



الرشيد
ALRASHEED

Mohammed Hadi Al-Rashid & Partners Co.

Annual Report 2025

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



His Royal Highness Prince

Mohammed bin Salman bin Abdulaziz Al Saud

The Crown Prince and the Prime Minister



The Custodian of the Two Holy Mosques

His Majesty King Salman bin Abdulaziz Al Saud

The King of Saudi Arabia



Hamad Mohammed Hadi Al Rashid

Chairman of the Board

The key achievements of 2025 culminated in the expansion of mining licences and major partnerships, thereby cementing the company's leading position in the mining sector and helping to meet increasing demand in target markets.

The Chairman's statement.

on behalf of the members of the Board of Directors, I would like to present the Board of Directors' report for Mohammed Hadi Al-Rasheed & Partners for the financial year ending 31 December 2025, which saw a year of steady growth and development in the company's financial results, expansion of its production and operational capacities, and the continuation of its efforts to strengthen its distinguished position in the mining sector and other sectors.

Financial Performance

The company recorded a 13% increase in revenue for the year 2025, reaching SAR 347.7 million, and achieved a 5% rise in net profit, reaching SAR 85 million.

Mining Licenses and Strategic Partnerships.

Our ambitious strategy has been converted into tangible achievements on the ground, spearheaded by the issuance of a mining licence for the 'High-Grade Silica Mine' by the Ministry of Industry and Mineral Resources, followed by the construction of a new plant for the manufacture of silica powder and sand.

Financial flexibility and organisational expansion

In terms of capital structure, the key decisions included the Extraordinary General Meeting's approval of a capital increase to SAR 180 million through the issue of bonus shares.

Corporate Governance

Our Board of Directors has continued to uphold the principles of corporate governance and transparency, whilst striving to achieve best practice and adhering to the standards set by the Capital Market Authority.

Outlook for the Future

We are confident that the coming period holds promising opportunities; we are focusing on expanding production capacity, increasing market growth, and developing national talent in a way that enhances value and ensures the company's sustainability.

In conclusion, I wish to express my sincere thanks and appreciation to our valued shareholders for their continued trust, and to the executive management team and all staff for their dedicated efforts. We firmly and confidently aspire to a brighter and more distinguished future.



Badr Mohammed Hadi Al Rashid

Managing Director and Chief Executive Officer

Our operational performance in 2025 yielded a 13% increase in revenue and a 28.24% rise in assets, driven by the development of supply chains and the securing of major strategic contracts.

Managing Director and Chief Executive Officer's Statement

FY 2025 saw a deep commitment to improving operational efficiency, maximising the benefits of the mining licences secured by the company, and managing resources effectively, resulting in well-balanced financial performance and sustainable revenue growth.

Financial Performance

We achieved 13% growth in revenue to reach SAR 347.7 million pertaining to our financial performance and establishing a capital base, whilst net profit rose by 5% to reach SAR 85 million. As reflected in the growth in operating profit to SAR 90.07 million, and the 10.34% increase in earnings before consumption, depreciation, amortisation, interest, zakat and taxes (EBITDA) to SAR 108.17 million, Operational performance and supply chain development: This performance was underpinned by the continuous development of operational processes, the maximisation of the high-grade silica mine licence, and the actual commencement of the silica powder production line project to meet market expectations with products of precise specifications and high added value.

Ensuring cash flow

and diversifying operations: Underwriting a strategic supply contract for high-quality silica sand with the National Energy Services Reunited Corp. (NESR) worth over SAR 1.1 billion has been a key pillar in ensuring stable demand and cash flow. The expansion efforts were further crowned by the granting of a licence from the General Authority for Military Industries (GAMI), which contributed to a significant increase in revenue during the period, thereby supporting the diversification of income sources and strengthening business continuity.

Executive priorities for 2026

are focused on the operational launch of new production lines, the fulfilment of delivery schedules for signed contracts, and disciplined liquidity management, to ensure the maximum possible return on available operating assets.

I extend my thanks and appreciation to the Board of Directors for their continued support, to our esteemed shareholders for their trust, and to the executive management and staff for their ongoing efforts and dedication in carrying out the company's business.



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الرشيد
ALRASHEED



Al Rasheed Company is a Saudi joint stock company listed on the Saudi Parallel Market (Nomu). It began its operations in the mining and quarrying sector, focusing on the extraction of stone and sand. Since then, it has expanded its activities to include the production and supply of silica sand, the manufacture of marble and granite, and the production and sale of aggregates and asphalt concrete. The Company is also engaged in contracting and in the provision of military maintenance services.

Since its establishment in 2000, the Company has gone through a series of measured developments which, over time, have helped to secure its position within the mining sector and the industries connected to it.





01

Overview





1.1 About this report

Nature and purpose of the report

This report is a comprehensive disclosure document through which the Company reviews its performance during the financial year, including operational activities, strategic directions, financial results, as well as governance and risk management practices. It aims to enable shareholders and stakeholders to form a clear and comprehensive understanding of the Company's performance, business development and future directions, within the framework of enhancing transparency and the quality of disclosure.

The report also includes references to future plans and directions based on management's estimates at the date of preparation; these estimates may be affected by external or internal factors, which could lead to actual results differing in the future.

Scope of the Report and Reporting Period

This report covers the Company's financial and operational performance for the period from 1 January 2025 to 31 December 2025, in accordance with the Company's approved financial reporting cycle, and includes an overview of the key activities, results and developments in the Company's business during the period.

Basis of Preparation and Adopted Accounting Standards

This report has been prepared in accordance with the laws and regulations in force in the Kingdom of Saudi Arabia and is based on:

- = International Financial Reporting Standards (IFRS) as adopted in the Kingdom of Saudi Arabia.
- = Standards issued by the Saudi Organization for Chartered and Professional Accountants
- = The requirements of the Capital Market Authority relating to listed companies.
- = The policies and procedures adopted by the Company.

Regulatory framework and language of the report

This report has been prepared in accordance with the relevant regulatory disclosure requirements, including the Corporate Governance Regulations issued by the Capital Market Authority and the associated instructions and regulatory regulations.

The report has been prepared in both Arabic and English to meet the needs of various stakeholders; the Arabic version shall be the authoritative reference in the event of any discrepancy in interpretation.

1.2 Key events and developments during 2025

During 2025, the Company witnessed a series of operational, financial and regulatory developments in accordance with the official disclosures published. The following are the most significant of these events, listed in chronological order:

Establishment of a New Production Line

January 2025

The Company announced the establishment of a production line for finely processed silica powder, as part of its expansion into products linked to its core activity.

Obtaining a Specialised Industrial Licence

January 2025

The Company obtained a licence to carry out activities related to military industries from the competent authorities, within the framework of the applicable regulatory approvals.

Announcement of Annual Financial Results

March 2025

The Company announced its financial results for 2024, reporting revenue of SAR 307 million and net profit of SAR 80.7 million.

Recommendation to Distribute Cash Dividends

April 2025

The Board of Directors recommended the distribution of cash dividends for the 2024 financial year amounting to SAR 24 million, in line with the approved dividend policy.

Ordinary General Assembly Meeting

May 2025

The Ordinary General Assembly approved the agenda items, including the financial statements, the Board report, and the appointment of the external auditor.



Update to Board Committee Composition

July 2025

Changes were made to the membership of certain Board committees, in line with governance requirements and to support the organisation of committee work.

Securing Long-Term Banking Facilities

August 2025

The company obtained bank facilities worth SAR 72.39 million for a period of five years to support working capital and operating activities.

Announcement of financial results for the half-year period

August 2025

The Company announced its results for the period ended 30 June 2025, with revenue of SAR 178.6 million and net profit of SAR 46.89 million.

Recommendation to increase capital

September 2025

The Board of Directors recommended an increase in share capital through the issuance of bonus shares by capitalising a portion of retained earnings.

Signing a non-binding memorandum of understanding

October 2025

The Company signed a preliminary non-binding memorandum of understanding with a logistics entity to explore potential investment opportunities, with no immediate financial impact at this stage.

Invitation to an Extraordinary General Assembly

November 2025

An invitation was issued to convene the Extraordinary General Assembly to vote on the proposed capital increase and a number of related regulatory matters.

Approval of capital increase

December 2025

The Extraordinary General Assembly approved the increase of the Company's capital to SAR 180,000,000 through the issuance of bonus shares, bringing the total number of shares to 18,000,000.

Execution of Long-Term Supply Agreement

December 2025

The Company entered into a five-year silica sand supply agreement with a value exceeding SAR 1.1 billion. The financial impact is expected to commence in 2026.

1.3 General statistics for the year 2025

The company has seen an expansion in its operational and expansion capabilities within the silica sand business, which has been reflected in the growth of its production capacity and the strengthening of its readiness to meet demand in target markets.



production capacity
+2.0 million tons

The targeted production capacity for silica sand, compared to previous levels of approximately 1.4 million tonnes, with a phased expansion plan aiming to reach around 4.5 million tonnes by 2026.

- This expansion reflects the company's strategy to maximise the benefits of mining licences and enhance resource utilisation efficiency.
- It supports the growth in demand associated with energy projects and manufacturing industries that rely on silica sand.



Products

Launch of a new production line for high-quality silica powder

- Commencement of the construction of a production line for silica powder with a fineness of up to 10 microns, thereby enhancing product diversity and increasing added value.
- The introduction of advanced industrial products supports the company's transition from selling raw materials to higher-value products.
- This contributes to strengthening industrial integration, increasing profit margins and opening up new avenues for growth.



1.4 Financial performance for 2025

The company achieved financial performance reflecting continued growth in 2025 compared to 2024, according to the annual financial statements, as follows:

Revenue

347,698,555 Saudi Riyals

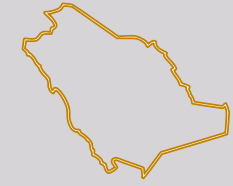
Compared to the previous year:

Revenues increased from 307,023,066 Saudi Riyals, with an increase of 40,675,489 Saudi Riyals.

Geographical distribution of revenue

Geographical distribution of revenue

Saudi Riyals 246,837,589
(70.99%)



Gulf Cooperation Council (GCC) countries

Saudi Riyals 87,362,733
(25.13%)



Other countries

Saudi Riyals 13,498,233
(3.88%)





02

strategy

2.1 Historical Overview

Since its establishment as a mining and quarrying company

The Company was originally established as a mining and quarrying business focused on the extraction of stone and sand. Its activities have since come to include the production and supply of silica sand, the manufacture of marble and granite, and the production and sale of aggregates and asphalt concrete, alongside contracting and military maintenance services.

From its beginnings in Riyadh, the Company has progressed in a gradual and orderly way, eventually becoming a listed joint stock company. Over time, it has strengthened its presence within the mining sector and the industrial activities connected to it.

Key developments

- Mohammed Hadi Al Rasheed Company was first established as a sole proprietorship under the name "Mohammed Hadi Al Rasheed Contracting Establishment", pursuant to the commercial registration issued in Riyadh on 15/05/1421H (corresponding to 15 August 2000G). It was later converted into a limited liability company on 05/07/1430H (28 June 2009G).

The Company underwent

a series of capital increases, rising from SAR 30,000 to SAR 34,500,000. These increases were carried out through cash contributions, (in-kind contributions) in the form of assets, and the capitalisation of partners' current accounts.

On 20/10/1442H

(1 June 2021G), the capital was increased to SAR 120,000,000. This was followed by the Company's conversion into a closed joint stock company on 25/01/1443H (2 September 2021G), and its registration in the joint stock companies register.

-During 2023G, the Company obtained approval to register and offer its shares on the Saudi Parallel Market (Nomu). In 2024G, its shares were listed and trading commenced.

And during the year 2025 AD

The capital was increased to (180,000,000) Saudi .Riyal through capitalization of retained earnings

2000

August 2000 - Establishment

2009

June 2009 - First Institutional Transformation

2010

October 2021 - Transformation into a closed joint-stock company

2014

AD – Beginning of strengthening the capital base 2014

2018

AD – The end of strengthening the capital base 2014

2024

May 2024 - Listing on the Parallel Market (Nomu)

2025

Expanding the capital base and enhancing operational diversification - 2025





2.2 Company activity

Key Operations Sector



Silica sand production

Includes the production and supply of silica sand, silica powder, and frac sand. Operations are carried out through Mohammed Hadi Al Rasheed Silica Powder Plant, with raw materials sourced from the Company's own quarries.

Marble and granite manufacturing

Production of high-quality marble and granite in a range of colours and sizes, carried out through Al Rasheed Marble and Granite Factory.



Key Operations Sector



gravel crushers

Production and sale of crushed stone used in ready-mix concrete and road base layers, sourced from the Company's quarry operations.

Asphalt concrete manufacturing

Conducted through the Company's dedicated plant. The product is used in road construction and paving works.



Integrated Operations Sector

Contracting and Maintenance

Covers general construction activities, including residential and non-residential buildings, roads, streets, and pavements.

Maintenance, repair, and refurbishment of commercial and military vehicles, as well as engineering equipment. The Company also provides spare parts for military equipment.



Brands

Mohammed Hadi Al-Rashid & Partners Company relies on a portfolio of registered trademarks to market its products and industrial and mining activities. These trademarks are an integral part of the company's corporate identity and support its presence in the markets where it operates. They represent a significant intangible asset, contributing to the recognition of the company's products and services and solidifying its competitive position in the mining, building materials, and energy and infrastructure supply chain sectors.

To protect its intellectual property rights related to its commercial and industrial activities, the company has registered its trademarks with the relevant authorities in the Kingdom of Saudi Arabia. This ensures the legal protection of their use and reinforces the sustainability of the company's corporate identity. This disclosure is in accordance with the principles of transparency and disclosure adopted in the board reports of listed companies.

