk, and compliance committees for several government and semi-government establishments, establishments subject to the supervision of regulatory authorities, and private establishments.

Eng. Matar Ali Al-Zahrani

Position: Chairman of the Remuneration and Nomination Committee(outside the Board)

Educational and Academic Qualifications:

• Bachelor of Chemical Engineering.

Current position:

• Chairman of the Remuneration and Nomination Committeeat the Saudi Lime Industries Company.

Professional Experience:

• CEO of Ayedh Dejem Group in Saudi Arabia and the United Arab Emirates.

• CEO of Hail Cement Company.

• General Manager at Obeikan Paper Industries.

• Director of Operations and Quality Department at Jubail Petrochemical Company (a SABIC company).

Mr. Atef Mohamed El Gohary

Position: Chief Financial Officer

Educational and Academic Qualifications:

• Master's degree in Business Administration.

• Bachelor's Degree in Accounting and Auditing, Helwan University, Egypt.

• CFM certificate from GAQM.

• Certificate in International Standards from ACCA.

Professional Experience:

• Progress of occupational experience of more than 25 years in industrial companies such as iron and cement, in which he gained financial and administrative experience, in addition to experience in applying international standards and related laws and regulations. He has held the position of Chief Financial Officer in a number of cement factories in Egypt and Saudi Arabia.

• Head of the financial sector of Hail Cement Company.

• Chief Financial Officer of Umm Al-Qura Cement Company.

• Chief Financial Officer of ISIS, a subsidiary of SEKEM Holding Group of Companies - Egypt.

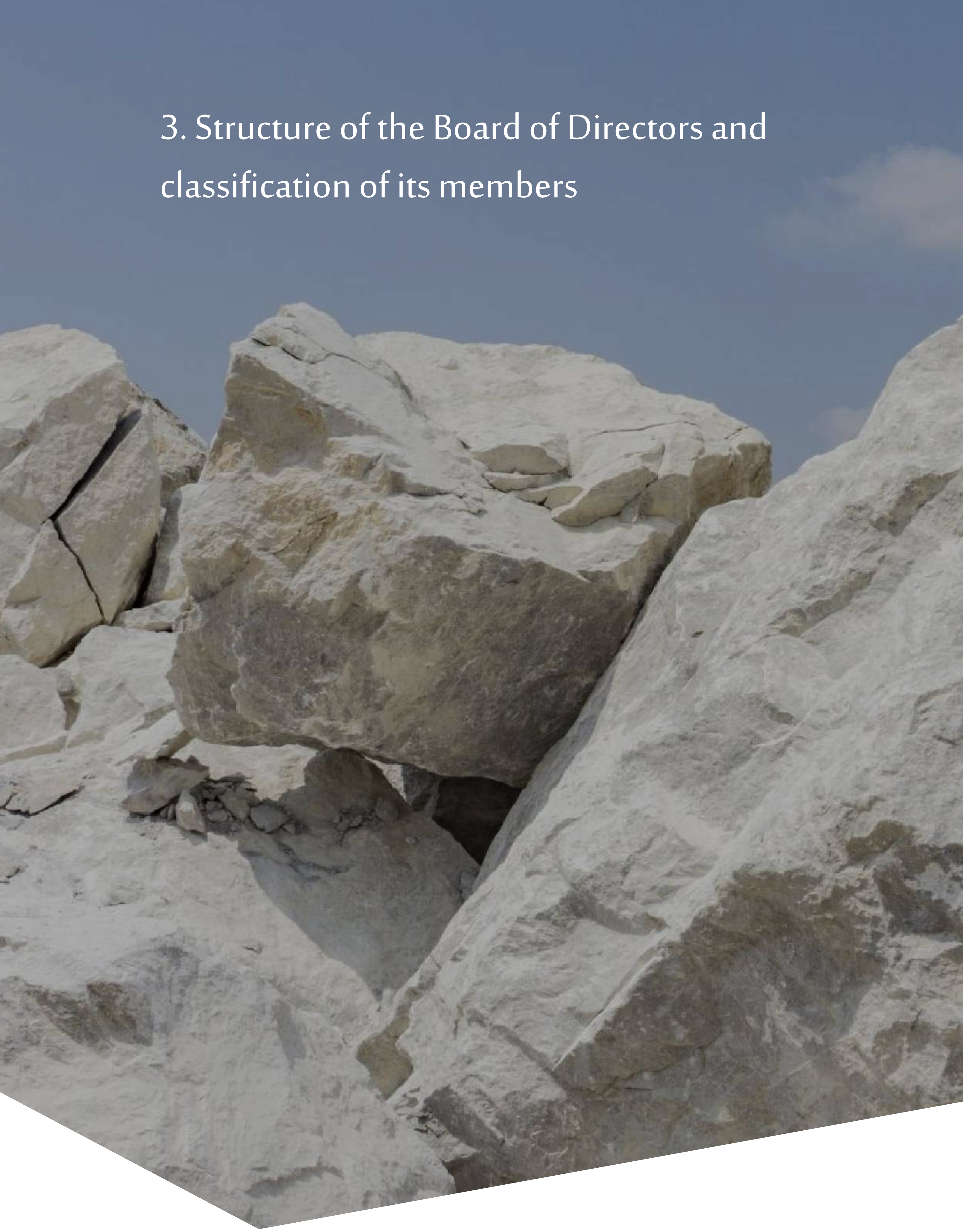
• Chief Financial Officer of Royal El Minya Cement- Egypt.

2. Names of companies inside or outside the Kingdom in which a member of the company's board of directors is a member of the current and previous boards of directors, or one of its directors:

The following table shows the names of companies inside or outside the Kingdom in which a member of the company's board of directors is a member of the current and previous boards of directors or one of their managers:

Current Member Name	Names of companies in which the board member is a member of the current boards of directors or who manages them	Inside / Outside the Kingdom	Legal entity
Mr. Abdulaziz Al Kassabi	Saudi Lime Industries Co.	Inside the Kingdom	Listed joint-stock
	Petromin Company	Inside the Kingdom	closed joint-stock
	VIM Entertainment company	Inside the Kingdom	closed joint stock
	Qassim Cement Company	Inside the Kingdom	Listed joint-stock
	Ayyan Investment Group Company	Inside the Kingdom	Listed joint-stock
Mr. Abdulaziz Al-Bassam	Saudi Lime Industries Co.	nside the Kingdom	Listed Joint-stock
	National Industrial Gases Company	Inside the Kingdom	Closed joint-stock
	General Trading and Equipment Company	Inside the Kingdom	Closed joint-stock
Eng. Hamad Mohammed Al-Saad	Saudi Lime Industries Co.	Inside the Kingdom	Listed joint-stock
	National Industries Company	Outside the Kingdom	Listed joint-stock
Dr. Adel Khaled Al-Subaih	Saudi Lime Industries Co.	Inside the Kingdom	Listed Joint-stock
	National Industries Company	Outside the Kingdom	Listed Joint-stock
Eng. Bader Saleh Alissa	Saudi Lime Industries Co.	Inside the Kingdom	Listed joint-stock
	Amlak Al Issa Real Estate Investment Company	Outside the Kingdom	closed joint stock
	Al-Shall Holding Consulting and Investing Company	Outside the Kingdom	closed joint stock
	Tharwa Investment Company	Outside the Kingdom	Listed joint-stock
Mr. Saud Abdulaziz Aljomaih	Saudi Lime Industries Co.	Inside the Kingdom	Listed Joint-stock
	Saudi Casting Company Ltd	Inside the Kingdom	limited liability
	Hebal Al-Najah Nutrition Company	Inside the Kingdom	limited liability
	Aljomaih Holding Company	Inside the Kingdom	Closed joint-stock
	International Beverages Ltd. Co.	Inside the Kingdom	limited liability
	Al Rabih Real Estate Development Company	Inside the Kingdom	limited liability
	Aljomaih Equipment Company Ltd.	Inside the Kingdom	limited liability
Eng. Fahad Musaed Al-Rashidi	Saudi Lime Industries Co.	Inside the Kingdom	Listed joint-stock
	Lime Company for Mining	Inside the Kingdom	limited liability

3. Structure of the Board of Directors and classification of its members



The following table shows the composition of the Board of Directors of the Saudi Lime Industries Company and the classification of its members as of 31/12/2024.

	Name	membership status	Committees Membership
1	Mr. Abdulaziz Majid Al Kassabi – Chairman	Non-Executive	Executive Committee
2	Mr. Abdulaziz Tariq Al-Bassam – Vice Chairman	Independent	Executive Committee Audit Committee
3	Eng. Hamad Mohammed Al Saad - Member	Non-Executive	-
4	Dr. Adel Khaled Al-Subaih - Member	Non-Executive	-
5	Eng. Bader Saleh Alissa - Member	Non-Executive	Remuneration and Nomination Committee
6	Eng. Fahad Musaed Al-Rashidi - Member	Executive	Executive Committee
7	Mr. Saud Abdulaziz Aljomaih - Member	Non-Executive	Remuneration and Nomination Committee

4.Actions taken by the Board of Directors to inform its members of shareholders' suggestions and observations regarding the Company and its performance

The Chairman of the Board of Directors and the CEO of the company works to inform the members of the Board of Directors of the opinions, proposals, or observations of the shareholders about the company and its performance and discuss them with them, and the Chairman of the Board also briefs and communicates the views of the shareholders to the Board of Directors during the meetings of the Board without the presence of any executive member if the need arises, and the articles of association and governance regulations of the company "Saudi Lime Industries" include all shareholders' rights related to shares, and the Board of Directors has taken several measures to inform the members of the Board of proposals Shareholders and their opinions on the company and its performance, if any, including:

• Receiving suggestions and inquiries or complaints of shareholders through all available communication channels.
• Submit proposals or inquiries to the Board of Directors for consideration during its meetings, after sorting and classifying them.
• Board members attend the meetings of the General Assemblies of Shareholders, where shareholders can present their suggestions and opinions directly to the Board, and they are answered during the meeting.
• The work regulations of the subcommittees emanating from the Board of Directors impose on the chairmen of the committees or their members on their behalf to attend the general assemblies to answer the inquiries of shareholders.
•Shareholders' questions and suggestions are documented in the minutes of the General Assembly meetings and kept at the company's headquarters, with access to any shareholder when needed.

5. A brief description of the terms of reference and tasks of the committees and the statement of their meetings

The Board of Directors has three (3) main subcommittees emanating from the Board, which are the Audit Committee, the Remuneration and Nomination Committee, and the Executive Committee, where the members of the committees were appointed by the Company's Board of Directors during its meeting held on 18/07/2023. These committees have an important and vital role in assisting the Board of Directors to carry out its statutory duties entrusted to it to achieve optimal performance, benefit from the diverse experiences of its members, contribute to the development of policies and programs, implement regulations and make recommendations.

5.1 Audit Committee

According to Article II of the Audit Committee's Work Regulations, the members of the Committee are elected by a decision of the Company's Board of Directors, and the resolution includes its functions, work controls, remuneration of its members, and the duration of their membership, provided that the number of its members is not less than three members and a maximum of five members, provided that the members of the Committee are non-executive members of the Board of Directors, whether shareholders or others.

• Formation of the Committee:

The Audit Committee consists of at least three members and not more than five members, and on 18/07/2023 at the Board of Directors meeting, the decision was issued to appoint the members of the Audit Committee, which consists of three members from outside the Board of Directors, and on 07/09/2023, the committee was reconstituted and the number of members was increased to four members, and Mr. Abdulaziz Al-Bassam was appointed as an independent board member of the committee.

• Terms of reference of the Committee:

The Audit Committee is responsible for monitoring the company's business and verifying the integrity and integrity of reports and financial statements before presenting them to the Board of Directors, and its terms of reference also include reviewing internal control systems and ensuring compliance with regulations and policies, and the committee also recommends to the General Assembly the nomination of auditors and determining their fees, in addition to evaluating their performance and ensuring their independence.

• Coordination between Internal Audit and the Committee:

The Internal Audit and Audit Committee of the company works in continuous coordination to ensure the achievement of common goals, as the Committee supervises the internal audit and ensures the implementation of recommendations and observations issued by it, as the internal audit aims to improve internal and financial control in the company and ensure compliance with applicable policies and regulations, and the internal audit assesses the effectiveness of risks and ensures the integrity of financial reports and operational processes, and the tasks of internal audit include making recommendations to the committee Audit and the Board of Directors regarding the appointment of the internal auditor and determine his remuneration, as well as control and supervision of the performance of the internal auditor, and study and review the internal and financial control systems in the company to ensure their efficiency.

	Name	Membership Status	Attendance Record of the Committee's Meetings for the Year 2024				
			18/02/2024	20/03/2024	05/05/2024	21/08/2024م	08/11/2024
1	**Mr. Ihsan Makhdoom - Chairman of the Committee**	From outside the Council	Attended	Attended	Attended	Attended	Attended
2	**Mr. Abdulaziz Al-Bassam - Member**	Independent - Board Member	Attended	Attended	Attended	Attended	Apologize
3	**Mr. Younis Abdulkarim Ishan - Member**	From outside the Council	Attended	Attended	Attended	Attended	Attended
4	**Mr. Saleh Al-Yahya - Member**	From outside the Council	Attended	Attended	Attended	Attended	Attended

5.2 Executive Committee

According to Article IV of the Executive Committee's bylaws, the Executive Committee shall be formed by a decision of the Board of Directors, provided that the number of its members is not less than three members and a maximum of five members, provided that the members of the Committee are members of the Board or others.

• Formation of the Committee:

• The Executive Committee was formed in accordance with the decision of the Board of Directors in the 52nd meeting on 18/07/2023, where the Committee consists of five members.

• Terms of reference of the Committee:

• The Executive Committee undertakes the tasks and competencies entrusted to it by the Board of Directors, and submits its reports to it, and the Committee has no right to amend or object to any resolution issued by the Board of Directors, and the tasks and competencies of the Committee include the following:

.Supervising the strategic plan: Supervising and participating in the development of the company's general strategic plan, evaluating the proposals submitted by the executive management and submitting them to the Board of Directors for approval, and ensuring the implementation of this plan and its effectiveness to achieve the desired goals.

Performance Review: Review the company's performance on a quarterly basis based on the reports submitted by the executive management of the committee, where the committee alerts the executive management of points of importance.

Exercise of powers: The Executive Committee exercises all the powers entrusted to it by the Board of Directors, supervises the review of the Company's financial statements and annual budgets before presenting them to the Board of Directors for approval, and submits the Company's business policies and procedures to the Board of Directors for approval.

	Name	Membership Status	Attendance Record of the Committee's Meetings for the Year 2024				
			14/02/2024	28/04/2024	02/07/2024	22/10/2024	17/12/2024
1	**Mr. Abdulaziz Majid Al Kassabi - Chairman**	Non-Executive	Attended	Attended	Attended	Attended	Attended
2	**Mr. Abdulaziz Tariq Al-Bassam - Member**	Independent	Attended	Attended	Attended	Attended	Attended
3	**Eng. Fahad Musaed Al-Rashidi - Member**	Executive	Attended	Attended	Attended	Attended	Attended
4	**Mr. Abdul Majeed Aljomaih - Member**	From outside the Council	Attended	Apologize	Attended	Attended	Apologize
5	**Mr. Zohrab Aram Bosnian - Member**	From outside the Council	Attended	Attended	Attended	Attended	Attended

5.3 Remuneration and Nomination Committee

According to the second article of the Remuneration and Nomination Committee's bylaws, the committee shall be formed by a decision of the Board of Directors, provided that the number of its members is not less than three members and a maximum of five members, provided that the members of the committee are members of the Board or others.

• Formation of the Committee:

•The Remuneration and Nomination Committee was formed by a decision of the Board of Directors of "Saudi Lime Industries" in its meeting No. 52 on 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, and ensuring the independence of independent members of the Company's Board of Directors.

• Terms of reference of the Committee:

1. Develop remuneration policies for the Board of Directors and Executive Management to attract high-performing active members.

2. Managing the process of evaluating the performance of board members, committees, and executive management, identifying strengths and weaknesses, and proposing solutions to address them, in addition to supervising the nomination process for membership of the board and its committees.

3. Verify on an annual basis the independence of independent members and the absence of any conflict of interest.

	Name	Membership Status	Attendance Record of the Committee's Meetings for 2024	
			13/02/2024	15/10/2024
1	**Eng. Matar Ali Al-Zahrani – Committee Chairman**	From outside the Council	Attended	Attended
2	**Eng. Bader Saleh Alissa - Member**	Non-Executive	Attended	Attended
3	**Mr. Saud Abdulaziz Aljomaih - Member**	Non-Executive	Attended	Attended

6. The means relied upon by the Board of Directors to evaluate its performance and the performance of its committees and members:

In the context of enhancing governance and transparency, the Board of Directors looks forward during the current session of the Board of Directors to appoint a specialized external consulting firm to evaluate the performance of the Board of Directors, as this step aims to ensure the effectiveness of the Board and improve its performance in line with international best practices in the field of governance, and enhance shareholder value.

7. Disclosure of the remuneration of the members of the Board of Directors and the Executive Management in accordance with the provisions of Article Ninety of the Corporate Governance Regulations

According to the remuneration policy of the Saudi Lime Industries Company, a member of the Board of Directors receives a fixed annual remuneration of two hundred thousand (200,000) riyals in addition to three thousand (3,000) riyals instead of attending sessions, and the remuneration is paid annually and is approved by the shareholders at the company's general assembly meeting, and the board may review these remunerations whenever needed and in a manner that does not conflict with the company's articles of association and other applicable regulations, and the remuneration is paid to the resigned or newly joined member based on the number of The days he worked as a member of the Board of Directors during the period, and in relation to these remunerations, the Board must follow all regulations and laws approved by the Capital Market Authority, and based on the recommendations of the Remuneration and Nomination Committee.

Based on the recommendations of the Remuneration and Nomination Committee and the approval of the Board of Directors on the recommendation, the Company's remuneration policy states the following:

• Board members receive an annual remuneration of SAR 150,000 and an amount of SAR 3,000 attendance allowance for each Board meeting.

• The Secretary of the Board receives an annual remuneration of SAR 35,000 and an amount of SAR 2,000 attendance allowance for each meeting of the Board of Directors.

• Each member of the Audit Committee receives an annual remuneration of SAR 100,000 for membership of the Committee and an amount of SAR 3,000 for attendance for each meeting of the Committee.

• The Secretary of the Audit Committee receives an annual remuneration of SAR 15,000 and an amount of SAR 2,000 attendance allowance for each meeting of the Audit Committee.

• Each member of the Executive Committee receives an annual remuneration of SAR 50,000 for membership of the Committee and an amount of SAR 3,000 attendance allowance for each meeting of the Committee.

• The Secretary of the Executive Committee receives an annual remuneration of SAR 15,000 and an amount of SAR 2,000 attendance allowance for each meeting of the Executive Committee.

• Each member of the Nomination and Remuneration Committee receives an annual remuneration of SAR 50,000 for membership of the Committee and an amount of SAR 3,000 for attendance for each meeting of the Committee.

• The Secretary of the Remuneration and Nomination Committee receives an annual remuneration of SAR 15,000 and an amount of SAR 2,000 attendance allowance for each Board of Directors meeting.

* The Remuneration Policy has been amended based on the recommendation of the Remuneration and Nomination Committee and the Board of Directors› decision to amend the Board membership amount from 150,000 SAR to 200,000 SAR.

The compensation of the executive management includes the following:

a.A fixed element including basic salary, allowances and benefits;

b.A performance-related plug-in that varies according to the annual financial results achieved by the Company, based on the recommendations of the Remuneration and Nomination Committee, and the Board of Directors' report also includes a breakdown of the remuneration waived by the members of the Board of Directors during the year 2024.

