

ANNUAL REPORT

2025

A Year We Expanded Our Impact



The Custodian of The Two Holy Mosques
KING SALMAN BIN ABDULAZIZ AL SAUD



His Royal Highness Crown Prince
MOHAMMAD BIN SALMAN BIN ABDULAZIZ AL SAUD

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THEME OF THE YEAR — Environmental Impact

Operational initiatives, partnerships, and outcomes that demonstrate Riyadh Cement Company's environmental impact and alignment with Vision 2030 and the Saudi Green Initiative (SGI).

Key Environmental Actions & Investments

Afforestation & Vegetation Cover

- **10,000 seedlings** delivered from Riyadh Cement's nursery to **Arwa Charity Association**: planting & distribution executed with volunteers and in coordination with **Arwa Governorate Municipality, Police, and Civil Defense**.
- Ongoing **greening of plant corridors and open areas** across company sites.
- **On-site agricultural nursery** established as a flagship initiative to enhance vegetation cover, develop environmental incubators, and support community quality of life.

Grid Connection & Energy Transition

- **33/11 kV power substation** contract signed with **Chengdu Design & Research Institute** to connect Al-Muzahimiyah plants to the grid under the **Liquid Fuel Displacement Program** (total investment SAR 85 million).

- **Expected impact:** improved energy efficiency, reduced dependence on liquid fuels, enhanced operational reliability, and support for environmental sustainability.

Circular Economy & Resource Efficiency

- Localization of **environmentally friendly operational solutions** and initiatives that **improve resource efficiency** (materials, energy, and water) in line with circular-economy principles.
- **Showcased at SIDF's event "Towards a Sustainable Industrial Future"** via presentations and expert panel discussions.

Safety & Environmental Governance

- **Environmental governance framework** in place to strengthen operational efficiency and **reduce environmental impact**.
- Robust **safety systems and procedures** across plants, supporting a safe workplace consistent with **SDGs**.
- Adoption of **local plant species** suited to industrial environments, with best-practice care and anti-desertification measures.

Strategic Alignment

- Contributes to **Vision 2030, Saudi Green Initiative, Riyadh Green Initiative, and the Crown Prince's Afforestation Initiative**.
- Supports national goals to **expand vegetation cover, combat desertification, and promote sustainable development**.

Partnerships, Recognition & Engagement

Community & Government Partnerships

- **Arwa Charity Association** — recipient of 10,000 seedlings; joint planting/awareness activities executed through multi-stakeholder volunteerism.
- **Arwa Governorate Municipality, Police & Civil Defense** — coordination partners for seedling distribution and planting.

National Environmental Bodies

- Hosted delegations from the **National Center for Vegetation Cover & Combating Desertification** and the **National Afforestation Program** (coinciding with the launch of the **2025 Afforestation Season**).
- Delegations participated in **planting seedlings** inside Riyadh Cement grounds and reviewed the company's nursery and **greening program**.

Recognition for Industrial Sustainability

- **Saudi Industrial Development Fund (SIDF)** — “Towards a Sustainable Industrial Future”: Riyadh Cement presented its circular-economy journey, resource-efficiency initiatives, and localization efforts.
- **Recognition by the Advisor to the CEO at SIDF** for advancing sustainability practices and operational efficiency, positioning the company as an **industrial model** aligned with a more **competitive and sustainable** operating environment.

01. OVERVIEW

About Riyadh Cement Company

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ABOUT RIYADH CEMENT COMPANY

Founded in 1997, Riyadh Cement Company (RCC) is a Saudi joint-stock company listed on the Saudi Exchange (Tadawul – Main Market). RCC manufactures and supplies both white and grey cement from an integrated industrial complex in Al-Muzahimiyah, northwest of Riyadh, an area endowed with high-purity limestone and essential raw materials. The complex comprises highly efficient production lines operated with state-of-the-art equipment and AI-enabled control systems, ensuring dependable quality, reliability and cost discipline for national projects and select export markets.

RCC's purpose is straightforward: provide the Kingdom with high-quality, eco-friendly white and grey cement products while optimizing resources, elevating energy efficiency, protecting the environment and localizing jobs. This purpose is codified in the Company's Vision to be the environmental development choice in Saudi Arabia; its Mission, and a values system that prizes innovation, collaboration, growth, quality, and transparency across the enterprise.

RCC's portfolio spans the principal cement types demanded by Saudi contractors and ready-mix producers:

- Ordinary Portland Cement (OPC) for structural concrete and precast

- Sulfate-Resistant Portland Cement (SRC) for basements, marine and sewage works
- White Portland Cement Type I (CEM I 52.5N) for high-strength architectural and concrete applications.
- White Portland Cement Type II (CEM II 42.5N) for grouts, colored plastering and façade profiles; and Finishing Cement (FC) for plastering and floor screeds.

These products are manufactured to recognized Saudi and international standards and are supported by technical service to align end-use with performance.

What differentiates RCC operationally is its dual-process flexibility and its systems mindset. A converted grey line can switch to white-clinker production to balance demand, while the dedicated white plant retains specialty focus; together giving the Company a unique ability to supply premium architectural material alongside mainstream structural cement without sacrificing efficiency.

The industrial platform is complemented by certified management systems: in 2024 RCC obtained ISO 50001:2018 (Energy Management) and ISO 27001:2013 (Information Governance & Security), formalizing practices that reduce energy intensity and safeguard data across the value chain.

Sustainability is embedded in the operating agenda, not treated as an add-on. RCC advanced two flagship initiatives: a waste-heat recovery project using ORC technology and the recycling of industrial iron slag into the cement process; both aimed at lowering emissions, improving energy yield and substituting virgin inputs where feasible. In parallel, the Company maintains export channels to neighboring countries to optimize utilization through cycles while keeping primary focus on Saudi demand.

At its core, Riyadh Cement Company is a capability-driven, centrally located, dual-specialty cement manufacturer; engineered for dependable supply to the Kingdom's infrastructure and urban development, with the quality systems, product breadth, and sustainability initiatives expected of a Main-Market issuer serving national priorities.

Company Lines of Business

Riyadh Cement Company (“RCC”) operates an integrated cement platform organized around two core lines of business—**Grey Cement** and **White Cement**, produced from a single industrial campus in **Al-Muzahimiyah, northwest of Riyadh**. The site sits over high-quality limestone and other essential raw materials and houses **three highly efficient production lines** supported by state-of-the-art equipment and **artificial-intelligence technologies**. This configuration allows end-to-end control from quarry to dispatch.

Grey Cement

The plant contains two production lines with a design capacity of 3.4 million tons of grey clinker annually. Both lines share raw-material preparation, utilities, maintenance, quality control, and logistics infrastructure, giving RCC economies of scale and reliability across campaigns.

First production line (dual-process).

This is a dual-process line for the production of grey and white clinker of various types. Commercial production began in 2007, with a design capacity of 1.7 million tons of grey clinker annually. In 2019, it was developed to produce white clinker with a design capacity of 660,000 tons of white clinker annually.

Second production line (dedicated grey).

The second production line is dedicated to the production of grey clinker. Commercial production began in 2010, with a design capacity of 1.7 million tons of grey clinker annually.

Product slate and applications.

The grey cement plant produces three types of cement aligned to the needs of structural and infrastructure works:

- Ordinary Portland Cement (OPC): used to prepare reinforced concrete, to manufacture prefabricated concrete pipes, and to make blocks.
- Sulfate Resisting Portland Cement (SRC): used in the construction of underground bases, coastal facilities, and building dams and bridges where aggressive environments prevail.
- Portland Limestone Finishing Cement (FC): used in plastering, masonry works, and screeding (floor lining before tiling).

Grey operations are run for high throughput and stable, repeatable quality. Co-located raw-material quarries with high-purity limestone support consistent kiln feed chemistry; digital process controls stabilize burning zone conditions and finish-mill performance; and centralized dispatch coordinates bulk and bag deliveries to ready-mix batching plants, precast yards, block makers and infrastructure sites. The dual-process capability on Line-1 functions as a strategic “swing” lever: when structural demand softens and architectural demand rises, RCC can temporarily shift Line-1 to white service without jeopardizing supply reliability for OPC and SRC customers. Conversely, when structural demand is strong, the line remains in grey mode to maximize clinker availability for large pours, precast programs and public-works schedules.

A plant-wide quality ethos, sampling from quarry face to finished cement, supports compliance with Saudi and international specifications. This includes uniformity of strength development, soundness and setting characteristics for OPC and SRC, and workability and surface finish

performance for FC in plastering and screeding operations. Technical specialists support customers with mix design guidance (e.g., sulfate-exposure classes, cover depths, and early-strength requirements for precast turnarounds).

White Cement

Our White Cement plant is the first of its kind in the Kingdom to produce white cement. Established in 1997, it has a production capacity of 320,000 tons of white clinker annually. Through the dual-process capability of Line-1, the company can produce approximately one million tons of white clinker annually when market conditions warrant providing unmatched flexibility and scale for premium architectural applications nationwide.

Product slate and applications.

The White Cement Plant produces two principal types of cement, each targeted at high-value uses where aesthetics, color control and surface finish are critical:

1. White Portland Cement Type I (CEM I 52.5N): used in decorative works, grouts, colored concrete, tiles, interlock bricks, artificial stone, and glass fiber reinforced concrete (GRC). The cement's high whiteness index and strength class enable uniform pigmentation and crisp architectural detailing in precast cladding, site-cast elements, terrazzo, and GRC façades.
2. White Portland Cement (limestone) Type II (CEM II 42.5N): used in grouting and fillings for marble installation and colored plastering, as well as profile painting for external facades. Its formulation supports excellent bonding, smooth finishing, and color stability for exterior profiles and interior finishes.
3. Producing white clinker demands stringent control of raw-material purity (notably low iron and manganese content) and precise kiln operation to achieve target whiteness and strength. RCC's dedicated white line is engineered for this specialty, while the dual-process Line-1 can be brought into white mode to meet peak architectural demand, covering large façade packages, landscape features, and municipal realm works without stretching lead times. Fine grinding and optimized gypsum/limestone intergrading deliver smooth surfaces for plastering and profile works, and the Company's technical team supports color-matching, pigment dosing guidance, and curing best practices to achieve uniform, blemish-free finishes.
4. White cement is supplied in bulk and bag formats suitable for GRC producers, terrazzo and tile manufacturers, dry-mix packers, and finishing contractors. Centralized dispatch from Al-Muzahimiyah provides short lead times into Riyadh's mega-project corridor and reliable national coverage, with selective export channels that help stabilize kiln loading and unit costs across cycles.

How the Two Lines Work Together

- Mix flexibility at scale. The dual-process first line is RCC's hinge between specialties, enabling fast shifts from grey to white clinker (and back) to mirror market mix, protecting margins, balancing inventories and maintaining plant loading.
- Shared infrastructure, consistent standards. A single industrial campus with common laboratories, utilities, maintenance and packing assets delivers cost efficiency and a uniform quality system that customers recognize across RCC's product families.
- End-to-end control. From quarry planning and raw-mix design through kiln stability, grinding, and dispatch, both businesses operate under the same discipline; tight process windows, continuous monitoring, and field-based technical service so that structural performance in concrete and aesthetic performance in finishes are equally dependable.

Together, RCC's Grey Cement and White Cement businesses give the Kingdom a reliable structural backbone and a high-quality architectural finish, backed by industrial flexibility to meet the demands of Vision-scale infrastructure and urban development

OUR HISTORY

Since 1997, **Riyadh Cement Company (RCC)** has grown from Saudi Arabia's first white-cement plant into a dual-specialty, Main-Market issuer supplying the Kingdom's structural backbone and its most demanding architectural finishes. Our trajectory is defined by disciplined capacity additions, process modernization, and governance milestones that expanded investor access, while maintaining an unwavering focus on quality, energy stewardship, and reliable supply to national projects.

Chronology of Milestones

1997 — Foundation stone laid (Saudi Arabia's first white-cement plant)

The Company laid the **foundation stone for the Kingdom's first white-cement production plant** in Al-Muzahimiyah, establishing RCC's specialty heritage and strategic location northwest of Riyadh.

2001 — White line enters commercial operation

The **first white-cement line** began commercial production with an **annual clinker capacity of 230,000 tons**; later **upgraded to 320,000 tons per year** to meet rising demand for architectural and finishing applications.

2005 — Establishment of the Second Production Line (grey)

RCC broadened its platform with the **Second Production Line** to produce grey clinker, marking entry into mainstream structural cement alongside the white specialty franchise.

2007 — Structural scale-up begins

The **Second Production Line** started commercial production at **1.7 million tons of grey clinker per year**. In the **same year**, RCC established the **Third Production Line** for grey clinker, creating a two-line backbone for the Company's structural offering.

2010 — Third Production Line in operation

The **Third Production Line** commenced commercial operations at **1.7 million tons per year**, bringing the **combined designed capacity** of the Second and Third Lines to **3.4 million tons of grey clinker annually**.

2011 — Performance uplift on grey lines

Process enhancements lifted the grey complex to **~11,000 tons of clinker per day**, equivalent to roughly **3.4 million tons per year**, reinforcing RCC's ability to serve large infrastructure programs with dependable volumes.

2012 — Corporate reorganization

A merger of the legacy companies **resulted in Riyadh Cement becoming a subsidiary of Saudi White Cement Company**, simplifying oversight of the dual specialties within one industrial group.

2013 — White-plant renovation and capacity upgrade

To meet accelerating demand for premium finishes, the **white-cement plant was renovated and upgraded to 320,000 tons of white clinker per year**, cementing RCC's leadership in high-spec applications.

2019 — Dual-process flexibility engineered

RCC **converted one of the grey lines into a dual-production line**, able to run either grey or white clinker; **increasing potential white-clinker output to ~1.0 million tons per year** when operated in white mode. This structural flexibility remains a hallmark of RCC's model.

2020 — Entry to the capital markets (Nomu)

The Company **listed on the Saudi Stock Exchange (Nomu)**, strengthening corporate governance, financial efficiency, and market presence.

2021 — New corporate name

In the first quarter, the Company **changed its name from Saudi White Cement to Riyadh Cement Company**, aligning its identity with a balanced white-and-grey portfolio and future growth vision.

2022 — Brand refresh

RCC **rebranded and unveiled a new corporate identity**, featuring a distinctive logo that reflects leadership and a strong national presence.

2023 — Transfer to the Main Market (TASI)

RCC **transitioned from the Parallel Market (Nomu) to the Main Market (TASI)**, broadening investor access and positioning the Company to pursue new growth opportunities and meet stakeholder expectations.

2024 — A year of record achievements; systems certifications

RCC delivered **the highest levels of operating and financial performance in nine years**, driven by efficiency and higher production and sales. The Company also obtained **ISO 50001:2018 (Energy Management)** and **ISO 27001:2013 (Information Governance & Security)** formalizing enterprise systems that support sustainable operations and data assurance.

2025 — Power substation project

RCC signed a **SAR 85 million** contract to build an **33/11 kV** substation to connect its **Al-Muzahimiyah plants** to the grid improving energy efficiency and reliability under the **Liquid Fuel Displacement Program**.

WHERE WE OPERATE

Riyadh Cement Company operates a single, fully integrated manufacturing and distribution platform from Al-Muzahimiyah, northwest of Riyadh on high-purity limestone and other essential raw materials. The entire value chain, quarrying, raw-mix preparation, clinkerization, finish milling, quality laboratories, packing, and dispatch is concentrated on one industrial campus, enabling tight process control, short lead times to the Kingdom's project corridor, and dependable national coverage with selective exports to neighboring markets.

Revenue Contribution (by product, FY2025)

Grey: 79.4% White: 20.6%

KSA vs export revenue mix

	2025
KSA	99.70%
Export	0.30%

Kiln Utilization Rate

Kiln utilization rate:	2024	2025
Kiln #1	108.2%	113.9%
Kiln #2	112.6%	113.5%
Kiln #3	110.1%	123.3%

Uptime Percentage

Uptime % (Run Factor)	2024	2025
Kiln #1	76.5%	88.1%
Kiln #2	90.7%	83.3%
Kiln #3	85.4%	93.1%

Why Our Footprint Matters

- One campus, two specialties. Co-locating grey and white operations on one site creates shared utilities, maintenance and quality systems, lowering unit costs and ensuring that structural performance (OPC/SRC/FC) and architectural performance (CEM I / CEM II white) are delivered with the same discipline.
- Flexible mix at scale. The dual-process first line lets RCC switch quickly between grey and white clinker to mirror market mix protecting margins, controlling inventories and sustaining plant loading, while the dedicated white line preserves premium, high-whiteness consistency for façade and finishing work.

- Licensed and certified. Operations are conducted under valid Saudi industrial and quarry licenses; enterprise systems include ISO 50001 (Energy Management) and ISO 27001 (Information Governance & Security), underpinning safe, efficient and transparent operations across the footprint.

AT A GLANCE

Riyadh Cement delivered a resilient 2025. Disciplined operations, digital plant upgrades, and ISO-backed management systems sustained reliable supply to national mega-projects, while energy and circularity initiatives advanced our sustainability agenda. We remain focused on prudent capital allocation, superior customer service, and operational excellence to create durable, long-term value.