The following table lists the company's registered trademarks and their registration details:



Registration number

H 10-03-1444

Registration date

1443034621

Country of registration

Mohammed Hadi Al-Rashid & Partners CO
A Saudi Closed Joint Stock Company

Date of commencement of protection

H 15-09-1453

Protection expiry date

H 16-09-1443

Country of registration

Kingdom of Saudi Arabia



Registration number

H 03-02-1444

Registration date

1443030512

Country of registration

Mohammed Hadi Al-Rashid & Partners CO
A Saudi Closed Joint Stock Company

Date of commencement of protection

H 15-09-1453

Protection expiry date

H 16-09-1443

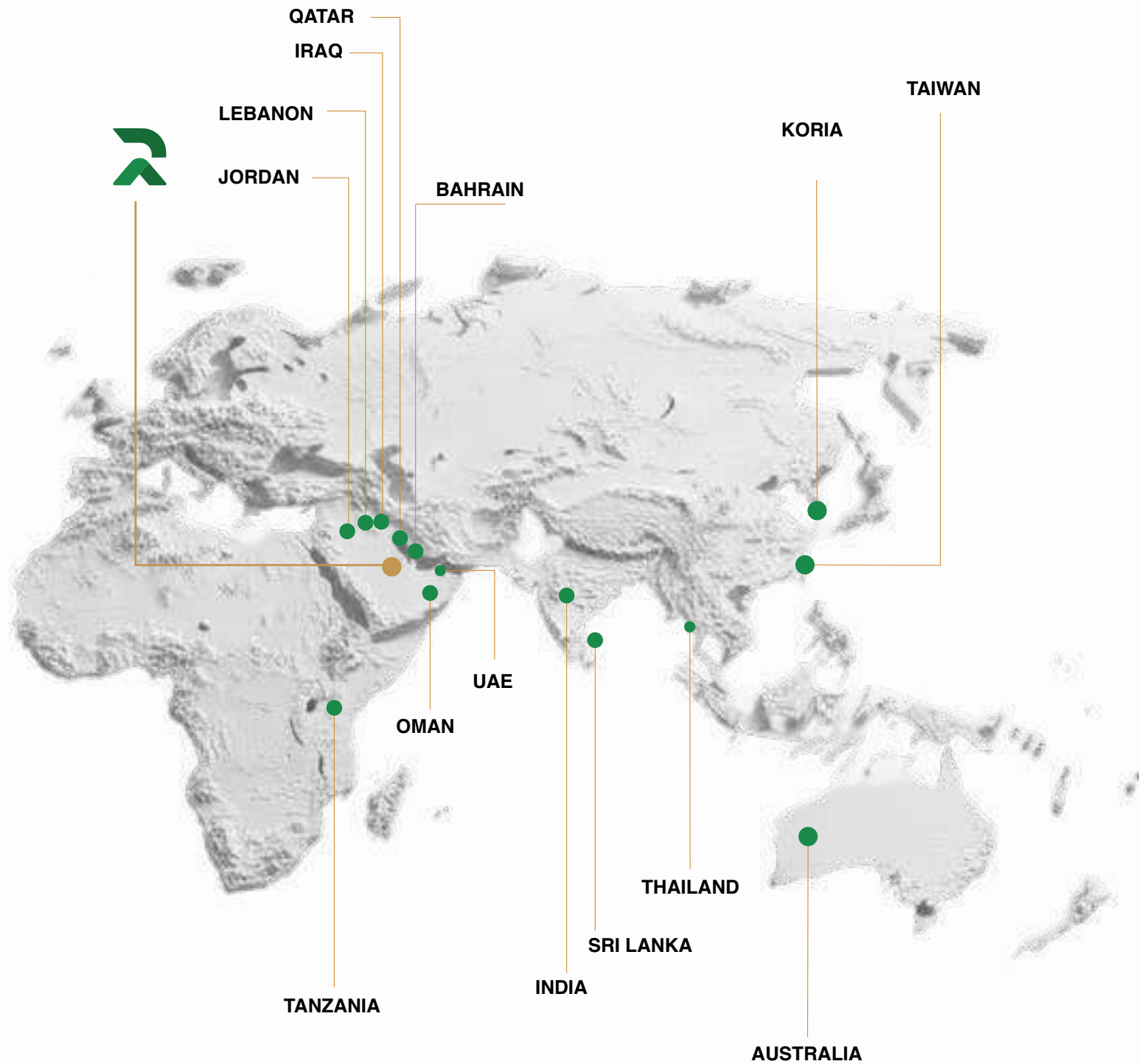
Country of registration

Kingdom of Saudi Arabia



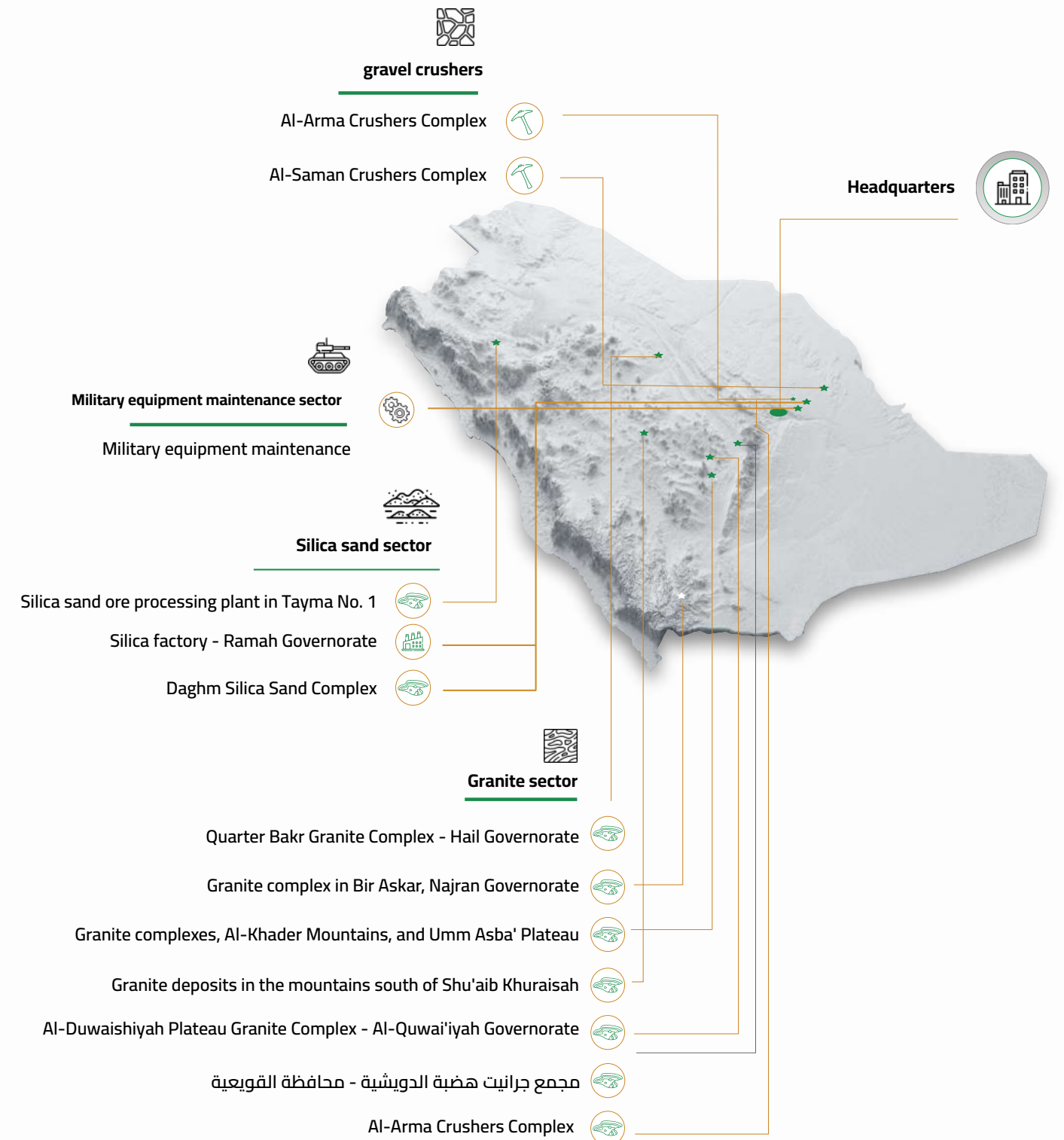
International markets

The company is expanding its exports to a number of international markets, driven by demand for high-quality metal materials



2.3 Spread

Geographical market expansion is a key factor in fostering sustainable growth by diversifying the customer base and reducing reliance on a single market. In this context, Mohammed Hadi Al-Rashid & Partners is working to develop its presence in local, regional, and international markets, leveraging the quality of its resources and the integration of its operational systems.





2.4 The company's core values

The Company's core values set the framework within which it conducts its business across **the mining sector and related industrial activities**. These include the following:

Innovation

Ongoing development in methods of execution and continuous improvement of production and operational processes.

operational flexibility

The ability to adapt to project requirements and implementation conditions.

Customer focus

Delivering work in line with contractual requirements and approved specifications.

Efficient Use of Resources

Making proper and effective use of available assets and resources.

Quality and Compliance

Adherence to technical standards and safety requirements at all stages of production.

2.5 Strategy and Its Foundations

The Company implements its strategy through the management of its activities within an integrated operating framework, built around its asset base and technical expertise. This supports business continuity and maintains operational discipline.

Strategic Pillars:

Management of Operational Assets	Integration of Activities	Organisation of Operations
Making effective use of plants, mining licences, and equipment to support continuity.	Organising the relationship between mining, manufacturing, and associated services.	Developing operating mechanisms and supply chains to maintain stable performance.

2.6 Strategic priorities

The Company's focus is directed towards a number of practical priorities, including:

Expansion of Business Scope	Product Development	Work Environment Organisation
Strengthening its presence across production and supply locations within and beyond KSA.	Introducing higher value products to support profitability and entry into new markets.	Supporting workforce stability and improving operational procedures.

2.7 Strategic Initiatives

A number of initiatives have been identified, including:

Operational Expansion	Industrial process development	Enhancement of Supply Chain Efficiency
Developing production sites and organising supply and distribution in line with client requirements.	Introducing additional processing activities to strengthen operational integration.	Updating administrative systems and procedures to support operational efficiency.



2.8 Mining licenses issued to the company

Table: Main Mining Licenses

Ministry of Industry and Mineral Resources

Licensing	Quarry site and area	The purpose of the quarry
Mining license	1446632 In the Riyadh region, Al-Kharj Governorate. The licensed area is 9.59 km ² .	High-grade silica sand
Mining license	144462 Silica sand complex in Tayma, Tabuk Region. Licence Area: 0.99 km ²	High-grade silica sand
Building materials quarry license	144179 Granite complex, Al Darawish Plateau, Al Quway'iyah Governorate, Riyadh Region. Licence Area: 0.2 km ²	Decorative stones: Granite
Building materials quarry license	14427484 Granite complex, Al Duwaishiyah Plateau, Al Quway'iyah Governorate, Riyadh Region. Licence Area: 0.2 km ²	Decorative stones: Granite
Building materials quarry license	14457564 Granite site, Bir Askar, Najran Governorate, part of the Najran Region. Licence Area: 0.25 km ²	Decorative stones: Granite
Building materials quarry license	14437682 Licence Area: Al Summan Crushers Complex, Eastern Region, Governorate: Al Ahsa, Licence Area: 1 km ²	Gravel (i.e., rock suitable for exploitation as gravel)
Building materials quarry license	1430727 Al Armah Crushers Complex, Rumah Governorate, Riyadh Region. Licence Area: 0.2 km ²	Crushed materials (gravel)
Building materials quarry license	14457563 Granite sites at Jabal South Shu'aib Khuraisah, Jabal Al Khadr, and Umm Asba Plateau. Licence Area: 0.06 km ²	Decorative stones: Granite
Building materials quarry license	1440794 Granite complex, Ri' Al Bakr, Hail Region. Licence Area: 0.235 km ²	Decorative stones: Granite
Building materials quarry license	144671 Jabal Barak Crushers Complex, Tabuk Region. Licence Area: 0.2 km ²	Gravel (i.e., rock suitable for exploitation as gravel)

2.9 Industrial, environmental, and transportation licenses

Industrial Licensing Schedule

Ministry of Industry and Mineral Resources

License number	Industrial Name
1433100190513	Mohammed Hadi Al Rasheed & Partners Company Silica Powder Plant
441110124829	Mohammed Hadi Al Rasheed Screens and Tanks Factory
421101113385	Mohammed Hadi Al-Rashid Asphalt Factory
1434100184798	Al-Rashid Marble and Granite Factory
451227873	Generators World Corporation for Operation and Maintenance

Transport licensing schedule

Public Transport Authority

Licensing	License number	Expiry date
.License to transport goods by road	Permit No. (011611000200) dated 1439/11/23 AH (corresponding to 2018/08/04 AD).	13/11/1448 AH (corresponding to 20/04/2027 AD)

Table: Current Environmental Permits

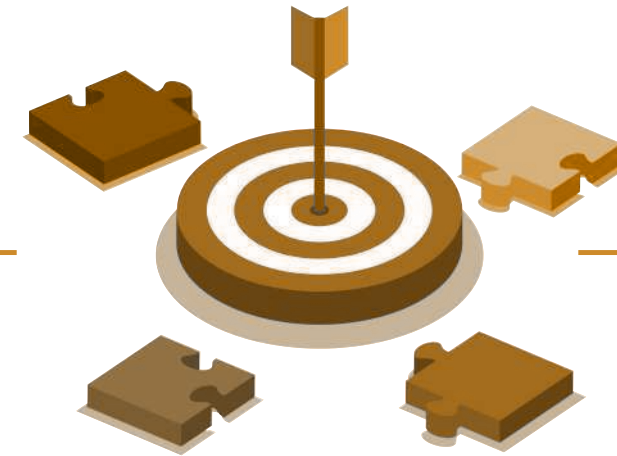
General Authority of Meteorology and Environmental Protection

Permit No	Permit	Activity
EPOPP-2024-004244	Environmental operating permit for the factory of Mohammed Hadi Al-Rashid & Partners for the production of silica sand powder	Production of packaged silica sand powder or industrial purposes and silica sand
EPOPP-2024-005323	Environmental operating permit for Al-Rashid Marble and Granite Factory	Cutting, shaping, and polishing stones
EPOPP-2024-004306	Environmental operating permit for Mohammed Hadi Al-Rashid Factory for the manufacture of sieves and tanks	Production of metal tanks and reservoirs, iron belts, screens, vibrators, trailers, tippers, and flatbeds
EPOPP-2023-001373	Environmental operating permit for Mohammed Hadi Al-Rasheed & Partners, a listed Saudi joint-stock company.	Operating sand or gravel mines. Includes crushers.
EPOPP-2025-004317	Environmental operating permit for Mohammed Hadi Al-Rasheed & Partners, a listed Saudi joint-stock company.	Mining involves quarrying to obtain precious stones such as quartz and mica. Operating sand or gravel mines includes crushers.
EPOPP-2023-002388	Environmental operating permit for Mohammed Hadi Al-Rasheed & Partners, a listed Saudi joint-stock company.	quarry operation
EPOPP-2024-004791	Environmental operating permit for Mohammed Hadi Al-Rasheed & Partners, a listed Saudi joint-stock company.	Mining involves quarrying to obtain precious stones such as quartz and mica.
EPOPP-2024-007009	Environmental operating permit for Mohammed Hadi Al-Rasheed & Partners, a listed Saudi joint-stock company.	Operating quarries, cutting and spreading marble
EPOPP-2024-002293	Environmental operating permit for Mohammed Hadi Al-Rasheed & Partners, a listed Saudi joint-stock company.	Mining involves quarrying to obtain precious stones such as quartz and mica.
EPOPP-2025-003069	Environmental operating permit for Mohammed Hadi Al-Rasheed & Partners, a listed Saudi joint-stock company.	Operating a sand or gravel quarry includes crushers.
EPOPP-2023-002373	Environmental operating permit for Mohammed Hadi Al-Rasheed & Partners, a listed Saudi joint-stock company.	quarry operation

2.10 Company targets for 2026

As part of maintaining business continuity and **improving operational efficiency within the mining sector** and related industrial activities, the Company has set a number of objectives for 2026. These are focused on developing operations and organising activities in a way that supports steady performance.

Main themes and objectives:



Developing company activities

Further development of production and processing activities to improve integration and output quality.

Expansion of Business Scope

Expansion across operating and supply locations within and outside the Kingdom, in line with sector demand.

Improving operational efficiency

Better use of resources and assets, with a focus on maintaining stable performance.