The following table shows the remuneration and compensation received by the members of the Board of Directors during the year 2024:

Amounts in thousands of Saudi riyals

Name	A definite amount of board membership	Allowance for attending Council meetings	Total allowance for attending committee meetings	In-kind advantages	Remuneration of the Chairman of the Board, Managing Director, or Secretary if he is a member	Total	Percentage of profits	Periodic bonuses	Short-term incentive plans	Long-term incentive plans	Total	End of Service Gratuity	Grand Total	Expense allowance
First: Independent Members														
1. Abdul aziz Tariq Albassam	200	12	27	-	-	239	-	-	-	-	-	-	-	-
Total	200	12	27	-	-	239	-	-	-	-	-	-	-	-
Second: Non-Executive Members														
2. Abdul aziz Majid Alkasabi	200	12	15	-	-	227	-	-	-	-	-	-	-	-
3. Adel Khaled Al Subeih	200	12	-	-	-	212	-	-	-	-	-	-	-	-
4. Hamad Mohammed Alsaad	200	12	-	-	-	212	-	-	-	-	-	-	-	-
5. Bader Saleh Alissa	200	12	6	-	-	218	-	-	-	-	-	-	-	-
6. Saud Abdul aziz Aljomaih	200	12	6	-	-	218	-	-	-	-	-	-	-	-
Total	1200	72	27	-	-	1299	-	-	-	-	-	-	-	-
Third: Executive Members														
7- Fahad Musaed Al-Rashidi	200	12	15	-	-	227	-	-	-	-	-	-	-	-
Total	200	12	15	-	-	227	-	-	-	-	-	-	-	-

The following table shows the remuneration received by the members of the subcommittees emanating from the Council during the year 2024:

	Fixed Bonuses	Allowance for attending sessions	Total
Audit Committee Members			
1. Ihsan Amanullah Makhdoom	100,000	15,000	115,000
2. Abdul aziz Tariq Albassam	100,000	12,000	112,000
3. Younis Abd El Karim Ishan	100,000	19,000**	119,000
4. Saleh Alyahya	100,000	15,000	115,000
Total	400,000	61,000	461,000
Members of the Remuneration and Nomination Committee			
1. Matar Ali Al Zahrani	50,000	6,000	56,000
2. Bader Saleh Alissa	50,000	6,000	56,000
3. Saud Abdul aziz Aljomaih	50,000	6,000	56,000
Total	150,000	18,000	168,000
Members of the Executive Committee			
1.Abdul aziz Majid Alkasabi	50,000	15,000	65,000
2.Abdul aziz Tariq Albassam	50,000	15,000	65,000
3.Abdul aziz Tariq Albassam	50,000	9,000	59,000
4.Fahad Musaed Alrashidi	50,000	15,000	65,000
5.Zohrab Aram Bosnian	50,000	15,000	65,000
Total	250,000	69,000	319,000

** Mr. Yunus Ishan, a member of the Audit Committee, received an amount of 4,000 riyals for carrying out the duties as the Secretary of the Committee for two consecutive meetings.

** Mr. Yunus Ishan, a member of the Audit Committee, received an amount of 4,000 riyals for carrying out the duties as the Secretary of the Committee for two consecutive meetings.

	Fixed Bonuses				Variable Bonuses						End of Service Gratuity	Total remuneration of executives for the Board, if any	Grand Total
	Salaries	Allowances	In-kind advantages	total	Periodic bonuses	Earnings	Short-term incentive plans	Long-term incentive plans	Granted shares: enter value	Total			
Senior Executive	3,597	1,351	247	5,195	297	760	-	-	-	1,057	268	227	6,747
Total	3,597	1,351	247	5,195	297	760	-	-	-	1,057	268	227	6,747

8. Any penalty, penalty, precautionary measure or precautionary restriction imposed on the company by the Authority or any supervisory, regulatory or judicial authority, with a statement of the reasons for the violation and the signatory thereof

No sanctions or penalties were imposed on the Saudi Lime Industries Company during the year 2024.

9. The results of the annual review of the company's internal control procedures effectiveness, in addition to the audit committee opinion on the adequacy of the internal control system in the company

During the year 2024, the company's operations underwent periodic reviews by both the Internal Audit Department and the external auditor to verify the effectiveness of the internal control system in protecting the company's interests and assets, assessing business risk levels, and measuring operational efficiency. Additionally, the external auditor evaluated this system as part of their review of the company's final financial statements.

The Audit Committee continuously and closely monitors and examines the performance of the Internal Audit Department to ensure the enhancement of internal control procedures and their effectiveness. The company has continued to recommend several measures related to the introduction of monitoring systems and report preparation to ensure the continuous improvement of internal audit efficiency. The ongoing review results conducted by the Audit Committee on the company's internal control systems have shown that there are no significant deficiencies in these systems and that they are in good condition but require improvement. It is important to note that any internal control system, regardless of how well it is designed and implemented, cannot provide absolute assurance.

10. Recommendation of the Audit Committee on the need to appoint an internal auditor in the company in the absence of an internal auditor

An internal auditor was appointed in the company during the year 2024 based on the recommendation of the executive management and the audit committee of the company, and no recommendation was issued by the audit committee regarding the need to appoint an external party to carry out the internal audit requirements, as an internal auditor was appointed and prepares periodic reports for the audit committee to take the necessary action regarding the observations contained therein.

11. Audit Committee recommendations that conflict with the decisions of the Board of Directors, or that the Board has refused to consider regarding the appointment, dismissal, remuneration and evaluation of the Company's auditor, or the appointment of the internal auditor

The Audit Committee did not issue any recommendations that contradict the decisions of the Board of Directors during the year 2024, or recommendations that the Board refused to take into account regarding the appointment of the Company's auditor, his dismissal, determining his fees, evaluating his performance, or appointing the external auditor.

12. Details of the company's social contributions

The company believes in its vital role in promoting sustainability and achieving community development through the implementation of initiatives and projects that reflect its commitment to social responsibility, the most prominent of which are:

1. Afforestation Project:

The company has launched a project for afforestation in the areas surrounding its operational sites intending to improve air quality and enhance environmental beauty, as the project includes planting trees commensurate with the local environment and providing continuous care for them, in addition to the company's contribution to planting one hundred thousand trees in the Green Riyadh project in Riyadh and in coordination with the competent authorities.

2. Preparation of quarries:

The company works on implementing periodic initiatives to clean quarries and improve the surrounding environment, and this project aims to reduce the environmental impact of quarries, ensure the sustainability of natural resources, and improve the aesthetic landscape of the surrounding areas

3. Blood Donation:

During the year 2024, the company conducted a blood donation campaign in the industrial city of Riyadh, in coordination with the competent authorities.

4. Training and employment of national cadres:

As part of the company's commitment to developing national cadres and enhancing job opportunities for Saudi youth, the company participated in the career fair in coordination with the Technical College in Riyadh, in addition to cooperating with the (HADAF) Fund for Human Resources Development Fund in supporting job seekers and the Tamheer program, which is one of the important national initiatives supported by the Ministry of Human Resources and Social Development. The program aims to train and qualify graduates from various academic disciplines through practical training opportunities in the actual work environment, which contributes to developing their skills and preparing them for the labor market.

5. Conferences:

Our participation in local and international conferences is part of our continuous strategy for learning and development, as it allows us to learn about the latest trends in the mining industry and strengthens our network of relationships with experts and leading companies in this field, including our participation in the Local Mining Conference as well as the London International Conference, which allowed us to exchange knowledge and experiences with senior specialists in the sector, and our participation in the Al-Kharj Industrial Forum contributed to strengthening the company's position in the industrial sector.

13. A statement of the dates of the general assemblies of shareholders held during the last financial year and the names of the members of the Board of Directors present for these assemblies.

	Name	Attendance Record for the year 2024
		Extraordinary General Assembly 07/05/2024
1	Abdul aziz Majid Alkasabi	Attended
2	Abdul aziz Tariq Albassam	Attended
3	Fahad Musaed Alrashidi	Attended
4	Hamad Mohammed Alsaad	Attended
5	Saud Abdul aziz Aljomaih	Attended
6	Adel Khaled Al Subeih	Apologized
7	Bader Saleh Alissa	Apologized

14. Description of the main types of activities of the company and its subsidiaries

Incorporation

The Saudi Lime Industries Company is a Saudi joint stock company established in Riyadh, Kingdom of Saudi Arabia in 1395 AH 1977 AD as a limited liability company under the name of "Saudi Lime Sand Bricks and Building Materials Company" and due to the development of the company and the transformation of the main activity to the production of lime, the name was changed to "Saudi Lime Industries Company" and turned into a closed joint stock company in the year 1432 AH 2011 AD, and in April of the year 2023 AD, the company was converted into a public shareholding and its shares were listed and traded in Saudi Parallel Market (Nomu) to become the first Saudi listed joint stock company operating in the field of limestone industries.

Purposes and activities of the company

• The company was established with the aim of producing a variety of calcareous products such as (quicklime / slaked lime / in addition to lime sand bricks/limestone of various sizes / as well as calcium carbonate/dolomite / and dololim) The company also markets these products inside and outside the Kingdom of Saudi Arabia, and works to practice mining and quarrying activities to ensure access to the necessary raw materials for these industries, and the company is committed to working in accordance with the regulations and laws in force, while obtaining the necessary licenses from the competent authorities according to requirements.

• Over more than four decades of continuous growth, efforts, and hard work, the company has succeeded in becoming one of the leading companies in the lime industries in the region, along with excellence in the production of lime bricks and block sand.

• The company has made steady progress and succeeded in securing the supply of limestone and its derivatives of quicklime, slaked lime, and calcium carbonate to many vital industries and sectors, both locally and internationally, including the GCC and the Middle East and Africa region.

Subsidiaries:

• Saudi Insulating Bricks Company - Liquidated

Saudi Insulating Bricks Company Ltd. is a sister company established in the Kingdom of Saudi Arabia and headquartered in Riyadh, with a capital of SAR 100 million and 50% ownership of the Saudi Lime Industries Company. Its activity is summarized in the production of bricks and hollow concrete blocks (light), and since the factory stopped production, the partners agreed to liquidate it and appoint a liquidator for it, and on August 19, 2024, the liquidation was completed and the company's commercial registration was written off, "There are no shares or debt instruments issued by the Saudi Lime Industries Company to the Saudi Insulating Bricks Company."

• Lime Mining Factory Company

On 25 February 2024, Saudi Lime Industries Company announced the signing of a binding agreement to acquire the entire share capital of Astra Mining Company Ltd., for a total amount of SAR 164.6 million, and on 19 May 2024, the acquisition was 100% complete. The company's trade name has been changed to Lime Mining Factory Company, which specializes in producing a variety of lime products, including quicklime and slaked lime.

The following table shows the company's total revenues from its main activities: (Financial Administration)

Amounts in thousands of Saudi riyals

Total revenues from core activities	Activity revenue	Percentage
Lime Products Sector	170,228	82%
Carbonate Products Sector	21,997	10%
Brick Products Sector	16,260	8%
Total	**208,485**	**100%**

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

Amounts in thousands of Saudi riyals

Subsidiary operations	Activity revenue	Percentage
Lime Products Sector	35,900	17%
Total	**35,900**	**17%**

15. A description of the company's important plans and decisions and future expectations for the company's business

• Overview

In 2024, Saudi Lime Industries faced significant challenges, however, thanks to our decades of experience, we were able to strengthen our position as a leader in the industrial sector, providing advanced and diversified solutions. Our vision is to develop our products, improve operational efficiency, and commit to delivering the highest quality standards, to ensure that we continue to lead and meet the needs of our customers efficiently and innovatively.

• Investing in human capital

The real talent is embodied in our cadres and employees, as we have invested in developing our core skills and enhancing the internal expertise within the company, and mobilizing our workforce with distinguished Saudi talents by appointing them to key leadership positions, and the localization of jobs and increasing the Saudization rate is still one of the most prominent ambitions that the company's management seeks to achieve, and the evidence of this is evident through our multiple participations over the past twelve months.

•Operational Processes

Efforts in managing operational operations during the year 2024 have focused on ensuring that customer requirements for quantities are met while ensuring the highest quality standards required for products and customer satisfaction, as during the year work was done to develop and monitor key performance indicators to raise the efficiency of operational processes and ensure the harmony of their activities, and work was also done to raise the reliability and readiness of equipment by starting to establish and apply preventive maintenance programs, financial management and control to reduce expenses and waste to face the continuous rise in costs, In addition to paying attention to developing human capital, promoting a culture of innovation, and improving occupational safety, health and environmental procedures. As for the acquisition of Astra Mining, work has been done to ensure a smooth merger and control of its operations, taking advantage of the available opportunities and replicating the optimal applications followed by the Saudi Lime Industries Company. In terms of digital transformation, it has been given the utmost importance through the development of the application of technical systems and resource planning (ERP) and the start of automating the operational processes to manage them through a main control room through the human cadres of the Saudi Lime Industries Company in its various locations.

• Future Expectations

The Saudi Lime Industries Company continues its efforts to contribute to supporting the initiatives of the Kingdom of Saudi Arabia to achieve Vision 2030, by seizing development opportunities and diversifying sources of income to create a sustainable national economy. The Kingdom has a strong industrial infrastructure that has enabled it to achieve business continuity and operations in times of crisis. The company has been able to strengthen its position as a leader in the industrial sector providing advanced and diversified solutions supported by the efficiency and flexibility of the team.

Whereas the vision of the Kingdom of Saudi Arabia 2030 and the mining strategy will enhance the increase in iron demand during the next ten years, both construction and flats to raise consumption to more than twenty million tons. The same is the case in other metals such as aluminum, gold, and phosphate, where the company's products are key in these strategic industries, and the Kingdom aims to raise the size of the mining sector in 2030. From this standpoint, the company continued its endeavor to update and improve its strategy under the guidance of the company's board of directors to keep pace with the objectives and strategy of the Ministry of Industry and Mineral Resources during the coming years to achieve more achievements as there is expected to be an increase in demand increasingly during 2025 and the following years.

•Our clients

As part of our growth and expansion strategy, we have completed the acquisition of Astra Mining and integrated its business into our operations to increase its operational efficiency and consolidate our operations to achieve the best results. Our strategies focus on enhancing performance, which reflects positively on our customers by providing the best prices and services with the highest quality standards, and in the next phase, we will continue to develop our business by focusing on providing innovative services that meet the aspirations of our customers, as this strategy has proven effective in maintaining our existing partners and expanding our customer base through new successful partnerships. We are also investing in cutting-edge means to enhance the customer experience, enabling us to establish ourselves as one of the most successful service providers in the region.

• Financial discipline

During the year 2024, a new future vision for financial management was developed based mainly on developing and providing a more disciplined framework for financial management, as the department was able to develop many systems and policies that would regulate administrative and operational processes aimed at raising efficiency and improving performance, and the department focused on the effective application of control measures necessary to raise the level of financial discipline.

Focusing on automation through the development of the Enterprise Resource Planning (ERP) system was one of the priorities of the company's management to ensure that there is an integrated control system on the company's administrative and operational processes in order to ensure that the approved budgets and expected costs are not exceeded, which are key factors in raising efficiency and increasing profitability.

• Sustainability, ESG Standards

The increasing focus on sustainable development, climate change, and the transition to a more sustainable economy that seeks to reduce emissions has led to a rapid increase in demand for a transparent and inclusive approach and reporting on environmental, social, and governance information, and to this end we have formulated our policy and commitment to ESG standards in order to facilitate the basic pathways to meet the growing requirements of our stakeholders including investors. Our goal is to adhere to and improve ESG best practices to drive ethical ESG behavior throughout our sustainability journey.

16. Information regarding any risks faced by the Company and the policy for managing and monitoring such risks

Risk management is a proactive and collaborative approach aimed at facing any internal or external risks that the company may face in the future, which may negatively affect its performance, and this management also includes the processes of measuring risks, developing strategies to deal with them, and reducing their impact.

• The importance of risk management

Risk management gains importance from its main objectives, which include:

- Support business continuity through effective preparedness and appropriate risk handling.
- Enhance resource efficiency by analyzing opportunities and identifying associated risks.
- Protect the company's assets to ensure the rights of stakeholders.

• The nature of the risks to which the company is exposed

• Operational risks:

- Energy and fuel price fluctuations. Changes in transportation costs.
- Availability of sufficient stocks of raw materials and fluctuating prices.
- Commitment to quality standards and specifications required by customers.
- Obtaining the necessary licenses and permits.
- Production equipment stops.

• Financing and budget-allocation risks:

- Interest rate fluctuations.
- Liquidity management.
- Currency fluctuations.
- Cost management.
- Credit risk.

• Market risks:

- Competition escalates.
- Restrictions on export to foreign markets.
- Changes in customer conditions and market structure.

• Human resources risks:

- Maintain professional competencies.
- Succession planning.
- Availability of national skills.

• IT risks:

- Secure data from threats and intrusions.
- Ensure the effectiveness of the information system in providing data and information appropriately.
- Modernizing the infrastructure to keep pace with modern technical developments.
- Costs required for the sustainability of the system and its operating costs.
- Continuous technical support from the supplier.

• The company's policy in managing and monitoring such risks

The company monitors these risks continuously and accurately by its board of directors, committees and executive management. The company has the necessary systems and expertise to provide professional solutions to face risks flexibly, ensuring efficient operation and protecting the rights of stakeholders, in addition to achieving business continuity in crisis situations, and to accomplish this:

- Organize a schedule of preventive maintenance operations.
- Review sales prices with customers when possible and follow market trends.
- Enhancing the efficiency of laboratories in the company and providing them with modern equipment to ensure the stability of product quality.
- Work on developing human cadres and reducing the rate of labor turnover.
- Follow up on obtaining the necessary licenses, certificates and permits, and ensure that they are renewed before their expiry.
- Preparing a list of risks and preventive safety measures, updating them periodically, and educating individuals about the need to adhere to them.
- The concerned executive departments continuously monitor risks related to individuals and property, and prepare the necessary measures to deal with them.
- Keep all executive departments up to date with all internal and external developments and new challenges, and work to develop plans to address them through periodic administrative meetings.