OPERATIONAL HIGHLIGHTS

- **Design capacity (grey clinker)**
3.4m t/y across two lines (1.7m t/y each). (2025: **3,520,000**; 2024 installed: **3,520,000 t/y**)
- **White clinker flexibility**
Up to ~1.0m t/y when Line-1 runs in white mode, alongside a dedicated **320k t/y** white plant. (2025: **320,000 per year**; 2024 capability: ~1.0m t/y)

- **Sales volumes**
Grey **3,497,830 t** (2024: **3,287,777 t**) · White **393,312 t** (2024: **398,637 t**)
- **Production (white clinker)**
314,021 t (2024: **588,547 t**)
- **Average kiln availability (Grey)**
90% (2024: **86%**)
- **Average kiln availability (White)**
93.9% (2024: **87.3%**)
- **Unplanned downtime for Grey (UKD)**
2.6% of operational time (2024: **4.62%**)
- **Unplanned downtime for White (UKD)**
2.0% of operational time (2024: **2.4%**)
- **Specific energy / power**
107 kWh/t-cement (2024: **110.4**)

FINANCIAL HIGHLIGHTS (SAR millions unless stated)

- **Revenue**
787.6 (2025) vs 789.4 (2024) Δ -0.2%
- **Operating Profit**
216.2 (2025) vs 292.9 (2024) Δ -26.2%
- **Net Profit**
207.8 (2025) vs 310.4 (2024) Δ -33.1%
- **EPS (SAR)**
1.73 (2025) vs 2.59 (2024) Δ -33.6%

- **Capital Expenditure**
131.4 (2025) vs 91.8 (2024) Δ +43.1%
- **Cash Flow from Operating Activities**
243.1 (2025) vs 434.2 (2024) Δ -44.0%

SUSTAINABILITY HIGHLIGHTS

- Achieved **ISO 56001:2024 (Innovation Management)** and **ISO 55001:2024 (Asset Management)**; maintained **ISO 50001:2018 (Energy Management)** and **ISO 27001 (Information Security)**.
- Waste-heat recovery (ORC) ~12.7 MW (gross); Liquid Fuel Displacement Program advancing; SAR 85 m 33/11 kV substation contract signed to enable reliable grid tie-in.
- ESG Framework & Systems Project signed with **NCV Net Carbon Vision**; first stand-alone ESG Report in preparation; new **Investor Relations Portal** launched.
- Progressed the **Million Tree Program** to **110,000** trees planted to date; 101,500 native seedlings produced in 2025; 56,000 distributed in December.
- Launched a unified internal digital platform to streamline workflows and employee access to services.
- Advanced Saudization pipeline: “Himmah 4” assessment phase launched for 70 trainees.
- Earned “Mowaamah” certification for disability-inclusive workplaces.

AWARDS

- Riyadh Cement Wins the CSR Award 2025 for the Second Consecutive Year *Presented by:* **Ministry of Human Resources & Social Development (KSA)**
- Ranked **Top-10 nationally** (out of ~1,300 companies) in the **Industrial Transformation** program.
- Industry Leader — **Arab Professional Excellence Award 2025**
Recipient: **Eng. Shoel Jarallah Al Ayed, CEO**
Presented by: **G2T Global Awards (Arab Professional Excellence Awards)**

2025 IN REVIEW

Riyadh Cement marked 2025 with disciplined execution, deeper stakeholder engagement, and visible progress in digital transformation, human-capital development, and sustainability. The milestones below trace our year, month by month, reflecting how we convert strategy into tangible outcomes across operations, markets, and governance.

January

CEO met the **Regional Voluntary Carbon Market Co.** to explore carbon-market collaboration; held a **Client Recognition Day** in Riyadh.

February

Plant tour and quarry-development review; hosted **VDMA/AHK** delegation; ran a company-wide **ESG workshop**.

March

CEO monthly field visit and Ramadan **Iftar with employees**; signed with **Mubeen Association** to host on-site Quran learning circles.

April

Published the **2024 Annual Report**; signed talent and R&D cooperation with **Riyadh Technical College, KACST** and the **Saudi Institute for Electronics**; Eid Al-Fitr gathering.

May

Ranked **Top-10 nationally** in the Factories of the Future program; CEO recognized by **Argaam** as **Top CEO – Cement**.

June

Progressed **7S** deployment and electrical-workshop upgrades; efficiency and housekeeping audits completed.

July

Launched **Himmah 4** assessments (70 trainees); rolled out a **Unified Internal Digital Platform**; CEO chaired monthly **KPI review**; **Security Personnel Day** recognition.

August

Launched the **Investor Relations Portal** and Board approved **SAR 1.00/share** interim dividend (eligibility 8 Sep; payment 18 Sep).

September

Delivered **Defensive Driving & Traffic Safety** training; CEO field tour reviewed **industrial beacons**, transport upgrades and **waste-heat recovery (ORC)** progress.

October

Launched the **ESG Framework & Systems Project**; won the **CSR Award 2025** from the Ministry of Human Resources & Social Development and signed with **Wasm** to plant **1,000 Arta trees** in **King Abdulaziz Royal Reserve**

November

Earned **ISO 56001 (Innovation)** and **ISO 55001 (Asset Management)** certifications; signed with the **National Electricity Transmission Co.** to build a grid station for the Al-Muzahimiyah plants.

December

Signed a **SAR 85m** contract for a new 33/11 kV substation at Al-Muzahimiyah; earned **Mowaamah** workplace accessibility certification.

STAKEHOLDER ENGAGEMENT

Riyadh Cement Company (“RCC”) recognizes that strong and consistent engagement with stakeholders is essential to sustaining long-term performance, enhancing resilience, and delivering shared value. The Company’s stakeholder engagement approach is built on transparency, accountability, and continuous dialogue, ensuring that stakeholder perspectives are considered in strategic planning, operational decision-making, and sustainability initiatives.

RCC’s engagement framework encompasses its key stakeholder groups; employees, customers, suppliers and business partners, shareholders and investors, and the wider community and environment. Through structured engagement channels and ongoing interaction, the Company seeks to

understand stakeholder expectations, manage risks, identify opportunities for improvement, and reinforce trust across its value chain. This approach supports RCC's commitment to responsible business conduct and alignment with national development priorities under Saudi Vision 2030.

Employees

Riyadh Cement Company places employees at the heart of its operational excellence and long-term sustainability, fostering a safe, inclusive, and performance-driven workplace that supports development, well-being, and engagement across all levels. Engagement is sustained through regular communication, structured training and development, performance evaluations, and robust health and safety programs. RCC's strong safety culture delivered zero lost-time injuries and more than 2.9 million accumulated safe man-hours during the reporting period. The Company continues to invest in workforce capability through structured learning with meaningful average training hours per employee each year, while advancing national talent by increasing Saudi participation and partnering with local training and educational institutions. RCC also promotes diversity and inclusion, with initiatives to increase female participation and broaden skills across the organization.

Customers

Riyadh Cement Company builds close, collaborative relationships with customers including ready-mix producers, construction contractors, distributors, and major public and private developers served primarily through distributors, ready-mix plants, and building-materials yards (with contractors typically buying indirectly). Engagement centers on consistent quality, reliable supply, technical support, and responsive service, with 2025 priority volumes targeting housing, infrastructure, ready-mix, precast, and retail. Strategically located in the Riyadh region, RCC ensures efficient logistics and timely deliveries to major infrastructure and Vision 2030 mega-projects, lowering transport costs and boosting reliability. The Company also enhances customer experience through digital platforms and streamlined commercial processes for quotations, orders, and coordination, supporting long-term partnerships and reinforcing its reputation as a dependable supplier in a highly competitive market.

Suppliers and Business Partners

Riyadh Cement Company engages proactively with suppliers and business partners to secure supply continuity, boost operational efficiency, and uphold rigorous quality, safety, and sustainability standards. This is driven by structured pre-qualification, ongoing performance evaluations, and close collaboration across critical inputs; energy, raw materials, spare parts, and logistics. RCC partners with suppliers on cost-optimization and energy-efficiency programs and advances circular-economy initiatives such as alternative raw materials and industrial-waste recycling. Strategic partnerships further support waste-heat recovery, fuel optimization, and clinker-efficiency improvements. Through responsible procurement and long-term relationships, RCC strengthens supply-chain resilience while advancing local content and national industrial objectives.

Shareholders and Investors

Riyadh Cement Company maintains transparent, timely, and consistent communication with shareholders and the investment community through regular financial disclosures, investor presentations, dividend announcements, and updates on Tadawul and official channels. The Company follows a disciplined capital-allocation and shareholder-return policy; evidenced by consistent dividends; while preserving a strong balance sheet and low leverage. Management provides clear disclosure of financial results, operational developments, and strategic priorities to support informed decisions and sustained investor confidence, underpinned by robust corporate governance, regulatory compliance, and accountability that drive long-term value creation.

Community and Environment

Riyadh Cement Company integrates community and environmental stewardship into its sustainability strategy, aligning with national initiatives such as the Saudi Green Initiative. The Company has executed large-scale afforestation and rehabilitation programs planting over 110,000 trees to enhance biodiversity, restore ecosystems, and support carbon-offset goals. RCC also invests in energy efficiency, emissions reduction, and resource optimization, including energy-efficient clinker production and waste-heat recovery projects. Through these actions, RCC aims to balance industrial growth with environmental responsibility, advancing national sustainability objectives while delivering long-term social and environmental value.

Continuous Engagement and Value Creation

Riyadh Cement Company's stakeholder engagement framework is an ongoing process that evolves in response to changing stakeholder expectations, regulatory requirements, and market dynamics. By maintaining open dialogue, incorporating feedback into decision-making, and aligning engagement practices with its strategic priorities, RCC aims to strengthen trust, enhance resilience, and deliver sustainable value for all stakeholders.

INVESTMENT CASE

Riyadh Cement Company (“RCC”) offers investors exposure to Saudi Arabia’s structural construction and infrastructure growth through a business with a strong competitive position in the central region, differentiated product mix (including a leading presence in white cement), proven operational discipline, and a track record of shareholder returns supported by a solid financial base. RCC’s strategy emphasizes profitable

growth, operational excellence, and sustainability; underpinned by ongoing investments in efficiency, digitalization, and environmentally responsible production.

1) Strategic positioning at the heart of Saudi's largest demand corridor

RCC's production base in **Al-Muzahimiyah (northwest of Riyadh)** provides a meaningful logistics advantage in a heavy, high-freight product category such as cement. Proximity to Riyadh and central-region developments supports efficient distribution, customer responsiveness, and stronger competitiveness, particularly where project density is high and supply reliability is critical.

2) Market scale and differentiated product mix (including leadership in white cement)

RCC is ranked among the **top Saudi cement producers** with a **~6.4% market share** and approximately **3.6+ million tons of annual production capacity**, while holding a **dominant position in white cement (more than 50% white cement market share)**; a key differentiator in a market where few producers operate at scale in white cement.

RCC manufactures and sells a broad portfolio of **grey and white cement** products, including **OPC, SRC, Finishing Cement, and White Portland cement types**, serving both structural and specialty applications.

3) Efficient, flexible production platform with room to optimize utilization

RCC operates **three highly efficient production lines** supported by advanced equipment and AI-enabled technologies, providing production flexibility across grey and white clinker. The grey cement plant has a designed capacity of 3.52 million tons of grey clinker annually, while the white cement plant capacity reaches **320,000 tons of clinker annually** with the ability (when operating the first line for white clinker) to reach approximately **one million tons of white clinker per year**.

The Company also highlights operational efficiency levels of **up to ~98% of rated capacity**, reflecting execution strength in plant reliability, cost control, and production optimization.

4) Execution on operational excellence and digital transformation

RCC's investment case is reinforced by its focus on continuous improvement initiatives spanning production optimization, maintenance efficiency, and digital transformation. The Company's operational priorities include reducing production costs, optimizing energy use, and strengthening supply chain resilience through strategic partnerships.

RCC is also implementing digital and smart-manufacturing initiatives (including real-time monitoring, predictive maintenance, and quality optimization), supporting higher uptime, improved quality consistency, and better cost performance.

5) Financial strength and disciplined shareholder returns

RCC's financial profile is supported by balance sheet strength, cash generation capability, and a track record of dividend distributions. For **FY2025**, the Company reported **revenue of SAR 787.6 million**, alongside stated **free cash flow of SAR 111.7 million** and **ROE of 10.96%**.

In 2024, RCC distributed dividends of **SAR 120 million for H1 2024** and recommended **SAR 150 million for H2 2024**, totaling **SAR 270 million** for the year (as shown in the annual report dividend statement).

The Company also disclosed a **SAR 1 per share dividend distribution in September 2025 (total SAR 120 million)**, reinforcing continuity of shareholder returns.

6) Sustainability and energy-efficiency investments that protect competitiveness

In a sector where energy cost and carbon intensity are increasingly strategic, RCC's sustainability initiatives strengthen long-term competitiveness. The Company has invested **SAR 249.8 million in energy-efficient clinker production**, is developing **waste heat recovery** projects generating **gross 12.7 MW**, and is progressing circular economy initiatives and alternative material use.

RCC's environmental programs also include large-scale afforestation progress, with the "Million Tree" program surpassing **110,000 trees planted**, supporting national greening objectives.

7) Governance, transparency, and quality systems supporting trust and continuity

RCC emphasizes transparent stakeholder communication and governance sustainability, supported by its corporate identity evolution and market presence, and reinforced through internationally recognized management system certifications (including energy management ISO certification disclosed in the annual report).

02. STRATEGIC REVIEW

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CHAIRMAN'S STATEMENT



The performance delivered during the period reflects the benefits of disciplined execution, strategic geographic positioning, and continued investment in developing operational capabilities. Despite sector-wide challenges associated with rising costs, Riyadh Cement maintained a strong pace of revenue generation, stable profitability, and a solid liquidity position. This enabled the Company to continue investing in its assets, its people, and its future growth opportunities, while also sustaining attractive returns to shareholders and supporting the Kingdom's transformation journey.

Riyadh Cement's strategic location at the heart of the Kingdom's most active construction area represents a core competitive advantage. Proximity to giga-projects in Riyadh contributes to lower transportation costs, stronger delivery reliability, and higher asset utilization. These factors have become increasingly important in a market characterized by elevated clinker inventory levels and ongoing competitive pricing pressure. When combined with a diversified product portfolio that includes grey and white cement, this advantage enhances the Company's ability to adapt to demand dynamics and customer requirements.

The Company maintains a clear and consistent strategic focus through progress across five core pillars: profitable growth, operational excellence, digital transformation, sustainability, and human capital. During the period, the Company strengthened its presence across a range of the Kingdom's leading development projects, reinforcing its position as a reliable supplier for priority projects aligned with Saudi Vision 2030. This has also deepened relationships with key customers, partners, and relevant government entities.



Sustainability is an integral part of the Company's long-term strategy. Riyadh Cement continues to implement a clear decarbonization roadmap aligned with national priorities, with the objective of achieving carbon neutrality by 2050. Current investments include high-efficiency clinker production, waste heat recovery systems, and circular economy practices, all of which contribute to improving the cost structure and reducing environmental impact. Afforestation initiatives and broader environmental programs further reflect the Company's commitment to delivering a lasting positive impact in the communities where it operates. The Company is scheduled to issue its first Environmental, Social and Governance (ESG) report for 2025, aimed at enhancing transparency and accountability.

Riyadh Cement's financial strength continues to support its differentiated position. The Company benefits from a strong financial position, high liquidity levels, and low leverage as a result of its primarily self-financed approach. This strengthens financial flexibility, enables effective navigation of market cycles, and supports the sustainability of the business and future growth with confidence and stability.

The Board of Directors continues to oversee the Company's strategy, sustainability agenda, and advanced digital foundation. Riyadh Cement is well positioned to continue creating value for its shareholders and to play an active role in supporting the Kingdom's economic and social development.

CHIEF EXECUTIVE OFFICER'S MESSAGE



Operational performance, reliability, and cost discipline

The year 2025 was characterized by a focus on stable production, on-time delivery, controlling unit costs, and maintaining plant reliability, within a competitive market environment in the Central Region. Despite price volatility and persistently high clinker inventory levels across the sector, our focus remained on operating assets safely and efficiently, serving priority projects without interruption, and translating operational performance into stable cash flows.

Operational discipline remains central to the Company's approach. Multi-year reliability, maintenance, and efficiency programs have supported sustainable production growth and cost control, while digital transformation initiatives continue to drive a step-change in how our plants are operated. The Company is implementing smart manufacturing systems, including real-time monitoring, quality prediction tools, and digital twin solutions. These capabilities enhance productivity, operational consistency, and decision-making across the supply chain.

Proximity to the Central Region's largest construction activities supports shorter delivery lead times; however, execution success depends on disciplined planning, coordinated fleet and dispatch operations, and strict controls for order management from receipt through to delivery.

The Company also strengthened technical support capabilities to help customers optimize mix designs, address placement-condition challenges, and meet performance requirements, particularly in specialized white cement applications, where consistency and finish quality are critical.

Cost management and energy efficiency

Competitiveness in the cement sector depends on operational efficiency and energy performance. During 2025, we intensified the management of electricity and thermal consumption indicators per ton, maintenance costs, and operating consumables usage rates, supported by more precise operational control and continuous process improvement.