Financial Structure Management

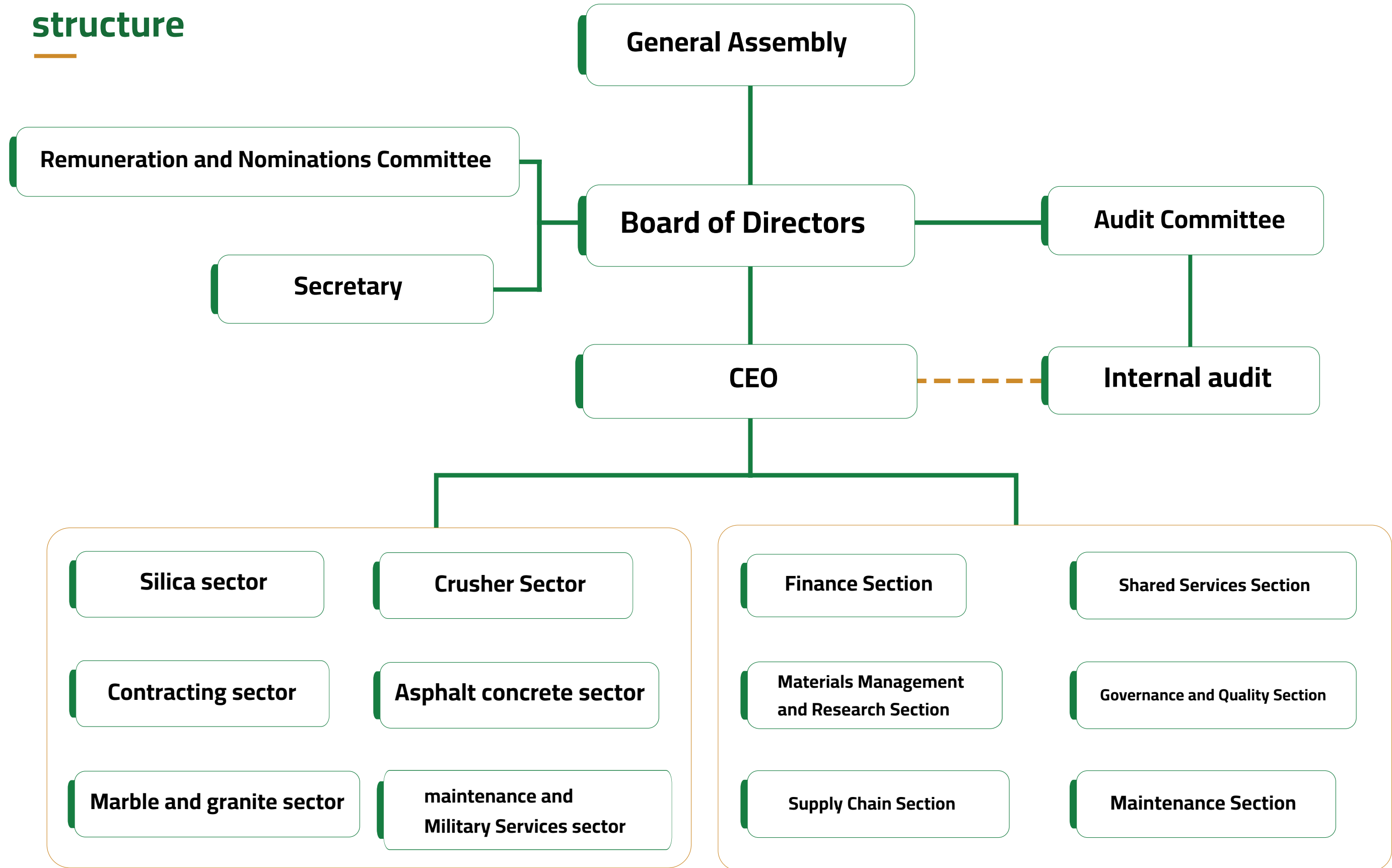
Improved management of cash flows and obligations to support ongoing operations.

Development of operational and administrative systems

Strengthening systems and procedures to improve execution and oversight.



2.11 Organizational structure



Direct organizational affiliation ————— Functional dependency - - - - -



03

Human capital



3.1 Human capital: Supporting business continuity

Human capital remains one of the key enablers of the Company’s operations. The quality of execution depends, to a large extent, on the readiness of its workforce and its ability to manage activities across production sites and associated projects.

The Company continues to organise the working environment, develop professional capability, and link performance to operational requirements. The intention is straightforward, to support business stability and ensure continuity of execution in line with the standards in place.

Human Resources Management Approach:

<div style="background-color: #2e8b57; color: white; padding: 5px; text-align: center;">Workforce Stability</div> <div style="text-align: center;"></div> <p>Applying internal policies that support employee retention and a balanced working environment.</p>	<div style="background-color: #2e8b57; color: white; padding: 5px; text-align: center;">Structured Working Environment</div> <div style="text-align: center;"></div> <p>Maintaining a working environment where roles are clear and workflows align with the nature of operations.</p>
<div style="background-color: #2e8b57; color: white; padding: 5px; text-align: center;">Training and Development</div> <div style="text-align: center;"></div> <p>Delivering training programmes linked to operational activities to improve performance on site.</p>	<div style="background-color: #2e8b57; color: white; padding: 5px; text-align: center;">Defined Career Paths</div> <div style="text-align: center;"></div> <p>Setting out career progression in a way that reflects job requirements and performance-based development.</p>

Employment Benefits

Providing benefits aligned with the nature of the work to support retention and continuity.

3.2 Talent and Competency Management

The company relies on organizational practices aimed at supporting the attraction and development of talent, including:

- Workforce Planning**
 Identifying role requirements based on the nature of operations and associated projects.
- Recruitment**
 Attracting personnel in line with operational needs and technical specialisation.
- Performance Management**
 Applying evaluation processes that reflect actual performance within the working environment.
- Employee Retention**
 Supporting continuity through a stable working environment and clear internal procedures.

3.3 Development and Training Workforce Enablement

The Company works to enable employees to carry out their roles effectively by developing their professional capabilities through:

- ☑ **Technical and administrative training programs related**
 to the nature of the company's activities
- ☑ **Developing operational skills**
 .This supports the efficient execution of work
- ☑ **Encouraging coordination**
 between teams across operating sites
- ☑ **Applying performance monitoring systems**
 to improve delivery standards

3.4 Benefits

The company employs a package of organizational benefits that support workforce stability, including:

Health insurance for employees

Performance-based reward programs

Work policies that support continuity of performance

Ongoing training and professional development opportunities

Performance improvement and continuous development

The company is committed to improving the work environment through:

Applying structured tools for performance monitoring

Supporting knowledge exchange between work teams

Strengthening internal communication between departments

Improving operational procedures to support efficient implementation

Diversity and Inclusion

The company is working to organize a work environment based on:

Encouraging cooperation across teams

Fairness in employment and development opportunities

Respecting different professional backgrounds and specializations





04

Sustainability



4.1 Sustainability and Risk Management

Risk Management Framework

The Company applies an institutional approach to risk management, intended to support decision-making and improve its ability to respond to changes in the business environment. This includes identifying risks, analysing them, assessing their potential impact, and putting in place appropriate measures to manage or mitigate them.

Risks are monitored on a regular basis by executive management and relevant internal oversight functions, with reporting submitted to the Board to support supervision and ensure that controls remain effective.

Risk Governance

The Company's risk management process operates within a defined governance framework which sets out the respective roles and responsibilities of the Board of Directors and executive management. This arrangement supports a more consistent approach to identifying, managing, and monitoring risks.

The Board retains overall oversight of the risk management system, including ensuring that appropriate policies and procedures are in place to address the risks the Company may face. Executive management, for its part, is responsible for implementing the approved risk management policies, assessing risks linked to operational and strategic activities, and reporting on these matters on a regular basis.

Risk Classification

The company classifies the risks that may affect its operations into a number of main categories, thereby facilitating their analysis and the identification of appropriate measures for managing them. These categories include the following:

- Strategic risks
- Operational risks
- Financial risks
- Regulatory risks
- Technical risks
- Market risks
- Human capital risks
- Economic risks

This classification helps in setting priorities and directing attention to the risks with the greatest potential impact on the business

Risk Management Measures

The Company manages risk through a range of policies and procedures aimed at reducing exposure and maintaining operational stability. These include:

- Strengthening internal controls and institutional oversight
- Developing operational policies and procedures
- Monitoring regulatory developments and ensuring compliance with applicable laws and regulations
- Improving the management of financial resources and cash flows
- Developing technical infrastructure and reinforcing information security
- Investing in the development of human capital

Executive management monitors risks on an ongoing basis and submits the necessary reports to the Board. This supports decision-making and helps the Company respond to potential challenges as they arise.

Risk Assessment Approach

Risks are assessed based on their likelihood and their potential impact on operations and financial position. The purpose of this assessment is to determine the level of risk and to set out the appropriate measures for managing it.

Risks are assessed against several criteria, most notably:

- The likelihood of the risk occurring
- The extent of its impact on operations
- Its potential effect on financial performance
- Its impact on business continuity

Based on the outcome of this assessment, suitable actions are identified to address the risks or to limit their potential effect.

4.2 Key Risks and Company Response

Based on the nature of the Company's activities and the environment in which it operates, a number of principal risks have been identified. These are the types of risks that, if they were to arise, could affect operations or financial results. The Company addresses them through a set of policies and control measures intended to limit their impact.

Set out below are the main risks and how they are dealt with in practice:

Key Risks and Company Response

Type of risk	Description of the danger	Management procedures
Strategic risks	Inability to carry out strategic plans or achieve growth targets	Periodic review of the strategy and ongoing monitoring of performance indicators
operational risks	Disruption to operations or a decline in efficiency	Developing operational procedures and maintenance programs
Organizational risks	Changes in laws, regulations, or compliance requirements	Ongoing monitoring of regulations and updating internal policies where required
Financial risks	Liquidity pressures or an increase in financial obligations	Improving cash flow management and diversifying sources of funding
Market risks	Changes in demand or competition	Development of products and adjustment of market strategies
Human resources risks	Loss of key personnel or reliance on specific individuals	Training and development programmes, along with employee succession planning
Technical risks	System failures or cyber-related incidents	Strengthening information security and developing technical systems
economic risks	Broader economic changes affecting demand or cost levels	Monitoring economic indicators and diversifying revenue streams



4.3 Social Contribution

The Company recognises its role in supporting the community and contributing to initiatives that promote sustainable development and social responsibility. This sits within its broader commitment to responsible corporate conduct and its presence within the economic and social environment in which it operates.

During the financial year under review, the Company did not make any social contributions or donations, and no community initiatives or support programmes were recorded during the period.

The Company confirms that any future social contributions, should they arise, will be disclosed in line with the applicable laws and regulations, with a view to maintaining an appropriate level of transparency for shareholders and other stakeholders.





05

Governance



5.1 Company Information with Market Authorities

Financial market

Parallel Market (Nomu) – Saudi Stock Exchange

Auditors

PKF Al-Bassam Company, Accountants and Legal Auditors

Arrow symbol

9601

Date of listing

2024/05/23

capital

ﷲ 180,000,000

ISIN

SA162GE4M0H5

Nominal value/unit

10

Issued Shares

18,000,000

5.1.2 Company Disclosures on Tadawul

Date of publication of the advertisement	Advertisement details
1447/07/04 24/12/2025 15:54:08	Mohammed Hadi Al Rasheed & Partners Company announces the signing of a supply contract for high-quality silica sand with the National Energy Services Reunited Corp. (NESR)
1447/06/16 07/12/2025 08:10:21	Mohammed Hadi Al Rasheed & Partners Company announces the results of the Extraordinary General Assembly meeting, which included approval of the increase in the Company's share capital (first meeting).
1447/06/09 30/11/2025 09:11:17	Mohammed Hadi Al Rasheed & Partners Company announces to its shareholders the commencement of electronic voting on the agenda items of the Extraordinary General Assembly relating to the increase of the Company's share capital (first meeting) (reminder announcement).
1447/05/20 11/11/2025 15:54:58	Mohammed Hadi Al Rasheed & Partners Company invites its shareholders to attend the Extraordinary General Assembly meeting relating to the increase of the Company's share capital (first meeting).
1447/04/28 20/10/2025 15:57:13	Mohammed Hadi Al Rasheed & Partners Company announces the signing of a preliminary non-binding memorandum of understanding with Taif Shipping Company, a limited liability company.
1447/04/07 29/09/2025 09:08:46	Mohammed Hadi Al Rasheed & Partners Company announces the Board of Directors' recommendation to increase the Company's share capital through the issuance of bonus shares.
1447/03/05 28/08/2025 16:03:07	Mohammed Hadi Al Rasheed & Partners Company announces its interim financial results for the period ended ٣٠-٦-٢٠٢٥ (A six-month period).
1447/02/27 21/08/2025 09:55:07	Mohammed Hadi Al Rasheed & Partners Company announces that it has obtained banking facilities from Saudi Awwal Bank in compliance with Sharia principles.
1447/01/28 23/07/2025 15:46:56	Mohammed Hadi Al Rasheed & Partners Company announces the resignation and appointment of a member of the Nomination and Remuneration Committee.
1446/11/13 11/05/2025 08:22:49	Mohammed Hadi Al Rasheed & Partners Company announces the results of the Ordinary General Assembly meeting (first meeting).
1446/11/06 04/05/2025 08:46:36	Mohammed Hadi Al Rasheed & Partners Company announces to its shareholders the commencement of electronic voting on the agenda items of the Ordinary General Assembly meeting (first meeting) (reminder announcement).
1446/10/18 16/04/2025 15:46:00	The Board of Directors of Mohammed Hadi Al Rasheed & Partners Company invites shareholders to attend the Ordinary General Assembly meeting (first meeting) via modern technology means.
1446/10/09 07/04/2025 15:45:05	Mohammed Hadi Al Rasheed & Partners Company announces the Board of Directors' recommendation to distribute cash dividends to shareholders for the financial year ended 31-12-2024.
1446/09/11 11/03/2025 09:38:22	Mohammed Hadi Al Rasheed & Partners Company announces its annual financial results for the year ended 31-12-2024.
1446/07/29 29/01/2025 08:55:48	Mohammed Hadi Al Rasheed & Partners Company announces that it has obtained a licence (GAMI) from the General Authority for Military Industries.
1446/07/28 28/01/2025 15:44:02	Mohammed Hadi Al Rasheed & Partners Company announces the latest developments regarding its obtaining of a mining licence (high-grade silica quarry) issued by the Ministry of Industry and Mineral Resources.
1446/07/28 28/01/2025 15:40:12	Mohammed Hadi Al Rasheed & Partners Company announces the establishment of a new production line for the manufacture of silica powder.



5.1.3 Requests for a shareholder register

The table below sets out the number of requests submitted by the Company to obtain the shareholder register during the financial year, together with the dates and purposes of those

Shareholders Register History	Request type	Reason for request
01/01/2025	Quantities - at the identity level (A)	Other, to identify ownership of Board members and their relatives (beginning and end of the financial year)
08/05/2025	Quantities - at the identity level (A)	General Assembly
12/05/2025	Detailed - by Investment Portfolios (A)	Dividend file
12/05/2025	Quantities - at the identity level (B)	Dividend file
30/06/2025	Quantities - at the identity level (A)	Other
28/08/2025	Detailed - at the investment portfolio level (A)	Other
31/08/2025	Detailed - at the investment portfolio level (A)	Other
04/12/2025	Quantities - at the identity level (A)	General Assembly
30/12/2025	Detailed - at the investment portfolio level (B)	Corporate procedures
31/12/2025	Quantities - by Identity (A)	Other, to identify ownership of Board members and their relatives (beginning and end of the financial year)

5.1.4 Ownership of Board Members and Their Relatives of the company's shares (Beginning and End of the Financial Year)

Name	Beginning of the fiscal year 2025 AD		End of fiscal year 2025	
	Number of shares	Type of ownership	Number of shares	Type of ownership
Hamad Mohammed Hadi Al Rashid	1,818,236	directly	2,721,617	directly
Mohsen Mohammed Hadi Al Rashid	909,332	directly	1,363,998	directly
Badr Mohammed Hadi Al Rashid	16,526	directly	22,744	directly
Fares Abdulrahman Ibrahim Al-Fares	0,00			
Abbas Ali Qaid Ahmed Al Mused	0,00			



5.2 Shareholders

5.2.1 Governance and Shareholder Rights

The Company applies corporate governance principles through a structured framework that supports transparency and compliance. This is intended to promote business sustainability and maintain a balance between the interests of shareholders and other stakeholders, while ensuring that shareholder rights are properly safeguarded and that they are able to participate in key decisions.

The company also implements governance policies and procedures that regulate the relationship between the Board of Directors, executive management and shareholders, thereby ensuring clarity of responsibilities and efficient decision-making, in accordance with the relevant laws and regulations.

The Company is committed to protecting shareholders' rights and ensuring fair and transparent treatment. It maintains clear channels of communication and provides disclosure of material information in a manner that supports shareholder confidence and the continuity of the business. Shareholders are able to exercise their rights within the applicable regulatory framework, including attending general assembly meetings, participating in discussions on Company decisions, voting and contributing to decision-making, reviewing reports and financial statements, and dealing in shares in accordance with the relevant regulations.