17. Business results for the last five fiscal years

The following table summarizes the Company's financial performance and business results for the last five financial years:

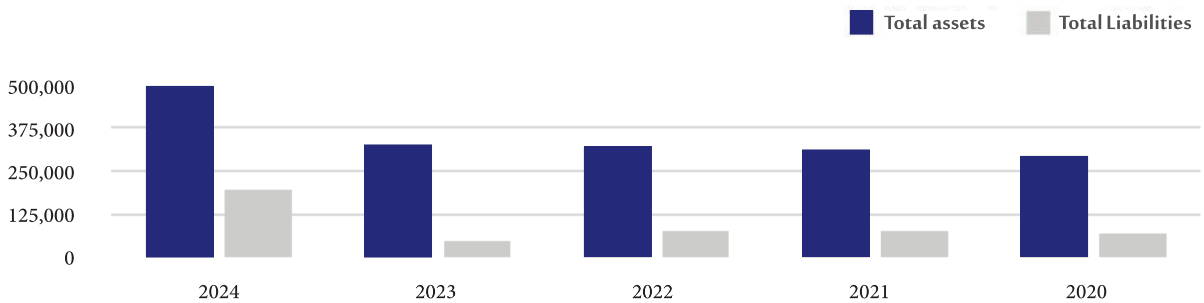
Amounts in thousands of Saudi riyals

Year	2024	2023	2022	2021	2020
Revenue	208,485	149,976	142,381	131,594	130,099
Cost of revenue	(149,974)	(83,266)	(79,060)	(72,878)	(81,572)
Total profit	58,511	66,710	63,321	58,716	48,526
Total profit percentage	28%	44%	44%	45%	37%
Selling and marketing expenses	(2,452)	(30,885)	(30,414)	(29,703)	(35,637)
Administrative and general expenses	(30,846)	(27,303)	(17,074)	(19,224)	(16,774)
Impairment of intangible assets	(1,704)	(2,198)	(131)	0	1,209
Impairment of investment property	0	0	0	0	0
Profit from operational processes	26,918	6,324	15,702	9,789	(2,676)
Other net profits / (expenses)					
Share of investment in associate companies	0	(173)	169	(1,240)	(15,134)
Financial Revenue	5,460	6,481	2,018	4,915	241
Financial expenses	(8,970)	(717)	(589)	(607)	(1,103)
Income before zakat and external taxes	23,407	11,915	17,300	12,857	(18,673)
Foreign Income Tax Expenses	0	0	0	0	0
Zakat Expenses	(2,012)	(2,151)	(1,474)	(1,597)	(1,183)
Net loss from continuing operations	21,394	9,764	15,826	11,261	(19,856)
Net loss from seized operations	0	0	0	0	0
Profit (loss) before minority rights	0	0	0	0	0
Minority rights	0	0	0	0	0
Net Income (Loss)	21,394	9,764	15,826	11,261	(19,856)
Net Income (Loss) / Sales (%)	10%	7%	11%	9%	-15%

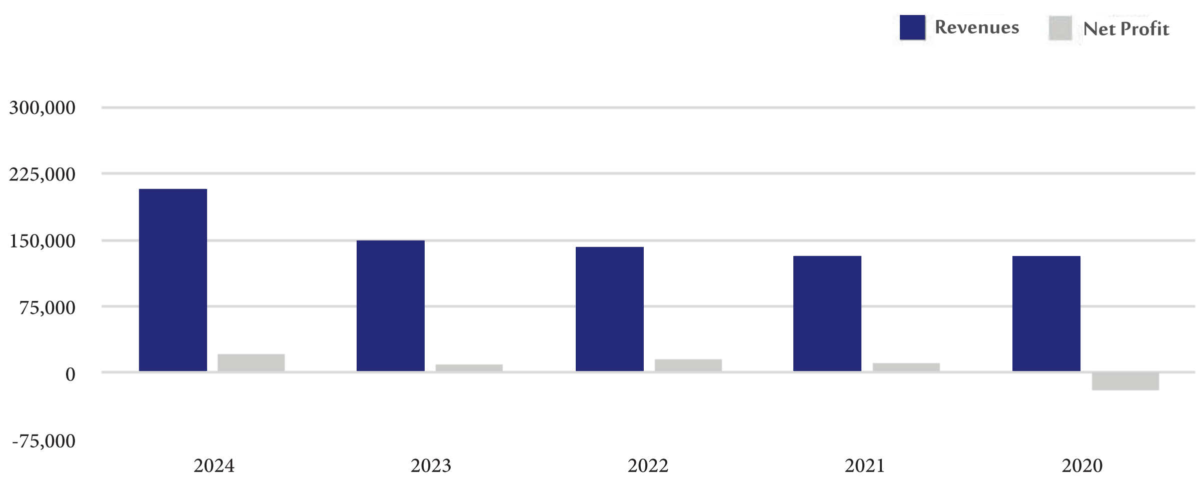
The following graphs and tables summarize the company›s financial performance over the last five years:

Amounts in thousands of Saudi riyals

	2024	2023	2022	2021	2020
Traded / current assets	135,922	123,943	117,153	96,737	80,163
Non-current assets	356,542	200,076	197,880	211,631	212,072
Total assets	**492,464**	**324,019**	**315,033**	**308,368**	**292,235**
Current liabilities	52,088	37,901	66,108	53,215	46,281
Non-current liabilities	143,030	10,366	11,660	23,997	25,519
Total Liabilities	**195,118**	**48,267**	**77,768**	**77,212**	**71,800**



	2024	2023	2022	2021	2020
Revenue	208,485	149,976	142,381	131,594	130,099
Revenue costs	(149,974)	(83,266)	(79,060)	(72,878)	(81,572)
Total Profit	58,511	66,710	63,321	58,716	48,526
Net profit	21,395	9,764	15,826	11,261	(19,856)



18. Geographic analysis of the total revenues of the company and its subsidiaries

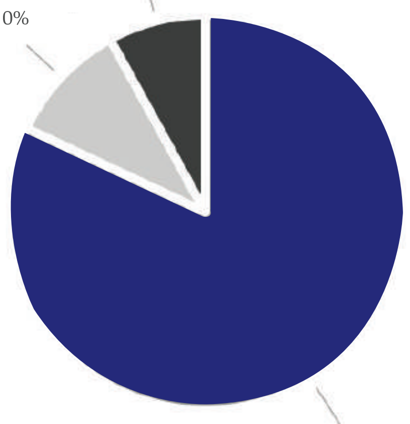
The following graph shows the percentages of revenues by sources during the year 2024

Amounts in thousands of Saudi riyals

Geographical analysis of the company›s total revenues											
Year	Saudi Arabia	Bahrain	Oman	South Africa	Kuwait	Jordan	Qatar	Yemen	UAE	Iraq	Yemen
2024	84.8%	5.8%	2.9%	2.4%	2.0%	1.3%	0.4%	0.3%	0.016%	0.013%	0.004%

The following tables show the geographic analysis of revenues for the company and its subsidiaries:

Revenues from operations in Saudi Arabia			
Year	Lime Products Sector	Carbonate Products Sector	Brick Products Sector
2024	82%	10%	8%



19. Clarification of any material differences in the operating results from the previous year's results

	2024	2023	Changes	Change percentage
Sales	208,485	149,976	58,509	28%
Cost of sales	(149,974)	(112,758)	(37,615)	25%
Total Profit	58,511	37,219	20,894	36%
Operating Income - Other	0	0	0	0
Operating profit (loss)	26,917	6,324	20,593	77%

20. Clarification of any difference from the accounting standards approved by the Saudi Organization for Certified Public Accountants

The company's financial statements were prepared during the fiscal year ending on 31/12/2024 in accordance with the International Financial Reporting Standards (IFRS) recognized in the Kingdom of Saudi Arabia without any difference.

21. Subsidiaries & Branches

1. Lime Mining Factory Company:

- Country of incorporation: Kingdom of Saudi Arabia.
- Date of Incorporation: 100% of the Company's share capital was purchased in 2024.
- Company activity: mining and manufacturing.
- Company Capital: SAR 45,900,000.
- The main location of the company's operations: Saudi Arabia.
- Percentage of ownership: 100% owned by Saudi Lime Industries.

On 19 May 2024, Saudi Lime Industries Company announced the completion of the acquisition of 100% capital stakes in Lime Mining Factory Company. The company stated in a statement on Tadawul that the completion of the transaction came after fulfilling the conditions contained in the agreement, including obtaining the necessary approvals from the concerned authorities, and indicated that there are no related parties in this transaction, so the company's name was changed from Astra Mining Company to Lime Mining Factory Company to become a subsidiary owned by the Saudi Lime Industries Company by 100%.

Company Locations/Sites

1. First location: A factory located in the second industrial area of Riyadh, where it specializes in the production of quicklime, slaked lime, and calcium carbonate, in addition to the production of bricks and lime sand blocks.

2. Second location is a factory located in the southern industrial area of Plan 80 in Riyadh, where it specializes in the production of quicklime, dololim, slaked lime and calcium carbonate.

3. Third location: a factory located in the first industrial area of Jeddah, where it specializes in the production of bricks, lime sand blocks and slaked lime.

4. Fourth location: um Al-Ghurban mine, located in the um Al-Ghurban mining complex in Al-Kharj Governorate.

5. Fifth location: Abu Haddad mine, located in the Abu Haddad mining complex in Al-Kharj Governorate.

Locations of the subsidiary company (Lime Mining Factory Company)

1. First location: Lime Mining factory Company in the industrial city in Al-Kharj Governorate.
2. Second location: Umm Al-Ghurban mine is located in the um Al-Ghurban mining complex in Al-Kharj Governorate.

22. Details of shares and debt instruments issued for each subsidiary company

The following table details the shares representing the capital of each of the subsidiaries of Saudi Lime Industries, and none of the subsidiaries issued any other class of shares or debt instruments during the period ending on 31/12/2024.

Subsidiary Company Name	Paid-up Capital	Shares Number
Saudi Insulating Bricks Company (liquidated in 2024)	100,000,000 SAR	50,000
Lime Mining Factory Company	45,900,000 SAR	45,900

23. Description of the company's dividend policy

The company's annual net profits after deducting all general expenses and other costs are distributed as follows:

• The Ordinary General Assembly may, upon the proposal of the Board of Directors, set aside a certain percentage of the net profits to form an agreed reserve allocated for a specific purpose or purposes determined by the Assembly.

• The Ordinary General Assembly may also decide to form other reserves, to the extent that it is in the interest of the Company or ensures the distribution of fixed dividends as much as possible to the shareholders.

• Subject to the provisions of Article (19) of the Company's Articles of Association and Article (76) of the Companies Law, a certain amount, attendance allowance for meetings, in-kind benefits or a certain percentage of net profits shall be allocated. Two or more of these options may be combined, provided that the entitlement to such remuneration is proportional to the number of meetings attended by the member.

• The Company may distribute interim dividends to its shareholders on a semi-annual or quarterly basis, in accordance with the regulations issued by the Capital Market Authority.

24. A description of any interest in the voting class of shares belonging to persons (other than members of the company's board of directors, senior executives, and their relatives)

The following table shows the interest in the voting class of shares belonging to major shareholders and their relatives who are not members of the Board of Directors, and any change in those rights during the year 2024:

A description of any interest in the voting class of shares belonging to persons (other than members of the Company's Board of Directors, senior executives and their relatives) who have informed the Company of such rights under Article Eighty-Five of the Rules on the Offer of Securities and Continuing Obligations				
The person's name to whom the interest belongs	Number of shares at the beginning of the year	Number of shares at the end of the year	Net change	Percentage change
National Industries Company	2,212,223	2,212,223	-	-
Musheera Saudi Company Ltd.	2,000,000	2,000,000	-	-
Aljomaih Holding Company Ltd	1,622,900	1,622,900	-	-
Al-Rashed Gulf General Trading Company	1,246,400	1,246,400	-	-
Sheikh. Meshal Al-Ahmad Al-Jaber Al-Sabah	1,168,500	1,168,500	-	-

25. A description of any interest, contractual securities, and subscription rights of the Company's Board of Directors, senior executives, and their relatives in the shares or debt instruments of the Company or any of its subsidiaries, and any change in such interest or rights during the last financial year

The following table shows any interest, contractual securities, and subscription rights of the members of the Board of Directors and their relatives in the company's shares or debt instruments during the year 2024:

A description of any interest, contractual papers, and subscription rights belonging to the members of the Board of Directors and their relatives in the company's shares or debt instruments						
The person's name to whom the interest, contractual securities or subscription rights belong	Beginning of the year		End of the year		Net change	Percentage change
	Number of shares	Debt Instruments	Number of shares	Debt Instruments		
Abdulaziz Majid Abdullah Al Kassabi	372,318	-	375,224	-	2,906	0.78%
Abdulaziz Tariq Albassam	167,200	-	176,000	-	8,800	5.26%
Adel Khaled Sobeih Al-Subeih	0	-	0	-	-	-
Hamad Mohammed Abdullah Al-Saad	0	-	0	-	-	-
Bader Saleh Alissa	0	-	0	-	-	-
Saud Abdulaziz Aljomaih	0	-	0	-	-	-
Fahad Musaed Saad Alrashidi	0	-	0	-	-	-

26. Information related to the company's loans

The following table shows a breakdown of the loans obtained by the company and its subsidiaries, by financier and repayment periods.

Amounts in thousands of Saudi riyals

Name of the lender	Loan Principal amount	Loan Term	Amounts paid during the year	Remaining amount of the loan
Arab National Bank	3,000	9 months	3,000	0
Arab National Bank	2,000	9 months	0	2,000
Arab National Bank	130,000	5 years	0	130,000
Total			**3,000**	**132,000**

27. A description of the categories and numbers of any convertible debt instruments, any contractual securities, rights memorandums, or similar rights issued or granted by the Company during the financial year, indicating any compensation received by the Company in return thereof.

There are no debt instruments convertible into shares, or any option rights, rights memorandums, or similar rights issued or granted by the Company during the year 2024.

28. A description of any conversion or subscription rights under convertible debt instruments, contractual securities, rights memorandums or similar rights issued or granted by the Company

There are no conversion or subscription rights under debt instruments convertible into shares, option rights, rights memorandums or similar rights issued or granted by the Company during the year 2024G.

29. A description of any redemption, purchase or cancellation by the Company of any recoverable debt instruments, and the value of the remaining securities, distinguishing between listed securities purchased by the Company and those purchased by its subsidiaries.

There is no redemption, purchase or cancellation by the Company of any debt instruments recoverable during the year 2024.

30. Number of Board meetings held during the last financial year, dates of convening, and attendance record for each meeting indicating the names of those present

	Member Name	Number of Board meetings during the year 2024				
		First meeting 15/02/2024	Second meeting 03/07/2024	Third meeting 23/10/2024	Fourth meeting 18/09/2024	Total
1	Mr. Abdulaziz Majid Al-Kassabi	Attended	Attended	Attended	Attended	4
2	Mr. Abdulaziz Tariq Al-Bassam	Attended	Attended	Attended	Attended	4
3	Dr. Adel Khaled Al-Subaih	Attended	Attended	Attended	Attended	4
4	Eng. Bader Saleh Alissa	Attended	Attended	Attended	Attended	4
5	Eng. Hamad Mohammed Al-Saad	Attended	Attended	Attended	Attended	4
٦	Mr. Saud Abdulaziz Aljomaih	Attended	Attended	Attended	Attended	4
٧	Eng. Fahad Musaed Al-Rashidi	Attended	Attended	Attended	Attended	4

31.Number of company requests for the register of shareholders and the dates and reasons for such requests

Number of company requests for shareholder register	Date of request	Request reasons
(1)	25/04/2024	Company Procedures
(2)	07/05/2024	General Assembly
(3)	07/05/2024 (Another report was requested due to a defect in the first report)	General Assembly
(4)	07/07/2024	Company Procedures
(5)	31/12/2024	Company Procedures

32. A description of any transaction between the Company and a related party

Saudi Lime Industries did not conduct any transactions with related parties during 2024.

33. Information relating to any business or contract to which the Company is a party, in which there is an interest of one of the members of the Board of Directors of the Company, senior executives thereof or any person related to any of them

During the fiscal year 2024, none of the Board of Directors or senior executives of the Company were a party to any business or contracts to which the Company is a party.

34. A statement of any arrangements or agreement whereby a member of the Company's Board of Directors or a senior executive waives any remuneration

There were no arrangements or agreement waiving any remuneration to a board member or senior executive during the fiscal year 2024.

35. Statement of any arrangements or agreement whereby a shareholder of the Company waives any rights to profits

During the year 2024, there were no arrangements or agreements under which any of the Company's shareholders waived his rights to profits.

36. A statement of the value of statutory payments made and due for the payment of any zakat, taxes, fees, or any other dues that were not paid until the end of the annual financial period, with a brief description thereof and a statement of the reasons therefor

A provision for Zakat shall be set aside on behalf of the company and its subsidiaries operating within the Kingdom of Saudi Arabia in accordance with the regulations of the Zakat, Tax, and Customs Authority in force in the Kingdom, and shall carry the provision for Zakat and unified income tax, and the additional amounts, if any, shall be accounted for when determined to be necessary for payment.

The Company also pays all due statutory payments, including Zakat, taxes, fees, or any other dues, in accordance with applicable regulations issued by the relevant regulatory authorities.

The following table shows the value of statutory payments made and due for the payment of any zakat, taxes, fees or any other dues that were not paid until the end of the annual financial period, with a brief description thereof and an explanation of their reasons:

Amounts in thousands of Saudi riyals

	Statement	2024		Brief description	Statement of reasons
		Payer	Due until the end of the period and not paid		
1	Zakat	1,997,811	2,012,791	What is paid or charged during the year according to the regulations and instructions of the General Authority for Zakat, Tax, and Customs in the Kingdom of Saudi Arabia.	-
2	Tax	7,197,527	592,706	What is paid or charged during the year according to the regulations and instructions of the General Authority for Zakat, Tax, and Customs in the Kingdom of Saudi Arabia.	-
3	General Organization for Social Insurance	1,666,937	-	What is paid during the year according to the regulations and instructions of the General Organization for Social Insurance in the Kingdom of Saudi Arabia.	-
4	Visa and passport costs	667,695	-	What is paid during the year according to the regulations and instructions of the Saudi Passports Department in the Kingdom of Saudi Arabia.	-

37. A statement of the value of any investments or reserves established for the benefit of the company's employees

The Company establishes a reserve for the benefit of its employees, in line with the requirements of the Labor Law in the Kingdom of Saudi Arabia, where the provisions of the end of service gratuity are based on the salaries and final allowances of employees and their years of service accumulated on the date of their termination of service, as specified in the conditions stipulated in the labor laws of the Kingdom of Saudi Arabia.

The following table shows the reserves allocated by the company for the benefit of its employees as at 31/12/2024 compared to the previous year: Sums in thousands

End of service reserve	2024	2023
Beginning of the Year	**11,113,975**	8,506,577
Acquisition Additions	**2,194,724**	
Formed During the Year	**2,096,399**	3,552,322
Payments	**3,232,108**	944,924
End of the Year	**12,172,990**	11,113,975

38. Board of Directors Acknowledgments:

• Account records are prepared appropriately.
• The internal control system is properly designed and applied effectively.
• There is little doubt about the company's ability to continue its activity.
• The Company is not subject to any legal claims or proceedings that may materially affect its business or financial position.
• There are no arrangements or agreements whereby a member of the Board of Directors or a senior executive waives any salary or remuneration.

• There are no business or contracts in the interest of one of the members of the Board of Directors or senior executives thereof or any person related to any of them to which the Company is a party. If one of them so wishes, the approval of the General Assembly of the Company's shareholders must first be obtained.

•No member of the Board of Directors has engaged in any business competing with the Company's business. If he so wishes, he must first obtain the approval of the General Assembly of the Company's shareholders.

39. Auditor's Reservations on Annual Financial Statements

The auditor's report did not include any reservations on the financial statements for the period ended 31/12/2024.

40 .Recommendation of the Board of Directors to change the auditor before the end of the period for which it is appointed

The Board of Directors of the Saudi Lime Industries Company did not issue any recommendation to change the external auditor during the year 2024.

41. Disclosure of any competing business of the company or any of the branches of the activity it carries out and carried out by any member of the Board of Directors

No member of the Board of Directors has engaged in any business competing with the Company's business, and if he so wishes, the approval of the General Assembly of the Company's shareholders must first be obtained.

42. Disclosure of details of treasury shares held by the company and details of the uses of these shares

Saudi Lime Industries Company does not hold any treasury shares.

43. What provisions of the Corporate Governance Regulations have been applied, what has not been applied and the reasons for this

The Saudi Lime Industries Company is keen to comply with the rules and regulations related to corporate governance stipulated in the Companies Law issued by the Ministry of Commerce, and the regulations of the Capital Market Authority related to shareholders' rights and commitment to transparency and continuous disclosure. Accordingly, the company has applied all the provisions stipulated in the corporate governance rules issued by the Capital Market Authority and mandatory on companies listed on the parallel market.

44. Announcements of the Saudi Lime Industries Company disclosed during the year 2024

#	Announcement Date	Reason for the announcement
1	04/01/2024	Saudi Lime Industries Company announces that it has received a notice of fuel price adjustment from Aramco.
2	25/02/2024	Announcement from the Saudi Lime Industries Company for the purchase of 100% capital shares of Astra Mining Company Ltd., with a maximum purchase value of SAR 35 million, and the payment of local banks' debts on behalf of the company in the amount of SAR 129.6 million, for a total amount of SAR 164.6 million as a maximum.
3	29/02/2024	Announcement from Saudi Lime Industries Company regarding receipt of a notice to amend the prices of fuel products from Aramco.
4	12/03/2024	Saudi Lime Industries Company announces the renewal of its Shariah-compliant credit facilities agreement with Arab National Bank.
5	27/03/2024	Saudi Lime Industries Co. announces its annual financial results for the period ending on 2023-12-31.
6	16/04/2024	Announcement of inviting the Board of Directors of Saudi Lime Industries Company shareholders to attend the Extraordinary General Assembly Meeting (First Meeting).
7	17/04/2024	Corrective announcement from Saudi Lime Industries Company regarding the invitation of the Board of Directors of Saudi Lime Industries Company shareholders to attend the Extraordinary General Assembly Meeting (First Meeting).
8	08/04/2024	Saudi Lime Industries announces the results of the Extraordinary General Assembly Meeting (Second Meeting).
9	20/05/2024	Saudi Lime Industries Company announces the completion of the procurement procedures for Astra Mining Company Ltd.
10	20/05/2024	Corrective announcement from Saudi Lime Industries Company regarding the completion of the procurement procedures of Astra Mining Co. Ltd.
11	18/08/2024	Addendum announcement from Saudi Lime Industries Company regarding receipt of a notice from Saudi Aramco to amend the prices of fuel products used in the operation of the company's plant.
12	25/08/2024	Saudi Lime Industries Co. announces its Interim Financial Results for the Period Ending on 2024-06-30 (Six Months).
13	24/09/2024	Saudi Lime Industries Company announces that its subsidiary has joined the Industrial Competitiveness Program.