We also continued to advance waste heat recovery initiatives and to reduce energy intensity as part of our long-term strategy to improve the cost curve. In parallel, we expanded predictive maintenance programs to reduce stoppages, supporting both cost control and production stability.

Digital operations and data-driven control

Our digital agenda in 2025 was focused on delivering tangible operational outcomes, foremost among them: clearer visibility, faster decision-making, and reduced performance variability. Accordingly, we progressed in implementing smart manufacturing initiatives, including real-time monitoring, quality prediction tools, and digital twin applications, to strengthen process control and enable early detection of deviations throughout the production cycle.

We do not pursue digitalization as an end in itself, but as a means to achieve measurable improvements in runtime, quality consistency, and resource efficiency. As these systems mature, they have become embedded in daily operating routines, maintenance planning, and quality assurance across the Company's facilities.

Building execution capability

Execution effectiveness begins with a safe working environment and a skilled workforce. Over the past period, we maintained a “safety first” culture, supported by clear procedures, effective contractor controls, and a rigorous permit-to-work system. We also continued to invest in training and capability development, while supporting national talent development through structured learning pathways that strengthen workforce sustainability over the long term.

Financial outcomes through operational discipline



In a market where margins can be affected by cost movements, financial resilience depends on operational discipline. By focusing on reliability, unit-cost control, working capital management, and strict investment prioritization, we preserved the strength of our financial position. This enabled us to fund critical projects, maintain maintenance standards, and continue dividend distributions to shareholders.



Business Model

At Riyadh Cement, we create sustainable value for stakeholders by combining an **advantaged central-region footprint with operational excellence, disciplined governance, and an integrated sustainability roadmap**. Our capabilities in white and grey cement production, supported by modern production lines and reliable logistics, allow us to serve Vision 2030 giga-projects and regional export markets while upholding the highest standards of safety, quality, and environmental stewardship.

Our Strengths

First: Financial

- **Consistent profitability and cash generation** supported by disciplined cost management, positive operating cash flow, and resilient margins driven by pricing, product mix, and prudent working-capital management.
- **Shareholder-focused capital returns** through an established dividend policy allowing interim dividend; FY-2025 cash dividends totaled SAR 192.0 million declared/paid during the year.
- **Robust balance sheet and strong governance framework** underpinned by effective internal controls, risk-based internal audit, and active Audit Committee oversight.

Second: Operational

- **Scaled, flexible capacity in the Kingdom's center** (Al-Muzahimiyah, northwest of Riyadh) supported by reserves of high-purity limestone, ensuring a reliable supply for the Central Region and national projects.
- **Grey clinker and a dedicated white clinker line** give product-mix flexibility, enabling the Company to respond to shifts in demand across infrastructure, commercial, and architectural applications..
- **Modern efficiency & reliability** through continuous improvement, digital monitoring, and preventive maintenances supporting high kiln availability, energy optimization, and stable product quality.
- **Certified quality** (ISO 9001) with products conforming to SASO, ASTM, and BS EN standards.

Third: Human Capital

- **Saudization program “Himmah” Industrial Operations diploma** building Saudi talent pipelines; structured learning pathways culminate in employment and career progression in operations and maintenance.
- **Safety-first culture** anchored in ISO 45001, permit to work rigor, and contractor-safety standards; leadership safety walks and near miss reporting strengthen discipline.
- **Performance and inclusion** through clear role accountability, competency frameworks, and equitable opportunities that support national localization goals.

Fourth: Customers

- **Tier-one approvals and long standing partnerships** with ready-mix majors, infrastructure contractors, government programs, and strategic distributors in the Central Region and beyond.
- **Customer-centric service model** assured availability, on-spec quality, responsive technical support, and dependable delivery performance.
- **Diversified demand base** across ready-mix, precast, blocks, mortars, GRC, finishing, and decorative applications; participation in Vision 2030 giga and mega projects.

Diversified Offering

- **Grey Cement:**
 - Ordinary Portland Cement (Type I / CEM I grades)
 - Sulfate-Resistant Cement (Type V / SR)
 - CEM II grades (e.g., limestone-blended) for durability and workability
- **White Cement:**
 - CEM I 52.5N and CEM II/A-LL 42.5N for architectural concrete, terrazzo, tiles, artificial stone, grouts, and decorative & finishing works.
- **Value-added technical support** for mix designs, troubleshooting, and application best practices.

How We Create Value

Our Vision

Achieving excellence and sustainability in the cement industry to become the first choice.

Our Mission

Providing a variety of high-quality and environmentally friendly products of white and grey cement to meet our customers' needs through optimal resource utilization, enhancing energy efficiency, protecting the environment, and contributing to job localization and sustainability.

Our Values

- **Innovation & Creativity:** We promote innovation to introduce new products and apply new solutions and technologies to reduce costs, improve processes, and enhance product quality.
- **Participation & Integration:** We create a healthy, motivating work environment that equips all team members to enhance capabilities positively reflecting on performance and efficiency.
- **Growth:** We adopt best practices that ensure the sustainability of governance procedures to support the Company's growth and achieve better profitability for investors.
- **Quality:** We are committed to quality standards and ensure their implementation at all levels to achieve results that meet customer requirements.
- **Transparency:** We establish the principle of transparency and maintain open channels with stakeholders.

Our Strategic Priorities (2025 and beyond)

- **Grow profitably** by increasing domestic share in the Central Region and expanding export reach for white cement; sustain pricing discipline and product-mix optimization.
- **Delight customers** with reliable availability, application know-how, and service excellence supported by data-driven order-to-delivery processes.
- **Advance operational performance** through enhancing kiln reliability, specific-heat and power-consumption reductions, clinker-factor optimization, and continuous debottlenecking.
- **Accelerate digital transformation** in maintenance, quality, and logistics; deploy analytics to lower cost and improve uptime.
- **Lead on sustainability** via waste-heat recovery (ORC), alternative fuels and raw materials, water stewardship, and circular-economy partnerships; prepare for stepped-up ESG disclosures.

- **Strengthen governance and risk management**, cybersecurity, compliance, and supply-chain resilience while adopting a disciplined approach to capital allocation and clear hurdle rates for investments.
- **The establishment of the Riyadh Cement nursery**, which is one of the flagship programs launched by the company to achieve the goal of planting one million trees by 2030.

Value Created

- **Financial performance:** Revenue SAR 787.6 million; operating profit SAR 216.2 million; net profit SAR 207.8 million; earnings per share SAR 1.73.
- **Cash to shareholders:** SAR 192 million Cash dividends for the year for 2025; payout ratio 96% in line with policy.
- **Operational excellence:** Specific electrical energy 107 kWh/t-cement; average kiln availability 90% (grey) and 93.9% (white); kiln utilization reached ~98% of rated capacity.
- **Market footprint:** Domestic sales 99.7% of revenue; exports 0.3% of revenue (11,192 tons); white cement share of sales 20.6%.
- **Customer service:** Maintained disciplined pricing and strong regional market share of Grey Cement (6.4% in core markets) and more than 50% of White Cement
- **People & safety:** Achieved 3,626,304 safe man-hours in 2025.
- **Environmental progress:** Carbon dioxide emission intensity improved compared to the previous year, reflecting continued improvement in operational efficiency.

Our Corporate Governance and Sustainability

People and Society

- **Labor best practices:** Competitive, merit-based employment with equal opportunity and non-discrimination; structured performance management and clear progression pathways.

- **Saudization & capability building:** “Himmah” cooperative education model; internships and university collaborations; supervisory skills and leadership programs.
- **Occupational health & safety:** ISO 45001 certified system, contractor safety requirements, emergency readiness, and continuous hazard identification training.
- **Workplace diversity & equal opportunity:** Fair recruitment, pay-equity principles, and inclusive development opportunities across functions and levels.
- **Community engagement:** Educational visits, technical seminars, local supplier development, and environmental volunteering tied to national programs.

Corporate Governance

- **Code of Conduct & ethics** anchored in integrity, anti-bribery/anti-corruption, conflict of interest rules, and a confidential whistleblowing channel.
- **Enterprise Risk Management:** Board-approved risk appetite and registers covering market, operations, HSE, financial reporting, IT/cybersecurity, legal/compliance, and supply chain.
- **Board & Committees:** Effective oversight by the Board, Audit Committee, and Nomination & Remuneration Committee under CMA Corporate Governance Regulations; regular evaluations and full attendance disclosures in the Board Report.
- **Internal control & assurance:** Independent Internal Audit executing a risk based plan; external audit and controls testing confirm effectiveness; policy suite covers disclosure, related-party transactions, and dividend distribution.
- **Disclosure & transparency:** Timely investor communications, Tadawul announcements, and accessible policies; commitment to bilingual (AR/EN) clarity.

Climate Action

- **Waste-heat recovery (Organic Rankine Cycle (ORC)):** Efficiency and emissions reduction through on-site electricity generation from kiln exhaust gases.
- **Circularity & resource efficiency:** Alternative fuels (where viable), raw material substitution, partnerships, and clinker-factor optimization.
- **Water stewardship:** Closed loop reuse in process and cooling circuits; monitoring of consumption and discharge in line with permits.
- **Biodiversity & land stewardship:** Progressive rehabilitation plans and afforestation under the **Million Tree** initiative.
- **Compliance & controls:** ISO 14001 environmental management; alignment with national environmental regulations and permitting requirements.

Alignment with Saudi Vision 2030

Riyadh Cement aligns its strategy and day to day execution with the three pillars of Saudi Vision 2030 . A Prosperous Society, A Growing Economy, and An Empowered Nation , translating national priorities into measurable action in human capital, industrial competitiveness, governance, and sustainability. Our central-region footprint, dual white and grey cement platform, and disciplined governance enable us to supply giga/mega-projects while advancing Saudization, environmental stewardship, and transparency.

A Prosperous Society

To achieve the happiness and fulfillment of all citizens and residents through a high quality of life and an attractive living environment.

Strategic Alignment

- **People development and Saudization:** We invest in structured learning pathways internal/external courses, leadership programs, on the job training and run a dedicated Skills Development Center at site. Our Himma cooperative diploma (the first of its kind in the Kingdom's cement industry) prepares Saudi youth for technical roles and ends with employment. We ensure an inclusive workplace and provide roles tailored for people with special needs.
- **Health, Safety & Well-being:** We maintain certified systems SO 45001 for OHS and ISO 14001 for environmental management and operate to OSHA/NFPA standards, with permits in place for safe operations.
- **Community engagement:** We host university trainings and site visits, collaborate with local authorities in Al-Muzahmiyya on vocational programs, and run health awareness and volunteer initiatives underpinned by a social-responsibility agenda that earned external recognition.

2025 Progress

- **Capability building at scale:** Training and certification programs continued across production, sustainability, quality and leadership; the internal training center supported onboarding and reskilling aligned to Industry 4.0 upgrades.
- **Zero-harm culture:** Accumulated **3,626,304** safe man-hours and **Zero LTI** through 2025, with continued emphasis on contractor management and permit to work.
- **Greening our ecosystem:** Continued afforestation under the **Million Tree Program 110,000** trees planted to date; expanded green areas around plant, nursery and housing.
- **Community programs.** Partnerships with family-development associations, productive-family market access, and donations/re-use initiatives enhanced quality of life and supported circular practices.

2026 Ambitions

- Scale Himmah intakes and apprenticeships, deepen pathways for women in operations/maintenance, and elevate Saudization.
- Expand community learning (STEM internships, plant open days), and broaden health & well-being programs for employees and contractors.
- Increase cumulative trees planted, biodiversity actions and land rehabilitation in support of the Saudi Green Initiative and Green Riyadh.

A Growing Economy

To build a diversified, sustainable economy that creates jobs for Saudis and attracts global talent.

Strategic Alignment

- **Industrial backbone for Vision 2030 projects:** Our Riyadh location provides advantaged access to mega projects Qiddiya, Diriyah, Al Murabba, King Salman Park, Sports Boulevard, Riyadh Metro (Line 7), and major sports infrastructure ensuring demand visibility and logistics efficiency.
- **Efficient, flexible production:** Three AI-enabled lines (dual white/grey capability) support high availability and quality at scale; product slate spans OPC, SRC, CEM II and premium white cement grades.
- **Sustainability as competitiveness.** We are implementing waste heat recovery (ORC), energy efficiency upgrades, and circular economy initiatives (e.g., slag reuse), while launching a Sustainability Roadmap and materiality assessment.

2025 Progress

- **Industrial transformation:** Ranked among the **Top 10** national companies (of 1,300) for industrial transformation; began deploying an **AI Quality Optimizer** to predict clinker-quality deviations and auto adjust operations.
- **Operational excellence:** Production mix optimization increased grey and white clinker output; predictive maintenance reduced downtime; specific energy per ton improved with ORC under construction (gross **12.7 MW**).
- **Market footprint and jobs.** One of the **Top-7** Saudi producers with **6.4%** market share, **8** export markets and **748** employees; active across **29** key Riyadh projects with a **13%** increase in 9M-2025.
- **Energy transition enablers:** Agreements with Saudi Aramco and Saudi Electricity **Company** under the Liquid Fuel Displacement Program support cleaner, more efficient energy supply.

2026 Ambitions

- Deepen participation in giga/mega-projects (Expo 2030 build-up) and expand export channels for white cement.
- Commission WHR/ORC capacity across remaining lines, lift alternative-raws substitution and lower clinker factor.
- Scale digital plant initiatives (real-time control, digital twin) to further reduce cost, improve uptime and quality consistency.

An Empowered Nation

To build an effectively governed, transparent, accountable country that enables citizens and organizations to pursue opportunities and advance the collective good.

Strategic Alignment

- **Corporate governance framework:** Riyadh Cement affirms it **applies all mandatory provisions** of the CMA Corporate Governance Regulations; Board committees (Audit; Nomination & Remuneration) oversee risk, controls and remuneration.
- **Internal control & assurance:** Risk-based Internal Audit, Audit Committee review and external audit together concluded **no significant weaknesses** and that controls are effective.
- **Fair returns & disclosure:** By-laws allow **interim dividends** (annual/semi-annual/quarterly) in line with CMA guidance; investor communications include timely Tadawul disclosures and IR materials.

2025 Progress

- **TASI-listed discipline & policy enhancements:** Following our 2023 migration to the Main Market (TASI), we amended by-laws to enable interim dividends and initiated semi-annual payouts in 1H 2025 (SAR 120 m; SAR 1/share).
- **Transparency & cyber-resilience.** Launched a new corporate website; obtained ISO 27001:2013 for information security and ISO 50001:2018 for energy management, strengthening disclosure, resilience and efficiency.
- **ESG governance.** Conducted a materiality assessment and prepared our first ESG report (to be issued 2026), formalizing targets (incl. carbon neutrality by 2050) and KPIs.

2026 Ambitions

- Maintain full compliance with CMA CGR; expand whistleblowing, third-party due diligence and ESG-linked risk registers.
- Enhance investor engagement through proactive IR programming, performance updates and policy transparency around dividend capacity and capital allocation.
- Integrate sustainability targets into executive scorecards and supplier performance, and publish year-on-year progress against carbon, energy, water and circularity metrics.

Strategy and KPIs

Strategy overview

Riyadh Cement's strategy is built to convert the Kingdom's sustained construction momentum into profitable, resilient and responsible growth. For 2026, execution will center on five focus areas: product development, market-share expansion, operational efficiency, innovation & digital transformation, and ESG with carbon-footprint reduction. Our approach is anchored in the Board-approved Vision, Mission and Values, which place product quality, energy efficiency, environmental protection and job localization at the center of decision-making.

Pillar 1 — Profitable Growth

Strategic intent: Protect core share in the Central Region, deepen participation in giga/mega-projects, and sustain a balanced export book particularly in higher-value white cement while returning excess cash to shareholders.

Where we are in 2025 : Revenue declined 0.2% YoY to SAR 787.6 million, reflecting softer pricing conditions. Net profit reached SAR 207.8 million, This was primarily attributable to a reduction in average selling prices, notwithstanding an increase in sales volumes, in addition to the recovery of **SAR 25 million** from the Zakat, Tax and Customs Authority during 2024.

The Company declared total dividends of SAR 192 million for FY2025, including interim dividend of SAR 120 million (SAR 1.00 per share) in September 2025 following the amendment of its by-laws to enable interim dividend.

Riyadh Cement maintained a market share of approximately **6.4%**, ranking 7th nationally, with an estimated 20.6% share in the Central Region and active participation in 7 major projects across Riyadh.

How we will grow: We target multi-year supply agreements on King Salman Park, Diriyah, Qiddiya, New Murabba, Sports Boulevard and other city-scale programs, leveraging our strategic location and on-spec delivery performance. Selective export routes remain a release valve for clinker and white cement, sustaining utilization and mix quality.

KPIs & 2026 objectives.

- **Revenue growth: -0.2%** ; maintain positive growth with disciplined pricing/mix.
- **Net profit margin: -33.1%** ;protect cash margins through cost actions and mix management.
- **Dividend payout ratio: ~96%** average; sustain programmatic dividends within FCF capacity.

Pillar 2 — Operational Excellence

Strategic intent: Lift throughput, quality and unit-cost competitiveness via reliability engineering, lean manufacturing and disciplined planning across our dual-product platform.