5.2.2 General Assembly and Shareholder Participation

The company is committed to enabling shareholders to exercise their statutory rights without discrimination, including participating in and voting at general meetings, accessing material information and reports, receiving approved dividend payments, and holding the Board of Directors to account in accordance with statutory frameworks. The Company is also keen to strengthen communication channels with shareholders through the officially announced channels, and to enable them to submit their enquiries and comments via email (ir@alrasheedco.com.sa) or telephone (00966114998879). The company did not receive any comments during the reporting period, whilst the Board of Directors remains committed to attending general meetings, responding to shareholders' enquiries and documenting these responses.

5.2.3 General Assembly Meetings (Ordinary and Extraordinary)

The General Assembly represents the highest authority within the Company and is convened in accordance with the applicable laws and regulations. Shareholders are enabled to participate and vote on its resolutions electronically through approved technical means.

During the 2025 financial year, the following meetings were held:

- Ordinary General Assembly on May, 8, 2025
- Extraordinary General Assembly on December, 4, 2025

Details of the Board members in attendance at these meetings are set out in the following table.

Ordinary General Assembly

Name	Membership status	First meeting 2025-05-08	Total
Hamad Mohammed Hadi Al Rashid	Chairman of the Board	✓	100 %
Mohsen Mohammed Hadi Al Rashid	Vice Chairman of the Board	✓	100 %
Badr Mohammed Hadi Al Rashid	Managing Director and Chief Executive Officer	✓	100 %
Fares Abdulrahman Ibrahim Al-Fares	Board Member	✓	100 %
Abbas Ali Qaid Ahmed Al Mused	Board Member	✓	100 %

Extraordinary General Assemblies

Name	Membership status	First meeting 2025-05-08	Total
Hamad Mohammed Hadi Al Rashid	Chairman of the Board	✓	100 %
Mohsen Mohammed Hadi Al Rashid	Vice Chairman of the Board	✓	100 %
Badr Mohammed Hadi Al Rashid	Managing Director and Chief Executive Officer	✓	100 %
Fares Abdulrahman Ibrahim Al-Fares	Board Member	✓	100 %
Abbas Ali Qaid Ahmed Al Mused	Board Member	✓	100 %



5.3 Board of Directors

5.3.1 Board Composition

The Company is managed by a Board of Directors comprising (5) members, all of whom are natural persons. The members are elected by the Ordinary General Assembly of shareholders for a term not exceeding four years. The Ordinary General Assembly appointed the members of the Board for its second term, covering the period from 7-10-2024 to 6-10-2024, as follows:

Name	position	Membership status	Independence
Hamad Mohammed Hadi Al Rashid	Chairman of the Board	Non-executive	Non-independent
Mohsen Mohammed Hadi Al Rashid	Vice Chairman of the Board	Non-executive	Non-independent
Badr Mohammed Hadi Al Rashid	Managing Director and Chief Executive Officer	Executive	Non-independent
Fares Abdulrahman Ibrahim Al-Fares	Board Member	Non-executive	Independent
Abbas Ali Qaid Ahmed Al Musaed	Board Member	Non-executive	Independent

5.3.2 Board of Directors' Biographies

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5.3.3 Board meetings

The Board of Directors held six meetings during the 2025 financial year. Details of these meetings are set out in the table below.

Name	First meeting 2025-03-10	Second meeting 2025-04-07	Third meeting 2025-08-19	Fourth meeting 2025-09-28	Fifth meeting 2025-10-19	Sixth meeting 2025-11-06	Total
Hamad Mohammed Hadi Al Rashid	✓	✓	✓	✓	✓	✓	6
Mohsen Mohammed Hadi Al Rashid	✓	✓	✓	✓	✓	✓	6
Badr Mohammed Hadi Al Rashid	✓	✓	✓	✓	✓	✓	6
Fares Abdulrahman Ibrahim Al-Fares	✓	✓	✓	✓	✓	✓	6
Abbas Ali Qaid Ahmed Al Musaed	✓	✓	✓	✓	✓	✓	6

The Board of Directors has complied with the requirements set out in Article (30), paragraph (b) of the Corporate Governance Regulations, (which stipulates that the Board shall hold no fewer than four meetings per year, with at least one meeting every three months).

5.3.4 Memberships of Board Members in Other Companies

Member Name	Company Name	The company's main activity	position	Company Name	Legal form of the company	Previous Board Memberships
Hamad Mohammed Hadi Al Rashid	Bahi Investment Company	Trade and Investment	General Manager	Within the Kingdom	Limited Liability	nothing
Mohsen Mohammed Hadi Al Rashid	Bahi Investment Company	Trade and Investment	Deputy General Manager	Within the Kingdom	Limited Liability	nothing
Badr Mohammed Hadi Al Rashid						
Fares Abdulrahman Ibrahim Al-Fares	Excellent Solutions Company	Human Resources		Within the Kingdom	Closed Joint Stock Company	nothing
Fares Abdulrahman Ibrahim Al-Fares	Winvest Financial Company	Financial services	Board Member	Within the Kingdom	Closed Joint Stock Company	nothing
Abbas Ali Qaid Ahmed Al Musaed						



5.3.2 Board members' biographies



Hamad Mohammed Hadi Al Rashid
Chairman of the Board

Independence Non-independent	Membership status Non-executive
Experiences years 8 +	Nationality Saudi

Current Board Memberships

Chairman of the Board, Non-Executive Member, Board term from October 2024 to October 2028

Previous Board Memberships

Chairman of the Board, Non-Executive Member, Board term from October 2021 to October 2024

Current Positions

General Manager, Bahi Company since 2021 until now

Previous Positions

General Manager, Mohammed Hadi Al Rasheed & Partners Company from 2018 to 2021

Qualifications

Bachelor's degree in Military Sciences, King Abdulaziz Military College, Saudi Arabia in 1995

Experiences

Over eight years' experience across the mining and investment sectors.



Mohsen Mohammed Hadi Al Rashid
Vice Chairman of the Board

Independence Non-independent	Membership status Non-executive
Experiences years 8 +	Nationality Saudi

Current Board Memberships

Vice Chairman of the Board, Non-Executive Member, Board term from October 2024 to October 2028

Previous Board Memberships

Vice Chairman of the Board, Non-Executive Member, Board term from October 2021 to October 2024

Current Positions

General Manager, Riyadh Mining House Company since 2021 until now
Deputy General Manager, Bahi Company since 2021 until now

Previous Positions

Executive Manager, Mohammed Hadi Al Rasheed & Partners Company from 2018 to 2021

Qualifications

Bachelor's degree in Military Sciences, Ministry of Defence, Saudi Arabia in 1997

Experiences

Over eight years' experience across the mining and investment sectors.



Badr Mohammed Hadi Al Rashid
Managing Director and Chief Executive Officer

Independence Non-independent	Membership status executive
Experiences years 15 +	Nationality Saudi

Current Board Memberships

Managing Director and Chief Executive Officer, Executive Member, Board term from October 2024 to October 2028

Previous Board Memberships

Managing Director and Chief Executive Officer, Executive Member, Board term from October 2021 to October 2024

Current Positions

Chief Executive Officer, Mohammed Hadi Al Rasheed & Partners Company, since 2021 CE until now

Previous Positions

Manager of Crushers and Asphalt Plant, Mohammed Hadi Al Rasheed & Partners Company from 2016 to 2021
Manager of Contracting and Maintenance, Mohammed Hadi Al Rasheed & Partners Company from 2011 to 2016

Qualifications

Bachelor's degree in Accounting, Victoria University, New Zealand in 2013

Experiences

Over fifteen years' experience across the mining and industrial sectors.



Fares Abdulrahman Ibrahim Al-Fares
Board Member

Independence Non-independent	Membership status Non-executive
Experiences years 21 +	Nationality Saudi

Current Board Memberships

Member of the Board, Independent Member, Board term from October 2024 to October 2028

Previous Board Memberships

None

Current Positions

Chief Investment Officer, Saudi Advanced Industries Company, since January 2025 until now

Previous Positions

- Head of Asset Management, Yaqeen Capital from April 2024 to January 2025
- Head of Asset Management, Al Rajhi Capital from 2022 to 2024
- Head of Equities, Al Rajhi Capital from 2020 to 2022
- Senior Portfolio Manager for High Net Worth Clients from 2005 to 2020

Qualifications

Bachelor's degree in Financial Accounting, Prince Sultan University, Saudi Arabia, in 2005

Experiences

Over twenty-one years' experience in investment and asset management within financial markets.



Abbas Ali Qaid Ahmed Al Mused
Board Member

Independence Non-independent	Membership status Non-executive
Experiences years 23 +	Nationality Saudi

Current Board Memberships

- Member of the Board, Independent Member, Board term from October 2024 to October 2028
- Chairman of the Audit Committee, Board Member, Board term from October 2024 to October 2028

Previous Board Memberships

- Member of the Audit Committee, Independent Member, Board term from October 2021 to October 2024

Current Positions

Does not currently hold an executive position.

Previous Positions

- Chief Financial Officer, Al Jouf Cement Company from November, 1, 2022 to October 2025.
- Finance Manager, The Helicopter Company from 2019 to 2022.
- Chief Financial Officer, Contact Centres Company in 2018.
- Chief Financial Officer, AlKhorayef Industries Company and AlKhorayef Commercial Company from 2015 to 2018.
- Revenue Management Team Lead, Zain Company from 2007 to 2009.
- Central Region Branches Manager, Mobily Company from 2005 to 2007.
- Accounting Manager, National Medical Care Company from 2000 to 2005.

Qualifications

- Master's degree in Accounting, Middle Tennessee State University, United States of America in 2011.
- Bachelor's degree in Accounting, King Saud University, Saudi Arabia in 1999.

Experiences

Over twenty-three years' experience across financial management, industry, basic materials, telecommunications, healthcare, and aviation sectors.



5.4.2 Biographies of Audit Committee Members



Abbas Ali Qaid Ahmed Al Musaed
Chairman of the Review Committee

Membership start

.Membership began in December 2021 - (External Member) (Committee Member) -
.Membership began in October 2024 - (Internal Member) (Committee Chair) -

Qualifications

As previously mentioned

Experiences

As previously mentioned



Mohsen Mohammed Hadi Al Rashid
Member of the Review Committee

Membership start

.Membership begins December 2021 - (Member of the Council) (Member of the Committee) -
.Membership begins October 2024 - (Member of the Council) (Member of the Committee) -

Qualifications

As previously mentioned

Experiences

As previously mentioned



Ayed Faisal Ayed Al Rashid
Member of the Review Committee

Current Board Memberships

Member of the Audit Committee, Independent Member, Board term from October 2024 to -
October 2028

Previous Board Memberships

Chairman of the Audit Committee, Independent Member, Board term from October 2021 -
to October 2024

Current Positions

Head of Impact Assessment Studies, Economic Cities and Special Zones Authority, since
January 2023 until now

Experiences

Over twenty-eight years' experience across the economic, government, and trade and -
.investment sectors

Nationality Saudi

Previous Positions

Supervisor General of Economic Studies and Statistics, Federation of Saudi Chambers in 2022 -
Advisor, Efficiency Expenditure and Government Projects Authority in 2021 -
Director, Economic Studies Centre, Federation of Saudi Chambers in 2020 -
Economic Advisor, Ministry of Economy and Planning in 2019 -
Advisor, Al Kasbat Trading Company from 2014 to 2018 -
Chief Executive Officer, Asbal Holding Group from 1998 to 2013 -

Qualifications

PhD in Economic Development, New Mexico State University, United States in 2018 -
- Postgraduate degree in Finance, New Mexico State University, United States in 2016
- Master's degree in Economics, New Mexico State University, United States in 2015
- Master's degree in Business Administration, Middle Tennessee State University, United States
in 2012
- Bachelor's degree in Economics, King Abdulaziz University, Saudi Arabia in 2004

5.3.5 Board Committees

A total of two committees are formed under the Board of Directors:

- **Audit Committee**
- **Nomination and Remuneration Committee**

5.4 Audit Committee

5.4.1 Composition of the Audit Committee

The Audit Committee consists of three members appointed by resolution of the Board
of Directors. The members for the second term, covering the period from 7/10/2024 to
6/10/2028, are as follows:

Name	position	Independence
Abbas Ali Qaid Ahmed Al Musaed	Chairman of the Review Committee	Independent
Mohsen Mohammed Hadi Al Rashid	Member of the Review Committee	Non-independent
Ayed Faisal Ayed Al Rashid	Member of the Review Committee	Independent



5.4.3 Audit Committee Meetings

The Audit Committee held four meetings during the financial year ended 31 December 2025, as set out in the table below.

Name	First meeting 2025-02-02	Second meeting 2025-04-12	Third meeting 2025-08-28	Fourth meeting 2025-12-09	Total
Abbas Ali Qaid Ahmed Al Musaed	✓	✓	✓	✓	4
Mohsen Mohammed Hadi Al Rashid	✓	✓	✓	✓	4
Ayed Faisal Ayed Al Rashid	✓	✓	✓	✓	4

The Audit Committee has complied with the requirements set out in Article (54), paragraph (a) of the Corporate Governance Regulations, which stipulates that the Committee shall meet on a periodic basis, with no fewer than four meetings during the Company's financial year. The Committee has ensured that its meetings are held on a quarterly basis.

5.4.4 Responsibilities of the Audit Committee

The Audit Committee is responsible for overseeing the Company's financial and control matters. Its duties include:

- Reviewing the interim and annual financial statements,

analysing them, providing a technical opinion, and submitting recommendations to the Board of Directors, together with reviewing the external auditor's report.

- Evaluating internal control systems,

reviewing internal audit reports, and supporting the development of risk management, including recommending the appointment of an internal auditor to improve operational efficiency.

- Recommending the appointment of the external auditor,

assessing their independence, discussing their reports, and following up on their work and audit plan, as well as responding to their enquiries to ensure objectivity and transparency.

- Ensuring compliance

compliance with applicable laws, regulations, and policies, and reviewing related party transactions to confirm transparency and regulatory alignment.

- Submitting recommendations

The practices followed in the company, expressing opinions on them, and submitting appropriate recommendations to the Board of Directors.

- Submitting recommendations to the Board of Directors

to the Board on any matters requiring corrective action to support compliance and effective governance





5.5 Nominations and Remuneration Committee

5.5.1 Formation of the Nominations and Remuneration Committee

The Committee consists of three members appointed by the Board of Directors. The members for the term from 7/10/ 2024 to 6/10/ 2028 are:

Name	position	Independence
Fares Abdulrahman Ibrahim Al-Fares	Chairman of the Nominations and Remuneration Committee	Independent
Nawaf Salem Saeed Al Hajri Al Qahtani	Member of the Nominations and Remuneration Committee	Non-independent
SHOUQ HADI SAAD ALOSAIMI	Member of the Nominations and Remuneration Committee	Independent

Notice: Ms Sara Ali Al Rajhi submitted her resignation from the Committee on 21/07/ 2025. The Board accepted the resignation on 23/07/ 2025 and appointed Ms Shouq Hadi Al Osaimi to complete the remaining term.