45. Investor Relations

For any inquiries or further information, don't hesitate to get in touch with the Compliance and Governance Department through the following means:

• Email: [Compliance@saudilime.com]
• Phone: [+966 11 265 2929 / 150]

Audit Committee Report

For the General Assembly of Saudi Lime Industries Company

For the fiscal year ended December 31, 2024

1- Introduction

The Audit Committee of Saudi Lime Industries Company is pleased to present its annual report to the esteemed shareholders for the fiscal year ended December 31, 2024. The report includes details of the committee's performance in carrying out its duties and responsibilities as stipulated in the regulations and directives issued by the Ministry of Commerce and the Capital Market Authority, in addition to the Audit Committee Charter, which defines its roles, responsibilities, and authorities. Furthermore, the report provides the committee's opinion on the adequacy of the company's internal control and financial systems, as well as risk management. It also outlines the tasks and activities undertaken by the committee within its scope of responsibilities based on the relevant regulatory requirements.

2- Audit Committee Responsibilities

The Audit Committee is responsible for monitoring the company's operations. In doing so, it has the right to review its records and documents and request any clarification or statement from the Board of Directors or the executive management. The committee performs its approved duties, including overseeing the Internal Audit and Compliance departments, reviewing their reports, and assessing the internal control system. Additionally, it examines the interim and annual financial statements, the adopted accounting policies, and recommends the appointment of the company's external auditor to the Board of Directors. The committee also reviews regulatory reports regarding the company's compliance with laws and regulations and establishes appropriate mechanisms that allow employees to report any violations of internal policies. The committee submits its recommendations to the Board of Directors.

In accordance with the tasks and responsibilities assigned to it under its charter and operating rules, the Audit Committee plays a fundamental and vital role in assisting the Board of Directors in fulfilling its duties regarding the integrity of the company's financial statements, the qualifications and independence of the external auditor, the performance of the company's disclosure controls and procedures, the effectiveness of internal audit management and the external auditor, as well as evaluating and reviewing the adequacy of the company's internal accounting systems and financial controls, and ensuring the company's compliance with ethical policies.

The Audit Committee of the Saudi Lime Industries Company consists of four members and holds at least four meetings per year. The meetings are attended by the Director of Internal Audit (Committee Secretary), the Executive Vice President of Finance, and the Executive Vice President of Compliance and Shared Services. Additionally, the CEO and senior executives may attend upon the committee members' request to discuss specific matters.

3- Audit Committee Charter and Rules

In line with the company's plan to align with governance requirements, the Audit Committee Charter and Rules have been revised to comply with applicable regulations and regulatory requirements. They were approved at the company's General Assembly meeting on May 7, 2024.

4- Audit Committee Members

The Audit Committee members were formed for the Board term and currently include:

Member's name	Membership position
Mr. Ehsan Amanullah Makhdoum (External Member of the Board)	Committee Chairman
Mr. Abdulaziz Tariq Al-Bassam (Independent Member)	Committee Member – Inside the Board
Mr. Saleh Abdullah Al-Yahya (External Member of the Board)	Committee Member – Outside the Board
Mr. Yunus Abdulkareem Eishan (External Member of the Board)	Committee Member – Outside the Board

5- Committee Meetings

The committee held five (5) meetings during the year 2024 as follows:

The Audit Committee Meeting Schedule for the year 2024.

Member's name	Position	Meeting (1) February 18	Meeting (2) March 20	Meeting (3) May 5	Meeting (4) August 21	Meeting (5) November 6
Mr. Ehsan Makhdoum	Chairman	✔	✔	✔	✔	✔
Mr. Abdulaziz Al-Bassam	Member	✔	✔	✔	✔	✘
Mr. Saleh Al-Yahya	Member	✔	✔	✔	✔	✔
Mr. Yunus Abdulkareem	Member	✔	✔	✔	✔	✔

6- Tasks of the Audit Committee and its Key Activities during the year 2024.

First: Reports and Financial Statements:

The Audit Committee reviewed the company's semi-annual and annual financial statements. The committee discussed them with the financial management and the external auditor, examined the comparisons, verified the reasons for the significant changes, ensured the adequacy of disclosures, and assessed the application of accounting policies and standards. The committee also explored all relevant aspects and obtained confirmation from the external auditor regarding the cooperation of the company’s management in providing all required documents and responding to their inquiries. After discussions and confirmation from the external auditors that there were no material issues affecting the fairness of the financial statements, the committee presented its opinion and recommendations to the Board of Directors.

Second: External Auditor:

The committee recommended to the Board of Directors and the General Assembly to nominate the company's auditor after reviewing the submitted proposals. The Extraordinary General Assembly of the company, held on 28-10-1445, corresponding to May 7, 2024, approved the appointment of Dr. Mohammed Al-Omari & Partners BDO as the company's auditor for examining, reviewing, and auditing the semi-annual and annual financial statements for the fiscal year 2024 and the first quarter of 2025, and determining their fees.

The Audit Committee reviewed the plan submitted by the external auditor for auditing the company's operations. The committee also discussed with the external auditor the annual management letter and the issued comments and directed the relevant departments to implement and follow up on the corrective action plans.

Third: Internal Audit:

The committee followed up on and reviewed the periodic reports issued by the company's internal audit department, monitored the progress in executing audit tasks, considered the key observations, and provided the necessary guidance to achieve the best results.

Fourth: Compliance Management:

The committee discussed the periodic reports of Compliance Management, followed up on the procedures to enhance compliance, reviewed the key observations, and regulatory authority reports, and provided its recommendations.

7- The Audit Committee's opinion on the adequacy of the internal control system

The executive management of the company is responsible for establishing an effective internal control system within the company, encompassing all policies, procedures, and processes designed under the supervision of the Board of Directors to achieve the company's strategic objectives. An integrated internal control system has been designed within the company as recommended by the regulatory and supervisory authorities. The company evaluates and monitors the internal control system through the company's oversight departments and relevant committees.

"Based on the tasks assigned to the committee that were carried out during the year and relying on the annual confirmations and disclosures obtained from the executive management, the Audit Committee believes that the current internal control system in place at the company needs improvement. It is important to note that no internal control system, regardless of how well-designed or effectively implemented, can provide absolute assurance".

2. Review the financial statements for the fiscal year ending on 31-12-2024 and discuss them.

SAUDI LIME INDUSTRIES COMPANY
(SAUDI JOINT STOCK COMPANY)

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
AND INDEPENDENT AUDITOR'S REPORT

SAUDI LIME INDUSTRIES COMPANY
(SAUDI JOINT STOCK COMPANY)

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

BDO الدكتور محمد العمري وشركاه
Dr. Mohamed Al-Amri & Co.

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
SAUDI LIME INDUSTRIES COMPANY
(SAUDI JOINT STOCK COMPANY)
Riyadh - Kingdom of Saudi Arabia

Opinion

We have audited the consolidated financial statements of **Saudi Lime Industries Company (Saudi Joint Stock Company)** (the "Company") and its subsidiary (together "the Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statements of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with IFRS Accounting 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 ("ISAs") that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the requirements of International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code"), that are relevant to our audit of the consolidated financial statements and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements. 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 are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters include:

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Independent Auditor's Report on the Audit of the Consolidated Financial Statements of Saudi Lime Industries Company (Saudi Joint Stock Company) for the year ended 31 December 2024 (continued)

Key Audit Matters continued)

Revenue from Contracts with Customers	
Key audit matter	**How the matter was addressed during our audit**
The Group's net revenue for the year ended 31 December 2024, amounted to SAR 208.5 million (SAR 150 million for the year ended 31 December 2023). Management recognizes revenue in accordance with the principles of IFRS 15 Revenue from Contracts with Customers. We have considered this matter a key audit matter as revenue is a significant item in the consolidated financial statements and an indicator of performance. Additionally, professional auditing standards assume the existence of inherent risks related to revenue recognition.	We have performed the following procedures to audit the revenue from contracts with customers: • Evaluating the Group's revenue recognition policy in accordance with the requirements of IFRS 15 Revenue from Contracts with Customers. • Evaluating the design, implementation, and key control measures of the Group related to revenue recognition. • Performing analytical procedures to understand the reasons for revenue variances compared to the previous year, assess their reasonableness, and determine whether significant fluctuations require further investigation in light of our understanding of current market conditions. • Sampling of revenue transactions during the year and verifying the delivery of the related goods and acceptance notices to assess compliance with the Group's revenue recognition policy. • Sampling of sales transactions that occurred before and after the year-end to assess whether revenue was recognized in the correct accounting period. • Reviewing the disclosures included in the accompanying consolidated financial statements related to revenue from contracts with customers.
For further details, refer to Notes (3 P, 22/23).	

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Independent Auditor's Report on the Audit of the Consolidated Financial Statements of Saudi Lime Industries Company (Saudi Joint Stock Company) for the year ended 31 December 2024 (continued)

<table>
<tr><th colspan="2">Acquisition of a Subsidiary and Purchase Price Allocation</th></tr>
<tr><th>Key audit matter</th><th>How the matter was addressed during our audit</th></tr>
<tr><td>As disclosed in the related notes to the consolidated financial statements, on 19 May 2024, Saudi Lime Industries Company ("the Company") completed its acquisition of Lime Mining Factory Company (formerly Astra Mining Company Limited), after fulfilling all the agreed-upon conditions in the acquisition transaction signed on 21 February 2024. This included the purchase of 100% of the equity interest for SAR 35 million, in addition to the settlement of outstanding amounts payable by Lime Mining Factory Company amounting to SAR 129.55 million.

According to IFRS 3 "Business Combinations", Management is required to identify and measure the acquired assets and liabilities assumed at their fair value on the acquisition date, a process known as purchase price allocation.

The purchase price allocation process requires significant accounting estimates, particularly in determining the fair value of intangible assets, their useful lives, and the applicable discount rates, which increases the level of risk in accounting estimates.

Given the significance of the accounting estimates used and their direct impact on the consolidated financial statements, the acquisition of a subsidiary and the purchase price allocation have been considered a key audit matter.</td><td>We have performed the following procedures to audit the acquisition of a subsidiary and the purchase price allocation:
• Reviewing the acquisition agreement to understand the financial and legal terms of the transaction and ensuring the accounting treatment is in accordance with the requirements of IFRS 3 "Business Combinations";
• Evaluating the assumptions and models used by management in determining the fair value of the acquired assets and liabilities, including the assessment of goodwill and intangible assets;
• Verifying the standards and methods used in the valuation of intangible assets and ensuring their appropriateness in accordance with best accounting practices;
• Reviewing the reports issued by independent valuation experts hired by management and discussing the key assumptions used in the valuation;
• Recalculating the fair values of the acquired assets and liabilities based on available data to ensure the accuracy of the accounting allocation;
• Reviewing the disclosures included in the financial statements to ensure compliance with the requirements of IFRS 3 "Business Combinations" and to confirm that the information presented fairly reflects the details of the acquisition and its financial impact.</td></tr>
<tr><td colspan="2">For further details, refer to Notes (3-a, 6).</td></tr>
</table>

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Independent Auditor's Report on the Audit of the Consolidated Financial Statements of Saudi Lime Industries Company (Saudi Joint Stock Company) for the year ended 31 December 2024 (continued)

Other matter

The consolidated financial statements of the Company for the year ended 31 December 2023 have been audited by another auditor, who expressed an unmodified opinion on those financial statements on 26 March 2024G (corresponding to 16 Ramadan 1445H).

Other information

The other information comprises the information included in the Group's Annual Report for the financial year ended 31 December 2024, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information included in its annual report.

Our opinion on the consolidated 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 consolidated 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 consolidated financial statements or our knowledge obtained in the audit, or whether the other information otherwise appears to be materially misstated when we read the annual report. When available, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting 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 By-laws, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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Independent Auditor's Report on the Audit of the Consolidated Financial Statements of Saudi Lime Industries Company (Saudi Joint Stock Company) for the year ended 31 December 2024 (continued)

Auditor's responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

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P.O. Box 8736, Riyadh 11492
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Independent Auditor's Report on the Audit of the Consolidated Financial Statements of Saudi Lime Industries Company (Saudi Joint Stock Company) for the year ended 31 December 2024 (continued)

Auditor's responsibilities for the Audit of the Consolidated Financial Statements (continued)

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

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

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

For Dr. Mohamed Al-Amri & Co.,

د. محمد العمري وشركاه - محاسبون قانونيون
س . ت : ١٠١٠٤٢٣٩٨٢
Riyadh
Certified Public Accountants
Dr. Mohamed Al-Amri & Co.

Gihad Mohamed Al-Amri
Certified Public Accountant
License No. 362

Dated 26 Ramadan 1446H
Corresponding to: 26 March 2025G

SAUDI LIME INDUSTRIES COMPANY
(SAUDI JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2024
(Saudi Riyals)

	Note	2024	2023
Assets			
Non-current assets			
Property, plant, and equipment	7	**327,808,067**	192,691,036
Intangible assets	8	**25,253,005**	5,060,805
Right-of-use assets	9.1	**3,480,867**	2,323,995
Total non-current assets		**356,541,939**	200,075,836
Current assets			
Inventories	10	**42,203,488**	33,216,201
Trade receivables	11	**63,087,686**	41,288,505
Prepayments and other receivables	12	**13,609,757**	7,488,138
Cash and cash equivalents	13	**17,020,875**	41,949,870
Total current assets		**135,921,806**	123,942,714
Total assets		**492,463,745**	324,018,550
Equity and Liabilities			
Equity			
Share capital	14	**220,000,000**	220,000,000
Share premium	14	**9,194,337**	9,194,337
Statutory reserve	15	**-**	27,628,988
Other reserve		**(5,014,428)**	(5,213,436)
Retained earnings		**73,165,650**	24,141,986
Total equity		**297,345,559**	275,751,875
Liabilities			
Non-current liabilities			
Employee defined benefits liabilities	16	**9,289,687**	8,633,711
Lease liabilities – non-current portion	9.2	**2,966,786**	1,732,125
Long-term loans - non-current portion	17	**130,000,000**	-
Derivative financial instruments	18	**774,131**	-
Total non-current liabilities		**143,030,604**	10,365,836
Current liabilities			
Lease liabilities – current portion	9.2	**519,670**	358,205
Long-term loans - current portion	17	**2,000,000**	2,300,000
Due to a related party	19	**66,620**	355,503
Trade payables		**26,267,206**	20,783,167
Accrued expenses and other payables	20	**19,660,907**	10,545,765
Dividend payable to shareholders		**1,377,531**	1,377,531
Provision for Zakat	21	**2,195,648**	2,180,668
Total current liabilities		**52,087,582**	37,900,839
Total liabilities		**195,118,186**	48,266,675
Total equity and liabilities		**492,463,745**	324,018,550

Vice CFO **CEO** **Chairman**

The accompanying notes from (1) to (35) form an integral part of these consolidated financial statements.

SAUDI LIME INDUSTRIES COMPANY
(SAUDI JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024
(Saudi Riyals)

	Note	2024	2023
Revenue from contracts with customers	**23**	**208,484,860**	149,976,450
Cost of revenue	**24**	**(149,973,560)**	(112,757,784)
Gross profit		**58,511,300**	37,218,666
Selling and distribution expenses	**25**	**(2,452,351)**	(2,782,747)
General and administrative expenses	**26**	**(30,845,522)**	(25,913,776)
Reversal / Provision for expected credit losses	**11**	**1,704,164**	(2,198,126)
Operating profit		**26,917,591**	6,324,017
Share in the results of an associate	**19**	**-**	(172,871)
Finance expenses	**27**	**(8,970,148)**	(717,381)
Other income	**28**	**5,460,024**	6,481,231
Profit before Zakat		**23,407,467**	11,914,996
Zakat	**21**	**(2,012,791)**	(2,151,218)
Net profit for the year		**21,394,676**	9,763,778
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent years:			
Re-measurement of Employee defined benefits liabilities	**16**	**199,008**	(470,883)
Other comprehensive (loss) income		**199,008**	(470,883)
Total comprehensive income for the year		**21,593,684**	9,292,895
Basic and diluted earnings per share	**29**	**0.97**	0.46

Vice CFO	CEO	Chairman

The accompanying notes from (1) to (35) form an integral part of these consolidated financial statements.

SAUDI LIME INDUSTRIES COMPANY
(SAUDI JOINT STOCK COMPANY)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024
(Saudi Riyals)

	Note	Share capital	Share premium	Statutory reserve	Other reserve	Retained earnings	Total
For the year ended 31 December 2024:							
Balance at 1 January 2024		**220,000,000**	**9,194,337**	**27,628,988**	**(5,213,436)**	**24,141,986**	**275,751,875**
Net profit for the year		**-**	**-**	**-**	**-**	**21,394,676**	**21,394,676**
Other comprehensive income		**-**	**-**	**-**	**199,008**	**-**	**199,008**
Total comprehensive income for the year		**-**	**-**	**-**	**199,008**	**21,394,676**	**21,593,684**
Transfer from statutory reserve	**15**	**-**	**-**	**(27,628,988)**	**-**	**27,628,988**	**-**
Balance at 31 December 2024		**220,000,000**	**9,194,337**	**-**	**(5,014,428)**	**73,165,650**	**297,345,559**
For the year ended 31 December 2023:							
Balance at 1 January 2023		200,000,000	-	27,628,988	(4,742,553)	14,378,208	237,264,643
Issuance of shares	**14**	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
Balance at 31 December 2023		220,000,000	9,194,337	27,628,988	(5,213,436)	24,141,986	275,751,875

Vice CFO

CEO

Chairman

The accompanying notes from (1) to (35) form an integral part of these consolidated financial statements.

SAUDI LIME INDUSTRIES COMPANY
(SAUDI JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024
(Saudi Riyals)

	Note	2024	2023
OPERATING ACTIVITIES			
Profit before Zakat		**23,407,467**	11,914,996
Adjustments for non-cash items:			
Depreciation of property, plant, and equipment	7	**16,011,980**	15,180,066
Amortization of intangible assets	8	**812,043**	57,426
Depreciation of right-of-use assets	9,1	**521,140**	398,496
Lease adjustments	9,2	**140,571**	-
Provision for obsolete and slow-moving inventories	10	**1,935,769**	1,207,362
Reversal/ Provision for expected credit losses	11	**(1,704,164)**	2,198,126
Employee defined benefits liabilities charged - current service cost	16	**1,162,785**	1,315,302
Share in the results of an associate	19	**-**	172,871
Incurred finance expenses	27	**8,970,148**	717,381
Gains/ losses on disposal of property, plant and equipment	28	**(97,736)**	702,421
Changes in operating assets and liabilities:			
Inventories		**(6,941,099)**	(7,060,373)
Trade receivables		**(11,947,892)**	(11,169,386)
Prepayments and other receivables		**(3,928,430)**	1,358,062
Due to a related party		**(170,768)**	-
Trade payables		**27,740**	5,563,030
Accrued expenses and other payables		**2,604,328**	(5,973,812)
		30,803,882	16,581,968
Finance expenses paid		**(6,019,040)**	(234,427)
Employee defined benefits liabilities paid	16	**(3,232,108)**	(944,924)
Zakat paid	21	**(1,997,811)**	(1,473,968)
Net cash generated from operating activities		**19,554,923**	13,928,649
INVESTING ACTIVITIES			
Additions to property, plant, and equipment	7	**(9,416,252)**	(15,200,200)
Additions to intangible assets	8	**(253,827)**	(3,168,815)
Proceeds from the disposal of property, plant and equipment		**812,818**	26,313
Proceeds from liquidation of an associate	19		5,104,046
Consideration paid on the acquisition of a subsidiary	6	**(164,550,000)**	-
Cash acquired on the acquisition of a subsidiary	6	**71,611**	-
Net cash used in investing activities		**(173,335,650)**	(13,238,656)
FINANCING ACTIVITIES			
Proceeds from the issuance of preemptive rights shares	14	**-**	29,194,337
Proceeds / repayment of long-term loans, net	17	**129,700,000**	(12,310,700)
Lease liabilities paid	9,2	**(848,268)**	(572,459)
Net cash generated from financing activities		**128,851,732**	16,311,178

SAUDI LIME INDUSTRIES COMPANY
(SAUDI JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024
(Saudi Riyals)

	Note	2024	2023
Net change in cash and cash equivalents		**(24,928,995)**	17,001,171
Cash and cash equivalents as at 1 January	13	**41,949,870**	24,948,699
Cash and cash equivalents as at 31 December	13	**17,020,875**	41,949,870

Significant non-cash transactions	Note	2024	2023
Transfer from statutory reserve to retained earnings	15	**27,628,988**	-
Transfers from intangible assets	8	**13,394**	-
Transfers to spare parts inventory	7	**486,047**	-
Lease additions	9	**868,012**	159,855
Re-measurement of Employee defined benefits liabilities	16	**199,008**	(470,883)

Chairman CEO Vice CFO

The accompanying notes from (1) to (35) form an integral part of these consolidated financial statements.