Where we are in 2025: **Riyadh Cement increased grey-clinker production by ~34% and white-clinker by ~46% through 2025**, strengthening fixed-cost absorption and supporting segment profitability. Our modern production lines have demonstrated the ability to operate at up to ~98% of rated capacity without compromising quality. Reliability programs, including predictive maintenance, have reduced downtime by ~10%, while stabilizing bag-filter performance to curb fugitive dust.

Customer impact: Segment reporting shows grey-cement revenue of SAR 625.4 million (-0.48% YoY) on higher volumes despite lower average selling prices, while white-cement revenue of SAR 162.2 million (+0.76% YoY).

KPIs & 2026 objectives.

- **Kiln/mill availability and specific energy:** sustain continuous improvements; embed reliability dashboards at crew level.

- Production mix: optimize white/grey allocation to maximize contribution per ton.

Pillar 3 — Digital Transformation

Strategic intent: Deploy Industry 4.0 tools, including artificial intelligence and advanced analytics technologies to reduce process variability, strengthen asset care, and shorten order-to-delivery cycles, , while accelerating digital transformation across operational processes and supply chains to support data-driven decision-making and improve overall performance efficiency.

Where we are in 2025: Riyadh Cement was recognized among the Top-10 national companies (out of ~1,300) for Industrial Transformation. We began deploying an AI Quality Optimizer that predicts clinker-quality deviations and auto-adjusts operations, and we are rolling out Digital Plant Projects across all three plants: real-time production monitoring, predictive maintenance, quality-control systems and digital-twin optimization.

Information security & data integrity: Digitalization is matched with controls; we operate under ISO 27001 for information security and maintain ISO 9001 quality-management processes that anchor data governance and traceability.

KPIs & 2026 objectives.

- Plants with smart-manufacturing modules live: 3/3 under roll-out; extend predictive analytics to logistics and RFQ response.
- Reducing unplanned downtime by strengthening predictive maintenance and applying rule-based maintenance methodologies, while improving spare parts planning and management to support operational continuity.

Pillar 4 — Sustainability & Energy Transition

Strategic intent: Reduce carbon and resource intensity while securing long-term energy competitiveness and compliance with evolving standards.

Where we are in 2025: We delivered a 3% reduction in specific electrical energy consumption per ton of cement (107 kWh/t vs. 110.4 kWh/t in 2024). Our Waste-Heat Recovery (ORC) program; the first of its kind at a Saudi cement plant, is under construction with 12.7 MW (gross) expected.

We maintain ISO 14001 (environment) and ISO 50001:2018 (energy management) certifications and continued our Million Tree afforestation initiative, with ~110,000 cumulative seedlings produced to date. Our materiality assessment has been completed, and the Company is preparing to publish its first stand-alone ESG Report.

KPIs & 2026 Objectives

- Specific energy: -3% vs. 2024 baseline; sustain reductions through ORC commissioning and process debottlenecking.
- WHR/ORC: 12.7 MW (gross) under construction; commission phases and integrate generation into plant energy dashboards.
- Afforestation: 110,000 cumulative seedlings produced; continue scaling toward the Million Tree target aligned with the Saudi Green Initiative.

Pillar 5 — Human Capital & Culture

Strategic intent: Build a safe, capable and engaged workforce; localize critical skills; and reinforce a culture of integrity, inclusion and performance.

Where we are in 2025: Saudization program “Himmah ” Industrial Operations diploma continues to train and employ Saudi talent; more than 150 Saudis have been trained and hired through the program, supported by our Skills Development Center at site. We maintain ISO 45001 OHS certification and align policies with OSHA/NFPA standards. By FY2025 we recorded 3,626,304 safe man-hours with zero LTI, reflecting an entrenched safety culture.

KPIs & 2026 objectives.

- Saudization & pipeline: expand Himmah intakes; progress women in technical and supervisory roles, supporting the development of sustainable career pathways for national talent.
- Health & Safety: maintain zero LTI; embed contractor-safety uplift and leadership safety walks to reinforce a strong safety culture and promote a safe working environment.

Financial discipline & capital allocation

Riyadh Cement enters 2026 with low leverage (Debt-to-Equity 0.10), a current ratio of 4.7 and free cash flow of SAR 111.7 million for 2025 after SAR 131.4 million of capex; providing capacity to fund ORC, digital reliability, and targeted debottlenecking while sustaining a prudent dividend.

Our average dividend payout ratio is **~92.5% (2023–2025)**, consistent with policy and supported by disciplined cash generation.

How strategy links to our operating context

Our strategic location in Riyadh gives advantaged access to the Kingdom's largest concentration of Vision 2030 projects Diriyah, King Salman Park, Qiddiya, New Murabba, Sports Boulevard, Riyadh Metro (Line 7) while our dual white-and-grey platform enables agile mix shifts across structural and architectural applications. Proximity to these projects gives RCC an advantage in supplying both grey and white cement with fast, reliable delivery, strengthening our role as a trusted partner on major developments. Quality is assured through SASO compliance and ISO 9001; environmental and OHS performance are governed by ISO 14001/45001, with all statutory permits in force.

To sustain this momentum, our 2026 plan is organized around five strategic pillars, each with defined actions and KPIs:

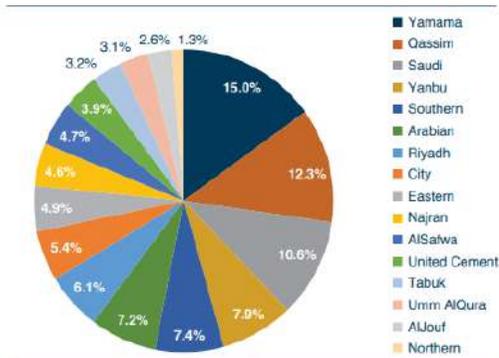
- **Product development:** add new products aligned to evolving market needs.
- **Market-share growth:** deepening presence across priority segments and channels.
- **Operational efficiency:** lift throughput, reliability, and unit costs.
- **Innovation & digital:** accelerate automation, analytics, and process digitization.
- **ESG & carbon:** strengthen environmental, social and governance standards with a focused program to reduce our carbon footprint.

MARKET OVERVIEW

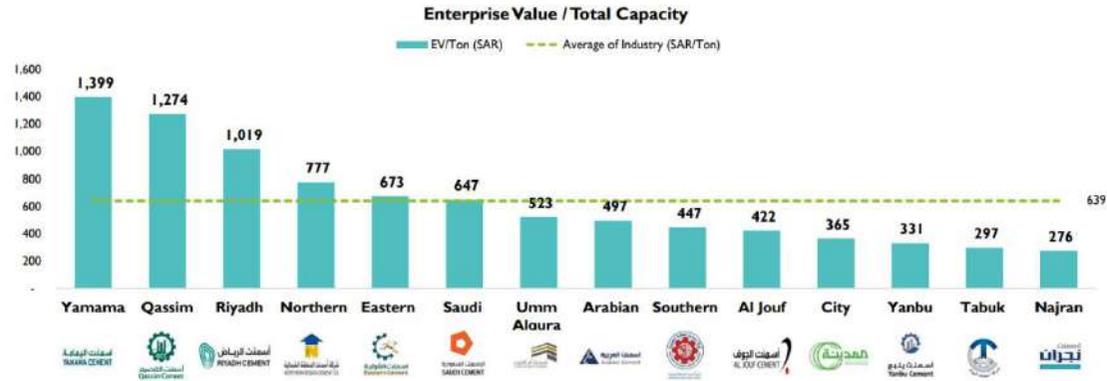
Navigating Demand Cycles and Strategic Opportunities (2025–2026)

Saudi Arabia's cement cycle strengthened through 2025 as Vision 2030 capital formation, steady public sector spending, and a gradual recovery in private real estate lifted shipments, and plant utilization. Cement demand grew 12% across the Kingdom in 2025, with Riyadh up 21%; despite this, inventories remained stable while selling prices were volatile due to intense competition.

The sector's monthly tracker shows total cement sales (local plus exports) rising 7.4% year-on-year in October 2025 to 5.62 million tons, taking year-to-date growth to roughly 13%, evidence that the upturn has persisted beyond the typical seasonal peaks. Clinker inventories stood near 44.1 million tons in October, broadly stable, and consistent with higher kiln runs, while export dispatches held close to 0.56 million tons for the month. Independent sell-side coverage points to firmer domestic deliveries across most producers, with utilization improving, and the pace of activity in the Central Region particularly resilient.

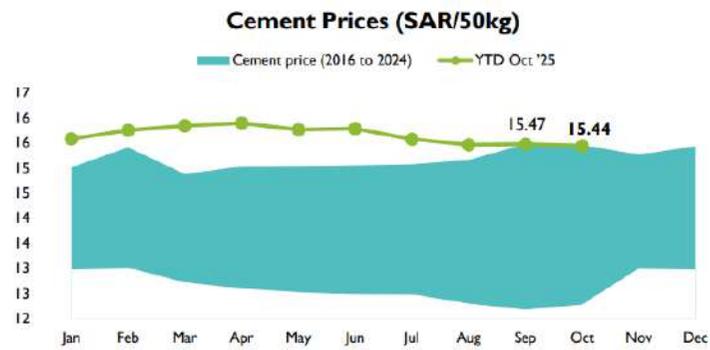
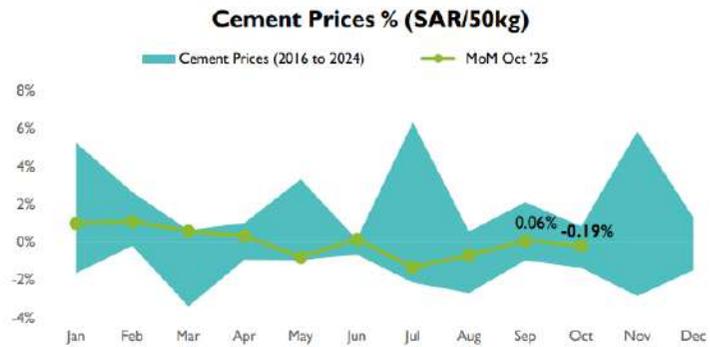


Source: Yamama Cement, AlJazira Capital Research, Qassim Cement's figures incorporate Hail Cement's data.

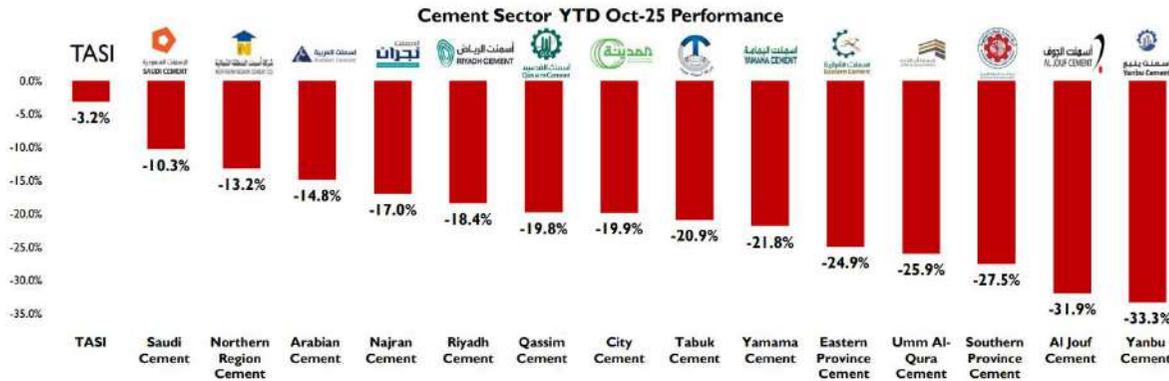


Source: Tadawul (Financial Statements Q2-2025 reports), Tharwa
*Enterprise Value: Equity Value + Debt(LT+ST) - (Cash + Liquid Assets)
Mid Stock Price as closed in 30-06-2025.

Pricing has remained disciplined. Construction-materials statistics published by the General Authority for Statistics (GASTAT) indicate that retail cement prices increased 1% during H1 2025, a benign move compared with other building materials, and consistent with the sector's focus on value over volume. GASTAT's new Construction Cost Index, released in mid-2025, provides a composite reference for materials, labor, equipment, and energy costs, adding transparency to the cost environment that ultimately shapes project bidding, and the affordability of housing and infrastructure. (1)



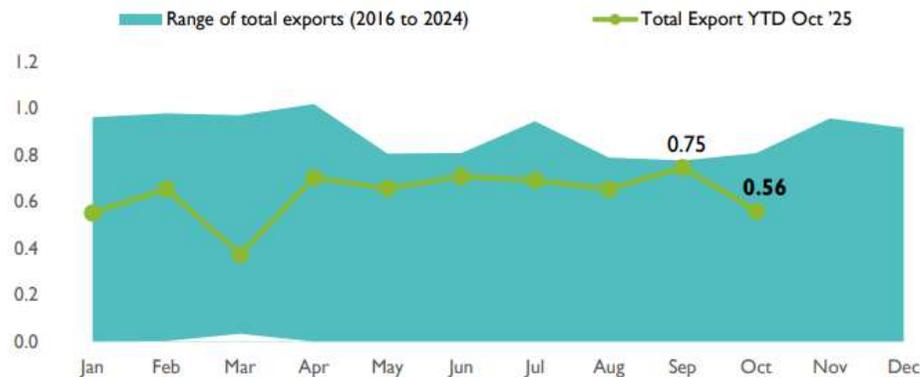
Source: Yamama Cement, Tharoo



Source: Bloomberg, Tharwa Financial Center
*Mkt Stock Price as closed in 31-10-2025.

Exports were an additional support in 2025. Sector data highlight robust **clinker** shipments (with leading exporters including Yanbu and Saudi Cement), and diversified cement flows into **East Africa, South Asia, and Yemen**, cushioning producers from periodic project timing shifts domestically. The breadth of destinations also reflects the Kingdom’s competitive position on freight-adjusted cost, an advantage Riyadh Cement leverages through its dual product slate, and central geographic location. (2)

Exports Dispatches (mnton)



The demand backdrop is anchored by a multi-year project pipeline. Private and public sources point to hundreds of billions of dollars in projects either awarded or in execution, with a further large slug in the pipeline. Independent market reports catalog two dozen giga-projects, from NEOM and King Salman International Airport to Diriyah, Qiddiya and King Salman Park, that will continue to shape materials demand profiles in housing, transport and social infrastructure. While 2025 brought selective recalibration and pacing of certain very large schemes, the policy commitment to diversification and urban development remains intact, and near-term construction is supported by a long tail of enabling works and city-scale infrastructure. [\(3\)](#)

Riyadh Cement is structurally advantaged in this environment. The Company's central-region footprint and integrated grey and white cement platform allow it to serve large urban and infrastructure programs in Riyadh while supplying niche architectural demand at home and in export markets. The corporate site underscores the Company's legacy in white cement originating in 1997 and scaled since together with its current positioning as a reliable supplier to national projects.

GCC market context

Across the GCC, 2025 marked a year of broad-based growth led by Saudi Arabia and the UAE, with incremental demand emerging from Qatar, Oman and Kuwait. In Qatar, the Public Works Authority (Ashghal) launched a five-year QAR 81 billion (~USD 22bn) program for 2025–2029, covering citizen-land development, public buildings, sewage networks and strategic outfalls; programs that typically pull sulfate-resistant and blended cements as well as precast components. [\(4\)](#)

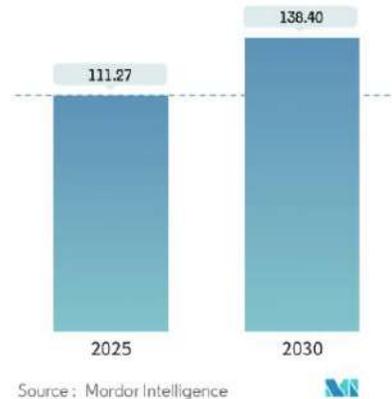
In the UAE, research releases in late-2025 indicate a market expected to expand by roughly 5% in 2025, albeit from an oversupplied base that necessitates continued export orientation and rising attention to sustainability performance. The combination of tourism-linked real estate, logistics and industrial projects provides a steady lane of demand for general purpose and blended cements. [\(5\)](#)

Oman is benefitting from activity around SEZAD (Duqm) and wider industrial diversification; independent market updates point to ~5% growth in 2025 and a positive multi-year trajectory as new investments are rolled out under the 2025–2030 strategy. [\(6\)](#)

Kuwait has opened the way for private-sector participation in housing and, in September 2025, launched bidding for three new cities designed to tackle a long-standing housing backlog of ~100,000 applicants, a multi-year program with material implications for cement and ready-mix demand as frameworks mature. [\(7\)](#)

These regional drivers confirm a GCC cement market that is expanding through 2025 and into 2026, even if growth rates differ by country due to varying supply balances and export options.