5.5.3 Nominations and Remuneration Committee Meetings

The Nomination and Remuneration Committee held two meetings during the financial year ended 31 December 2025, as set out below:

Name	First meeting 2025-10-30	Second meeting 2025-12-11	Total
Fares Abdulrahman Ibrahim Al-Fares	✓	✓	2
Nawaf Salem Saeed Al Hajri Al Qahtani	✓	✓	2
SHOUQ HADI SAAD ALOSAIMI	✓	✓	2

5.5.2 Biographies of Nomination and Remuneration Committee Members

Fares Abdulrahman Ibrahim Al Fares - Chairman of the Nomination and Remuneration Committee

Current Memberships	stated in biography number (4)
Previous Memberships	stated in biography number (4)
Current Executive Positions	stated in biography number (4)
Previous Executive Positions	stated in biography number (4)
Qualifications	stated in biography number (4)
Experience	stated in biography number (4)

Nawaf Salem Saeed Al Hajriya Al Qahtani - Member of the Nomination and Remuneration Committee

Current Memberships	Member of the Nomination and Remuneration Committee, from outside the Board, Board term from October 2024 to October 2028
Previous Memberships	None
Current Positions	Senior Accountant, Mohammed Hadi Al Rasheed & Partners Company, since 2019 until now
Previous Positions	No prior executive positions
Qualifications	Bachelor's degree in Finance, Valdosta University, United States in 2019
Experience	Over seven years' experience in the mining sector.

Shouq Hadi Saad Al Osaimi - Member of the Nomination and Remuneration Committee

Current Memberships	Member of the Nomination and Remuneration Committee, from outside the Board, Since July 2025 until now
Previous Memberships	None
Current Positions	Member of the Nomination and Remuneration Committee, from outside the Board, Since July 2025 until now
Previous Positions	No prior executive positions
Qualifications	Bachelor's degree in Business Administration, Shaqra University, Saudi Arabia, in 2022
Experience	Over four years' experience in the mining sector



5.5.4 Responsibilities of the Nomination and Remuneration Committee and Board Evaluation

The Nomination and Remuneration Committee is responsible for setting policies and overseeing the mechanisms for the appointment and remuneration of Board members and executive management, ensuring alignment with governance requirements and maintaining an appropriate balance between performance and broader interests. Its responsibilities include:

- Developing a clear remuneration policy for Board members, committees, and executive management, including performance criteria and implementation mechanisms, and submitting it to the Board for approval by the General Assembly.
- Verifying that remuneration paid is consistent with the approved policy and disclosing any material deviations, where applicable.
- Reviewing the remuneration policy periodically to ensure it remains effective and aligned with the Company's strategic objectives.
- Recommending remuneration for Board members, committee members, and senior executives within the approved framework.
- Establishing clear policies and criteria for the selection and nomination of Board members and executive management, and recommending appointments and reappointments based on competence and integrity.
- Identifying the qualifications and skills required for Board and executive roles, and assessing annual requirements.
- Reviewing the structure of the Board and executive management and recommending adjustments where needed to support effectiveness.
- Assessing the independence of independent members on a periodic basis and ensuring that no conflicts of interest arise.
- Preparing role descriptions and procedures for vacancies, reviewing Board performance, and proposing areas for development.

As part of meeting the requirements of Clause (07) of the same Article, the Board has adopted an internal evaluation mechanism to assess the effectiveness of the Board, its committees, and its members. This is carried out under the supervision of the Committee using an approved evaluation framework covering:

- Level of participation and attendance at meetings
- Quality of contribution to discussions and decision-making
- Compliance with duties and regulatory responsibilities
- Contribution to achieving strategic objectives and strengthening governance

The evaluation also includes a review of the performance of Board committees and their effectiveness in carrying out their responsibilities within the approved governance framework.

During the period under review, the Company relied on its internal evaluation model and did not engage an external independent party, in line with the applicable regulatory requirements.





5.6 Executive Management Biographies



Badr Mohammed Hadi Al Rashid

Managing Director and Chief Executive Officer

Experiences years 15 + | Nationality Saudi

Current Positions

Managing Director and Chief Executive Officer, Executive Member, Board term from October 2024 to October 2028

Previous Positions

Manager of Crushers and Asphalt Plant, Mohammed Hadi Al Rasheed & Partners Company from 2016 to 2021
Manager of Contracting and Maintenance, Mohammed Hadi Al Rasheed & Partners Company from 2011 to 2016

Qualifications

Bachelor's degree in Accounting, Victoria University, New Zealand in 2013

Experiences

Over fifteen years' experience across the mining and industrial sectors.



Faisal Mohammed Hadi Al Rashid

Manager of the Granite and Marble Sector

Experiences years 8 + | Nationality Saudi

Current Positions

- Head of the Granite and Marble Division, Mohammed Hadi Al Rasheed & Partners Company, since 2018 until now
- Chairman of the Board, Non-profit Building Materials Manufacturers Association, (under the Ministry of Industry and Mineral Resources) since April 2024 CE until now

Previous Positions

Board Member, Executive Member, Mohammed Hadi Al Rasheed & Partners Company, Board term from October 2021 to October 2024

Qualifications

- Bachelor's degree in Engineering, University of Auckland, New Zealand in 2013
- Master's degree in Management Engineering from the University of Greenwich, United Kingdom, in 2017

Experiences

Over eight years' experience across the mining, industrial, and building materials sectors.



Fahd Salman Mohammed Al-Anzi

Silica Sector Manager

Experiences years 12 + | Nationality Saudi

Current Positions

- Head of the Silica Division, Mohammed Hadi Al Rasheed & Partners Company, since 2014 until now
- General Manager, Engineering Mining Operations Company, since 2017

Previous Positions

- Former Sales Manager at 3M from 2012 to 2014.
- Former Marketing & Sales Manager at Adwan Chemical Industries Company from 2004 to 2012.
- Former Technical Support Engineer at Jazeera Paints Company from 2003 to 2004.

Qualifications

Bachelor's degree in Chemical Engineering, King Saud University, Saudi Arabia in 2002

Experiences

Over twelve years' experience across mining, chemical industries, and manufacturing.



Hadi Muhammad Hadi Al Rashid

Executive Vice President of Military Services and Maintenance

Experiences years 24 + | Nationality Saudi

Current Positions

- Deputy Chief Executive Officer for Shared Services at Mohammed Hadi Al-Rasheed & Partners Co. since 2024 to date.

Previous Positions

- Former Shared Services Director at Saudi Emirati Integrated Transport Company (a subsidiary of Saudi Public Transport Company - SAPTCO) from 2014 to 2024.
- Former HR & Administration Director at Zahran Holding Group from 2013 to 2014.
- Former HR & Administration Director at Al-Haykalia Trading & Contracting Company during 2013.- Former HR & Administration Director at Asrab Al-Jazeera Trading & Contracting Company from 2011 to 2012.
- Former Senior HR Specialist at Saudi British Bank (SABB) from 2006 to 2011.
- Former HR Supervisor at Saudi American Bank (SAMBA) from 2002 to 2006.

Qualifications

- Mini Executive Master's in Executive Management.
- Bachelor's degree in Business Administration.
- Advanced Diploma in Human Resources Management.

Experiences

Total professional experience exceeding 24 years, covering shared services and basic industries, transportation and logistics, and financial and banking sectors.



5.6 Executive Management Team Profile



Majed Samir Ali Al-Mutairi

Deputy Chief Executive Officer for Shared Services

Experiences years 24 + | Nationality Saudi

Current Positions

Deputy Chief Executive Officer for Shared Services, Mohammed Hadi Al Rasheed & Partners Company, since 2024 until now

Previous Positions

- Shared Services Director, Saudi Emirati Integrated Transport Company (a subsidiary of SAPTCO) from 2014 to 2024
- HR and Administration Manager, Zahran Holding Group from 2013 to 2014
- HR and Administration Manager, Al Haykaliya Trading and Contracting Company in 2013
- HR and Administration Manager, Asrab Al Jazeera Trading and Contracting Company from 2011 to 2012
- Senior HR Specialist, Saudi British Bank (SABB) from 2006 to 2011
- HR Supervisor, Saudi American Bank (SAMBA) from 2002 to 2006

Qualifications

- Executive Mini MBA
- Bachelor's degree in Business Administration
- Advanced Diploma in Human Resources Management

Experiences

Over twenty-four years' experience across shared services, industrial sectors, transport and logistics, and financial services.



Taha Babiker Al-Bashir Babiker

Deputy Chief Executive Officer of Finance

Experiences years 30 + | Nationality Sudanese

Current Positions

Deputy Chief Executive Officer – Finance, Mohammed Hadi Al Rasheed & Partners Company, since 2023 until now

Previous Positions

- Finance Manager, Mohammed Hadi Al Rasheed & Partners Company from 2013 to 2023
- Chief Accountant, Mohammed Hadi Al Rasheed & Partners Establishment from 2007 to 2013
- Accountant, Mohammed Hadi Al Rasheed & Partners Establishment from 2002 to 2007
- Held various accounting roles in Sudan prior to 2002

Qualifications

- Bachelor's degree in Accounting, Cairo University – Sudan Branch in 1992
- Diploma in Financial Accounting, Sudan University of Science and Technology in 1993
- Higher Diploma in Management, University of Khartoum in 1994
- Master's degree in Business Administration, University of Khartoum in 1997

Experiences

Over thirty years' experience in finance, accounting, and the industrial and basic materials sectors.



Fahad Mohammed Al-Haylam Al-Safran

Contracting Department Manager

Experiences years 18 + | Nationality Saudi

Current Positions

- Quarry and Mining Production Manager, Mohammed Hadi Al Rasheed & Partners Company, since 2026 until now

Previous Positions

- Head of Contracting Department, Mohammed Hadi Al Rasheed & Partners Company from 2016 to 2025
- Administrative Officer, Mohammed Hadi Al Rasheed & Partners Company from 2013 to 2016
- Administrative Officer, GCC General Secretariat from 2005 to 2013

Qualifications

General Secondary School Certificate, Saudi Arabia

Experiences

Over eighteen years' experience in contracting and operational management within the mining and industrial sectors.



5.7 Internal Audit

Internal audit is one of the key tools relied upon by the Company to support the efficiency of its operations. This is carried out through the evaluation of internal control systems and verification of the effectiveness of the procedures in place, with the aim of improving both operational and financial performance and ensuring compliance with applicable regulations.

Results of the Annual Review of Internal Control Effectiveness and Audit Committee Opinion:

The Audit Committee continues to monitor the adequacy and effectiveness of the Company's internal control system on an ongoing basis, with the aim of ensuring the integrity of operational and financial processes. This is carried out within a control framework based on approved policies and procedures, including:

- ✓ Assessing the effectiveness of internal control systems
- ✓ Monitoring the performance of the internal control function
- ✓ Reviewing external auditor reports and related observations and recommendations
- ✓ Following up on the implementation of corrective actions

The Committee adopts a risk-based approach, under which audit activities during the 2025 financial year covered a number of relevant areas, including:

- ✓ Reviewing the effectiveness of control procedures
- ✓ Monitoring reports issued by internal and external audit
- ✓ Verifying the resolution of identified observations
- ✓ Ensuring compliance with approved policies and procedures

The Committee has also overseen the work of the internal auditor and monitored the implementation of the approved audit plan, supporting the effectiveness of internal controls and business continuity.

Committee opinion:

Based on the findings of the audit and assessment work carried out during the financial year 2025, the Audit Committee considers that the financial, operational and internal controls, as well as risk management, are sound, effective and efficient, and that there were no material control gaps or weaknesses in the Company's operations during the financial year 2025 that would affect the fairness and accuracy of the Company's financial statements.

The Audit Committee considers that the internal control, financial control and risk management systems implemented by the company during the 2025 financial year are effective and adequate for the size and nature of the company's operations, and has no material observations or findings of deficiencies in the internal control procedures.



5.8 Board of Directors' Declarations

5.8.1 Application of the Corporate Governance Regulations

The Company confirms that it has applied all provisions of the Corporate Governance Regulations issued by the Capital Market Authority, except for the provisions listed below:

Article/Paragraph Number	Provision/ Clause	Reason for Non-Application
37	Training	Guidance provision. The current Board comprises qualified and experienced members capable of achieving the Company's objectives, supposedly that they have the relevant expertise to reach the aforementioned objectives.
39	Evaluation	Guidance provision
67	Formation of Risk Management Committee	Guidance provision
68	Responsibilities of the Risk Management Committee	Guidance provision
69	Meetings of Risk Management Committee	Guidance provision
82	Employee incentives	Guidance provision
84	social responsibility	Guidance provision
85	Social initiatives	Guidance provision
92	Forming a Corporate Governance Committee	Guidance provision



5.8.2 Statutory Disclosures Corporate Governance Regulations

item number	Declaration text
(11)	<p>The Company confirms that no recommendation was issued by the Audit Committee to appoint an internal auditor during the financial year ended 31 December 2025, as an internal auditor had already been appointed in a prior period and remained in place throughout the year.</p> <p>The internal audit function remains active and operates under the supervision of the Audit Committee, supporting the effectiveness of internal controls and compliance with the relevant regulations.</p>
(12)	<p>The Company confirms that no differences arose during the year between the recommendations of the Audit Committee and the decisions of the Board in relation to the appointment, dismissal, fees, or evaluation of the external auditor, or the appointment of the internal auditor.</p> <p>The Board of Directors is also committed to implementing the recommendations of the Audit Committee, as one of its subsidiary committees, given its key role in enhancing the effectiveness of internal control systems, ensuring the integrity of financial reporting, and ensuring compliance with relevant rules and regulations.</p>
(16)	<p>The Company confirms that no structural changes took place during the financial year, and there was no full or partial interruption to its operations over the same period.</p> <p>It is also noted that the Company's future outlook has been addressed in a separate Chapter of this report under "Chapter II - Strategy", which sets out the anticipated growth trends and forward plans.</p>
(21)	<p>In line with the Corporate Governance Regulations, the Company confirms that there have been no departures from the accounting standards adopted by the Saudi Organization for Chartered and Professional Accountants. The Company remains fully compliant with all applicable accounting standards and regulations.</p>
(22)	<p>The Company confirms that it has no subsidiaries during the reporting period.</p>
(23)	<p>Accordingly, no shares or debt instruments have been issued in respect of subsidiaries.</p>
(25)	<p>The Company confirms that no interests in voting shares were reported by any persons (other than Board members, senior executives, or their relatives) under Article 85 of the Rules on the Offer of Securities and Continuing Obligations, and no changes occurred during the last financial year.</p>
(26)	<p>The Company confirms that no interests, subscription rights, or contractual securities were held by any Board member or senior executive, whether directly or indirectly, including in relation to subsidiaries. No changes occurred in any such interests during the reporting period.</p>

item number	Declaration text
(28)	<p>No convertible debt instruments, subscription rights, or similar securities were issued or granted during the financial year, and no consideration was received in this regard.</p>
(29)	<p>No rights of conversion or subscription relating to such instruments were issued or granted during the period.</p>
(30)	<p>The Company confirms that, during the reporting period, no redemption, purchase, or cancellation of any redeemable debt instruments issued by the Company has taken place. Furthermore, there are no outstanding securities related to such instruments.</p>
(33)	<ul style="list-style-type: none"> - The Company affirms that no transactions or dealings took place between the Company and any related party during the financial year covered by this report. - Furthermore, the Company has not entered into any arrangements or agreements in which any member of the Board of Directors, senior executive or related party has a direct or indirect interest. - The Company remains committed to full compliance with all applicable disclosure requirements in this respect.
(34)	<ul style="list-style-type: none"> - The Company confirms that no contracts or arrangements were in place in which any Board member, senior executive, or related party had a direct or indirect interest. - The Company further confirms that there are no contractual arrangements or obligations with related parties that could affect the interests of the Company or its shareholders. - The Company undertakes to disclose immediately any transactions with related parties in accordance with applicable laws and regulations should such transactions occur in the future.
(35)	<p>The company states that there are no arrangements or agreements under which any members of the Board of Directors or senior executives have waived any remuneration due to them during the financial year covered by this report.</p>
(36)	<p>The Company affirms that during the reporting period there were no contractual arrangements or agreements under which any of the Company's shareholders waived any of their rights to the profits due to them. Furthermore, no obligations or undertakings of this nature have been recorded that affect shareholders' rights to the distribution of profits in accordance with the provisions of the Companies Law, the Capital Market Regulations and other relevant regulations.</p>
(38)	<p>The Company hereby confirms that no investments or provisions have been established for the benefit of its employees.</p>
(40)	<p>The Company herein confirms that the auditor's report contains no qualifications regarding the annual financial statements.</p>
(41)	<p>The company emphasizes that there is no recommendation from the Board of Directors to change the auditors before the end of their appointed term.</p>
(42)	<p>The Company acknowledges that there are no businesses competing with the Company or any of its lines of business that are currently being conducted, or were previously conducted, by any member of the Board of Directors during the financial year covered by this report.</p>



5.8.3 Additional Statutory Disclosures as per the Corporate Governance Regulations | 2023 Edition | Article (87) | Clause (39)

- The Company's accounting records have been properly maintained.