(Saudi Riyals)

1- INFORMATION AND ACTIVITIES

Saudi Lime Industries Company (the "Company" or "the Parent Company") is a Saudi Joint Stock Company registered in Riyadh under Commercial Registration No. 1010011738 dated 10 Rabi' al-Thani 1397 H (corresponding to 29 March 1997). The Company also operates under industrial license No. 11 dated 5 Rabi' al-Thani 1441 H (corresponding to 2 December 2019). The Company's headquarters is located in Riyadh, Al Kharj Road - Second Industrial City, P.O. Box 355208, Riyadh 11383, Kingdom of Saudi Arabia.

The Company is engaged in the management and rental of self-storage warehouses, the manufacturing of chemical products, the production of sand-lime bricks, flooring blocks, ceiling tiles, chimney crucibles, the production of quicklime, hydrated lime, the manufacturing of precast concrete partitions, panels, frames, and ready-made buildings, as well as the purchase, sale, and subdivision of land and real estate, off-plan sales activities, and the management and leasing of owned or rented non-residential properties, including retail sales of construction materials, such as cement, blocks, gypsum, and cement tiles, etc.)

The Company carries out its activity through its branches and the branches of its subsidiary listed below:

Branch Name	City	CR No.	CR Date
Saudi Sand Lime Bricks and Building Materials Factory	Jeddah	4030038260	1 Jumada al-Akhirah 1403H
Saudi Lime Industries Company	Riyadh	1010831123	6 Rabi Awal 1444H
Saudi Lime Industries Company	Riyadh	1010839140	12 Rabi Al-Thani 1444 H
Lime Mining Factory Company	Al Kharj	1011024065	11 Rajab 1437H

These consolidated financial statements include the accounts of the Company and its subsidiary, in which the Parent Company directly owns 100% of the share capital (collectively referred to as the "Group"). The accompanying consolidated financial statements have been prepared for the first time for the year ended 31 December 2024, as a result of the Company's acquisition of control over the subsidiary during the year, as disclosed in Note (6).

Name of Subsidiary	CR	Country of Incorporation	% of Direct Ownership 2024	% of Direct Ownership 2023
Lime Mining Factory Company (formerly Astra Mining Company Limited) (Note 6)	1010318438	Kingdom of Saudi Arabia	**100%**	0%

Lime Mining Factory Company is engaged in operating quarries, mines gypsum and anhydrite, and operating sand or gravel mines, including crushers.

2- BASIS OF PREPARATION

2-1 Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards endorsed in the Kingdom of Saudi Arabia and other standards and pronouncement endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") (hereinafter referred to as "IFRS that are endorsed in KSA").

2- BASIS OF PREPARATION (CONTINUED)

2-2 Historical cost convention

These consolidated financial statements have been prepared on the historical cost convention, except where International Financial Reporting Standards require the use of another measurement basis, as stated in the accounting policies applied in Note (3) "Material Accounting Policy Information”.

These consolidated financial statements have been prepared on the historical cost convention, except for the following:

- The employee defined benefits liabilities is recognized at the present value of future liabilities using the projected unit credit method.
- Derivative financial instruments: such derivative instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value.

2-3 Functional and presentation currency

These consolidated financial statements are presented in Saudi Riyals (“SAR”) which is the functional reporting currency. All amounts have been rounded to the nearest Saudi Riyal, unless otherwise indicated.

2-4 Basis of consolidation of the consolidated financial

The Group re-assesses whether or not it exercises control over an investee if facts and circumstances indicate a change in control elements. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired during the period are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.
In particular, the Group controls the investee only when the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

In general, there is an assumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement (s) with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group’s voting rights and potential voting rights.

Income and each item of other comprehensive income relate to equity in the Group. When necessary, adjustments are made to the financial statements of the subsidiary to bring its accounting policies in line with the Group’s accounting policies.

2- BASIS OF PREPARATION (CONTINUED)

2-4 Basis of consolidation of the consolidated financial statements (continued)

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation of the financial statements.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. The assets, liabilities, income and expenses of the subsidiary acquired or sold during the year are included in the consolidated financial statements from the date the Group acquires control until the date the Group loses control of the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries in order to align their financial policies with those of the Group. All assets, liabilities, equity, income, expenses and cash flows related to transactions between Group companies are eliminated in full on consolidation.

Any change in equity interest in a subsidiary that does not result in the loss of control is accounted for within equity.

If the Group loses control of its subsidiary, it derecognizes the related assets (including goodwill), liabilities, and other components of equity of the subsidiary, while any resulting gain or loss is recognized in the consolidated statement of profit or loss and other comprehensive income. Any investment retained is recorded at fair value.

3- MATERIAL ACCOUNTING POLICY INFORMATION

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements:

A) Business combination and Goodwill

The acquisition method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured at fair value of the asset acquired or liabilities incurred or assumed as at the date of acquisition, plus costs directly attributable to the acquisition. The excess of the cost of acquisition over the fair value of the Group’s share of the net identifiable assets acquired and liabilities assumed is recorded as goodwill. Goodwill is tested annually for impairment and carried at cost, net of impairment losses, if any. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in the original contracts through the acquisition.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. All contingent consideration (except that which is classified as equity) is measured at fair value with the changes in fair value in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

3- MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

A) Business Combination and Goodwill (continued)

Goodwill is initially measured as the excess of the purchase price over the fair value of the Group's share of the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed, and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in the consolidated statement of comprehensive income as a bargain purchase gain.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, allocated from the acquisition date to each of the Group’s cash-generating units (CGUs) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

B) Classification of assets and liabilities as current or non-current

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

An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed during the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within 12 months after the date of the consolidated statement of financial position; or
- Cash and cash equivalents, unless it is restricted from being exchanged or used to settle a liability within at least 12 months from the date of the consolidated statement of financial position.

All other assets are classified as non-current assets.

A liability is current when it is:

- Expected to be settled during the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be settled within 12 months after the date of the consolidated statement of financial position, or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the date of the consolidated statement of financial position.
- The Company classifies all other liabilities as non-current liabilities.

3- MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

C) Property, plant, and equipment

The Group's 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 cost directly attributable to delivering that property, plant and equipment to the operating site and preparing it for operation. Expenses incurred after the operation of the property, plant and equipment, such as repairs, maintenance and complete renovation, are included in the statement of profit or loss and other comprehensive income in the period in which such expenses are incurred. In cases where it is clearly shown that the expenses have resulted in an increase in the expected future economic benefits from the use of a property, plant and equipment to a higher extent than the originally established performance indicator, such expenses are capitalized as an additional cost to the property, plant and equipment.

If significant and material 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 life of property, plant and equipment items.

The following table represents the estimated useful life of property, plant, and equipment:

Item	Deprecation percentage
Buildings and constructions	2-13 %
Machinery and equipment	4-20 %
Improvements to machinery and equipment	20 %
Electric devices	5-10%
Strategic spare parts	4-20 %
Motor vehicles	20%
Tools and instruments	10-20 %
Furniture and fixtures	10%

3- MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

C) Property, plant, and equipment (continued)

Property, plant, and equipment are written down to their recoverable amount if their carrying amount exceeds the estimated recoverable amount. The useful life, residual value, and depreciation method are reviewed periodically to ensure that the method and depreciation period are consistent with the expected economic benefits of each item of property, plant, and equipment. Changes in estimates are accounted for from the beginning of the financial year in which the change occurs. When property, plant, and equipment are sold or disposed of, their cost, accumulated depreciation, and accumulated impairment losses are derecognized from the accounts, and any resulting gain or loss is recognized in profit or loss.

Capital work-in-progress includes the purchase price, construction or development costs, and any costs directly attributable to the construction or acquisition of the asset by the Company. Capital work-in-progress is measured at cost, net of any impairment losses recognized. Capital work-in-progress is not depreciated until the assets are capable of operating in the intended use by management after being capitalized under the appropriate asset category.

Strategic spare parts are recognized under property, plant, and equipment when they meet the definition of property, plant, and equipment; otherwise, they are classified under inventory.

D) Capital work-in-progress

Capital work-in-progress represents all costs directly or indirectly related to projects in progress and is capitalized as property, plant, and equipment upon completion of such work. Capital work-in-progress is not depreciated.

E) Intangible assets

Intangible assets acquired individually are measured at the initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the acquisition date. After initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses, if any. Internally developed intangible assets are not capitalized, and expenses are recognized in the statement of profit or loss and other comprehensive income as incurred.

The expected useful lives of intangible assets are estimated to be either finite or indefinite.

Intangible assets with finite useful lives are amortized over their economic useful life and their impairment is assessed when there is an indication of the potential impairment. The amortization period and amortization method for intangible assets with a definite useful life shall be reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by adjusting the amortization period or method, as necessary, and are treated as changes in accounting estimates. Amortization expenses for intangible assets with a definite useful life are recognized in the statement of profit or loss and other comprehensive income within the expense category consistent with the function of the intangible asset.

3- MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

E) Intangible assets (continued)

Intangible assets with an indefinite useful life are not amortized but are tested to measure annual impairment either individually or at cash generating units level. The asset's indefinite life assessment is reviewed annually to determine whether indefinite lives continue to be justified. Otherwise, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from the disposal of intangible assets are measured at the difference between the net disposal proceeds and the carrying value of the asset and are recognized in the statement of profit or loss and other comprehensive income when the asset is disposed.

Amortization is calculated using the straight-line method over the estimated useful lives of intangible assets. The following table represents the estimated useful life:

Item	**Amortization percentage**
Software	10%
Right to operate mines	5%

F) Impairment of non-financial assets

The Group estimates whether there is an indication of an asset impairment at the date of preparation of the consolidated financial statements. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset or CGU's fair value less costs to sell or its value in use. It is determined for an individual asset, unless the asset does not generate future cash inflows that are largely independent of those from other assets or Groups of assets.

When the carrying amount of an asset or cash generating unit exceeds its recoverable amount, the asset is written down to its recoverable amount. In the determining the asset's value in use, the future cash flows are discounted from their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. When determining fair value less selling costs, recent market transactions are considered, when available, or an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices of publicly listed entities, or through any other fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These detailed budgets and forecast calculations usually cover five years.

To cover longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations including inventories impairment are recorded in the consolidated statement of profit or loss and other comprehensive income in the expense category consistent with the function of the impaired assets.

3- MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

F) Impairment of non-financial assets (continued)

For assets, excluding goodwill, an assessment is made at the date of each consolidated statement of financial position to determine whether there is an indication that previously recorded impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset or CGU’s recoverable amount. A previously recorded impairment loss is reversed only if there has been a change in the assumptions used to determine the asset’s recoverable amount since the last impairment loss was recorded. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recorded for the asset in prior years. Such reversal is recorded in the consolidated statement of comprehensive income.

A previously recorded impairment loss is reversed only if there has been a change in the assumptions used to determine the asset’s recoverable amount since the last impairment loss was recorded.

The impairment loss reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of profit or loss and other comprehensive income.

G) Leases

The Group assesses whether a contract is a lease or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying asset.

(1) Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs, and lease payments made at or before the commencement date of the contract, less any lease incentives received. Right of-use assets are depreciated on a straight-line basis over the shorter of the lease term or the estimated useful life of the asset.

3- MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

G) Leases (continued)

1. Right-of-use assets (continued)

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are subject to impairment. Please refer to the accounting policies outlined in the “impairment of non-financial assets” paragraph.

(2) Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments include fixed payments (including in-substance fixed payments), less any lease incentives receivable; variable lease payment that are based on an index or a rate; and amounts expected to be paid under residual value guarantees. Lease payments also include the exercise price of the purchase option that the Group is reasonably expected to exercise and penalty payments related to the termination of the lease if the terms of the lease give the Group the option to terminate the lease. For variable lease payments that do not depend on an index or a fixed rate, they are recognized as expense (unless they are incurred to produce goods) in the period on which the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement of the lease, the amount of the lease liability is increased to reflect the accretion of interest and reduced when leases payments occur. In addition, the carrying amount of the lease liability is re-measured if there is a modification or change in the lease term, a change in lease payments (i.e., any changes in future payments resulting from a change in the index or rate used to determine such payments), or a change in the assessment of the purchase option for the underlying asset.

(3) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., the lease term is 12 months or less from the commencement date of the contract and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to its leases that are considered to be of low value. Payments for short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

3- MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

H) Inventories

Inventory is stated at the lower of cost or realizable value, and the cost of inventory is determined as follows:

Raw material and spare parts:	Purchase cost is determined based on the weighted average cost.
Work-in-progress and finished goods:	The cost of direct materials and direct labor, plus the related indirect expenses, is determined based on the normal level of activity.

Net realizable value is the estimated selling price in the ordinary course of business, minus the estimated cost of completion and any other costs necessary to complete the sale.
A provision for obsolete and slow-moving inventory is established based on management estimates as of the financial statement preparation date (if applicable).
Goods in transit represent the value of purchases contracted by the Company but not yet received as of the date of the consolidated financial statements, considering that the shipping and receipt terms, as well as the risks and rewards of the goods, are held by the Group.

I) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

I-1 Financial assets

Initial recognition and measurement

Financial assets are classified into debt instruments on initial recognition, and are subsequently measured at amortized cost, at fair value through other comprehensive income, or at fair value through profit or loss.
The classification of financial assets on initial recognition depends on the characteristics of the asset's contractual cash flows and the Group's business model for managing it. With the exception of trade receivables that do not contain a significant financial component and to which the Group has applied the practical expedient, the Group initially measures the financial asset at its fair value plus, in the case of a financial asset not classified at fair value through the consolidated statement of profit or loss and other comprehensive income, the transaction costs. Trade receivables that do not contain a significant financial component or to which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Please refer to the accounting policies under section (E) “Revenue from contracts with customers”.
In order for a financial asset of any debt instrument to be classified and measured at amortized cost or FVOCI, it must result in cash flows that are "solely payments of principal or interest” (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows which are not SPPI are classified and measured at fair value through the consolidated statement of profit or loss and other comprehensive income regardless of the business model.

3- MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

I) Financial instrument (continued)

I-1 Financial assets (continued)

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at FVOCI are held within a business model whose objective is to collect contractual cash flows and sell.
Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For subsequent measurement purposes, financial assets have been classified under the category of financial assets at amortized cost (debt instruments).

Financial assets at amortized cost (debt instruments)

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in the consolidated statement of profit or loss and other comprehensive income when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost include trade and other receivables.

Trade receivables
Accounts receivable are stated at the original amount of invoice, less allowance for expected credit losses. An allowance for expected credit losses is made when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Bad debts are written off as incurred against related receivables. Provisions are charged to the consolidated statement of profit or loss and other comprehensive income. Any subsequent recoveries of trade receivables that were previously written off are added to the reversal of the expected credit loss provision in the consolidated statement of profit or loss and other comprehensive income.

Impairment of financial assets

The Group applies the simplified approach of calculating impairment. Expected credit losses on financial assets are estimated using the Group's historical credit loss experience, adjusted for general economic conditions and assessing both the current trend as well as expectations of conditions at the reporting date, including the time value appropriately.

3- MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

I) Financial instrument (continued)

I-1 Financial assets (continued)

Impairment of financial assets (continued)

The ECL measurement is evidence of default or loss given default (i.e., the loss in the event of default). The assessment of the probability of default is based on historical data which is modified by information that forecasts the future as described above.

The Group recognizes impairment profits or losses separately in the statement of profit or loss and other comprehensive income, and allowances for losses on financial assets measured at amortized cost are deducted from the carrying amount of the financial assets.

Derecognition of the financial assets

A financial asset (or a part of a financial asset or a part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group’s consolidated statement of financial position) when:

- The right to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group transfers its rights to receive cash flows from an asset or enters into a pass-through arrangement, it assesses if, and to what extent, it retains the risks and benefits associated with ownership and has not transferred or retained materially all risks and benefits associated with the asset and has not transferred its control of the asset, the Group continues to recognize the transferred asset to the extent of its continuous involvement. In that case, the Group also continues to recognize the liabilities associated with the asset. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuous involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

3- MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

I) Financial instrument (continued)

I-2 Financial liabilities

Recognition and initial measurement

Financial liabilities, at initial recognition, are classified as financial liabilities at fair value through the consolidated statement of profit or loss and other comprehensive income, as loans and borrowings, payables, or derivatives designated as hedging instruments in an effective hedge, as applicable. All financial liabilities are initially recognized at fair value, and in the case of loans, borrowings, and payables, less the costs directly attributable to the transaction. The Group's financial liabilities include trade payables, payable amounts, loans, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below: Financial liabilities at fair value through the consolidated statement of profit or loss and other comprehensive income include financial liabilities held for trading and financial liabilities designated at initial recognition at fair value through the consolidated statement of profit or loss and other comprehensive income.

Financial liabilities are classified as held for trading when they are acquired for the purpose of repurchasing them in the near future. This category also includes derivative financial instruments entered into by the Group that are not classified as hedging instruments in a hedging relationship as defined in IFRS 9. Embedded stand-alone derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on financial liabilities held for trading are recognized in the consolidated statement of profit or loss and other comprehensive income. Financial liabilities classified upon initial recognition at fair value through the consolidated statement of profit or loss and other comprehensive income have been identified on the initial date of recognition and only if the requirements of IFRS 9 are met.

Financial liabilities at amortized cost (loans and borrowings)

This category is the most relevant to the Group and includes loans, borrowings, trade payables, accrued expenses, and other credit balances.

After initial recognition, interest-bearing financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the consolidated statement of profit or loss and other comprehensive income when the liabilities are derecognized as well as through the amortization process using EIR. The amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included as finance costs in the consolidated statement of profit or loss and other comprehensive income.

Trade payables

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

3- MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

I) Financial instrument (continued)

I-2 Financial liabilities (continued)

Derivative financial instruments

The Group uses derivative instruments, such as interest rate swaps.

Such derivative instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: The economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss.

Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss.

Derecognition of financial liabilities

Financial liabilities are derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such replacement or modification is treated as the derecognition of the original liabilities and the recognition of new liabilities. The difference in the respective carrying amount is recorded in the consolidated statement of profit or loss and other comprehensive income.

I-3 Offsetting of financial instruments

Financial assets and liabilities are offset with the net amount recorded in the consolidated statement of financial position only, if there is a legal right to offset the recorded amounts, and the Group intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

J) Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position consist of cash on hand, cash at banks, and short-term deposits that are not subject to significant risk of changes in value. The carrying amount of these assets is approximately equal to their fair value. For the purposes of the statement of cash flows, cash and cash equivalents comprise cash, bank balances, and short-term deposits, as they are an integral part of the Group’s cash management.

3- MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

K) Provisions and contingent liabilities

Provisions

Provisions are recorded when the Group has a (legal or constructive) obligation arising from a past event and there is a possibility of costs to repay the obligation that can be measured reliably.

When the Group expects to recover some or all of the provisions, such as under an insurance contract, the recoverable amount is recognized as a separate asset, but only when recovery is virtually certain. The expense associated with this provision is presented net in the consolidated statement of profit or loss and other comprehensive income, after deducting any redemption amounts.

Contingent liabilities

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

Contingent assets are not included in the financial statements but disclosed when an inflow of economic benefits is probable.

L) Equity and reserves

Share capital

Share capital represents the nominal value of shares that have been issued.

Share premium

It represents the difference between the issuance price and the nominal value of the share. This account is adjusted when new shares are issued, or when existing shares are canceled or modified, taking into account any changes in the share value or the number of shares issued. The share premium is measured at the monetary value or any other compensation received from investors upon the issuance of shares.

Statutory reserve

Under the previous Articles of Association, the Company was required to transfer 10% of net income to the statutory reserve until such reserve equals 30% of the share capital. According to the amendments made to the Regulations for Companies in the Kingdom of Saudi Arabia, it is no longer required to to maintain a statutory reserve. Accordingly, the Shareholders decided in the Extraordinary General Assembly held on 8 May 2024, to amend the Company's Articles of Association. According to the decision, the statutory reserve of SR 27,628,988 was transferred to retained earnings.

Under the amended Articles of Association, the General Assembly of Shareholders, when determining the shareholders' share of profits, has the right to decide to form new reserves to the extent that serves the Company's interests or ensures the maximum possible distribution of profits to shareholders.

Other reserve

Represents the remeasurement reserve for Employee defined benefits liabilities (3 - M).

3- MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

L) Equity and reserves

Dividends

The Group recognizes a liability to make dividend distributions to shareholders of the Group when the distribution is authorized and the distribution is no longer at the discretion of the management. A distribution is authorized when it is approved by shareholders, and the corresponding amount is recorded directly in equity.

M) Employee defined benefits liability

The liabilities listed in the consolidated statement of financial position related to the employee defined benefit program are measured at the present value of the expected future benefit payments as of the financial statements date, using the expected credit unit method, and are recognized as non-current liabilities. The defined benefit liability is calculated at the end of each reporting period by an independent actuary, using the expected credit unit method. The actuarial valuation takes into consideration the provisions of the Saudi Labor Law and the Group’s policy. The present value of the defined benefit liability is determined by discounting the estimated future cash outflows using the interest rates of high-quality corporate bonds denominated in the currency in which the benefits will be paid, and that have terms approximating those of the related liabilities (If such bonds are unavailable, market rates for government bonds are used.) The commission cost is calculated by applying the discount rate to the net balance of the defined benefit liability, and this cost is included in the statement of comprehensive income.

The costs of defined benefit liabilities are calculated using the actuarially determined retirement costs at the end of the previous financial year, adjusted for significant market fluctuations and any significant one-time events such as program modifications, workforce reductions, and settlements. In the absence of significant market fluctuations and one-off events, the actuarial liabilities are rolled forward based on the assumptions as at the beginning of the year. If there are significant changes to the assumptions or arrangements during the year, these must be considered for re-measuring the liabilities and associated costs.

Re-measurement gains and losses arising from adjustments and changes in actuarial assumptions are recognized in the year in which they occur in other comprehensive income items. Changes in the present value of defined benefit liabilities resulting from program modifications or workforce reductions are directly recognized in the statement of comprehensive income as past service costs.

Short-term employee benefits liabilities

Liabilities related to employee benefits, including wages, salaries, annual and sick leave, travel tickets, which are expected to be settled within twelve months after the end of the financial year in which employees render the related services, are recognized and measured in the financial statements at the undiscounted amounts expected to be paid when the liabilities are settled.

3- MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

N) Related parties

A related party is a person or entity associated with the Company that prepares its financial statements.
A) If the person or a member of his family is closely related to the Company whose financial statements are prepared:
- Has control or joint control over the Company preparing the financial statements;
- Has a material impact on the Company that prepares its financial statements; or
- He is a member of the senior management of the Company that prepares its financial statements.

B) If the entity is related to the Company that prepares its financial statements, in the event that any of the following conditions are met:
- The entity and the company that prepares its financial statements are members of the same company (which means that both the parent company, subsidiaries and associates have a relationship with the other).
- One of the companies is an associate or a joint venture of the other company, or an associate or a joint venture of a member of a group to which the other company belongs.
- Both companies are joint ventures of the same third party.
- One of the companies is a joint venture of a third company, and the other company is an associate of the third company.
- The Company is controlled or jointly controlled by a specific person as outlined in paragraph (a).
- The person identified in paragraph (a) has a material influence on the company or is a member of the senior management of the company (or the parent company).
- The company or any member of the company provides part of the services of senior management personnel of the company that prepares its financial statements or to the parent of the company that prepares its financial statements.

O) Zakat and taxation

Zakat

The Group sets aside a provision for Zakat in accordance with the Regulation of the Zakat, Tax, and Customs Authority (“ZATCA”) in the Kingdom of Saudi Arabia. The provision is charged to the statement of profit or loss and other comprehensive income. Any additional amounts, if any, that may be due upon the final assessment are recognized during the year in which the assessment is finalized.

Value Added Tax (VAT)

Revenue, expenses, and assets are recognized net of VAT, except in the following cases:

- If VAT is incurred on the acquisition of assets or services that are not recovered from the relevant tax authority, in this case, VAT shall be recognized as part of the cost of purchasing the asset or part of the expense item, as applicable.
- Accounts receivable and payable are presented including the VAT amount.

Net VAT that can be recovered from, or paid to, the relevant tax authority is recorded as receivables or payables in the consolidated statement of financial position.

3- MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

P) Recognition of revenue from contracts with customers

Revenue is measured at the fair value of the consideration received from cash customers or receivable from customers for goods sold, net of returns, trade discounts, and rebates granted to customers, in accordance with the five steps outlined in IFRS 15, which are:

Step (1) - Identify the contract(s) with the customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligation and sets the criteria that must be fulfilled for each contract.

Step (2) - Identify the performance obligations in the contract: A performance obligations is a promise in a contract with a customer to transfer a good or service to the customer.

Step (3) - Determining the Transaction Price: The transaction price is the amount of consideration that the Group expects to receive in exchange for transferring promised goods or services to the customer, excluding amounts collected on behalf of third parties.

Step (4) - Allocating the Transaction Price to Performance obligations: For a contract that contains more than one performance obligation, the Group will allocate the transaction price to each performance obligation based on the amount of consideration the Group expects to receive in exchange for fulfilling each performance obligation.

Step (5) - Revenue is recognized when (or whenever) the Group satisfies a performance obligation.

The Group satisfies a performance obligation and recognizes revenue when the customer obtains control of the goods at a specified point in time (i.e., when the goods are delivered and acknowledged).

The Group sells goods under specific and independent sales invoices entered into with customers. There is no financing component, as sales are made either in cash or on credit in line with market practice.

Sale of goods

For invoices entered into with customers where the sale of goods is generally expected to be the sole performance obligation by the Group, revenue from the sale is recognized at the time when control of the asset is transferred to the customer at a specified point in time, which is usually on delivery.

The Group considers the following indicators in evaluating the transfer of control over the asset towards the customer:

- The Group has an immediate right to a payment for the assets.
- The customer has legal ownership of the asset.
- The Group has transferred the actual ownership of the asset.
- The customer bears the significant risks and rewards of ownership of the asset.
- Customer acceptance of the asset.

3- MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

O) Recognition of revenue from contracts with customers (continued)

Assets and liabilities arising from the right of return

The right of return liabilities represent the group's obligation to return the consideration received, or part of it (or amounts due to be collected), that the group does not expect to be entitled to. At the end of each reporting period, the Group updates the estimates of return liabilities (and the corresponding change in transaction price).

Quantity discounts

The Group provides retroactive quantity discounts to certain customers when the quantity of goods purchased during the period exceeds a specified threshold, as stated in the contract. Discounts are deducted from amounts due from the customer. The Group applies the requirements for recognizing estimates of variable consideration and recognizes a refund liability for expected future discounts.

Q) Expenses

Selling and distribution expenses are those arising from the Group's efforts underlying the marketing, selling and distribution functions. All other expenses, excluding cost of sales and financing charges, are classified as general and administrative expenses. Allocations of common expenses between cost of sales, selling and distribution expenses, and general and administrative expenses, where applicable, are made on a consistent basis.

R) Borrowing costs

Borrowing costs directly attributable to the acquisition, creation, or production of a specific asset that necessarily takes a period of time to prepare for its intended use or sale are recognized as part of the cost of that asset. All other costs are recognized as expenses in the period in which they are incurred. Borrowing costs include interest costs and other costs incurred by the entity related to the borrowing of funds.

S) Foreign currency transactions

Foreign currency transactions are translated into Saudi Riyals using the exchange rates prevailing at the time the transactions occur. Monetary assets and liabilities in foreign currencies at the consolidated statement of financial position date are translated into Saudi Riyals using the exchange rates prevailing at the reporting date. Gains or losses from exchange rate differences are recognized as expenses or revenue in the statement of profit or loss and other comprehensive income. Non-monetary items in foreign currencies measured at fair value are re-translated using the exchange rates prevailing at the date the fair value was determined. Non-monetary foreign currency assets and liabilities measured at fair value are translated into Saudi Riyals using the foreign exchange rates prevailing at the transaction date. For non-monetary assets where changes in fair value are directly recognized in other comprehensive income, foreign exchange differences are recognized directly in other comprehensive income. For non-monetary assets where changes in fair value are directly recognized in profit or loss, all foreign exchange differences are recognized in profit or loss.

(Saudi Riyals)

3- MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

T) Earnings per share

Basic earnings per share

If no potential ordinary shares are issued by the Group, the basic earnings per share is equal to the diluted earnings per share. Basic earnings per share is calculated by dividing the profit attributable to the Group's shareholders by the weighted average number of outstanding ordinary shares during the financial year.

Diluted earnings per share

Diluted earnings per share is calculated by adjusting the figures used in determining basic earnings per share to reflect the weighted average number of additional ordinary shares that would be outstanding if all potential ordinary shares were converted into outstanding shares.

4- NEW STANDARDS, INTERPRETATIONS AND AMENDEMENTS

4-1 New standards, interpretations, and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the International Accounting Standards Board ("IASB") that are effective in future accounting periods that the Group has decided not to adopt early.

IFRS	Summary	Effective date
IAS 21	Amendment – Lack of Exchangeability	1 January 2025
IFRS 9 and IFRS 7	Amendments regarding the classification and measurement of financial instruments	1 January 2026
Annual improvements to IFRS Accounting Standards	Amendments/Annual improvements in IFRS 1, IFRS 7, IFRS 9, IFRS 10, and IAS 7	1 January 2026
IFRS 18	Presentation and Disclosures in Financial Statements	1 January 2027
IFRS 19	Disclosures – Subsidiaries without Public Accountability	1 January 2027

The Group is currently assessing the impact of these new accounting standards and amendments. The Group does not expect that any standard issued by IASB that are yet to be effective, to have a material impact on the Group's financial statements. The following are the new standards, interpretations, and amendments to standards that are effective in the current year but have no impact on these financial statements.

IFRS	Summary	Effective date
IFRS 16	Amendment – Lease Liability in a Sale and Leaseback	1 January 2024
IAS 1	Classification of Liabilities as Current or Non-Current	1 January 2024
IAS 1	Amendment – Non-current Liabilities with Covenants	1 January 2024
IAS 7 and IFRS 7	Amendment – Supplier Finance Arrangements	1 January 2024

4- MATERIAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the consolidated financial statements requires management to make judgments and estimates that affect the reported amounts of revenue, expenses, assets, liabilities, and the disclosure of contingent liabilities as of the reporting date. The uncertainty about these assumptions and estimates may lead to significant adjustments to the carrying amount of assets or liabilities that may be affected in future periods.

Estimates

The following are the main assumptions related to the future and other sources of uncertainty in estimates at the reporting date that involve significant risks and may result in material adjustments to the carrying amounts of assets and liabilities in the next financial year. The Group's estimates and assumptions are based on the information available when preparing the consolidated financial statements. However, existing circumstances and assumptions about foreseeable developments may change due to changes in the market or circumstances beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

The Group applied the following judgments that materially affect the determination of the amount and timing of revenue from contracts with customers:

- Identify the performance obligations in a sale of goods transaction.
- Determining the timing of revenue recognition

Impairment of non-derivative financial assets

The Group recognizes impairment losses on financial assets under the expected credit loss model for financial assets measured at amortized cost, such as trade receivables. The Group evaluates future credit losses based on the expected credit loss model for financial assets carried at amortized cost. For trade receivables, the Group applies the simplified approach, which requires recognizing lifetime expected credit losses on trade receivables from the date of initial recognition. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Expected loss rates were calculated based on the Group's historical information and adjusted to reflect the expected future outcome, which also includes forward-looking information for macroeconomic factors such as inflation and GDP growth rates. Other financial assets, such as employee receivables and bank balances, have low credit risk, and applying the expected credit loss model is considered immaterial.

Impairment of inventories

Inventories are stated at the lower of cost or net realizable value. When inventory becomes obsolete or damaged, its recoverable value is estimated. For significant inventory items, the estimate is made individually. For items of inventory that are not individually significant but are obsolete or damaged, the estimate is made on an aggregate basis. A provision is made based on the type of inventory and its degree of obsolescence or damage, reflecting the net realizable value, which represents the expected sale price less estimated costs to complete the sale.

5- MATERIAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

Estimates (continued)

Employee defined benefit programs

The cost of defined benefit pension plans, post-employment medical benefits, and the present value of pension liabilities are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include determining the discount rate, future salary increases, mortality rates, and future pension increases. Due to the complexity of the valuation, the underlying assumptions and their long-term nature make the defined benefits liabilities highly sensitive to changes in these assumptions. Assumptions are reviewed at each consolidated financial statements date.

The assumption most subject to change is the discount rate. In determining an appropriate discount rate, management considers corporate bond rates in currencies that match the post-employment benefit obligation, with a minimum rating of "AA" or higher, as determined by a globally recognized rating agency. These rates are extrapolated as necessary using a yield curve that matches the expected duration of the defined benefit liability. The underlying bonds are also reviewed more broadly for quality. Bonds with excessive credit expansion are excluded from the analysis of bonds used for determining the discount rate, as they do not represent high-quality bonds. The mortality rate is based on officially available mortality tables for the relevant countries. These tables are updated periodically in line with demographic changes. Future salary increases and pension increments are based on future inflation rates for the relevant countries.

Useful lives of property, plant, and equipment

Management determines the estimated useful lives of property, plant, and equipment for depreciation purposes. These estimates are made after considering the expected use of the assets or natural wear and tear. Management reviews the residual value and useful lives on an annual basis, and future depreciation expense is adjusted if management believes that the useful lives differ from previous estimates.

Intangible assets

Costs with future long-term benefits are classified as intangible assets and amortized over the estimated period of benefit. The carrying amount of intangible assets is reviewed when events or changes in circumstances indicate that the carrying amount may not be recoverable. If such indication exists and the carrying amount exceeds the estimated recoverable amount, the assets are written down to their recoverable amount, which represents their present value. Any increase in the carrying amount above the estimated recoverable amount is recognized in the consolidated statement of profit or loss and other comprehensive income.

Impairment of non-financial assets

Impairment occurs when the carrying amount of an asset or cash generation unit exceeds the recoverable value, which is higher than fair value less costs to sell or its value in use. Fair value, less costs to sell, is based on data available from binding sale transactions in a long-term transaction for similar assets or observable market prices, less additional costs to dispose of the asset. The value in use calculation is based on discounted cash flow model (DCF).

5- MATERIAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

Estimates (continued)

Impairment of non-financial assets (continued)

Cash flows are derived from the estimated balance sheet for the following five years and do not include restructuring activities to which the Group has not yet committed. It also excludes future material investments that would enhance the performance of the asset for the cash-generating unit being tested. The recoverable amount is based on the discount rate used in the discounted cash flow model as well as on the expected future cash flows and growth rate used for estimation purposes.

Judgements

Satisfaction of performance obligations

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognizing revenue. The Group has assessed that based on the sale and purchase agreements entered into with customers and the provisions of relevant laws and regulations, the Group's contracts with customers for the sale of finished goods generally include one performance obligation. The Group has concluded that revenue from the sale of finished goods should be recognized at the point in time when control of the asset is transferred to the customer, generally when the finished goods are delivered. Therefore, the application of IFRS 15 did not affect the timing of revenue recognition.

The Swap agreement

Management has analyzed the requirements of hedge accounting qualification criteria and identified that the swap may be designated as an eligible hedging instrument. But based on the contract, the Group does not have any qualifying hedging instruments, as it does not include an economic relationship that could create, for example, a qualifying hedging instrument for a variable-price asset.

Given that the hedge accounting cannot be achieved, an accounting analysis has been prepared for the recognition of the Swap in the financial statements as per IFRS 9. The accounting analysis prepared by management concluded that the Swap agreement is stated within the definition of derivative as:

•its value changes in response to the changes in the specified interest rate.

•it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

•it will be settled at a future date as per periodic maturity dates.

Unless the derivative is a financial guarantee contract or a designated and effective hedging instrument, derivatives are deemed to be a held for trading instrument and are measured at fair value through profit or loss. Additionally at initial recognition, the Group shall measure a financial asset or financial liability at its fair value.

(Saudi Riyals)

6- ACQUISITION OF SUBSIDIARY

On 31 December 2023, Lime Mining Factory Company (formerly Astra Mining Company Limited) ("Astra Mining") was 77.3% owned by Astra Industrial Group and 22.7% owned by Tharwat Mining Company. On 21 February 2024, Astra Industrial Group and Tharwat Mining Company signed an agreement with Saudi Lime Industries Company (“the Company”) to fully exit its investment in Astra Mining at a transaction price of SAR 35 million in exchange for a 100% share of the equity, in addition to settling settlement of an outstanding financial liability of the subsidiary, amounting to SAR 129.55 million as part of the agreement. The transaction was subject to the completion of certain conditions by the Company, and these conditions were met on 19 May 2024. Accordingly, control was transferred to the Company on this date, therefore, its financial statements have been consolidated within these consolidated financial statements.

The revenue of Lime Mining Factory Company (formerly Astra Mining Company Limited) amounted to SAR 53 million, with a net profit of SAR 4.2 million for the period from 1 January 2024 to 31 December 2024. Since the acquisition date was 19 May 2024, the Parent Company’s management consolidated the business only for the period from the acquisition date to 31 December 2024. This resulted in an increase in the Parent Company’s revenue by SAR 36 million and an increase in net profit by SAR 8.4 million. The table below summarizes the transferred consideration, acquired assets, and assumed liabilities at the acquisition date:

	Net assets at the carrying amount on the acquisition date	**Fair value difference**	**Net assets at fair value**
Assets			
Property, plant, and equipment	**110,257,601**	**32,156,841**	**142,414,442**
Right-of-use assets	**1,093,546**	**(283,546)**	**810,000**
Right to operate mines	**-**	**12,200,000**	**12,200,000**
Inventories	**3,981,957**	**-**	**3,981,957**
Trade receivables	**8,147,125**	**-**	**8,147,125**
Due from a related party	**118,115**	**-**	**118,115**
Prepayments and other receivables	**2,033,840**	**-**	**2,033,840**
Cash and cash equivalents	**71,611**	**-**	**71,611**
Total assets	**125,703,795**	**44,073,295**	**169,777,090**
Liabilities			
Employee defined benefits liabilities	**2,194,724**	**-**	**2,194,724**
Lease liabilities	**1,103,392**	**-**	**1,103,392**
Trade payables	**5,456,299**	**-**	**5,456,299**
Accrued expenses and other payables	**5,036,490**	**-**	**5,036,490**
Total liabilities	**13,790,905**	**-**	**13,790,905**
Net carrying amount of identifiable assets at the acquisition date*	**111,912,890**		**155,986,185**
Acquisition result			
Consideration transferred - cash (A)	**35,000,000**	**-**	**35,000,000**
Settlement of the transferred liability – cash (A)	**129,550,000**	**-**	**129,550,000**
Net carrying amount of identifiable assets *	**(111,912,890)**	**44,073,295**	**(155,986,185)**
Goodwill (B)	**52,637,110**	**44,073,295**	**8,563,815**

6- ACQUISITION OF SUBSIDIARY (CONTINUED)

(A) Transferred consideration:

The total transferred consideration amounted to SAR 164,550,000, consisting of SAR 35 million in cash, along with the Parent Company assuming the settlement of an outstanding financial liability of the subsidiary, amounting to SAR 129.55 million as part of the agreement. This liability represents a loan due by the subsidiary prior to the acquisition, which was fully settled by the Parent Company via certified checks issued to the bank. Management recognized the acquisition on a business combination basis after a certified advisor conducted a purchase price allocation assessment in accordance with IFRS 3.