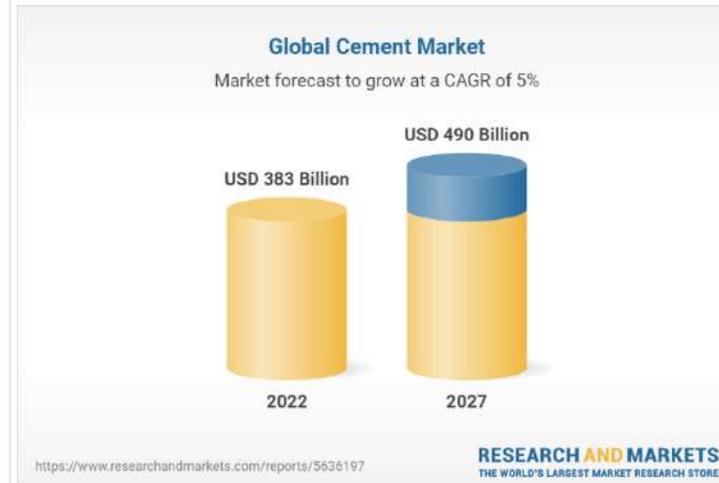
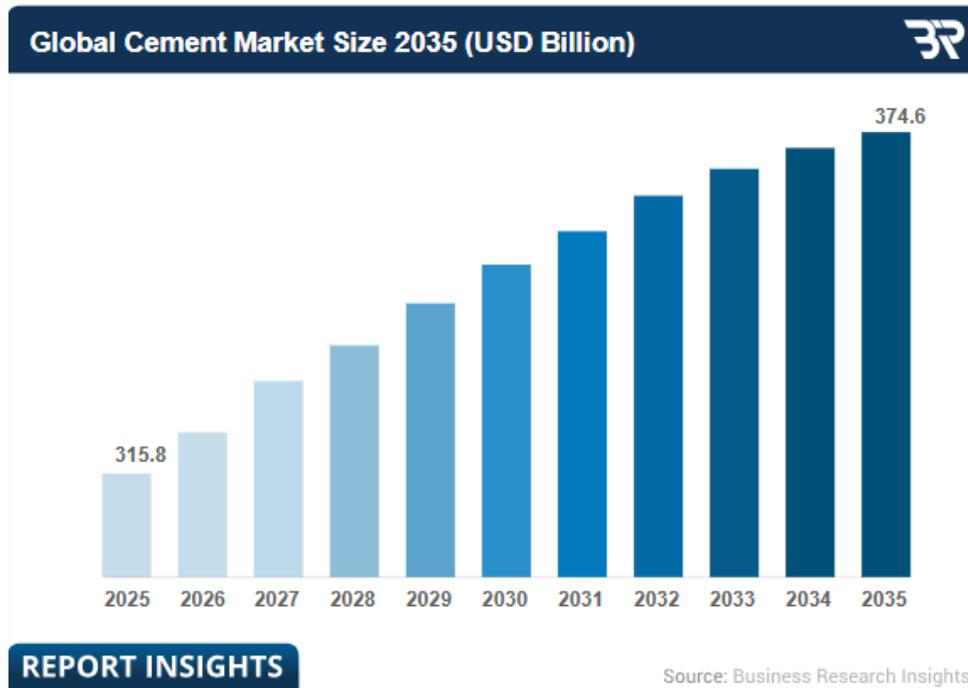
GCC Cement Market
Market Size in Million Tons
CAGR 4.46%



International landscape: demand, energy and policy

Globally, the sector is exiting a choppy 2024 into **stabilisation in 2025**. Industry trackers project **modest global demand growth of about 0.3% to 3,866Mt in 2025**, with **ex-China demand expected to rise ~4%** as interest-rate pressures ease. Commercial data houses also flag a positive value trajectory for the broader market through 2029. For GCC-based exporters, this translates into a more predictable external backdrop and better visibility on trade lanes. [\(8\)](#)

On the **cost side**, fuel and power remain the key swing variables. The **IEA's 2025 Coal Mid-Year Update** and subsequent press coverage point to **elevated but easing coal markets**, with the trajectory into **2026** broadly downward alongside weak commodity indices in the World Bank's **Commodity Markets Outlook**, a constructive signal for kiln-fuel procurement and delivered costs so long as petcoke differentials remain manageable. [\(9\)](#)



Trade policy will increasingly shape cross-border cement economics. The EU’s **Carbon Border Adjustment Mechanism (CBAM)** is **in transition through 2025**, with **full operation from 1 January 2026** for cement and clinker; importers will be required to report embedded emissions and purchase certificates aligned to the EU ETS trajectory. Preparatory customs and TARIC updates issued in December 2025 confirm the operational architecture for enforcement. For Gulf exporters, CBAM will incentivize **lower-clinker products** and **documented emissions baselines** to preserve optionality for any EU-bound flows. [\(10\)](#)

Energy transition and sector competitiveness in Saudi Arabia

Saudi policy is simultaneously **lowering structural energy intensity** and **improving grid reliability** for heavy industry. Under the national **Liquid Fuel Displacement Program (LFDP)**, cement plants are being connected to the grid, substituting liquid fuels with more efficient electricity and gas. In **December 2025**, **Riyadh Cement** signed an **SAR 85 million EPC contract** to build an **33/11 kV grid station** for its Nisah plant, an LFDP milestone that supports operational reliability and reduces emissions from captive liquid-fuel generation. [\(11\)](#)

Complementing this, Riyadh Cement is constructing the **Kingdom's first Organic Rankine Cycle (ORC) waste-heat recovery project**—~13 MWe of generation capacity that captures heat from clinker coolers and preheaters and **operates with zero water consumption** thanks to air-cooled condensers. The project, supplied by **Turboden (MHI Group)**, is a flagship example of capital-efficient decarbonisation that also lowers delivered power costs and shields margins across the cycle.(12)

Outlook for 2026

Looking to **2026**, most observers anticipate **continued growth in Saudi cement demand**, underpinned by city-scale infrastructure and housing and a steady cadence of awards, even as select giga-projects are paced to align budgets and execution capacity. In the GCC, **Qatar's Ashghal plan** enters its key delivery years, **UAE** construction remains active across logistics, industrial and hospitality, **Oman's Duqm** and related programs gain critical mass, and **Kuwait's** housing initiatives work through procurement and early works. Internationally, global demand is expected to be **flat-to-modestly positive**, with cost tailwinds from softer commodities partially offset by logistics and policy frictions, including **CBAM's** first year of full operation.

For Riyadh Cement, the combination of **central-market exposure, export agility, white-cement leadership, LFDP grid connection** and **ORC start-up** provides resilience and operating leverage to the cycle's next phase. (13)

Resources:

1. [Source](#)
2. [Source](#)
3. [Source](#)
4. [Source](#)
5. [Source](#)
6. [Source](#)
7. [Reuters](#)
8. [Source](#)
9. [Source](#)
10. [: Taxation and Customs Union+1](#)
11. [Decypha+1](#)
12. [Global Cement+1](#)
13. [Enlit World+8Knight Frank AE+8Qna+8](#)

TECHNOLOGY AND INNOVATION

At Riyadh Cement, continuous innovation is a strategic enabler of safety, quality, efficiency, and sustainability. We invest in advanced manufacturing systems, data-driven plant management, and cleaner-energy solutions to strengthen our cost position and reduce environmental

impact, while ensuring reliable supply to Saudi Arabia's giga- and mega-projects. In 2025 we intensified this program across three fronts: Industry digitalization, energy & emissions efficiency, and collaborative capability building.

By deploying Fourth Industrial Revolution technologies and clean energy solutions, we are working to establish advanced standards for innovation and sustainability in the Saudi cement sector.

1) Energy & Emissions Efficiency

- Waste-Heat Recovery (ORC) under construction: The Company is building Organic Rankine Cycle waste-heat recovery systems that are expected to generate gross 12.7 MW. These projects reduce purchased power, lower CO₂ intensity, and strengthen resilience to fuel-price volatility.
- Certified energy management: In 2024 we achieved ISO 50001:2018 certification for our Energy Management System, formalizing the governance, measurement, and continuous-improvement processes that underpin our 2025 initiatives.
- Circularity in raw materials: We advanced industrial-waste utilization (e.g., iron-slag recycling) and raw-material substitution, supporting clinker-factor optimization and our long-term pathway to lower embodied carbon.
- Reliability-based maintenance on emissions controls: Reliability programs for process equipment and bag filters cut fugitive dust and stabilize operations, improving environmental performance alongside uptime.

2) Industry 4.0 & Smart Manufacturing

- Top-10 national ranking in industrial transformation, with the first deployment of an AI Quality Optimizer that predicts clinker-quality deviations and automatically adjusts operations to enhance product consistency and customer satisfaction.
- Digital Plant Projects (three plants): Roll-out of smart-manufacturing features includes real-time production monitoring, predictive-maintenance and quality-control systems, and digital-twin technology to optimize planning and execution. Early outcomes include a 4% reduction in energy consumption per ton of cement and predictive-maintenance routines that reduce downtime by ~5%.
- Modern, flexible process platform: Our state-of-the-art equipment and AI-enabled lines continue to support production at up to 98% of rated capacity without compromising quality, underlining the robustness of our process-control and debottlenecking program.

3) Collaboration, Standards & Knowledge-Sharing

- “Future Factories” programs & Industrial Competitiveness: Participation in national initiatives accelerates adoption of the latest manufacturing technologies and operational-excellence practices across the Kingdom's industrial base.

- Information security for digital operations: To safeguard our data, systems, and partners, Riyadh Cement secured ISO 27001:2013 certification, reinforcing risk-managed digitalization and compliance with local and international standards.
- HSE and quality systems: The Company maintains ISO 9001 (quality), ISO 14001 (environment), and ISO 45001 (OH&S) certifications; policies align with OSHA and NFPA, and all statutory permits are in force, forming the backbone for safe technology deployment.

How technology is improving outcomes in 2025

- Operational efficiency and stability: Digital twins and real-time analytics help operators tune kiln/VRM set-points, minimize variability, and maintain high clinker output, including a 7% increase in grey clinker and 24% in white clinker production in 9M-2025.
- Energy intensity trending down: The energy-optimization program delivered a 4% reduction in energy consumption per ton of cement ahead of the ORC start-up, with further reductions expected as WHR phases come online.
- Asset reliability and uptime: Predictive-maintenance routines and reliability engineering are reducing unplanned stoppages (targeting ~5% downtime reduction) and improving mean-time-between-failures on critical subsystems.
- Environmental footprint: Alongside WHR and energy management, the Company is progressing a materiality assessment and will publish its first ESG report, formalizing KPIs (including carbon neutrality by 2050) and programmatic actions such as afforestation (cumulative 110,000 trees planted to date).

Risk Management

Enterprise Risk Management Framework

Riyadh Cement Company (RCC) operates under a structured Enterprise Risk Management (ERM) framework designed to safeguard shareholder value, ensure regulatory compliance, and enhance resilience against operational and financial volatility. The framework follows best practices consistent with CMA governance requirements and draws alignment from internationally recognized standards, such as the COSO framework used by industry peers.

The Company's approach is guided by three principles:

1. **Integration:** embedding risk assessment into all strategic and operational decision-making processes.
2. **Proactivity:** identifying, evaluating, and mitigating risks before they materialize.
3. **Accountability:** ensuring clear ownership and oversight at every level of management.

RCC's Board of Directors maintains overall oversight of risk governance, supported by the Audit Committee, which monitors internal control systems and ensures their adequacy and effectiveness. Internal Audit provides independent assurance, evaluating risk exposure across operational, financial, and compliance domains.

Governance and Oversight

RCC's risk management structure ensures that risk control and oversight are distributed across multiple levels of accountability:

- **Board of Directors:** Approves risk policies, reviews strategic and emerging risks, and ensures alignment with corporate objectives and shareholder interests.
- **Audit Committee:** Evaluates the adequacy of the internal control system, reviews audit findings, and supervises the implementation of corrective measures.
- **Executive Management:** Identifies and mitigates operational, financial, and market risks in day-to-day operations.
- **Internal Audit:** Provides continuous assurance through risk-based audits, ensuring compliance with established governance standards.

This multi-tier structure mirrors the “**three lines of defense**” model seen in leading industrial enterprises, ensuring that each control layer reinforces the others.

Risk Identification and Monitoring Approach

RCC systematically identifies and monitors risks that may affect its operations and performance through continuous review mechanisms:

- **Strategic Risks:** Linked to long-term planning, expansion, and project execution.
- **Operational Risks:** Related to plant reliability, safety, raw materials, and production continuity.
- **Financial Risks:** Including liquidity, funding access, and exposure to zakat and tax liabilities.
- **Regulatory and Compliance Risks:** Covering adherence to quarry licensing conditions, environmental regulations and sustainability, and industrial permits.
- **Technology and Information Security Risks:** Managed through cybersecurity assessments and **ISO 27001:2013**-aligned controls.

The Company's internal audit department performs regular reviews to test the robustness of internal controls, reporting results to the Audit Committee, which found no significant weaknesses in the 2024 evaluation.

Principal Risks and Mitigation Measures

Category	Risk Description	Mitigation Actions
1. Raw Materials Quarry License Risk	Non-compliance with the Ministry of Industry and Mineral Resources' conditions could result in license termination, impacting operations and financial standing.	Strict adherence to the Mining Investment Law, environmental protection programs, and continuous engagement with regulatory bodies.
2. Strategy Execution Risk	Failure to execute business expansion or production line upgrades on schedule could affect profitability and competitiveness.	Strong project governance, capability building, and efficient financial and operational planning.
3. Licensing and Regulatory Risk	Delays in renewing industrial or environmental permits could disrupt operations and trigger penalties.	Dedicated compliance function tracking renewal cycles and maintaining proactive regulator engagement.
4. Talent Retention Risk	Loss of key management and skilled professionals could affect operations and decision continuity.	Succession planning, competitive compensation, and targeted training programs.
5. Misconduct or Fraud Risk	Employee error or misconduct could result in financial or reputational damage.	Reinforced internal controls, segregation of duties, and continuous ethics training.
6. Financial and Legal Exposure Risk	Potential liabilities from tax, zakat, or litigation could affect financial performance.	Periodic review of exposures and maintaining adequate provisions and insurance coverage.
7. Funding and Liquidity Risk	Limited access to funding may affect execution of future expansion projects.	Maintaining a strong balance sheet, low leverage, and disciplined capital allocation framework.

8. Market and Margin Pressure	Declining cement prices and elevated inventories can compress margins. Price pressure, energy-cost volatility, and inventory overhang remain the main external headwinds.	Continuous cost optimization, diversification into white cement, and operational excellence initiatives.
9. Operational Reliability and Energy Efficiency	Plant downtime or energy inefficiency could increase production costs and impact profitability.	Implementation of predictive maintenance, waste-heat recovery systems, and energy-intensity reduction programs.
10. Cybersecurity and Digital Infrastructure Risk	Cyber threats may compromise systems and data integrity.	ISO 27001:2013-certified controls, proactive monitoring, and employee awareness programs.

Risk Mitigation Philosophy

RCC adopts a four-tier response strategy modeled after the “4Ts” framework used in regional industrial risk management:

- **Treat:** Implement preventive measures and control enhancements to reduce exposure.
- **Tolerate:** Accept minimal risks within defined thresholds when the cost of mitigation exceeds the benefit.
- **Transfer:** Mitigate through insurance, outsourcing, or contractual safeguards.
- **Terminate:** Cease or avoid activities that exceed acceptable risk appetite.

This framework ensures that all risk decisions are based on clear foundations, transparent, and aligned with the company’s strategic objectives.

Continuous Improvement and Way Forward

RCC is enhancing its enterprise risk management capabilities by integrating digital dashboards and key risk indicators (KRIs) to improve visibility across operations. The Company’s focus in 2025 includes:

- Strengthening data-driven monitoring of operational and financial risks.
- Expanding internal audit scope to cover sustainability and cybersecurity risk.
- Embedding risk ownership at all management levels to foster a culture of accountability and proactive governance.



By maintaining strong financial discipline, high operational reliability, and robust governance practices, Riyadh Cement Company continues to fortify its resilience and protect long-term shareholder value while supporting the Kingdom's industrial growth and national sustainability objectives.

03. OPERATING REVIEW

Operational Highlights



Grey Cement Segment

White Cement Segment

Production & Sales Performance (6-Year)

Project Execution

OPERATIONAL HIGHLIGHTS

Delivering stable operations, cost discipline, and capacity unlock

During 2025, our operating agenda was clear: protect safety, maximize plant stability, and deliver reliable volumes to our customers while tightening control over costs and energy intensity in a market shaped by pricing pressure and higher fuel costs. Through disciplined execution, we continued to strengthen Riyadh Cement’s competitive position which is supported by modern production assets that can produce at **~98% of rated capacity** without compromising quality or reliability.

Just as importantly, we maintained our safety-first culture and reinforced the systems, behaviors, and leadership routines that keep our people safe every day, achieving **4,167,798 safe man-hours** with **zero Lost Time Injuries (LTI)** during the reporting period.

2025 operational highlights

Focus Area	What We Delivered in 2025
Production & Reliability	Grey cement production increased by ~42%, while white cement production decreased by ~46.7%, supported by sustained high clinker output and optimized production planning.
Energy Efficiency	Achieved a ~3% reduction in energy consumption per ton of cement, reinforcing cost competitiveness and operational efficiency.
Asset Performance	Predictive maintenance reduced downtime by ~10%, improving plant availability and minimizing operational disruption.
Decarbonization & Energy	Advanced the Waste Heat Recovery (ORC) project, generate 12.7 MW (gross), currently under construction.
Digital Operations	Recognized among the Top 10 national companies (out of 1,300) for Industrial Transformation and began deploying an AI-driven Quality Optimizer to predict clinker quality deviations and automatically adjust operations.