- The internal control system has been established on a sound basis and is operating effectively.

- There are no material uncertainties that would affect the Company's ability to continue as a going concern.

- Following its review of the Company's performance for the year ended 31 December 2025, together with the financial statements, the Board of Directors recommends the following: -

- Approval of the external auditor's report for the financial year ended 31 December 2025, following discussion.
- Review and discussion of the Board of Directors' report for the financial year ended 31 December 2025, following discussion.
- Review and discussion of the Company's financial statements for the year ended 31 December 2025, following discussion.
- Approval of the discharge of Board members from liability for the financial year ended 31/12/2025
- Appointment of an external auditor, based on the recommendation of the Audit Committee, to review and audit the interim financial statements for the first, second, and third quarters of 2026, the annual financial statements for 2026, and the first quarter of 2027, and to determine their fees.
- Approval of the delegation of the powers of the Ordinary General Assembly to the Board of Directors, as set out in Article (27), paragraph (1) of the Companies Law, for a period of one year from the date of the General Assembly's approval or until the end of the Board's term, whichever is earlier, in accordance with the applicable implementing regulations.

5.8.4 Implementing Regulations of Listed Companies

Clause number	Declaration text
(20)	The Company confirms that it does not hold any treasury shares during the period, and accordingly, no related uses apply.

5.9 Remuneration Policy

Disclosure of Board and executive management remuneration in accordance with Article (90) of the Regulations [Article 90 – A – 1] Disclosure of the remuneration policy and the method for determining the remuneration of Board members and executive management within the Company.

5.9.1 Remuneration Framework

- The Company's Articles of Association set out the basis for determining Board remuneration, upon which the remuneration policy is built.
- Remuneration may take the form of a fixed amount, attendance allowances, benefits in kind, or a percentage of net profits, or a combination of these.
- Remuneration of independent Board members is not linked, directly or indirectly, to the Company's profitability.
- Remuneration is determined with regard to the scale of responsibilities and must remain within the limits set by the Company's Articles of Association.

5.9.2 Remuneration Criteria

Without prejudice to regulatory requirements, remuneration for Board members, Board committees, and executive management is determined based on the following:

- Alignment with the Company's strategy and objectives
- The purpose of offering incentives is to encourage members of the Board of Directors and the executive management to ensure the company's success and long-term growth
- Remuneration should be determined on the basis of the job grade, the duties and responsibilities assigned to the incumbent, their academic qualifications, practical experience, skills and level of performance.
- Nature and level of risk associated with the Company's activities
- Consideration is given to prevailing market practices when determining remuneration, while avoiding any unjustified inflation in pay or benefits.
- Remuneration is structured to attract, retain, and motivate qualified professionals, without excess.
- Remuneration is determined in coordination with the Nomination and Remuneration Committee and Human Resources, particularly in the case of new appointments.
- Share-based incentives for Board members and executive management are regulated, whether through new issuances or shares acquired by the Company.
- Remuneration is to be fair and proportionate to the member's responsibilities, duties, and the objectives expected to be achieved throughout the financial year.
- Remuneration is based on the recommendation of the Nomination and Remuneration Committee.
- Remuneration is aligned with the nature of the Company's activities and the level of expertise required to manage them.
- Due consideration is given to the sector in which the Company operates, its size, and the experience of Board members.
- Remuneration is set at a level that is sufficient to attract and retain individuals with appropriate experience and competence, without being excessive.
- A Board member may receive additional remuneration for membership of the Audit Committee formed by the General Assembly, or for any additional executive, technical, administrative, or advisory duties assigned to them within the Company, subject to proper authorisation. This is in addition to any remuneration received in their capacity as a Board member or committee member, in accordance with the Companies Law and the Company's Articles of Association.
- Remuneration may vary between Board members to reflect differences in experience, responsibilities, independence, and attendance at meetings, among other factors.
- Where it is established by the Audit Committee or the competent authority that remuneration paid to any Board member or executive was based on inaccurate or misleading information presented to the General Assembly or included in the annual Board report, such remuneration must be repaid to the Company, and the Company shall have the right to recover it.





5.9.3 Remuneration Policy for Board Members and Board Committees

The Extraordinary General Assembly approved the remuneration policy for Board members, Board committees, and executive management (second edition) on 4/12/2025 CE.

Details of the remuneration for Board members and committees are set out as follows: Click

Table of Remuneration and Benefits for Members of the Board of Directors and its Sub-Committees

Board of Directors' Remuneration

Board Meetings Attendance Allowance	The Chairman and each Board member, or their representative, receive an attendance allowance of SAR 1,500 per meeting.
Annual Remuneration - Chairman	An annual bonus of one hundred and fifty-five thousand Saudi riyals (155,000) shall be paid to the Chairman of the Board; payment of this bonus is linked to the number of meetings attended by the Chairman out of the total number of meetings held by the Board of Directors during the relevant financial year
Annual Remuneration - Vice Chairman	An annual bonus of one hundred and forty-five thousand Saudi riyals (145,000) shall be paid to the Deputy Chairman of the Board; payment of this bonus is linked to the number of meetings attended by the Deputy Chairman out of the total number of meetings held by the Board of Directors during the relevant financial year
Annual Remuneration - Managing Director	An annual bonus of (75,000) seventy-five thousand Saudi riyals shall be paid to the Managing Director; payment of this bonus is contingent upon the number of meetings attended by the Managing Director out of the total number of meetings held by the Board of Directors during the relevant financial year.
Annual Remuneration - (Independent) Board Member	An annual bonus of no more than (75,000) seventy-five thousand Saudi riyals shall be paid to each independent director; The payment of this bonus is linked to the number of meetings attended by the independent director out of the total number of meetings held by the Board of Directors during the relevant financial year. The annual bonus shall be divided amongst the representatives in the event of the appointment of new independent directors, in accordance with the date of appointment.
Annual Remuneration - Board Secretary	An annual bonus of thirty thousand (30,000) Saudi riyals shall be paid to the Company Secretary; payment of this bonus is contingent upon the number of meetings attended by the Company Secretary out of the total number of meetings held by the Board of Directors during the relevant financial year. Should a new Company Secretary be appointed, the annual bonus shall be divided amongst the representatives in proportion to the dates of their appointment.
Annual Remuneration - Board Secretary	An annual bonus of thirty thousand (30,000) Saudi riyals shall be paid to the Company Secretary; payment of this bonus is contingent upon the number of meetings attended by the Company Secretary out of the total number of meetings held by the Board of Directors during the relevant financial year. Should a new Company Secretary be
Payment dates for the board of directors' remuneration	Annual remuneration for directors is paid to the directors and the secretary on an annual basis.

Remuneration for members of the Audit Committee

Attendance allowance for Audit Committee meetings	An attendance allowance of SAR 1,500 (one thousand five hundred) shall be paid to the Chairman of the Committee and each member of the Committee, or their respective deputies, for each meeting of the Committee.
Annual bonus for the Chair of the Audit Committee	An annual bonus of (40,000) forty thousand Saudi riyals shall be paid to the Chairman of the Audit Committee, and its payment shall be linked to the number of meetings attended by the Chairman out of the total number of meetings held by the relevant committee during the financial year in question. The annual bonus shall be divided amongst the representatives in the event of the
Annual bonus for a committee member (from within the Board)	An annual bonus of four thousand Saudi riyals (4,000) shall be paid to a committee member from within the Board of Directors, and its payment shall be linked to the number of meetings attended by the member out of the total number of meetings held by the relevant committee during the relevant financial year.
Annual remuneration for committee members (from outside the Board)	An annual remuneration of (35,000) thirty-five thousand Saudi riyals shall be paid to members of the Audit Committee from outside the Board, The payment of this allowance is linked to the number of meetings attended by the member out of the total number of meetings held by the relevant committee during the relevant financial year. The annual allowance shall be divided amongst the representatives in the event of the appointment of a new committee member from outside the Board, in accordance with the date of appointment.
Dates for payment of the Audit Committee membership bonus	The Audit Committee membership bonus shall be paid to members on an annual basis.

Remuneration for members of the Nomination and Remuneration Committee

Attendance allowance for meetings of the Nomination and Remuneration Committee	An attendance allowance of SAR 1,500 (one thousand five hundred) shall be paid to the Chairman of the Committee and each member of the Committee, or their respective deputies, for each meeting of the Committee.
Annual bonus for the Chair of the Nomination and Remuneration Committee	An annual bonus of thirty-two thousand Saudi riyals (32,000) shall be paid to the Chair of the Nomination and Remuneration Committee, The payment of this bonus shall be linked to the number of meetings attended by the Chair of the Committee out of the total number of meetings held by the relevant Committee during the financial year in question. The annual bonus shall be divided amongst the representatives in the event of the appointment of a new Chair of the Committee, in accordance with the date of appointment.
Annual Bonus for Members of the Nomination and Remuneration Committee	An annual bonus of (2,000) two thousand Saudi riyals shall be paid to each committee member, and its payment is linked to the number of meetings attended by the member out of the total number of meetings held by the relevant committee during the relevant financial year. The annual bonus shall be divided among the representatives in the event of the appointment of a new committee member, in accordance with the date of appointment.
Dates of payment of remuneration for membership of the Nomination and Remuneration Committee	Annual remuneration for membership of the Nomination and Remuneration Committee shall be paid to members on an annual basis.

Effective Date of the Policy

Effective Date of the Remuneration and Benefits Policy for Members of the Board of Directors and its Committees	The Remuneration and Benefits Policy for members of the Board and its committees shall apply from the financial year 2025 CE, provided that this does not conflict with relevant procedures and regulations
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Accurate, transparent and detailed disclosure in the Board of Directors' report of the remuneration granted to members of the Board of Directors and the executive management, whether directly or indirectly, without concealment or misrepresentation, whether in the form of sums, benefits or perks, whatever their nature or name. If the benefits consist of shares in the company, the value of the shares shall be their market value at the date of vesting. [Article 90 - A - 4] Provide the necessary details regarding the remuneration and compensation paid to each of the following individually:



5.9.4 Remuneration and Compensation Paid to Board Members

Fixed Remuneration							Variable Remuneration								
Fixed Amount	Board Meetings Attendance Allowance	Total Committee Attendance Allowances	Benefits in Kind	Technical, Administrative and Advisory Fees	Remuneration of the Chairman, Managing Director or Secretary (if a Board member)	Subtotal	Percentage of Profits	Periodic Bonuses	Short-term Incentive Plans	Long-term Incentive Plans	Shares Granted (value to be inserted)	Subtotal	End of Service Benefit	Total Overall	Expense Allowance
Independent Members															
-1 Al Abbas Ali Qaed Ahmed Al Mused	9000					9000		75,000				75,000		84,000	
-2 Fares Abdulrahman Ibrahim Al Fares	9000					9000		75,000				75,000		84,000	
Subtotal	18,000					18,000		150,000				150,000		168,000	
Non-Executive Members															
1- Hamad Mohammed Hadi Al Rasheed	9000					9000		155,000				155,000		164,000	
2- Mohsen Mohammed Hadi Al Rasheed	9000					9000		145,000				145,000		154,000	
Subtotal	18,000					18,000		300,000				300,000		318,000	
Executive Members															
1- Badr Mohammed Hadi Al Rasheed	9000					9000		75,000				75,000		84,000	
2- Hamoud Qasem Hamoud Al Shammari (Board Secretary)								30,000				30,000		30,000	
Subtotal	9000					9000		105,000				105,000		114,000	
Subtotal	45,000					45,000		555,000				555,000		600,000	



5.9.5 Table of bonuses and remuneration paid to senior executives who received the highest bonuses from the company, including the Chief Executive Officer and the Chief Financial Officer.

	Fixed Remuneration				المكافآت المتغيرة								
	Salaries	Allowances	Benefits in Kind	Subtotal	Periodic Bonuses	Profits	Short-term Incentive Plans	Long-term Incentive Plans	Shares Granted (value to be inserted)	Subtotal	End of Service Benefit	Total Executive Remuneration (Board-related, if any)	Total Overall
Badr Mohammed Hadi Al Rasheed	620,000			620,000									634,849
Taha Babiker Al Bashir Babiker	304,167	25,880		330,047									352,042
Fahad Salman bin Mohammed Al Enezi	600,000			600,000									614,969
Faisal Mohammed Hadi Al Rasheed	600,000			600,000									614,603
Majed Samir bin Ali Al Mutairi	525,854			525,854									526,705
Hadi Mohammed Hadi Al Rasheed	600,000			600,000									615,099
Fahad Mohammed Al-Haylam Al-Safran	360,000			360,000									605,887
المجموع	3,610,021	25,880		3,635,901									3,964,154

The Company has complied with the disclosure of senior executive remuneration on an aggregate basis, in accordance with the regulatory requirements set out in paragraph (B) of Article (90) of the Corporate Governance Regulations.



5.9.6 Remuneration and Compensation Paid to Audit Committee Members

Name	Fixed Remuneration (excluding meeting attendance allowances)	Board Meetings Attendance Allowance	Subtotal
Al Abbas Ali Qaed Ahmed Al Musaed	40,000	6,000	46,000
Mohsen Mohammed Hadi Al Rasheed	4,000	6,000	10,000
Ayed Faisal Ayed Al Rasheed	35,000	6,000	41,000
Total	79,000	18,000	97,000

5.9.7 Table of Remuneration and Compensation Paid to Members of the Nomination and Remuneration Committee

Name	Fixed Remuneration (excluding meeting attendance allowances)	Board Meetings Attendance Allowance	Subtotal
Fares Abdulrahman Ibrahim Al Fares	32,000	3,000	35,000
Nawaf Salem Al Qahtani	2,000	3,000	5,000
Sara Ali Al Rajhi	1,000		1,000
Shouq Hadi Saad Al Osaimi	1,000	3,000	4,000
Total	36,000	9,000	45,000
Total	115,000	27,000	142,000

.Explanation of the relationship between the remuneration granted and the approved remuneration policy, and disclosure of any material deviation from that policy



5.10 Remuneration and Compensation

5.10.1 Basis and Controls for Determining Remuneration and Compensation

Companies in the Kingdom align Board remuneration and compensation with the core corporate governance principles issued by the relevant legislative and regulatory authorities. Such remuneration must remain within the prescribed regulatory limits.

In accordance with the Companies Law, the Company's Articles of Association define the mechanism for determining Board remuneration, which may include fixed amounts, attendance allowances, benefits in kind, or a percentage of net profits, or a combination of these.

5.10.2 Basis and Controls for Determining Remuneration and Compensation

Remuneration and compensation are governed by the applicable regulatory framework, including the Companies Law, the Company's Articles of Association, and the Corporate Governance Regulations. The Nomination and Remuneration Committee establishes a clear policy covering Board members, committees, and executive management, and submits it to the Board for approval by the General Assembly, taking into account performance standards, transparency, and proper implementation.