(B) Goodwill:

The goodwill resulting from the acquisition of Lime Mining Factory Company (formerly Astra Mining Company Limited) was allocated as a cash-generating unit.
Goodwill arising from the acquisition of the subsidiary is attributable to the expected profitability from distributing the Group's products in new markets and the expected future operational synergies and efficiencies resulting from combining the two companies. The subsidiary contributed SAR 26 million in the Group’s revenue and SAR 8.4 million in the Group’s profit for the period from the acquisition date to the end of the reporting date. If the acquisition of the subsidiary had been completed on 1 January 2024, the total revenue would have amounted to SAR 53 million.

(Saudi Riyals)

7- PROPERTY, PLANT, AND EQUIPMENT

	Lands	Buildings and construction	Machinery and equipment	Electric devices	Strategic spare parts	Other (motor vehicles – tools and equipment – furniture and fixtures)	Capital work-in-progress	Total
Cost								
1 January 2024	**30,289,061**	**261,673,062**	**177,682,141**	**5,914,188**	**4,604,738**	**14,734,431**	**8,449,935**	**503,347,556**
Additions as a result of the acquisition (Note 6)	**-**	**30,027,783**	**142,988,596**	**-**	**-**	**7,501,103**	**1,287,555**	**181,805,037**
Additions	**-**	**7,669**	**8,448**	**125,549**	**467,248**	**97,586**	**8,709,752**	**9,416,252**
Reclassification	**-**	**(148,831,943)**	**148,831,943**	**-**	**-**	**-**	**-**	**-**
Transfers	**-**	**278,054**	**7,783,612**	**1,436,992**	**-**	**(404,637)**	**(9,094,021)**	**-**
Transfers from intangible assets	**-**	**-**	**-**	**-**	**-**	**-**	**13,393**	**13,393**
Transfers to spare parts	**-**	**-**	**-**	**-**	**(486,047)**	**-**	**486,047**	**-**
Disposals	**-**	**(44,018)**	**(2,198,181)**	**(3,281,601)**	**-**	**(4,639,681)**	**(357,727)**	**(10,521,208)**
31 December 2024	**30,289,061**	**143,110,607**	**475,096,559**	**4,195,128**	**4,585,939**	**17,288,802**	**9,494,934**	**684,061,030**
Accumulated depreciation								
1 January 2024	**-**	**149,923,431**	**145,911,691**	**3,568,496**	**462,556**	**10,790,346**	**-**	**310,656,520**
Reclassification	-	**(91,970,842)**	**91,970,842**	**-**	**-**	**-**	**-**	**-**
Additions as a result of the acquisition (Note 6)	**-**	**5,100,566**	**29,862,206**	**-**	**-**	**4,427,823**	**-**	**39,390,595**
Depreciation for the year	**-**	**7,203,854**	**6,769,507**	**765,275**	**458,089**	**815,255**	**-**	**16,011,980**
Disposals	**-**	**(367)**	**(2,134,094)**	**(3,185,979)**	**-**	**(4,485,692)**	**-**	**(9,806,132)**
31 December 2024	**-**	**70,256,642**	**272,380,152**	**1,147,792**	**920,645**	**11,547,732**	**-**	**356,252,963**
Net book value								
As at 31 December 2024	**30,289,061**	**72,853,965**	**202,716,407**	**3,047,336**	**3,665,294**	**5,741,070**	**9,494,934**	**327,808,067**
As at 31 December 2023	30,289,061	111,749,631	31,770,450	2,345,692	4,142,182	3,944,085	8,449,935	192,691,036

(Saudi Riyals)

7- PROPERTY, PLANT, AND EQUIPMENT (CONTINUED)

	Lands	Buildings and construction	Machinery and equipment	Electric devices	Strategic spare parts	Other (motor vehicles – tools and equipment – furniture and fixtures)	Capital work-in-progress	Total
Cost								
1 January 2023	30,289,061	249,453,018	174,587,757	-	5,552,376	17,012,289	15,048,575	491,943,076
Transfers	-	(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
Transfers from projects under 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)
31 December 2023	30,289,061	261,673,062	177,682,141	5,914,188	4,604,738	14,734,431	8,449,935	503,347,556
Accumulated depreciation								
1 January 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 for the year	-	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)
31 December 2023	-	149,923,431	145,911,691	3,568,496	462,556	10,790,346	-	310,656,520
Net book value								
As at 31 December 2023	30,289,061	111,749,631	31,770,450	2,345,692	4,142,182	3,944,085	8,449,935	192,691,036
As at 31 December 2022	30,289,061	109,432,120	32,240,695	-	5,307,829	3,030,772	15,048,575	195,349,052

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7- PROPERTY, PLANT, AND EQUIPMENT (CONTINUED)

The depreciation charge was distributed over the year as follows:

	Note	2024	2023
Cost of revenue	24	**14,831,631**	14,615,059
Selling and distribution expenses	25	**39,191**	12,965
General and administrative expenses	26	**1,141,158**	552,042
		16,011,980	15,180,066

8- INTANGIBLE ASSETS

	Projects under progress	Software	Goodwill	Right to operate mines	Total
Cost					
Balance at 1 December 2023	-	-	-	-	-
Transferred from property, plant and equipment	1,830,268	445,116	-	-	2,275,384
Additions	2,705,641	463,174	-	-	3,168,815
Transfers	(4,003,513)	4,003,513	-	-	-
Balance at 31 December 2023	532,396	4,911,803	-	-	5,444,199
Additions as a result of acquisition (Note 6)	**-**	**-**	**8,563,815**	**12,200,000**	**20,763,815**
Additions	**253,827**	**-**	**-**	**-**	**253,827**
Disposals		**(43,450)**	**-**	**-**	**(43,450)**
Transfers	**(645,176)**	**645,176**	**-**	**-**	**-**
Transferred to property, plant and equipment	**(13,393)**	**-**	**-**	**-**	**(13,393)**
Balance at 31 December 2024	**127,654**	**5,513,529**	**8,563,815**	**12,200,000**	**26,404,998**
Accumulated amortization					
Transferred from property, plant and equipment	-	325,968	-	-	325,968
Amortization for the year	-	57,426	-	-	57,426
Balance at 31 December 2023	-	383,394	-	-	383,394
Disposals	**-**	**(43,444)**	**-**	**-**	**(43,444)**
Amortization for the year	**-**	**489,005**	**-**	**323,038**	**812,043**
Balance at 31 December 2024	**-**	**828,955**	**-**	**323,038**	**1,151,993**
Net book value					
As at 31 December 2024	**127,654**	**4,684,574**	**8,563,815**	**11,876,962**	**25,253,005**
As at 31 December 2023	532,396	4,528,409	-	-	5,060,805

(Saudi Riyals)

8- INTANGIBLE ASSETS

The depreciation charge was distributed over the year as follows:

	Note	2024	2023
Cost of revenue	24	**325,517**	-
General and administrative expenses	26	**486,526**	57,426
		812,043	57,426

9- RIGHT OF USE ASSETS AND LEASE LIABILITIES

9.1 Right-of-use assets

	2024	2023
Cost		
Balance at 1 January	**4,517,283**	4,872,280
Additions during the year	**868,012**	159,855
Additions as a result of the acquisition (Note 6)	**1,613,691**	-
Adjustments	**-**	31,708
Disposals	**-**	(546,560)
Balance at 31 December	**6,998,986**	4,517,283
Accumulated depreciation		
Balance at 1 January	**2,193,288**	2,341,352
Depreciation for the year (Note 24)	**521,140**	398,496
Additions as a result of the acquisition (Note 6)	**803,691**	-
Disposals	**-**	(546,560)
Balance at 31 December	**3,518,119**	2,193,288
Net book value	**3,480,867**	2,323,995

9.2 Lease liabilities

	2024	2023
Balance at 1 January	**2,090,330**	2,372,358
Additions during the year	**868,012**	159,856
Adjustments	**140,571**	31,708
Additions as a result of the acquisition (Note 6)	**1,103,392**	-
Payments made during the year	**(848,268)**	(572,460)
Finance expenses (Note 27)	**132,419**	98,868
Balance at 31 December	**3,486,456**	2,090,330
Current portion	**519,670**	358,205
Non-current portion	**2,966,786**	1,732,125

(Saudi Riyals)

10- INVENTORIES

	2024	2023
Finished goods	**20,372,741**	17,815,302
Raw materials	**5,522,470**	1,711,721
Work in process	**331,092**	-
Spare parts	**20,542,119**	16,318,343
	46,768,422	35,845,366
Less: Provision for obsolete and slow-moving inventories	**(4,564,934)**	(2,629,165)
	42,203,488	33,216,201

The movement in provision for obsolete and slow-moving inventories for the year ended is as follows:

	2024	2023
Balance at 1 January	**2,629,165**	1,421,803
Charge for the year (Note 24)	**1,935,769**	1,207,362
Balance at 31 December	**4,564,934**	2,629,165

11- TRADE RECEIVABLES

	2024	2023
Trade receivables	**67,985,125**	47,229,815
Expected credit losses	**(4,897,439)**	(5,941,310)
	63,087,686	41,288,505

The movement in the Provision for expected credit losses for the year ended is as follows:

	2024	2023
Balance at 1 January	**5,941,310**	3,743,184
Addition as a result of the acquisition (Note 6)	**660,293**	-
Reversal /(Provision) during the year	**(1,704,164)**	2,198,126
Balance at 31 December	**4,897,439**	5,941,310

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

	Past-due balances				
	1 to 90 days	91 to 180 days	181 to 365 days	Over 365 days	Total
2024	**55,754,947**	**4,986,145**	**2,030,152**	**5,213,881**	**67,985,125**
2023	35,147,468	3,230,231	3,199,580	5,652,536	47,229,815

The trade receivable balance above includes a government client amounted on SR 15 million as of 31 December 2024 (SR 7.4 million as of 31 December 2023).

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12- PREPAID EXPENSES AND OTHER RECEIVABLES

	2024	2023
Advances to suppliers	**6,300,282**	5,074,898
Prepaid expenses	**2,863,667**	1,489,927
Accrued revenue	**1,378,192**	-
Value added tax (VAT)	**1,574,383**	-
Employee receivables	**276,148**	344,218
Letters of guarantee	**252,457**	252,457
Refundable security deposit	**26,570**	26,570
Others	**938,058**	300,068
	13,609,757	7,488,138

13- CASH AND CASH EQUIVALENTS

	2024	2023
Cash at banks	**9,020,875**	1,672,382
Short term deposits (maturity of three months or less)	**8,000,000**	40,021,500
Cash on hand	**-**	255,988
	17,020,875	41,949,870

14- SHARE CAPITAL

The Parent Company's share capital consists of 22 million shares as at 31 December 2024, each with a value of SAR 10 (31 December 2023: 22 million share).

On 30 Dhu al-Qa’dah, 1443 corresponding to 29 June 2022, the General Assembly of Shareholders approved an increase in the Company’s share capital from SAR 200 million to SAR 220 million by issuing 2 million shares and offering them in an initial public offering (IPO). The offering of 2 million shares, with a nominal amount of SR 10 per share, was completed on 27 April 2023. The offering proceeds amounted to SR 34 million, at SR 17 per share. The issuance costs of the new shares amounted to SAR 4,805,663, which were deducted from the share premium account, thus the share premium totaled SAR 9,194,337.

15- STATUTORY RESERVE

Under the previous Articles of Association, the Company was required to transfer 10% of net income to the statutory reserve until such reserve equals 30% of the share capital. According to the amendments made to the Regulations for Companies in the Kingdom of Saudi Arabia, it is no longer required to maintain a statutory reserve. Accordingly, the Shareholders decided in the Extraordinary General Assembly held on 8 May 2024, to amend the Company’s Articles of Association. According to the decision, the statutory reserve of SR 27,628,988 was transferred to retained earnings.

Under the amended Articles of Association, the General Assembly of Shareholders, when determining the shareholders’ share of profits, has the right to decide to form new reserves to the extent that serves the Company’s interests or ensures the maximum possible distribution of profits to shareholders.

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16- EMPLOYEE DEFINED BENEFITS LIABILITIES

	2024	2023
Balance at 1 January	**9,397,387**	**8,172,040**
Addition as a result of the acquisition (Note 6)	**2,194,724**	**-**
Current service costs	**1,162,785**	**1,315,302**
Interest cost	**570,234**	**384,086**
Re-measurement charged to other comprehensive income	**(199,008)**	**470,883**
Payments made during the year	**(3,232,108)**	**(944,924)**
	9,894,014	**9,397,387**
Advances to employees	**(604,327)**	**(763,676)**
Balance at 31 December	**9,289,687**	**8,633,711**

Significant actuarial assumptions

	2024	2023
Discount rate used	**5,83%**	5,03%
Salary increase rate	**2%**	3%

The sensitivity analysis of the significant actuarial assumptions is as follows:

	2024	2023
Discount rate 0.5%(-/+)		
Increase	8,819,052	8,165,432
Decrease	9,793,285	9,135,762
Expected salary change rate 0.5% (+/-)		
Increase	9,741,115	9,148,605
Decrease	8,863,791	8,149,722

17- LONG-TERM LOANS

In 2024, the Group entered into Sharia-compliant term loan credit facility agreements with local banks for the purpose of financing acquisition activities and operating expenses, amounting to SAR 162 million. The utilized portion of the facility was SAR 135 million, fully secured by promissory notes. The facility agreements have an 18-month grace period, an interest margin plus SAIBOR, and semi-annual repayment installments over a period of five years following the grace period. Below is a statement of the utilized facilities:

	2024	2023
Long term loans - current portion	**2,000,000**	2,300,000
Long term loans - non-current portion	**130,000,000**	-
	132,000,000	2,300,000

The movement in loans during the year was as follows:

	2024	2023
Balance at the beginning of the year	**2,300,000**	14,610,700
Proceeds during the year	**135,000,000**	-
Payments made during the year	**(5,300,000)**	(12,310,700)
Balance at the end of the year	**132,000,000**	2,300,000

18- DERIVATIVE FINANCIAL INSTRUMENTS

During the year ended 31 December 2024, the Group entered into an interest rate swap agreement with a local bank, where the Group pays a fixed interest rate of 5.35% and receives a variable interest rate based on the 6-month SAIBOR rate.

This financial instrument is classified as a derivative financial instrument under IFRS. It is measured at fair value in the consolidated financial statements, with changes in fair value recognized in the consolidated statement of profit or loss and other comprehensive income, unless it is part of a designated hedging relationship in accordance with IFRS 9. Under the framework of the fair value measurement requirements (IFRS 13), this financial derivative is classified within Level 2 of the fair value hierarchy, where it is measured using pricing models based on observable market data, such as SAIBOR rates (Note 31).
The following table represents the nominal amount and fair value as at 31 December 2023 and 31 December 2024:

	Nominal amount (SAR)	Fair value (USD)	Fair value (Saudi Riyals)
2024	65000,000	206,435	774,131
2023	-	-	-

19- TRANSACTIONS WITH RELATED PARTIES

Related parties include shareholders, key management personnel, board members, and entities directly or indirectly controlled or significantly influenced by these parties. The Group engages in various transactions with related parties during its normal course of business, in accordance with prevailing commercial terms.

A. Amounts due to related parties

The balances due to related parties as at 31 December are as follows:

	Nature of relationship	**Nature of transaction**	**Amount of transaction**		Balance as at 31 December	
			2024	2023	**2024**	2023
Saudi Insulated Bricks Company (*)	**Associate**	**Expenses on behalf**	**(288,883)**	(3,353,295)	**66,620**	355,503
		Collections on behalf	**-**	8,457,341		
		Payments	**-**	(23,504,903)		
					66,620	355,503

(*) The Group held a 50% interest in the capital of associate company "Saudi Insulated Bricks Company", and the liquidation process was completed during the year ended 31 December 2023. There was no material difference between the liquidation proceeds and the carrying amount of the investment as of 31 December 2023. The Group’s share in the results of the associate company for the year ended 31 December 2023 was a loss of SAR 172,871, which was recognized in the consolidated statement of profit or loss and other comprehensive income.

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19- TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

B. Allowances and remunerations for board of directors, committees, and key executives' members.

The Group's senior management consists of key personnel, executives, and board members who have the authority and responsibility for planning, directing, and overseeing the activities of the Group. The total salaries and remunerations for senior management and key executives were as follows:

	2024	2023
Short term benefits	**5,849,475**	3,850,784
Attendance allowances and remunerations for board of directors and committees (Note 26)	**2,702,490**	1,828,149
Employee defined benefits liability	**641,883**	779,256
	9,193,848	6,458,189

20- ACCRUED EXPENSES AND OTHER PAYABLES

	2024	2023
Accrued employee benefits	**5,655,623**	4,247,639
Advances from customers	**1,998,092**	1,977,362
Accrued taxes	**4,326,083**	1,676,832
Remuneration of members of the board of directors and committees	**1,850,000**	1,574,543
Accrued expenses	**4,336,703**	437,355
Accrued loan interest	**1,494,406**	20,082
Provision for contingent liabilities	**-**	611,952
	19,660,907	10,545,765

21- ZAKAT PROVISION

The movement in the zakat provision for the year ended 31 December is as follows:

	2024	2023
Balance at 1 January	**2,180,668**	1,503,418
Provision during the year	**2,012,791**	2,151,218
Payments made during the year	**(1,997,811)**	(1,473,968)
Balance at 31 December	**2,195,648**	2,180,668

(Saudi Riyals)

21- ZAKAT PROVISION (CONTINUED)

Zakat and tax status:

Parent Company

The Company has submitted the Zakat returns for all prior years up to the year ended 31 December 2023. A Zakat certificate was obtained valid until 30 April 2025.

The inspection for the years up to the year ended 31 December 2023, has been completed, and all Zakat assessments conducted by the Zakat, Tax, and Customs Authority ("ZATCA") have been approved. There are no liabilities outstanding for the Company regarding those years.

In 2024, the Company submitted all VAT returns.

Subsidiary

The company submitted Zakat returns up to the year ended 31 December 2023, and accordingly, the company paid the Zakat due and obtained a Zakat certificate valid until 30 April 2025.

In 2024, the company submitted all VAT returns.

No correspondence or claims have been issued by ZATCA, and there are no ongoing inspections of the company.

22- SEGMENT INFORMATION

The segment is a distinct and separate part of the Group engaged in business activities that result in the generation of revenue or incurrence of expenses. Operating segments are disclosed based on internal reports that are reviewed by the chief operating decision maker, who is responsible for allocating resources, assessing performance, and making strategic decisions regarding operating segments. Operating segments that exhibit similar economic characteristics and serve similar products, services, and customer categories are grouped together, where possible, as reportable segments.

Basis of segmentation

The Group has the following strategic segments, which are considered its strategic sectors. These segments offer distinct services and are managed separately due to differences in economic characteristics, such as sales growth trends, return rates, and capital investment levels, as well as different marketing strategies.