Our operating footprint and production flexibility

Riyadh Cement operates grey and white cement plants in Al-Muzahimiyah, northwest of Riyadh, a resource-rich area with high-quality limestone, using modern equipment and AI-enabled technologies. Proved limestone reserves support ~31 years of production at current extraction rates. This reserve life provides long-term supply assurance and supports disciplined capital and maintenance planning.

Our production platform is designed for flexibility across grey and white clinker, including:

- Grey clinker capacity of **3.52 million tons per year** across two production lines.
- **A dedicated white cement plant with 320,000 tons clinker capacity**, with the flexibility to increase white clinker production to approximately **1.0 million tons per year** by operating the first line for white clinker production.
- **A dual-process production line** capable of producing grey and white clinker, upgraded in 2019 to produce white clinker with a designed capacity of **680,000 tons per year**.

This operational flexibility remains a key advantage as customer requirements shift between structural, infrastructure, and architectural applications.

Operational performance in 2025

1) Production stability and cost optimization

We sustained high clinker production and increased output to support cost optimization. Performance highlights show that production increased by **~42% in the grey segment**, while white clinker production decreased by **~46.7% in 2025**, reflecting production mix optimization. Total clinker produced in 2025 was approximately **3.70 million tons (grey)** and **~0.31 million tons (white)**.

Operationally, this reflects a continued focus on:

- tighter production planning and execution discipline,
- bottleneck removal and capacity unlock initiatives, and

- improved maintenance effectiveness and reliability routines.

2) Energy management and efficiency improvements

Energy performance remains central to our operating agenda. In 2025, our focus on energy efficiency and fuel mix optimization supported **~3% reduction in energy consumption per ton of cement**

In parallel, we progressed the Waste Heat Recovery (ORC) project, generating **12.7 MW (gross)**, strengthening our long-term pathway to reduce purchased electricity and lower carbon intensity.

Fuel mix (2025):

- Grey Kilns 1 & 2: ~81.7% crude oil and 18.3% HFO
- White Kiln 3: 100% crude oil

Specific performance indicators:

- Specific heat – grey clinker: **3.17 GJ/t**
- Specific heat – white clinker (Line 3): **4.82 GJ/t**
- Specific power – cement: **107 kWh/t**

3) Maintenance excellence and asset health

Our approach is increasingly predictive and data-driven. In 2025, predictive maintenance initiatives delivered a **~10% reduction in downtime**, supporting stronger plant availability and improved dispatch reliability.

These results reflect a systematic shift toward higher equipment uptime through monitoring, early fault detection, and structured shutdown planning.

Scope covered refractory change-outs; kiln shell inspection; drive alignment; burner checks/repairs; roller replacement; gearbox refurbishment; separator upgrade; false-air arrest; MCC refurbishment; instrumentation calibration; bag filter refurbishment; fan replacements; emissions-monitoring calibration delivering higher thermal efficiency, reduced heat loss/fuel, longer kiln life, fewer breakdown hours, steadier clinker output, and improved safety.

Digital operations and quality assurance

Digital transformation is now deeply embedded in our operating model. In 2025, Riyadh Cement was recognized among the **top 10 national companies (out of 1,300)** for Industrial Transformation, and we began implementing an **AI Quality Optimizer** to proactively predict clinker quality deviations and automatically adjust operations.

It is directly tied to:

- more consistent clinker and cement quality,
- lower waste and rework,
- improved process stability, and
- stronger customer satisfaction through reliable, spec-compliant deliveries.

Safety, people, and operational culture

Safety remains non-negotiable. We **delivered 4,167,798 safe man-hours with zero Lost Time Injuries (LTI)** through the period reported; an outcome that reflects leadership visibility, effective controls, and continuous reinforcement of safe behaviors across employees and contractors.

In parallel, we continued strengthening organizational capability by aligning our operating priorities with the company's strategic goals (including operational efficiency and excellence in digital transformation).

Grey Cement Segment

Riyadh Cement's Grey Cement business underpinned the Company's momentum in 2025, demonstrating the scale, resilience, and service reliability required by Riyadh's fast-moving project pipeline. Operating from the fully integrated complex, the segment

combines on-site quarry operations, raw-meal preparation, pyro-processing, finish milling, and bulk dispatch on a single site; an industrial footprint that translates directly into schedule discipline for customers across ready-mix, precast, and major contractor channels. The plant's location in a high-purity limestone belt continues to support kiln stability and uniform clinker chemistry and, critically, offers short haul distances to the city's flagship developments, allowing us to meet heavy-pour cadences without compromising quality or delivery windows.

Plant Configuration and Flexibility

The Grey Cement Plant contains two production lines with a design capacity of 3.4 million tons of grey clinker annually. The first production line is a dual-process unit capable of manufacturing both grey and white clinker in various types. Commercial production began in 2007 with a design capacity of 1.7 million tons of grey clinker per year. In 2019, the line was upgraded to produce white clinker with a design capacity of 660,000 tons per year, giving the Company valuable product-mix flexibility while preserving grey throughput responsiveness. The second production line is dedicated to grey clinker and began commercial production in 2010 with a design capacity of 1.7 million tons annually.

Together, these lines provide the operational scale to serve sustained demand in the Central Region while enabling tactical switching in response to relative grey and white cement economics and project specifications. In 2025, Line 1 operated fully in grey mode, with white clinker demand met from existing inventory.

2025 Milestones and Operating Base

The year 2025 marked a clear inflection in operating tempo and commercial delivery. The Company recorded the highest monthly grey-cement sales since 2016, reaching approximately 330 thousand tons in a single month.

These achievements translated into the strongest financial and operational performance in nine years, including **total company sales of SAR 787.6 million**, of which **Grey Cement contributed SAR 625.4 million**. Profitability metrics also reached post-2016 highs, with **Gross Profit of SAR 257.8 million**, **Total Comprehensive Income of approximately SAR 206.9 million**, and **Net Profit of SAR 207.8 million**.

This record year established a strong base for 2026, validated the plant's ability to run sustained high-throughput campaigns, and reinforced our service credentials with the capital's Tier-1 contractors.

2025 Operating Momentum and Efficiency

Building on that base, the Grey segment sustained a high availability run pattern through out 2025. Production increased by approximately **6%** year-on-year, reflecting stable kiln operations and the compounding impact of throughput and maintenance initiatives. Despite a more competitive pricing environment, sales volumes increased, and the segment delivered **SAR 625.4 million** of revenue, representing a **0.48% year-on-year decline**, reflecting lower average selling prices.

This combination, higher volumes at softer pricing was achieved through disciplined allocation to project packages, tight logistics coordination with contractors and distributors, and proactive production planning to ensure reliable supply and optimized dispatch performance.

The efficiency agenda also supported cost optimization and operational efficiency, with downtime trending lower and unit energy consumption improving, while the waste-heat recovery project under construction advanced the platform toward structurally lower operating intensity.

Grey Cement's commercial strategy remains anchored in Riyadh's transformation. The Company was active across 29 major projects during the period, including Diriyah Gate, King Salman Park, Qiddiya, the Sports Boulevard, Tuwaiq Tower, the King Fahd Stadium expansion, and the Riyadh Metro (Line 7). Proximity to these work fronts, combined with our integrated site and dedicated dispatch capability, enables fast mobilization, responsive slotting of bulk deliveries, and the consistency required for time-critical pours.

Dispatch mix in 2025: **77.32% bulk / 22.68% bag**. This project-led approach supported an estimated market share of 6.4% in the capital region during FY 2025 and deepened long-term relationships with the ready-mix and contractor ecosystems that rely on Riyadh Cement for quality, schedule fidelity, and technical support.

The grey portfolio is calibrated to Saudi standards and the practical needs of construction sites. **Ordinary Portland Cement (OPC)** serves reinforced concrete, concrete pipe manufacturing, precast elements, and block manufacture. **Sulfate-Resistant Portland Cement (SRC)** addresses basements and below-grade structures, coastal exposure, sewage and water systems, and dam and bridge construction where sulfate attack is a design concern. **Finishing Portland Cement (FC)** is formulated for plastering, levelling and floor screeds prior to tiling. This focused product set, produced at an integrated site with stable raw-material chemistry, ensures consistent performance in mixes demanded by the region's iconic public-realm, residential, and transport programs.

Outlook

With 3.4 million tons per year of installed grey-clinker capacity, proven monthly peak dispatch capability (~330 thousand tons in grey), cement grinding utilization averaged ~**120%** during 2025 following debottlenecking and privileged access to Riyadh's giga-project pipeline, the Grey Cement business remains central to Riyadh Cement's value creation. Management will continue to prioritize throughput discipline, schedule reliability for mega-project work fronts, and close coordination with ready-mix partners. As the waste-heat recovery system progresses and operational excellence programs deepen, the segment is positioned to convert volume stability into sustained operating leverage, supporting cash generation and the Company's broader strategic objectives.

White Cement Segment

Riyadh Cement's White Cement business delivered another year of purposeful growth in 2025, reinforcing the Company's leadership in a specialty segment that underpins architectural finishes, decorative elements, and premium concrete applications

across the Kingdom. The business is anchored by the **first white cement plant in Saudi Arabia**, established in **1997**, with an installed white-clinker capacity of **320,000 tons per year**. Critically, the Company's dual-process Line 1: originally commissioned in 2007 for grey clinker was upgraded in 2019 to also produce white clinker at a design capacity of 660,000 tons per year. When operated in tandem for white clinker, Riyadh Cement can produce approximately one million tons of white clinker annually, giving the Company unmatched flexibility to meet large, time-bound project packages and to balance mix between structural and finishing works as market conditions evolve.

The white plant's strategic location ensures tight linkage with raw-material quarries, pyro-processing, finish milling and bulk dispatch on a single industrial site. Co-location with the grey lines delivers procurement and maintenance synergies while enabling the logistics responsiveness required by the capital's architectural and public-realm programs. The site's high-purity limestone resources support excellent kiln stability and uniform white-clinker chemistry, and the consolidated footprint continues to benefit from state-of-the-art equipment and AI-enabled process control already deployed across the campus.

2025 established a strong operating base for the white business. The Company recorded the highest monthly white-cement sales on record, reaching **36 thousand tons** in a single month. The year culminated in the Company's financial and operational performance, with total sales of **SAR 787.6 million**, of which **SAR 162.2 million** related to the white segment; gross profit reached **SAR 257.8 million**, total comprehensive income **SAR 206.9 million**, and net profit **SAR 207.8 million**. These outcomes reflected deliberate actions by the Board and management to raise throughput, optimize the product mix and improve average prices, creating momentum that carried into 2026.

Against this backdrop, F2025 results show continued progress. White Cement revenue reached **SAR 162.2 million**, representing **+0.76%** year-on-year growth despite lower quantities in certain sub-segments; the revenue performance was supported by higher average selling prices relative to the prior period. Operationally, the white business recorded a **46.7% decrease in clinker production**, while white cement grinding utilization averaged ~110% in 2025, demonstrating the effectiveness of Riyadh Cement's capacity-unlock program and the benefit of coordinated scheduling between the dedicated white plant and the dual-process line. These operating gains were complemented by the groupwide predictive-maintenance regime and digital plant initiatives, which helped reduce downtime by ~10% and reinforced schedule reliability for high-specification deliveries.

The white portfolio is tailored to **premium and value-adding applications**. **White Portland Cement Type I (CEM I 52.5N)** is positioned for reinforced concrete, concrete pipe manufacturing, precast concrete and block, where aesthetic requirements

combine with structural performance. **White Portland Cement Type II (CEM II 42.5N)** serves **grouts, marble-installation fillers, colored plastering and profile painting for exterior façades**, in addition to colored concrete elements and ceramic works. Products are specified to **SASO-GSO** and **EN 197-1** standards, with Type I white manufactured to **CEM I 52.5N** and Type II white to **CEM II/A-LL 42.5N**, enabling seamless adoption in government and private-sector projects that reference international codes.

White cement demand within Riyadh's development agenda continues to broaden as giga-projects move from site development to public-realm and placemaking phases. Riyadh Cement's white products are embedded across landmark programs including **Diriyah Gate, King Salman Park, the Sports Boulevard, Tuwaiq Tower and the Riyadh Metro**, as well as prestigious civic, educational and religious projects elsewhere in the Kingdom where consistent color, surface finish and durability are crucial for design intent and lifecycle performance. Our proximity to these work fronts, combined with dedicated dispatch planning and an integrated supply platform, allows the Company to service tight pour windows and complex finishing schedules with confidence.

Riyadh Cement also dominates the Kingdom's white cement market, with the investor presentation indicating more than **50%** share; a reflection of our early-mover status, installed flexibility to reach **~320,000 tpa of white clinker in 2025 (with historical capability of ~1.0 million t/y)** when required, and longstanding relationships with distributors and project owners. This leadership, together with our integrated manufacturing base, continues to translate into competitive advantage in technical specifications, availability and service.

Outlook

The white business is set to remain a meaningful contributor to Riyadh Cement's growth. Near-term priorities include sustaining the high-tempo run-rate achieved in FY 2025, optimizing white/grey switching on Line 1 to serve peak decorative and facade requirements, and deepening project-based agreements with contractors and ready-mix partners. With the specialty product mix, flexible installed capacity approaching **one million tons of white clinker per year**, and active participation across the capital's architectural and civic programs, the White Cement segment is well placed to convert favorable price/mix and stable demand into durable operating leverage through the next phase of Riyadh's transformation.

Production & Sales Performance (6 Year)

Riyadh Cement's six-year volume story is best understood through three lenses: **(1) resilience of demand in the Central Region**, **(2) disciplined production planning and reliability-driven operations**, and **(3) active mix and inventory management across grey and white products**. Over 2020–2025, grey cement remained the scale engine of the business, while white cement contributed a value-accretive mix supported by operational flexibility and selective market opportunities.

The period also highlights a clear management emphasis on protecting continuity and quality while avoiding excessive clinker build, evident in the significant reduction in grey clinker ending stock by 2024 compared to the elevated levels recorded in 2020–2021. As

the market cycle strengthened into 2025, the Company entered the upturn with a leaner inventory position, better utilization, and stronger readiness to respond to project-led demand without compromising cost discipline.

At a glance (2020–2025)

- Grey cement sales increased from 2.52 million tons (2020) to **3.50 million tons** (2025), showing sustained scale growth over the period.
- White cement sales rose from 0.32 million tons (2020) to **0.39 million tons** (2025), peaking in 2023 (0.45 million tons) before normalizing.
- Grey clinker year-end stock fell from ~1.61 million tons (2020–2021) to **~1.15 million tons** (2025), reflecting stronger stock normalization and improved alignment between kiln output and dispatch needs.
- White clinker production recorded step-changes in 2022 and 2024, supporting mix flexibility and supply readiness for white cement demand.
- 2025 operational context: higher output momentum and efficiency improvements provide a forward bridge to the next cycle.

Grey segment performance

Grey cement performance over the period reflects both cyclical and operational resilience. After reaching a peak sales level of 3.52 million tons in 2021, the business experienced a pronounced production trough in 2022, with clinker output declining to 1.83 million tons before rebounding strongly in 2023 and stabilizing through 2024 at above 3.28 million tons. The momentum strengthened further in 2025, when sales rose to 3.50 million tons and clinker production reached 3.73 million tons, the highest output in the six-year series underscoring improved kiln loading, firmer dispatch alignment and a more confident operating stance heading into the next cycle.

Year	Grey Cement Sales	Grey Clinker Production
2020	2,517,429	3,331,847

2021	3,521,539	3,279,680
2022	2,966,354	1,830,238
2023	3,282,610	3,121,222
2024	3,287,777	2,624,636
2025	3,497,830	3,725,510

White segment performance

White cement remains a strategic product line supporting value mix, specialized applications and market optionality. Sales expanded steadily from 2020 through 2023, reaching a peak of 0.45 million tons, before normalizing to ~0.40 million tons in 2024 and **0.39 million tons in 2025**, reflecting typical demand variability linked to project timing and finishing cycles. White clinker production shows step-changes in 2022 and 2024, consistent with maintaining operational flexibility and clinker readiness; in 2025, production moderated to **0.31 million tons**, aligning more closely with dispatch requirements and indicating tighter output discipline. Overall, the relationship between cement sales and clinker production over the period underscores a deliberate operating model: preserve quality and availability while allowing volumes to flex in response to demand conditions and channel opportunities.

Year	White Cement Sales	White Clinker Production	White Clinker Sales
2020	321,242	267,004	–
2021	365,611	252,175	2,892
2022	401,929	596,002	9,122
2023	447,519	250,739	14,929
2024	398,637	588,547	4,283

2025	393,312	314,021	–
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Inventory management

Clinker stock is a critical indicator of operating balance and working-capital discipline. The six-year trend shows a meaningful improvement in grey clinker inventory, supporting a leaner operating position by 2025.

Grey clinker inventory declined sharply from approximately 1.61 million tons in 2020–2021 to 0.52 million tons in 2024, reflecting materially improved alignment between kiln output and dispatch volumes. In 2025, stock increased to approximately 0.75 million tons, indicating a partial rebuild alongside record production levels and stronger operating momentum.

White clinker inventory has fluctuated more visibly across the cycle, consistent with the segment’s role in supporting specialized demand patterns. After peaking in 2022 and normalizing in 2023, stock rose again in 2024 and 2025 to support supply readiness and mix flexibility within the white product portfolio.