- The Committee recommends remuneration for Board members, committees, and senior executives in line with the approved policy.
- The Board grants remuneration based on the Committee's recommendation, in accordance with applicable regulations, with Board remuneration subject to General Assembly approval.
- Full details of remuneration and compensation are disclosed in the Board's annual report and made available to shareholders ahead of the General Assembly meeting.
- Where remuneration is linked to profits, it must not exceed 10% of net profits after statutory reserves and the distribution of at least 5% of paid-up capital to shareholders. Remuneration must reflect meeting attendance. Any arrangement to the contrary is considered invalid.
- The Board report submitted to the General Assembly includes a comprehensive statement of all remuneration, allowances, and benefits received by Board members, including payments for technical, administrative, or advisory services, together with attendance records.
- The Nomination and Remuneration Committee reviews compliance with the approved policy and identifies any material deviations. This may be carried out through internal audit or an independent external party, without interference from management.
- Remuneration structures for control functions, such as internal audit, are designed to preserve independence and objectivity, without influence from executive management.
- Board members and executive management (other than roles directly linked to sales) must not receive commissions or incentives tied to transactions, nor should remuneration be directly linked to Company revenues.
- The remuneration framework aligns with the Company's strategy and objectives.
- Remuneration is fair and proportionate to responsibilities and aligned with annual performance objectives.
- It reflects the nature of the Company's activities and the level of expertise required.
- The size of the Company and the experience of Board members are taken into account.

- Remuneration is set at a level that supports the attraction, retention, and motivation of qualified individuals.
- Remuneration may vary between members to reflect differences in experience, responsibilities, and attendance.
- Independent Board members' remuneration is not linked to Company profits, preserving independence.
- The structure encourages prudent decision-making and avoids excessive risk-taking in pursuit of short-term gains.
- It must not give rise to conflicts of interest that could affect the Company's performance.
- The Board remains committed to full disclosure of remuneration, including policies, amounts, and any benefits in kind in return for any executive or advisory roles.
- Committee members are entitled to remuneration approved by the General Assembly and endorsed by the Board based on Committee recommendation.
- Annual remuneration takes into account performance indicators such as meeting attendance.
- The Board's annual report includes full details of all remuneration and compensation, including any additional payments to committee members.

5.10.3 Suspension or Clawback of Remuneration

- If the General Assembly, based on a Board recommendation, resolves to terminate the membership of a Board member, that member is not entitled to any remuneration for the period following their last attended meeting and must repay any such amounts received, where applicable.
- Where it is established that remuneration paid to any Board member was based on inaccurate or misleading information presented in the Board report or to the General Assembly, such amounts must be repaid, and the Company retains the right to recover them.

5.10.4 Approval of Remuneration and Compensation

- The Board is required to disclose all remuneration granted to Board members and executive management in a clear and transparent manner within its annual report, whether direct or indirect, including financial amounts and benefits in all forms.
- Where remuneration is granted in the form of shares, it is valued at the market price on the entitlement date.

5.10.5 Statement of Any Material Deviation from the Policy

The Company confirms that there are no material deviations between the remuneration granted and the approved remuneration policy.

5.10.6 A statement of the remuneration received by members of the Board in their capacity as employees or administrators, or in respect of technical, administrative or consultancy work

The Company confirms that no Board member received any amounts in consideration for technical, administrative, or advisory services.

5.11 Dividend Distribution Policy

5.11.1 Mechanism for Annual Dividend Distribution

- The Ordinary General Assembly may, when determining the share of net profits attributable to shareholders, resolve to set aside reserves to the extent that this serves the Company's interests or supports stable dividend distributions over time. It may also allocate amounts from net profits for social purposes benefiting the Company's employees.
- The General Assembly determines the percentage of net profits to be distributed to shareholders after deducting any reserves, where applicable.

5.11.2 Controls for Interim Dividend Distribution

The Company may distribute interim dividends on a semi-annual or quarterly basis, subject to the following conditions:

- The General Assembly must authorise the Board of Directors to distribute interim dividends under an annual resolution.
- The Company must maintain adequate liquidity and be reasonably able to forecast its profitability.
- Sufficient distributable profits must be available, based on the latest financial statements, to cover the proposed distribution after deducting any amounts previously distributed or capitalised.
- Distributable profits consist of retained earnings as shown in the most recent statement of financial position preceding the distribution decision, together with any distributable reserves.
- Distributable reserves include reserves generated from profits that are not earmarked for specific purposes, or where the purpose for which they were created has been discontinued.
- Distributable reserves include reserves generated from profits that are not earmarked for specific purposes, or where the purpose for which they were created has been discontinued.
- Where the Company is listed, it must promptly disclose and announce any interim dividend decision and provide the relevant authority with a copy upon issuance.

5.11.3 Entitlement to Dividends

A shareholder is entitled to dividends in accordance with the resolution of the General Assembly, which specifies both the record date and the payment date. Dividend entitlement is granted to shareholders registered in the Company's records at the close of business on the specified record date. The Board of Directors is responsible for implementing the General Assembly's resolution regarding dividend distribution.



5.11.4 Dividends Distributed During the Financial Year Ended 31 December 2025

First: Cash Dividends

- The Board of Directors, on 7 April 2025, recommended the distribution of cash dividends for the second half of 2024, as follows:
- Total distribution: SAR 24,000,000
- Dividend per share: SAR 2 per share
- Representing: 20% of the share's nominal value

Second: Non-Cash Dividends (Bonus Shares)

- The General Assembly approved an increase in share capital through the issuance of bonus shares.
- Bonus ratio: One share for every two shares held (50%)
- Capitalisation amount: SAR 60,000,000
- Source: Retained earnings

Summary:

- Cash dividends approved in 2025: SAR 24 million
- Non-cash distribution: 50% bonus shares through capitalisation of SAR 60 million





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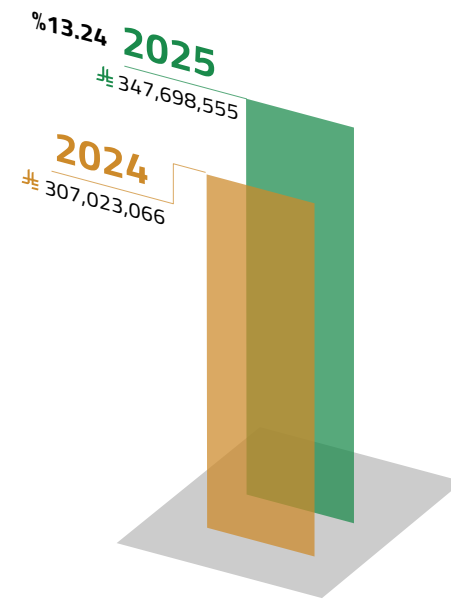
Financial Performance



6.1 Financial Performance Overview

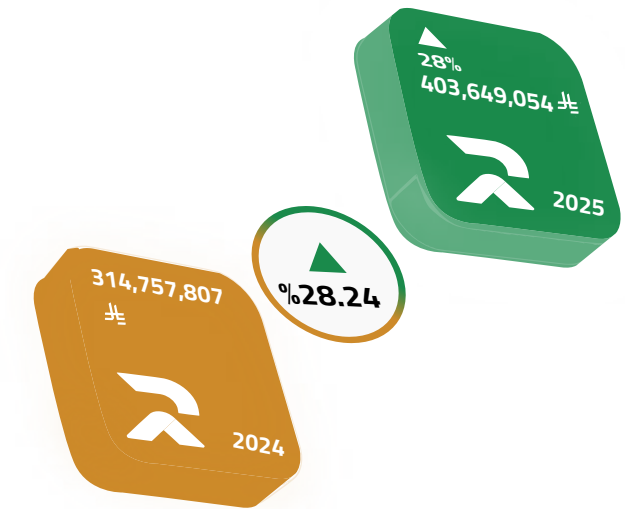
Revenue

Revenue for 2025 amounted to SAR 347,698,555, compared with SAR 307,023,066 in 2024, representing an increase of 13.24%.



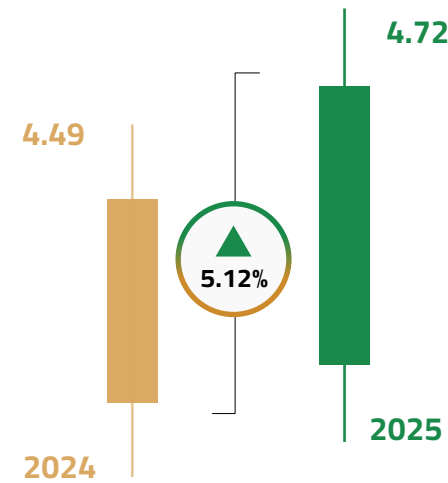
Total Assets

Total assets as at 2025 amounted to SAR 403,649,054, compared with SAR 314,757,807 in 2024, an increase of 28.24%.



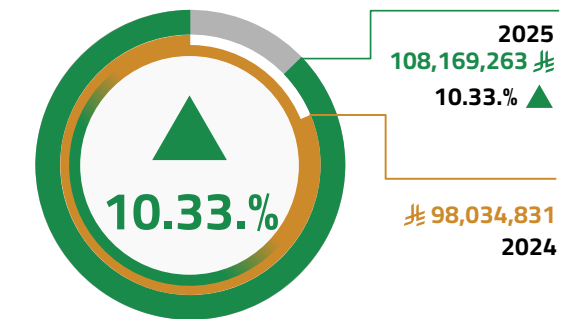
Earnings per Share

Earnings per share for 2025 stood at SAR 4.72, compared with SAR 4.49 in 2024, an increase of 5.12%.



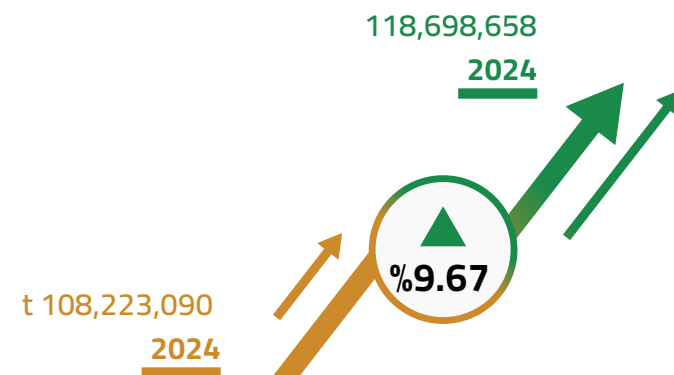
Earnings before depreciation, amortisation, finance costs, zakat and taxes

Earnings before depreciation, amortisation, finance costs, zakat and tax amounted to SAR 108,169,263 in 2025, compared with SAR 98,034,831 in 2024, representing an increase of 10.33%.



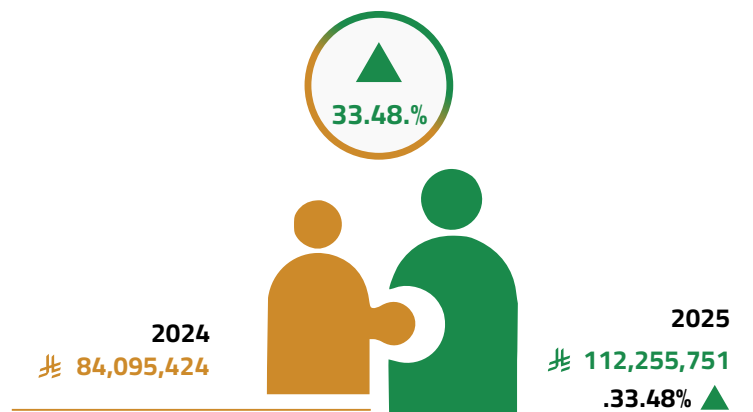
Gross Profit

Gross profit for 2025 reached SAR 118,698,658, compared with SAR 108,223,090 in 2024, reflecting an increase of 9.67%.



Total Liabilities

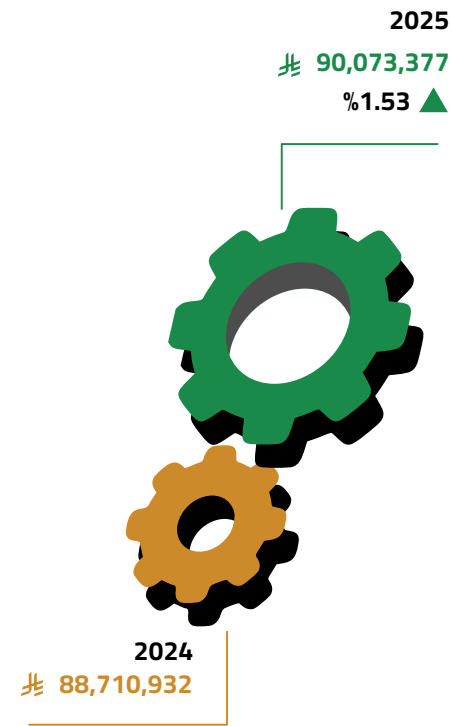
Total liabilities reached SAR 112,255,751 in 2025, compared with SAR 84,095,424 in 2024, an increase of 33.48%.





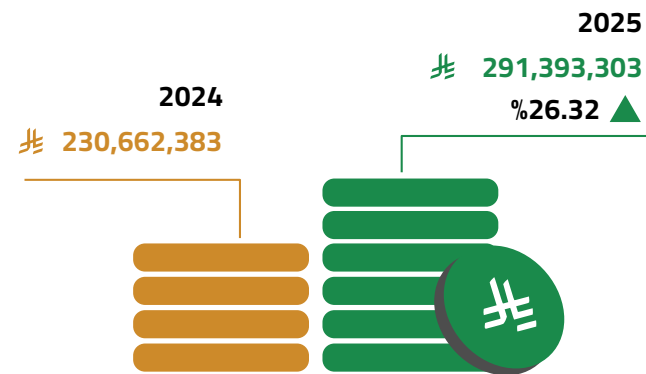
Operating Profit

Operating profit for 2025 stood at SAR 90,073,377, compared with SAR 88,710,932 in 2024, reflecting a modest increase of 1.53%.



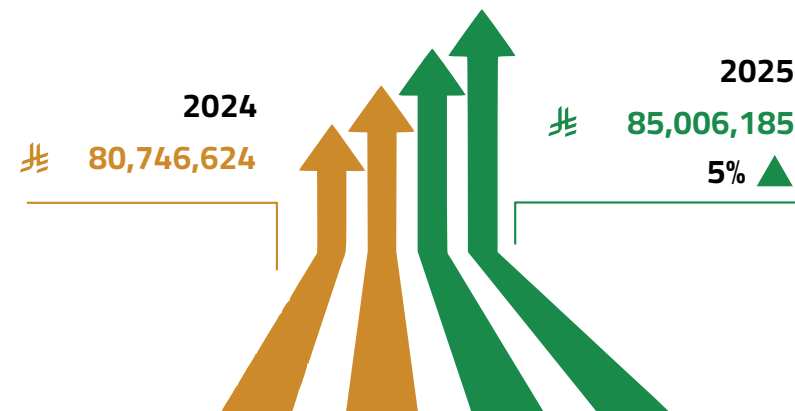
Shareholders' Equity

Shareholders' equity increased to SAR 291,393,303 in 2025, compared with SAR 230,662,383 in 2024, an increase of 26.32%.