The following is a summary of operations for each sector:

Reportable segment	**Operations**
Limestone sector	Includes the production of quicklime in various sizes, hydrated lime in all types of packaging, and dolomite in various sizes.
Carbonate sector	Includes supplying various sizes through crushing and grinding processes, as well as milling and sorting for use in the glass and filtration industries.
Bricks sector	Includes the production of sand-lime blocks and facade-facing bricks for building facades made of sandstone.
Support services sector	Serves all primary sectors.

(Saudi Riyals)

22- SEGMENT INFORMATION (CONTINUED)

Due to the nature of the Group's operations and its organizational structure, it is practically impossible to allocate current assets and liabilities to the different operating segments, as all of the Group's assets are located within the Kingdom of Saudi Arabia.

Below is the information related to each reportable segment. Gross profit of the segment is used to measure performance, as management believes this information is most relevant for assessing the results of the segments concerned, which are similar to other entities operating in the same industries.

	Lime products sector	**Carbonate products sector**	**Brick products sector**	**Support services**	**Total**
2024					
Revenue	170,227,980	21,996,815	16,260,065	-	208,484,860
Cost of revenue	(118,355,188)	(19,965,549)	(11,652,823)	-	(149,973,560)
Gross profit	51,872,792	2,031,266	4,607,242	-	58,511,300
2023					
Revenue	110,530,615	25,047,615	14,398,220	-	149,976,450
Cost of revenue	(88,775,695)	(17,025,121)	(6,956,968)	-	(112,757,784)
Gross profit	21,754,920	8,022,494	7,441,252	-	37,218,666
2024					
Property, plant, and equipment	270,800,322	1,500,926	13,865,252	41,641,567	327,808,067
2023					
Property, plant, and equipment	105,298,062	1,434,568	14,719,945	71,238,461	192,691,036

23- REVENUE

The performance obligation is satisfied upon delivery of the goods and payment is generally due in advance or on demand.

	2024	2023
Domestic revenues	**182,016,436**	110,972,379
Export revenue	**26,542,387**	39,282,314
Local returns and discounts	**(25,052)**	(278,243)
Export returns and discounts	**(48,911)**	-
	208,484,860	149,976,450

(Saudi Riyals)

24- COST OF REVENUE

	2024	2023
Product transportation fees	**34,694,011**	28,102,561
Cost of raw materials and maintenance	**37,295,932**	33,127,795
Salaries, wages, and other benefits	**25,425,883**	15,762,868
Quarry expenses	**20,097,579**	8,984,360
Depreciation of property, plant, and equipment (Notes 7)	**14,831,631**	14,615,059
Energy expenses	**12,333,633**	9,114,161
Provision for obsolete and slow-moving inventory (Notes 10)	**1,935,769**	1,207,362
Depreciation of right-of-use assets (Notes 9)	**521,140**	398,496
Insurance	**386,243**	300,329
Amortization of intangible assets (Notes 8)	**325,517**	-
Other expenses	**2,126,222**	1,144,793
	149,973,560	112,757,784

25- SELLING AND DISTRIBUTION EXPENSES

	2024	2023
Salaries, wages, and other benefits	**1,412,661**	1,477,178
Advertising and marketing	**351,298**	143,179
Advertising expenses	**178,168**	109,552
Sales commissions	**134,821**	425,942
Insurance	**78,590**	6,879
Depreciation of property, plant, and equipment (Notes 7)	**39,191**	12,965
Maintenance	**3,422**	58,747
Others	**254,200**	548,305
	2,452,351	2,782,747

26- GENERAL AND ADMINISTRATIVE EXPENSES

	2024	2023
Salaries, wages, and other benefits	**18,251,337**	16,424,388
Consulting expenses	**2,950,031**	2,167,425
Attendance allowances and remunerations for board members and committees (Note 19)	**2,702,490**	1,828,149
Annual bonus for employees	**2,273,769**	1,876,425
Depreciation of property, plant (Notes 7)	**1,141,158**	552,042
Amortization of intangible assets	**486,526**	57,426
Others	**3,040,211**	3,007,921
	30,845,522	25,913,776

(Saudi Riyals)

27- FINANCE EXPENSES

	2024	2023
Loans commissions	**7,493,364**	234,427
Change in the fair value of derivative financial instruments (Note 18)	**774,131**	-
Finance expenses of employee defined benefits liabilities (Note 16)	**570,234**	384,086
Finance expenses of lease liabilities (Note 9)	**132,419**	98,868
	8,970,148	717,381

28- OTHER INCOME

	2024	2023
Time deposit commissions	**913,504**	2,035,418
Provision no longer required	**611,952**	3,720,759
Gain / (Loss) on disposal of property, plant, and equipment	**97,736**	(702,421)
Other income	**3,836,832**	1,427,475
	5,460,024	6,481,231

29- BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share attributable to shareholders of the Parent Company is calculated on the basis of the weighted average number of shares outstanding during the period. Diluted earnings per share are calculated by adjusting basic earnings per share by the weighted average number of additional ordinary shares that would have been issued upon conversion of all potentially dilutive shares into ordinary shares. The diluted earnings per share are the same as the basic earnings per share as the Group has no dilutive instruments.

	2024	**2023**
Profit for the year attributable to the shareholders of the Parent Company	**21,394,676**	9,763,778
Weighted-average number of outstanding ordinary shares	**22,000,000**	21,333,333
Basic and diluted earnings per share from the net profit for the year attributable to the shareholders of the Parent Company	**0.97**	0.46

30- RISK MANAGEMENT OBJECTIVES AND POLICIES

Risks are part of the Group's activities and are managed through an ongoing mechanism that involves identifying risks, evaluating them, and then monitoring them according to other approved restrictions and controls. The risk management process is essential to the Group's ability to generate profits, and every employee in the Group is responsible for managing risks related to their job or responsibilities.

The Board of Directors reviews and approves the following risks:

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30- RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Capital risk management

The Group manages its capital to ensure its ability to continue as a going concern. The Group's capital structure consists of net debt (loans, trade payables, and other payables less cash and cash equivalents) and equity (which consists of share capital, reserves, and retained earnings).

Capital structure as at the end of the year is as follows:

	2024	2023
Total debts	**177,928,113**	33,628,932
Less: Cash and cash equivalents	**17,020,875**	41,949,870
Net debt	**160,907,238**	(8,320,938)
Total equity	**297,345,559**	275,751,875
Debt-to-equity ratio (percentage)	**% 54**	(3%)

Liquidity risks

Liquidity risk is represented by the Group's inability to meet its obligations related to financial liabilities as they become due. Liquidity needs are monitored on a monthly basis, and management works to ensure that sufficient funds are available to meet any liabilities as they arise, including credit facility agreements to meet any future liabilities.

The following table shows a summary of the maturity dates of undiscounted financial liabilities based on contractual payment dates and market commission rates as at:

2024	**Carrying amount**	**Undiscounted cash flows**			
		Within 1 year	**1 year to 5 years**	**Over 5 years**	**Total**
Lease liabilities	**3,486,456**	**704,648**	**2,451,092**	**1,465,778**	**4,621,518**
Long-term loans	**132,000,000**	**10,628,892**	**123,535,984**	**38,345,400**	**172,510,276**
Due to a related party	**66,620**	**66,620**	**-**	**-**	**66,620**
Trade payables	**26,267,206**	**26,267,206**	**-**	**-**	**26,267,206**
Accrued expenses and other payables	**19,660,907**	**19,660,907**	**-**	**-**	**19,660,907**
Dividend payable to shareholders	**1,377,531**	**1,377,531**	**-**	**-**	**1,377,531**
Total	**182,858,720**	**58,705,804**	**125,987,076**	**39,811,178**	**224,504,058**

2023	**Carrying amount**	**Undiscounted cash flows**			
		Within 1 year	**1 year to 5 years**	**Over 5 years**	**Total**
Lease liabilities	2,090,330	429,070	1,572,530	407,720	2,409,320
Long-term loans	2,300,000	2,300,000	-	-	2,300,000
Due to a related party	355,503	355,503	-	-	355,503
Trade payables	20,783,167	20,783,167	-	-	20,783,167
Accrued expenses and other payables	10,545,765	10,545,765	-	-	10,545,765
Dividend payable to shareholders	1,377,531	1,377,531	-	-	1,377,531
Total	37,452,296	35,791,036	1,572,530	407,720	37,771,286

30- RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market prices. Market prices consist of two types of risks: Commission rate risk and currency risk.

A) Commission rate risk

Commission rate risk is the risk of fluctuation in the value of a financial instrument due to the market commission rates fluctuations. The Group is exposed to commission rate risk on its assets and liabilities that result in/pays for interest rates including term loan contracts.

In 2024, the total loans increased from SAR 2 million to SAR 132 million due to the Group securing new financing during the year to fund an acquisition. As a result, the exposure to interest rate fluctuations increased compared to the previous year, which may impact the cost of financing and the Group's net income. The Group works to reduce commission risk by monitoring changes in commission rates on its interest-bearing liabilities, and the Group also enters into swap contracts to reduce fluctuations in commission rate changes.

A 100 basis point change in commission rates on variable-rate loans denominated in Saudi Riyals at the date of preparing the consolidated financial statements would lead to an increase/(decrease) of net income for the year by the amounts set out below. The analysis below assumes that all other variables remain constant:

	2024		2023	
	+100 basis points	**-100 basis points**	+100 basis points	-100 basis points
Term loan	**(1,320,000)**	**1,320,000**	(23,000)	23,000

B) Currency risks

Currency risk is the fluctuation of the value of a financial instrument as a result of fluctuations in foreign exchange rates. The Group did not make any material transactions other than Saudi Riyal and US dollar during the year. Since the Saudi Riyal is pegged against the US Dollar, the balances in US dollars do not represent any significant currency risk. The Group manages currency risk by continuously monitoring changes in currency rates and making appropriate decisions.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group works to reduce credit risk in relation to customers by setting credit limits for each customer individually, monitoring outstanding receivables.

Regarding credit risks related to the Group's other financial instruments, including cash and cash equivalents, the Group's exposure to risk arises from the potential default of the parties it deals with. The maximum exposure is equal to the carrying amount of these instruments.

(Saudi Riyals)

30- RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (continued)

The concentration in trade receivables is represented by four customers, which make up 52% of total receivables as at 31 December 2024, and their sales represent 38% of total Group sales during the year 2024 (31 December 2023: 38% and 39%, respectively).

Impairment analysis is carried out at each financial reporting date using a provision matrix to measure expected credit losses. The calculation reflects the weighted probability, the time value of money, and enhanced information that is reasonable and available at the reporting date regarding past events, current circumstances, and future economic conditions. In general, the maximum possible exposure to credit risk as of the financial reporting date is the carrying amount of each class of financial assets.

Below is information related to the credit risks that the Group may face regarding receivables:

	Past-due balances				
	1 to 90 days	91 to 180 days	181 to 365 days	Over 365 days	Total
2024	**55,754,947**	**4,986,145**	**2,030,152**	**5,213,881**	**67,985,125**
2023	35,147,468	3,230,231	3,199,580	5,652,536	47,229,815

31- FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Accordingly, differences may arise between the carrying amounts and fair value estimates.

Financial instruments are classified as follows:

Financial assets	**2024**	2023
Cash and cash equivalents	**17,020,875**	41,949,870
Trade receivables	**63,087,686**	41,288,505
Total financial assets	**80,108,561**	83,238,375
Financial liabilities		
Lease liabilities	**3,486,456**	2,090,330
Long-term loans	**132,000,000**	2,300,000
Trade payables	**26,267,206**	20,783,167
Accrued expenses and other payables	**19,660,907**	10,545,765
Due to a related party	**66,620**	355,503
Dividend payable to shareholders	**1,377,531**	1,377,531
Derivative financial instruments	**774,131**	-
Total financial liabilities	**183,632,851**	37,452,296

Management believes that the fair value of all financial assets and liabilities that are classified at amortized cost at the date of preparation of the financial statements approximate their book value due to the short-term maturities and the possibility of liquidating them immediately.

(Saudi Riyals)

31- FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy

The Group uses the following hierarchy to determine and disclose the fair value of financial instruments based on the valuation technique:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Other valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Other valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Group holds the following financial instrument at fair value in the consolidated statement of financial position:

2024	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial liabilities at fair value:				
Derivative financial instruments unlisted in an active market	-	774,131	-	774,131
	-	774,131	-	774,131

32- CONTINGENCIES AND CONTRACTUAL COMMITMENTS

The Group has contingent liabilities and commitments in the form of letters of guarantee and letters of credit as at 31 December 2024, amounting to SAR 7,405,785, with cash collateral of SAR 252,457 (2023: SAR 3,719,091, SAR 252,457).

There are contractual capital commitments related to capital works in-progress amounting to SAR 2,424,249.

33- COMPARATIVE FIGURES

The Group's management reclassified some items in the statement of profit or loss and other comprehensive income for the comparative year to align with the current year's classification. This primarily relates to the reclassification of customer shipping costs to revenue costs instead of selling and distribution expenses, in line with the nature of these costs as part of fulfilling contractual obligations under contracts. Details of the reclassification are as follows:

Statement of profit or loss and other comprehensive income	31 December 2023 as issued	Reclassification	31 December 2023 after reclassification
Cost of revenue	**83,265,988**	**29,491,796**	**112,757,784**
Selling and distribution expenses	**30,885,308**	**(28,102,561)**	**2,782,747**
General and administrative expenses	**27,303,011**	**(1,389,235)**	**25,913,776**

34- SUBSEQUENT EVENTS

In the opinion of management, there are no other significant subsequent events after the year ended 31 December 2024 that could have a material impact on the consolidated statement of financial position or the results of operations.

35- APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved and authorized for issuance by the Group's Board of Directors on 21 Ramadan 1446 AH (corresponding to 21 March 2025 G).

3.Vote on the auditor’s report for the fiscal year ending on 31-12-2024 after discussing it.

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
SAUDI LIME INDUSTRIES COMPANY
(SAUDI JOINT STOCK COMPANY)
Riyadh - Kingdom of Saudi Arabia

Opinion

We have audited the consolidated financial statements of **Saudi Lime Industries Company (Saudi Joint Stock Company)** (the "Company") and its subsidiary (together "the Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statements of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with IFRS Accounting 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 ("ISAs") that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the requirements of International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code"), that are relevant to our audit of the consolidated financial statements and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements. 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 are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters include:

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Independent Auditor's Report on the Audit of the Consolidated Financial Statements of Saudi Lime Industries Company (Saudi Joint Stock Company) for the year ended 31 December 2024 (continued)

Key Audit Matters continued)

Revenue from Contracts with Customers	
Key audit matter	**How the matter was addressed during our audit**
The Group's net revenue for the year ended 31 December 2024, amounted to SAR 208.5 million (SAR 150 million for the year ended 31 December 2023). Management recognizes revenue in accordance with the principles of IFRS 15 Revenue from Contracts with Customers. We have considered this matter a key audit matter as revenue is a significant item in the consolidated financial statements and an indicator of performance. Additionally, professional auditing standards assume the existence of inherent risks related to revenue recognition.	We have performed the following procedures to audit the revenue from contracts with customers: • Evaluating the Group's revenue recognition policy in accordance with the requirements of IFRS 15 Revenue from Contracts with Customers. • Evaluating the design, implementation, and key control measures of the Group related to revenue recognition. • Performing analytical procedures to understand the reasons for revenue variances compared to the previous year, assess their reasonableness, and determine whether significant fluctuations require further investigation in light of our understanding of current market conditions. • Sampling of revenue transactions during the year and verifying the delivery of the related goods and acceptance notices to assess compliance with the Group's revenue recognition policy. • Sampling of sales transactions that occurred before and after the year-end to assess whether revenue was recognized in the correct accounting period. • Reviewing the disclosures included in the accompanying consolidated financial statements related to revenue from contracts with customers.
For further details, refer to Notes (3 P, 22/23).	

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Independent Auditor's Report on the Audit of the Consolidated Financial Statements of Saudi Lime Industries Company (Saudi Joint Stock Company) for the year ended 31 December 2024 (continued)

Acquisition of a Subsidiary and Purchase Price Allocation	
Key audit matter	**How the matter was addressed during our audit**
As disclosed in the related notes to the consolidated financial statements, on 19 May 2024, Saudi Lime Industries Company ("the Company") completed its acquisition of Lime Mining Factory Company (formerly Astra Mining Company Limited), after fulfilling all the agreed-upon conditions in the acquisition transaction signed on 21 February 2024. This included the purchase of 100% of the equity interest for SAR 35 million, in addition to the settlement of outstanding amounts payable by Lime Mining Factory Company amounting to SAR 129.55 million. According to IFRS 3 "Business Combinations", Management is required to identify and measure the acquired assets and liabilities assumed at their fair value on the acquisition date, a process known as purchase price allocation. The purchase price allocation process requires significant accounting estimates, particularly in determining the fair value of intangible assets, their useful lives, and the applicable discount rates, which increases the level of risk in accounting estimates. Given the significance of the accounting estimates used and their direct impact on the consolidated financial statements, the acquisition of a subsidiary and the purchase price allocation have been considered a key audit matter.	We have performed the following procedures to audit the acquisition of a subsidiary and the purchase price allocation: • Reviewing the acquisition agreement to understand the financial and legal terms of the transaction and ensuring the accounting treatment is in accordance with the requirements of IFRS 3 "Business Combinations"; • Evaluating the assumptions and models used by management in determining the fair value of the acquired assets and liabilities, including the assessment of goodwill and intangible assets; • Verifying the standards and methods used in the valuation of intangible assets and ensuring their appropriateness in accordance with best accounting practices; • Reviewing the reports issued by independent valuation experts hired by management and discussing the key assumptions used in the valuation; • Recalculating the fair values of the acquired assets and liabilities based on available data to ensure the accuracy of the accounting allocation; • Reviewing the disclosures included in the financial statements to ensure compliance with the requirements of IFRS 3 "Business Combinations" and to confirm that the information presented fairly reflects the details of the acquisition and its financial impact.
For further details, refer to Notes (3-a, 6).	

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Independent Auditor's Report on the Audit of the Consolidated Financial Statements of Saudi Lime Industries Company (Saudi Joint Stock Company) for the year ended 31 December 2024 (continued)

Other matter

The consolidated financial statements of the Company for the year ended 31 December 2023 have been audited by another auditor, who expressed an unmodified opinion on those financial statements on 26 March 2024G (corresponding to 16 Ramadan 1445H).

Other information

The other information comprises the information included in the Group's Annual Report for the financial year ended 31 December 2024, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information included in its annual report.

Our opinion on the consolidated 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 consolidated 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 consolidated financial statements or our knowledge obtained in the audit, or whether the other information otherwise appears to be materially misstated when we read the annual report. When available, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting 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 By-laws, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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Independent Auditor's Report on the Audit of the Consolidated Financial Statements of Saudi Lime Industries Company (Saudi Joint Stock Company) for the year ended 31 December 2024 (continued)

Auditor's responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

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Independent Auditor's Report on the Audit of the Consolidated Financial Statements of Saudi Lime Industries Company (Saudi Joint Stock Company) for the year ended 31 December 2024 (continued)

Auditor's responsibilities for the Audit of the Consolidated Financial Statements (continued)

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

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

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

For Dr. Mohamed Al-Amri & Co.,

Gihad Mohamed Al-Amri
Certified Public Accountant
License No. 362

Dated 26 Ramadan 1446H
Corresponding to: 26 March 2025G

4.Vote on appointing the company's external auditor from among the nominated candidates, based on the recommendation of the audit committee, to examine, review, and audit the semi-annual and annual financial statements for the fiscal year ending on 31-12-2025, and determine their fees.

External Audit Firm Quotations 2025		
Bakertilly	**BDO**	**El Sayed El Ayouty & Co.**
SR 690,000	**SR 650,000**	**SR 405,000**

5.Vote on discharging the Board members from liability for the fiscal year ending on 31-12-2024.

6.Vote on distributing a remuneration of SAR 1,400,000 to the Board members for the fiscal year ending on 31-12-2024.

7. Vote on authorizing the Board of Directors to distribute interim dividends on a semi-annual or quarterly basis for the fiscal year ending on 31/12/2025.