Ending Stock – Clinker (tons)

Metric	2020	2021	2022	2023	2024	2025
Ending Stock – Grey Clinker	1,614,770	1,614,700	745,120	837,819	520,451	1,175,981
Ending Stock – White Clinker	266,544	181,394	395,776	217,858	338,018	286,757

Operational flexibility enabling mix management

One of the most important operational takeaways from the six-year series is that Riyadh Cement’s platform enables mix flexibility, especially in the white segment. A key contributor is the double production line (No.1) white clinker output, which supports planning agility when market requirements shift.

White clinker produced through the double production line (No.1) contributed:

- **362,299 tons (2022)**
- **327,749 tons (2024)**

This supports the Company's ability to preserve availability and respond to demand changes without compromising product quality or delivery reliability.

Project Execution

Riyadh Cement entered 2025 with its strongest execution slate to date. By the close of the reporting period, we were active across **29 projects** in Riyadh, spanning cultural landmarks, entertainment and mixed-use districts, mobility corridors, sports venues and housing programs. The portfolio is staggered across **design, excavation and execution** phases, giving multi-year visibility on call-offs and allowing kiln loading, milling schedules and bulk dispatch to be synchronized with site needs. Year-to-date, the number of live projects increased by **13%**, with **mega-projects ~65%** of the active slate and **housing/other ~35%**. Our market position

strengthened at **6.4% share nationally (7th)** and **~20% in the Central Region**, reflecting location advantage, an integrated white-and-grey platform, and service reliability across the region.

Backlog Mix & KPI Panel (for the right-hand sidebar)

- **Projects in progress:** 29
- **YoY change in projects:** +13%
- **Backlog composition:** Mega projects 65% | Housing & others 35%
Design note: Render as a KPI ribbon with four tiles; use direct labels and large numerals. Add a donut chart for the 65/35 split.

Most Prominent & Key Projects (PLEASE CONFIRM)

#	Project	Theme	Phase	Scope / Key Facts
1	Diriyah Gate (Diriyah Company/DGDA)	Urban landmark & cultural	Execution	Historic district transformation over ~14 km² ; program scale ~SAR 237bn ; Diriyah Square retail/parking packages advancing.
2	King Salman Park (KSP Foundation)	Urban landmark & cultural	Execution	>16 km² world-scale urban park; approx. 7× Hyde Park; major cultural/arts components under build.
3	Qiddiya City (QIC)	Entertainment & mixed-use	Execution	Giga-site; flagship Six Flags Qiddiya City opening announced for Dec-2025 .
4	The Avenues – Riyadh (Shomoul)	Commercial/retail	Execution	Regional mall/mixed-use; large-format GLA with hotels/residential; advanced completion status.
5	Sports Boulevard (SBF)	Iconic public realm	Execution	Linear park spanning >135 km , connecting west–east Riyadh with active mobility corridors.

6	ROSHN – Sedra District (PIF/ROSHN)	Housing & community	Execution	Masterplanned housing packages in NE Riyadh; staged handovers and ongoing building permits.
7	Al Fursan Suburb (NHC)	Housing & community	Execution	>35 million m² footprint; 50k+ residential units; extensive civic/green amenities.
8	Jewel of Riyadh	Mixed-use district	Execution	~2.3 million m ² in Al-Raed (west Riyadh); phased commercial/residential plots.
9	Prince Mohammed Bin Salman Non-Profit City (MiSK City)	Civic/education	Execution	~ 3.4 km² innovation/education district adjacent to Wadi Hanifah; community assets under rollout.
10	Boulevard (Phase 2)	Entertainment/retail	Execution	Northern expansion of existing destination; fit-outs and infrastructure interfaces ongoing.
11	East Gate (Phase 2)	Housing & community	Execution	NE Riyadh district; ~ 6.5 million m² masterplan; utilities and superstructure packages sequenced.
12	Wadi Laban Bridge / Western Ring Road (RCRC)	Transport & mobility	Execution	Capacity upgrade with two parallel bridges beside existing cable bridge; major ring-road junction works.
13	Al Urubah Park	Civic/green	Execution	~750,000 m ² park; 3-km elevated panoramic path (~12 m).
14	King Abdullah Gardens	Civic/green	Execution	Major green corridor between Arqa and Wadi Hanifah; early precincts commissioned.
15	Tuwaiq Tower	Iconic architecture	Execution	~305-m landmark; enabling/early works packages coordinated with adjacent plots.

16	King Fahd Stadium — Modernization (Ministry of Sport)	Sports & events	Execution	Transformation program to host AFC 2027 and support FIFA 2034 readiness; PM oversight in place.
17	Al Murabba (New Murabba Development Co.)	Entertainment & mixed-use	Excavation	Mukaab & podium areas progressing; excavation reported >80% complete across core zones.
18	Raya Hospital (Al-Narjis)	Healthcare	Excavation	~40,000 m ² medical complex; foundations/utilities sequencing underway.
19	King Salman International Airport (PIF/KSIADC)	Transport & mobility	Design / Early works	~57 km ² , 6 runways masterplan; enabling & procurement advancing.
20	Expo 2030 Riyadh (Expo 2030 Riyadh Co.)	National events	Design / Early works	North Riyadh site; site-prep ≈ SAR 30bn ; initial infrastructure tenders in progress.
21	Rise Tower (concept)	Iconic architecture	Concept / Feasibility	Visionary super-tall concept; subject to feasibility and approvals.
22	Riyadh Metro — Line 7 (RCRC)	Transport & mobility	Design	New corridor linking Diriyah–New Murabba–Qiddiya–KSIA
23	King Salman Industrial City	Industrial	Design	Industrial city program in SE Riyadh; zoning and infrastructure design packages staged.
24	King Salman International Stadium	Sports & events	Design	North Riyadh venue near King Salman Road; early design coordination with event calendar.
25	Prince Mohammed Bin Salman Stadium (Qiddiya)	Sports & events	Design	Qiddiya venue; advanced multi-use technologies planned; part of wider event-venue cluster.

26	ROSHN Stadium	Sports & events	Design	Planned ~45k-seat venue; urban design integration with adjacent mixed-use plots.
27	New Murabba Stadium	Sports & events	Design	Core sports & entertainment facility within New Murabba's downtown fabric.
28	South Riyadh Stadium	Sports & events	Design	Future club home/community events hub; design brief aligned to 2027–2034 tournament cycle.
29	Riyadh Grove / City of the Future / Flower of the East	Housing & community	Design	Housing clusters in NE Riyadh; multi-parcel phasing to support steady call-offs.

How the portfolio converts to backlog visibility

What distinguishes 2025 is not only the number and scale of projects but their phase distribution. Execution-phase giga projects (Diriyah Gate, King Salman Park, Qiddiya packages, Sports Boulevard, King Fahd Stadium, Wadi Laban upgrades) anchor near-term shipments with predictable weekly pour windows. Excavation-phase work (Al Murabba/Mukaab) seeds medium-term demand as zones transition to superstructure. Design-phase programs (Riyadh Metro Line 7 and new event venues) provide a credible longer-dated runway; our early involvement with owners and EPCs allows us to match technical specifications with assured availability from our co-located quarry operations and integrated milling/dispatch at Al-Muzahmiyyah. The result is a pipeline that is both visible and executable, capable of supporting sustained kiln utilization and disciplined cash generation across the cycle.

04. SUSTAINABILITY

Sustainability Journey

Sustainability Framework

ESG Initiatives and Targets for 2026

People and Society

- Our People
- Our Corporate Social Responsibility

Sustainability Journey

Accelerating our environmental and social impact

At Riyadh Cement Company, sustainability is embedded in how we operate, invest and govern. In 2025 we continued to integrate environmental stewardship, safety, accountability and technological efficiency across the value chain, aligning our actions with national priorities and global good practice. Our Board oversees a governance system designed to protect shareholders and stakeholders and to ensure transparent reporting; the Company confirms it has applied the provisions of the Corporate Governance Regulations issued by the Capital Market Authority (CMA), with advisory provisions to be applied if and when they become mandatory.

During the year, RCC sustained momentum on flagship decarbonization and efficiency projects. Construction advanced on Waste Heat Recovery (WHR) units using Organic Rankine Cycle (ORC) technology with Turboden (Japan). These units deliver c. 12.7 MW of gross power once fully commissioned, lowering purchased electricity and emissions intensity while improving cost competitiveness. In parallel, RCC progressed energy-transition agreements with Saudi Aramco and Saudi Electricity Company under the national Liquid Fuel Displacement Program; execution is scheduled over a two-year window. To enable reliable grid connection, the Company signed a SAR 85 million contract for a new 33/11 kV substation at Al-Muzahimiyah.

Our circular-economy track continued to scale. RCC implemented iron-slag recycling in cooperation with the National Center for Waste Management, aiming to reduce clinker factor and avoid natural raw-material extraction. In 2025 we also increased the utilization of industrial by-products and achieved ~5% substitution of natural raw materials, with year-on-year growth in industrial waste usage.

We strengthened biodiversity and land stewardship through our Million Tree Program; a long-term commitment aligned with the Saudi Green Initiative and Green Riyadh. In 2025 alone, our nursery produced 101,500 native seedlings across species; December community distributions totaled 56,000 seedlings across municipal and NGO partners reinforcing on-site planting and regional greening. To date, RCC's nursery has produced ~110,000 seedlings, with 7,500 planted at the factory, 9,000 in the housing area, and additional greening across site corridors and community spaces.

Safety remains our foremost priority. By the end of 2025, RCC achieved 3,626,304 accumulated safe man-hours with zero Lost Time Injuries, supported by continuous HSE training such as defensive-driving and first-aid programs delivered at our sites. Our people agenda also advanced inclusion: RCC obtained the Mowaamah certification for accessible workplaces, reinforcing equal opportunity and workforce participation in line with Vision 2030.

Our innovation partnerships deepened. RCC was recognized among the top 10 national companies (out of 1,300) for Industrial Transformation and began deploying AI-enabled quality optimization to enhance process stability and customer outcomes. We strengthened ties with KACST and leading universities and institutes through technical visits, joint programs and talent pipelines, reflecting our commitment to research translation and national capability building.

RCC's sustainability reporting matured as we launched a refreshed materiality assessment and prepared our first stand-alone ESG Report, complementing this Annual Report and enhancing disclosure to investors, regulators and communities. We also expanded digital transparency through a new Investor Relations portal providing real-time access to financial and performance data. In line with CMA practice, the Board Report accompanies the AGM notice and is submitted within three months of year-end.

OUR SUSTAINABILITY POLICY

Sustainability is integral to our business model and competitive strategy. We commit to environmentally and socially responsible operations across our value chain.

Sustainability Principles

Riyadh Cement's policy rests on five pillars:

1. **Environmental stewardship** — energy efficiency, emissions reduction, waste minimization, biodiversity and land rehabilitation around our sites.

2. **Circular economy** — scaling alternative raw materials and valorizing industrial by-products (e.g., iron-slag) to conserve natural resources.
3. **Health & Safety** — risk-based training (defensive driving, first aid), safety processes, and zero-harm culture.
4. **People & communities** — skills development (Himma program), inclusive workplace (Mowaamah), and community partnerships.
5. **Governance & transparency** — robust internal controls, committee oversight, and timely disclosures through Tadawul and our website, including explicit CGR “applied/not applied” reporting.

Looking ahead to 2026

Our roadmap prioritizes safe, reliable execution of the ORC/WHR program; phased grid connection and fuel-mix optimization; expanded secondary-raw-material substitution; and scaled afforestation and rehabilitation. We will continue to digitize production, deploy AI-assisted quality optimization, and publish our first ESG Report with quantified baselines, targets and KPI tie-backs.

Sustainability Snapshot

- **ORC Waste-Heat Recovery — ~12.7 MW**
WHR generate electricity from kiln exhaust.
- **Power transition — SAR 85 million substation EPC**
Grid connection advancing under the Liquid Fuel Displacement Program.
- **Afforestation & community greening — 101,500 seedlings (2025)**
December distributions of 56,000 seedlings across partners; cumulative seedlings ~110,000 to date.
- **People & workforce — foundations for inclusive growth**
766 employees; Saudization 40%; 13 nationalities; female colleagues 0.7% (5 employees). FY2025 turnover: 8.10% voluntary, 5.85% involuntary.
- **Capability building — Hemmah & digital learning**
70 Hemmah trainees; ~6,205 digital learning hours via Udemy Business (98% license utilization); 5 cooperative trainees; 5 training programs delivered; 6 workshops/conferences; training across 8+ departments.

- **CSR Award 2025**
Second consecutive year — Ministry of Human Resources & Social Development.

Sustainability Framework

Riyadh Cement's sustainability framework is organized into five core focus areas; Environmental Sustainability, Employment Sustainability, Community Sustainability, Quality Sustainability, and Public Relations Sustainability so that strategy, projects, and day-to-day practices move together toward Vision 2030 and our long-term value ambitions.

1) Environmental Sustainability

Reducing environmental impact while safeguarding natural resources.

Energy Transition Roadmap

Gas conversion of all kilns and calciners under the Liquid Fuel Displacement Program (gas station, pipeline network, new burners) is in tender; planned completion 31-Dec-2027.

Grid Connection & Substation

33/11 kV, 92 MW grid station to replace captive liquid-fuel/diesel power; contract under tender with target completion 31-Dec-2026.

Separately, RCC signed a SAR 85 million substation EPC in 2025 to advance connection readiness (Al-Muzahimiyah).

Waste-Heat Recovery (WHR, ORC)

Large-scale ORC system 11.17 MW net (\approx 12.7 MW gross) generating clean power from kiln/preheater exhaust; agreement signed (Simona Energy); under commissioning, targeted 31-Dec-2025.

Solar Energy (PPA)

30 MW solar PV project in tender to diversify energy and reduce Scope 2 footprint; targeted 31-Oct-2026.

Circular Economy & Industrial Integration

Utilization of industrial by-products (e.g., iron-slag) to reduce clinker factor; showcased at Cityscape – Malham with Mawan; MoU with Rassas (National Lead Smelting Co.) to activate circular initiatives.

Afforestation & Vegetation Cover (“Riyadh Green”)

On-site nursery and planting programs; 1,000 Arta trees to be planted with Wasm Environmental Association in King Abdulaziz Royal Reserve.

2025 nursery production 101,500 seedlings (sidr, talh, ghaf and others); 56,000 seedlings distributed in December 2025 across municipal/NGO partners.

Environmental Governance & Workshops

Company-wide ESG workshop emphasized integrating environmental and social factors in daily decisions and balancing growth with responsibility.

In-plant Controls

Dust/air-quality improvements through filtration/housekeeping; spill-prevention and emergency readiness as part of HSE routines reviewed during monthly site tours.

2) Employment Sustainability

Building capability, safety, and inclusion for long-term performance.

Human Capital Profile (2025 YTD)

766 employees (271 Saudi / 495 non-Saudi); Saudization 40%; 13 nationalities; 5 female colleagues (0.7%).

Turnover: 8.10% voluntary, 5.85% involuntary.

Human Capital Development

Structured learning pathways; “Himmah 4” with the Saudi Electronics Institute (70 trainees) moved to assessment phase, aligned to plant needs.

Digital learning: Udemy Business license utilization 98%, adoption 90%, 6,204.7 learning hours (~21 hours per active learner).

5 cooperative trainees; 5 training programs delivered; coverage across 8+ departments; 6 workshops/conferences.

University & TVET Partnerships

Field visits and practical learning for King Saud University and Al-Quwayiyah Technical College, exposure to production lines, labs, quarries, and safety culture.

Performance & KPI Discipline

Monthly executive reviews of departmental KPIs; redesigned performance management around plan–monitor–review cadence and results orientation.

Occupational Health & Safety

Defensive-driving and first-aid training delivered; national OSH bodies (National Council for OSH, Esnad) reviewed standards, PPE use, evacuation, blasting controls, and dust/emissions management.

Inclusion & Accessibility

Mowaamah Certification obtained; accessible, inclusive workplace aligned with national standards.

Digital Workplace Enablement

Launch of a Unified Internal Digital Platform to streamline employee access to content/services and modernize daily workflows.

Health Campaigns

Seasonal influenza vaccination across HQ and plants; blood-donation campaign aligned with Ministry of Health drive.

3) Community Sustainability

Creating shared value with the communities we serve.

Strategic Community Programs

Cement support for mosque project (Urawa Governorate); 10,000 seedlings delivered to Arwa Charity Association; multi-agency volunteer planting.

Religious & Cultural Partnerships

Agreement with Mubeen Quran Memorization Association to run circles in the residential complex; Ramadan Iftar participation on Social Responsibility Day; Eid gatherings to foster cohesion.

Afforestation Season

Joint activities with National Center for Vegetation Cover and the National Afforestation Program; on-site plantings, nursery visits, and guidance on species suited to industrial environments.

December 2025 distributions: 56,000 seedlings across municipal and NGO partners (part of the 2025 nursery output noted above).

Clients & Market Relationships

Distinguished-clients ceremony; continuous on-site CEO tours reinforce responsiveness, operational transparency, and partnership culture.

International Collaboration

Engagements with VDMA/AHK and participation at the 28th Arab International Cement & Building Materials Conference to share sector best practice and sustainability trends.