Net Profit

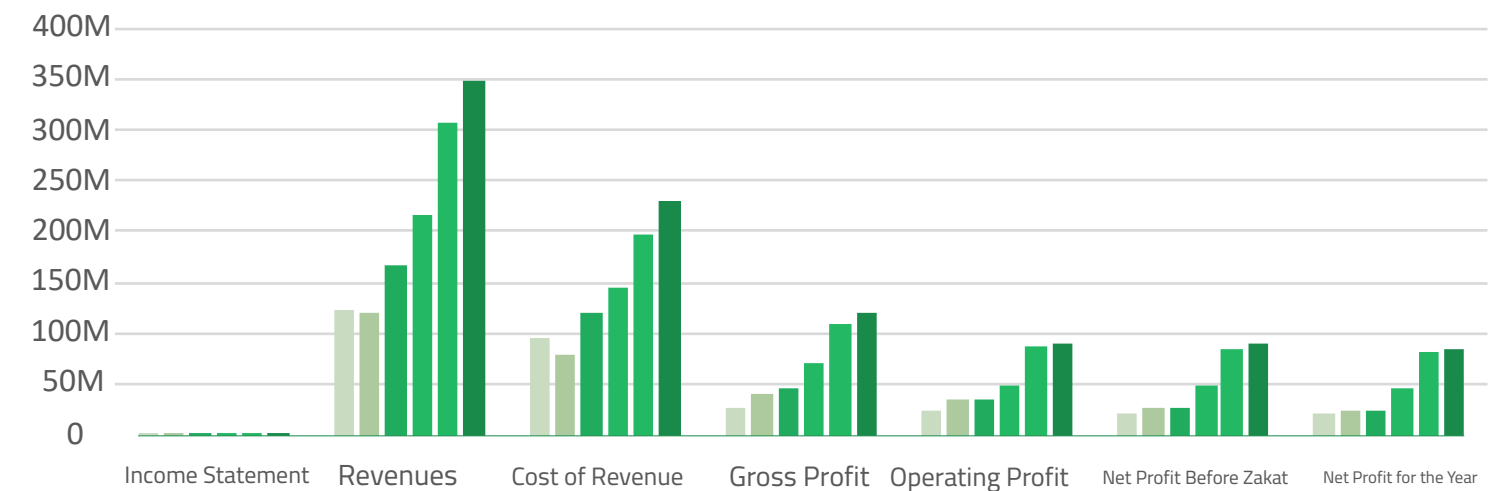
Net profit for 2025 amounted to SAR 85,006,185, compared with SAR 80,746,624 in 2024, representing an increase of 5.27%.



6.2 Analysis of Business Results

Corporate Governance Regulations

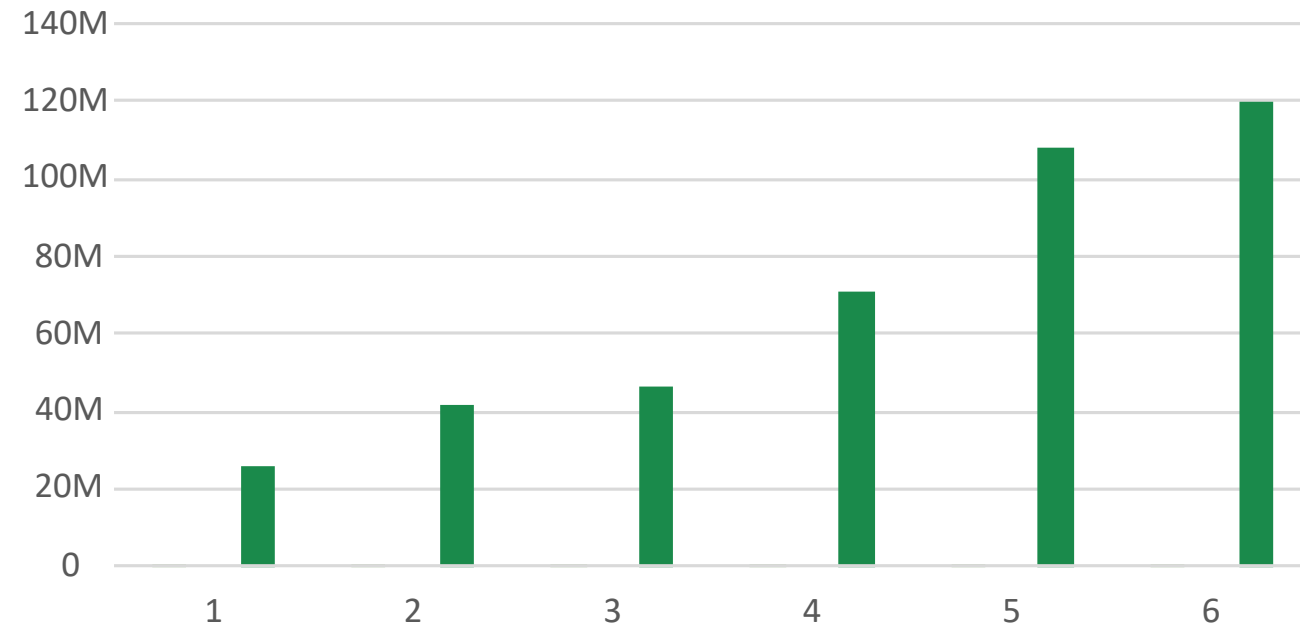
Income Statement	2020	2021	2022	2023	2024	2025
Revenues	122,308,954.00	120,551,528.00	167,594,831.00	215,224,597.00	307,023,066.00	347,698,555.00
Cost of Revenue	96,413,949.00	79,135,530.00	120,772,850.00	144,409,983.00	198,799,976.00	228,999,897.00
Gross Profit	25,895,005.00	41,415,998.00	46,821,981.00	70,814,614.00	108,223,090.00	118,698,658.00
Operating Profit	22,574,744.00	34,685,070.00	35,222,098.00	49,352,956.00	88,710,932.00	90,073,377.00
Net Profit Before Zakat	20,859,171.00	26,057,101.00	26,927,177.00	47,568,565.00	83,674,919.00	88,991,833.00
Net Profit for the Year	19,857,278.00	24,614,748.00	24,653,377.00	44,714,137.00	80,746,624.00	85,006,185.00





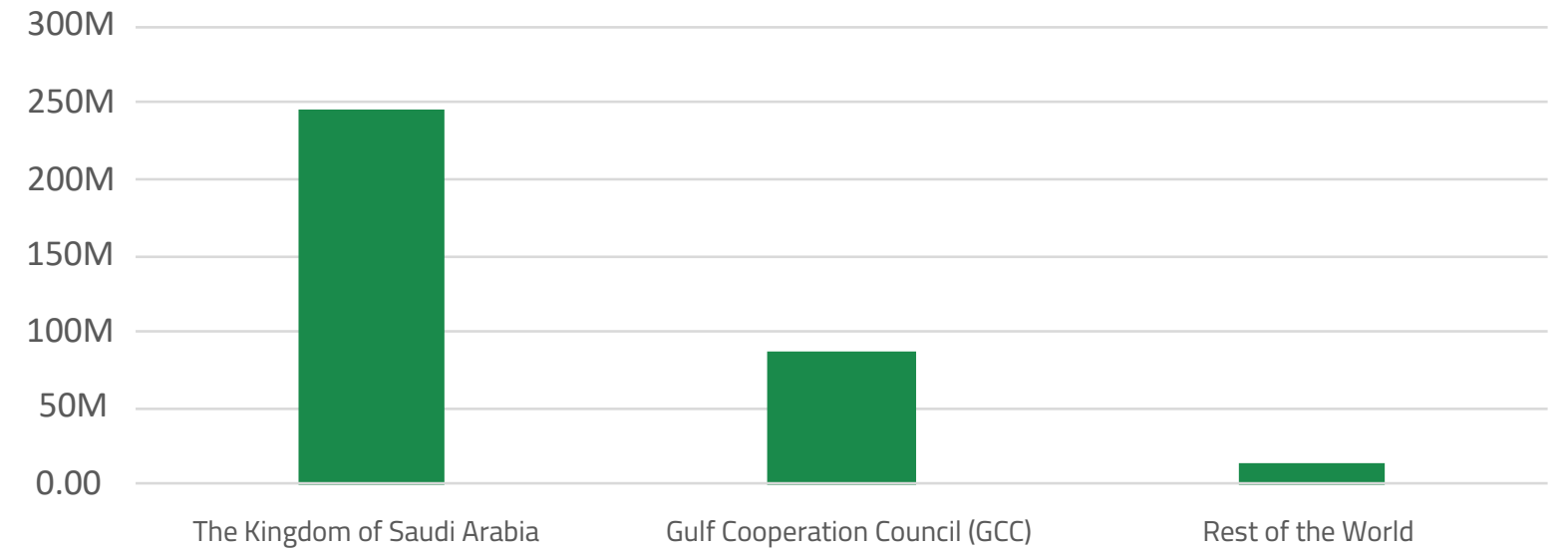
6.3 Gross Profit Analysis

Statement	2020	2021	2022	2023	2024	2025
Gross Profit	25,895,005	41,415,998	46,821,981	70,814,614	108,223,090	118,698,658



6.4 Revenue Analysis by Geographic Segment

Year	The Kingdom of Saudi Arabia	Gulf Cooperation Council (GCC)	Rest of the World	Total
2025	246,837,589	87,362,733	13,498,233	347,698,555



6.5 Analysis of revenue and sources of income by business activity

Activity	As of December 31, 2021		As of December 31, 2022		As of December 31, 2023		As of December 31, 2024		As of December 31, 2025	
	Activity Revenue	% of Total Revenue	Activity Revenue	% of Total Revenue	Activity Revenue	% of Total Revenue	Activity Revenue	% of Total Revenue	Activity Revenue	% of Total Revenue
Granite and Marble	18,185,029	15%	23,492,859	14%	33,430,626	16%	32,723,009	11%	40,514,958	12%
Silica Sand	59,724,056	50%	99,836,212	60%	130,911,032	61%	190,553,260	62%	180,702,588	52%
Crushers (Aggregate)	19,858,712	17%	22,799,062	14%	4,884,745	2%	178,574.11	0%	2,757,047	1%
Asphalt Concrete	18,735,121	16%	20,766,704	12%	39,065,429	18%	37,837,290.29	12%	71,517,899	21%
Contracting and Maintenance	4,048,609	3%	699,994	0.42%	6,932,765	3%	45,730,931.51	15%	52,206,063	15%
Total Revenues	120,551,527	100%	167,594,831	100%	215,224,597	100%	307,023,066	100%	347,698,555	100%



6.6 Assets and Liabilities Analysis

	2020	2021	2022	2023	2024	2025
Assets						
Total Non-Current Assets	98,971,200	113,545,185	110,662,534	137,205,643	131,151,608	187,844,363
Total Current Assets	105,395,652	106,848,941	106,313,060	110,557,446	183,606,199	215,804,691t
Total Assets	204,366,852	220,394,126	216,975,594	247,763,089	314,757,807	403,649,054
Liabilities						
	2020	2021	2022	2023	2024	2025
Total Non-Current Liabilities	103,324,094	36,283,460	31,942,591	38,735,989	25,109,843	46,833,911
Total Current Liabilities	44,106,728	48,026,036	38,497,070	34,916,354	58,985,581	65,421,840
Total Liabilities	147,430,822	84,309,496	70,439,661	73,652,343	84,095,424	112,255,751
Shareholders' Equity						
	2020	2021	2022	2023	2024	2025
Capital	34,500,000	120,000,000	120,000,000	120,000,000	120,000,000	180,000,000
Statutory Reserve	4,291,957	6,753,432	9,218,770	13,690,184		
Retained Earnings	18,144,073	9,331,198	17,317,163	40,420,562	110,662,383	112,613,889
Total Shareholders' Equity	56,936,030	136,084,630	146,535,933	174,110,746	230,662,383	291,393,303
Total Liabilities and Shareholders' Equity	204,366,852	220,394,126	216,975,594	247,763,089	314,757,807	403,649,054

6.7 Cash Flow Analysis

Cash Flows	2020	2021	2022	2023	2024	2025
Cash and Cash Equivalents at the Beginning of the Year	7,288,465	14,271,999	11,840,449	9,103,606	19,808,234	45,125,272
Net Cash Generated from Operating Activities	11,652,195-	25,699,529	41,165,106	55,409,262	97,204,225	39,908,172
Net Cash Used in Investing Activities	596,119-	13,782,665-	9,807,815-	13,767,295-	37,114,376-	77,031,312-
Net Cash Used in Financing Activities	19,231,848	14,348,414-	34,094,134-	30,937,339-	34,772,811-	2,054,932
Cash and Cash Equivalents at the End of the Year	14,271,999	11,840,449	9,103,606	19,808,234	45,125,272	10,057,064

6.8 Statutory Payments

	Paid	Outstanding at Period End	Brief Description	Reason
Zakat	2,928,295	3,985,648	Due for 2026	Payable in 2026
Tax	12,156,532	814,776	December 2025 liability	Settled in January 2026
General Organization for Social Insurance (GOSI)	4,408,245	372,471t	December 2025 liability	Settled in January 2026
Quarry Licence Renewal Fees and Financial Consideration	1,008,036		Financial obligation related to mining operations and licence renewal fees	
Residency Issuance and Renewal Fees	1,798,172		Fees for issuing residency permits for the first time and renewing upon expiration	
Qiwa and Muqem Platform Fees	3,901,500		Labour and HR services, including Passport Agency Fees for Resident Affairs	
Vehicle Inspection Fees	226,387		Fees payable for carrying out the periodic technical inspection of the vehicle, verifying its safety and roadworthiness, and issuing the inspection certificate.	
Other Government Fees	2,500,475		Other Government Fees	



6.9 Fines and Penalties

The Company complies with the laws, regulations, and instructions issued by the relevant regulatory authorities in the Kingdom of Saudi Arabia. It maintains a structured compliance framework designed to ensure adherence to statutory requirements across all its activities, including operational, production, and related services.



During the financial year 2025, the Company continued to monitor its level of compliance through its internal control system. Any breaches, where identified, are recorded, assessed, and addressed in accordance with approved procedures, with appropriate corrective measures taken to prevent recurrence.

The Company discloses any violations and penalties, where applicable, in line with regulatory disclosure requirements, as set out in the table below.

Details of offences and penalties in 2025

Source of the violation	Amount of the fine (SAR)	Description of the violation	Ways to address and prevent it
وزارة النقل والخدمات اللوجستية	40,400	Violations relating to the weight and dimensions of lorries	Compliance with regulatory requirements
المركز الوطني للرقابة على الالتزام البيئي	40,000	Violations of the Executive Regulations on the Prevention and Control of Soil Pollution	Compliance with regulatory requirements
المركز الوطني للرقابة على الالتزام البيئي	50,000	Breaches of the Air Quality Regulations	Compliance with regulatory requirements

6.10 Disclosure of loans and debts

Name of the Lending Entity	Loan		Amounts Repaid Towards the Loan During 2025	Outstanding Loan Balance	Total Indebtedness of the Company and its Subsidiaries
	Principal Amount	Loan Term			
 صندوق التنمية الصناعية السعودي	39,130,901	سنة 6.5	9,800,000	11,956,106	
 الأول SAB	72,390,000	سنوات 5	984,797	40,500,265	

6.11 Inventory Turnover

	2021	2022	2023	2024	2025
Inventory	38,741,383	40,902,834	42,451,248	50,674,249	81,987,846
Cost of goods sold	79,135,530	120,772,850	144,409,983	198,799,976	228,999,897
'Inventory turnover ratio' once	2.3	3.03	3.46	4.26	3.45
Inventory turnover in days	158.37	120.35	105.34	85.68	105.79

6.12 Financial Indicators

Financial Indicators	2020	2021	2022	2023	2024	2025
Revenue growth rate	6.77%	1.44%-	39.02%	28.42%	42.65%	13.25%
Growth rate in net income	43.12%	23.96%	0.16%	81.37%	80.58%	5.28%
Gross profit margin	21.17%	34.36%	27.94%	32.90%	35.45%	34.14%
Current ratio	مرة 0.96	مرة 3.13	مرة 3.46	مرة 3.54	مرة 3.11	مرة 3.30
Net comprehensive income margin	16.13%	20.24%	14.51%	20.86%	26.24%	24.37%
Revenue to total assets	59.85%	54.70%	77.24%	86.87%	97.54%	86.26%
Liabilities to Equity Ratio	258.94%	62%	48%	٢٤٨	36.50%	39%
Return on assets	9.72%	11.17%	11.36%	18.05%	25.65%	21.06%
Return on equity	34.88%	18.09%	16.82%	25.68%	35.01%	29.17%



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