Recognition

CSR Award 2025 (second consecutive year); acknowledgments at SIDF “Towards a Sustainable Industrial Future” event.

4) Quality Sustainability

Assuring product quality, compliance, and reliability end-to-end.

Quality Governance & Certification

SASO-GSO compliance and ISO 9001:2015 QMS maintained; integration with energy/asset/information management certifications (e.g., ISO 50001, 55001, 56001, 27001).

Grinding & Material-Handling Upgrades

Bucket elevators replacing air lifts (two Raw Mills 550 TPH each; two Preheaters 450 TPH each; two Cement Mills 400 TPH; 7th elevator 400 TPH ongoing) to improve reliability and reduce power use.

Roller presses: CM L2 200 TPH, CM L3 60 TPH, Raw L1&2 450 TPH (pre-tender).

Operational Discipline (“7S” & S7 System)

Regular field reviews of 7S/housekeeping and S7 control progress in raw-mill areas; measurable gains in productivity and waste reduction.

Digital Quality & Control Rooms

“Industrial Beacons” initiative and The First Light centralized control room integrate operations, quality, and maintenance for real-time decision-making.

Reliability & Availability Outcomes

Modernization projects target fewer stoppages, higher availability, better energy per ton, and more predictable supply for giga-projects.

5) Public Relations Sustainability

Embedding sustainability in how we communicate, educate, and advocate.

Governance & Frameworks

Launch of ESG Framework & Systems Project with NCV Net Carbon Vision; builds the Sustainability Roadmap and supports RCC's first stand-alone ESG report.

Investor Transparency

Launch of Investor Relations Portal with real-time data, reports, investment calculator, and share/market tools; raising disclosure quality and accessibility.

Stakeholder Events & Recognition

Official sponsorship at the International Exhibition for Construction & Sustainable Building; CEO recognized Top Cement CEO 2024 (Argaam Awards) and Arab Professional Excellence Award 2025; RCC ranked among Top-10 "Factories of the Future."

Policy Engagement & Carbon Markets

Exploratory meeting with the Regional Voluntary Carbon Market Company to understand participation pathways aligned with RCC's decarbonization plan.

Media & Issues Readiness

- Coordinated channels and trained spokespeople for accurate, responsible communications, supported by monthly site reviews that surface performance and project milestones.

ESG Initiatives and Targets for 2026

In 2025, Riyadh Cement launched the ESG Framework & Systems Project and signed the Sustainability Project Agreement with NCV (Net Carbon Vision) to build a sustainability roadmap and enable data-driven reporting. The project is underway with completion planned in 2026; deliverables include a stand-alone ESG Report aligned with recognized global standards and integrated dashboards for performance tracking.

We also enhanced transparency by launching a modern Investor Relations Portal that provides real-time access to financial data and reports, reinforcing disclosure and governance.

Environmental — Low-Carbon and Circular Operations

Power Transition and Energy Efficiency

Grid Connection & Substation (LFDP)

Build a 33/11 kV, 92 MW grid station to replace captive liquid-fuel generation; currently at tender stage with planned completion 31-Dec-2026.

2026 target: Energize the new substation and complete grid tie-in by 31-Dec-2026.

Solar PV (PPA)

30 MW solar project under a PPA model; in tender with planned completion 31-Oct-2026.

2026 target: Execute the PPA and commence supply in line with the 31-Oct-2026 milestone.

Waste-Heat Recovery (ORC)

11.17 MW (net) Organic Rankine Cycle plant; agreement signed (Simona Energy); under commissioning with planned completion 31-Dec-2025 for handover.

2026 focus: Operate the commissioned facility in line with post-handover ramp-up; operational KPIs to be finalized in Q1-2026 following performance testing.

Fuel Switch to Natural Gas (LFDP)

Plant-wide conversion (gas station, pipeline network, new burners for all three lines); tender stage with planned completion 31-Dec-2027.

2026 milestone: Maintain procurement and construction schedule; target EPC award in 2026 and completion of detailed design/long-lead procurement per LFDP plan.

Material-Handling Modernization (Energy Efficiency)

Six high-efficiency bucket elevators completed (raw mills, preheaters, cement mills); the 7th elevator (400 TPH) is ongoing with planned completion 31-May-2026.

Complementary roller presses are in pre-tender (CM-L2 200 TPH, CM-L3 60 TPH, Raw L1&2 450 TPH) with completions in 2027.

2026 target: Complete the 7th elevator by 31-May-2026; advance roller-press awards per the capex schedule.

Circular Economy and Industrial Integration

Iron-Slag Utilization

Experience showcased at Cityscape – Malham with Mawan; MoU with Rassas (National Lead Smelting Co.) to activate circular initiatives.

2026 focus: Sustain the iron-slag circularity program; substitution and quality protocols to be set in Q1-2026 based on process trials.

Biodiversity and Afforestation

Company nursery operations continue; 10,000 seedlings delivered to Arwa Charity Association; agreement with Wasm Environmental Association to plant 1,000 Arta trees in King Abdulaziz Royal Reserve.

2026 target: Execute joint plantings with national entities per the Wasm/KARR program and maintain survival monitoring; annual seedling production and distribution targets to be finalized with the 2026 planting calendar.

Environmental Governance and Standards

- Riyadh Cement maintains **ISO 50001:2018 (Energy Management)** and **ISO 27001:2013 (Information Security)**; in **2025**, also achieved **ISO 56001:2024 (Innovation Management)** and **ISO 55001:2024 (Asset Management)**.
- **2026 focus:** Maintain certifications and integrate ESG data controls under the ESG Systems Project; define data lineage, roles, and audit trails for all material environmental KPIs by **mid-2026**.

Social — People, Safety and Community

Occupational Health & Safety

Defensive-driving and first-aid training delivered in late-2025; national OSH bodies (National Council for OSH and Esnad) reviewed PPE, evacuation, quarry blasting controls, and dust/emissions management during an official visit.

2026 targets:

- Conduct a minimum of 12 emergency drills across plants and key facilities.
- Deliver $\geq 2,500$ HSE training hours.
- Maintain zero Lost Time Injuries (LTI).

Inclusion and Accessible Workplaces

Mowaamah Certification obtained, confirming an inclusive and accessible workplace.

2026 target: Maintain certification and close high-priority accessibility actions identified in the audit (tracking via quarterly reviews).

Capability Development and Education Partnerships

“Himmah 4” with the Saudi Electronics Institute entered assessment for 70 trainees; field learning continued with King Saud University and Al-Quwayiyah Technical College.

- **2026 targets:** Graduate ≥ 70 Himmah trainees and extend structured on-the-job learning to ≥ 50 employees across core operations.

Workforce Well-being

- Seasonal influenza vaccination campaign delivered; Company events reinforced cohesion (Ramadan Iftar, Eid gathering, appreciation of industrial security personnel).
- **2026 target:** Achieve $\geq 90\%$ vaccination coverage among eligible employees and run **two** Company health-awareness campaigns.

Community Investment

- Cement support for a mosque project in **Urawa**; participation in the Ministry’s Social Responsibility Day; **CSR Award 2025** (second consecutive year).
- **2026 targets:**
 - Reach $\geq 3,000$ direct community beneficiaries through structured programs.
 - Align strategic donations to documented local needs with quarterly impact summaries.

Governance — Systems, Disclosure and Digital Excellence

ESG Governance and Reporting

ESG Framework & Systems Project with NCV Net Carbon Vision is ongoing with planned completion 7-Mar-2026; outputs include a sustainability roadmap and an ESG report aligned with recognized standards.

2026 target: Publish the ESG Report by Mar-2026 and operate ESG dashboards (Board and Executive views) with quarterly updates from Q2-2026.

Transparency and Investor Communications

Investor Relations Portal launched to strengthen transparency and reliability with real-time data and tools.

2026 target: Integrate ESG highlights and KPI snapshots into the portal; track investor-engagement metrics (e.g., page views, downloads, response time) with a baseline in H1-2026 and improvement plan for H2.

Digital Operations (Industry 4.0)

The Company's digital transformation; Industrial Beacons and The First Light centralized control room was highlighted during leadership field visits, alongside monthly KPI reviews and continuous 7S improvement. A Unified Internal Digital Platform was launched in 2025.

2026 focus: Extend predictive monitoring to 100% of critical assets, embed monthly KPI cadence across all units, and reduce unplanned downtime by $\geq 10\%$ versus 2025.

PEOPLE AND SOCIETY

Our People

Developing our Workforce

At Riyadh Cement, people are the engine of safe, reliable, and efficient operations. In 2025 we continued to align human capital with plant priorities and promotion paths, making capability building and performance discipline core to our operating model. Our Skills Development Center anchors technical, safety, and managerial learning for job families across production, control-room operations, quality laboratories, quarry & mining, maintenance, and reliability. Digital learning scaled materially through UdeMy Business (high license utilization and adoption), while core technical modules remained 100% face-to-face to ensure hands-on mastery and rapid transfer to the line.

Employee Headcount (2025 YTD)

- **Total headcount: 766**

- **Male employees: 761** (derived from total less female)
- **Female employees: 5 (0.7%)**
- **Saudization: 40%** (271 Saudi, 495 non-Saudi)

Nationality Mix (13)

Saudi **271**, Philippines **129**, Pakistan **124**, India **89**, Bangladesh **42**, Egypt **36**, Nepal **25**, Yemen **23**, Sudan **17**, Jordan **6**, Palestine **2**, Tanzania **1**, Sri Lanka **1**.

New Hires and Turnover (2025 YTD)

- **Voluntary turnover: 8.10%**
- **Involuntary turnover: 5.85%**

Saudization (2025 YTD)

- **Saudi nationals: 271**
- **Non-Saudi nationals: 495**
- **Overall Saudization rate: 40%**

Our pipeline focuses on building Saudi technical depth for shift leadership, control-room operations, quality, quarry & mining, and reliability functions through structured rotations and buddying on the line.

Transforming Human Resources for Strategic Impact

During 2025, Human Resources operated as a performance partner to Operations and HSE, aligning capability building with plant needs and promotion paths. Workforce planning mapped the roles most critical to safe, reliable output; shift leadership, control-room operations, quality laboratories, quarry & mining, and reliability engineering, and sequenced learning and on-the-job rotations accordingly. The **Skills Development Center** remained the engine of this approach, connecting classroom learning to simulator/control-room practice and line-side execution. Digital learning complemented face-to-face delivery: **Udemy Business** licenses reached **98%** utilization with **90%** user adoption, delivering **6,204.7** digital learning hours (approximately **21** hours per active

learner). Performance management emphasized clear objectives, supervisor coaching, and standardized SOPs so that training translated into measurable outcomes on the floor.

Riyadh Cement Skills Development Center

The Center anchors technical, safety, and managerial development for job families across production, maintenance, quality, quarry & mining, and reliability. In 2025 all core technical modules were delivered 100% face-to-face across 8+ departments, supported by 5 formal programs and 6 technical workshops/conferences used to codify best practice, refresh SOPs, and standardize troubleshooting and shutdown procedures. Knowledge transfer is embedded in the operating model: experienced specialists provide structured buddying and line-side coaching linked to departmental gap analyses and the Himmah rotations, ensuring continuity while national talent accelerates.

Driving National Talent Development

Riyadh Cement continued to invest in pathways that prepare Saudi nationals for skilled roles in cement manufacturing. **Himmah 4** at the **Saudi Electronics Institute (Diriyah)** advanced to the **assessment phase with 70 trainees**; the program has achieved **100% completion across phases** to date. University and TVET partnerships, most notably with **King Saud University** and **Al-Quwayiyah Technical College**, delivered structured plant-based learning; **5 cooperative trainees** were hosted for practical assignments aligned to production and reliability priorities. On-site mentorship, supervisor coaching, and rotation planning connect graduates to real responsibilities with clear criteria for progression into shift leadership and control-room positions.

Safety, Health and Performance

Zero-harm culture.

Riyadh Cement recorded **3,626,304** accumulated safe man-hours in 2025 with **zero LTIs**, supported by targeted **defensive-driving** and **first-aid** training, leadership safety walk-downs, and contractor alignment.

External checks.

The site was reviewed by the **National Council for Occupational Safety and Health** together with **Esnad**, covering PPE compliance, evacuation drills, blasting controls, and dust/emissions management reinforcing adherence to national standards and continuous improvement in operational controls.

Well-being.

A Company-wide **seasonal influenza vaccination** campaign was completed across headquarters and plants to promote workforce health and resiliency during peak seasons.

Inclusion and Accessibility

Mowaamah Certification (Dec-2025). Facilities and practices were confirmed **accessible and inclusive**, reinforcing equal-opportunity hiring, reasonable accommodations, and barrier-free workplace design. HR audits focus on job-fit and accommodation plans so that qualified candidates can perform safely and effectively in technical and administrative roles.

Our Corporate Social Responsibility

Elevating our Communities and Nation

As a national industrial company, we aim to create tangible, lasting value in the communities where we operate. In 2025, Riyadh Cement advanced environmental stewardship and community well-being through initiatives aligned with Vision 2030 and local priorities. Our nursery delivered 10,000 seedlings to Arwa Charity Association for community planting, while our agreement with Wasm Environmental Association provides for planting 1,000 Arta trees in King Abdulaziz Royal Reserve. During the National Afforestation Season, we hosted teams from the National Center for Vegetation Cover and the National Afforestation Program for on-site plantings, nursery tours, and technical exchanges on native species and desertification control.

We also supported community infrastructure by supplying cement for a mosque project in Urawa Governorate. Health and solidarity programs included a company-wide seasonal influenza vaccination campaign and participation in Ramadan Iftar and Eid gatherings

that strengthen social cohesion among employees and families. Riyadh Cement received the CSR Award 2025 from the Ministry of Human Resources and Social Development for the second consecutive year, recognizing consistent community impact and environmental engagement.

Investing in the Future of Saudi Talent

Our CSR agenda prioritizes education-to-employment pathways for local youth. Himmah 4 at the Saudi Electronics Institute (Diriyah) progressed to the assessment phase with 70 trainees, achieving 100% completion across phases to date. We hosted structured field-learning visits for King Saud University and Al-Quwayiyah Technical College, and welcomed five cooperative trainees for plant-based assignments. These partnerships bridge classroom learning with real industrial practice preparing candidates for technical roles across production, control-room operations, quality, quarry & mining, and reliability.

Knowledge sharing extended beyond academia. We hosted a delegation from VDMA/AHK to exchange insights on sustainability and advanced manufacturing and participated in the International Exhibition for Construction & Sustainable Building and SIDF’s “Towards a Sustainable Industrial Future” event, platforms that helped amplify best practice and highlight the circular-economy potential of industrial by-products.

Afforestation & Biodiversity — Nursery Program (2025)

Seedlings produced: 101,500 (7 native species)

To support urban greening, reduce dust, and enhance biodiversity in arid conditions through resilient species and planned distribution.

Production by Species

Species	Qty
Sidr	30,500
Talh Najdi	31,000
Ghaf	9,000
Qard	15,000
Acacia saligna	6,000

Talh Malhi	4,500
Acacia glauca	5,500
Total	101,500

Distribution (Dec-2025)

Partner / Location	Qty
East Riyadh Municipality	30,000
Arwa Charity Association	10,000
Al-Muzahimiyah Club	10,000
RCC factory & housing	6,000
Total distributed	56,000

CSR Snapshot

- **Seedlings produced:** 101,500 (7 species)
- **Seedlings distributed (Dec-2025):** 56,000 to 4 partners
- **Himmah trainees:** 70 (phases completed 100%)
- **Co-op trainees hosted:** 5
- **Digital learning hours:** 6,204.7 (utilization 98%, adoption 90%)
- **Training delivery:** 5 programs · 6 workshops · 8+ departments · 100% face-to-face for core technical modules

05. GOVERNANCE

Corporate Governance Overview

Board of Directors

Board Committees

Board And Executive Management Profile

Shareholder Matters, Ownership & Dividend Policy

Remuneration Disclosures and Related Party Transactions

Declarations Of the Board of Directors

Corporate Governance Overview

Riyadh Cement Company (“RCC”) operates under a robust governance framework designed to meet the requirements of the Saudi Capital Market Authority (CMA) and the Saudi Exchange (Tadawul). The Board maintains clear oversight of strategy, performance, risk, and control, delegating detailed oversight to its standing committees while retaining full accountability. In 2025 the Company strengthened transparency through continuous regulatory disclosures and shareholder communications aligned to Main Market standards, including Ordinary General Assembly outcomes, the constitution of the Board and its committees for the 2025–2028 term, and the Board’s decision to distribute an interim cash dividend for H1-2025.

RCC embeds integrity and compliance through documented policies and secure reporting channels. The whistleblowing program accessible through designated, confidential channels, protects confidentiality and enables escalation to the Audit Committee when appropriate.

Capital allocation is guided by a Board-approved dividend policy aimed at reliable, disciplined distributions. In 2025 the Board, under OGA authorization, adopted a semi-annual cadence and declared an interim cash dividend for H1-2025.

Compliance Statement and Corporate Governance Framework

Compliance Statement

*RCC confirms that all **mandatory provisions** of the Corporate Governance Regulations issued by the CMA have been applied. RCC is committed to applying the highest standards and leading professional practices in corporate governance and to fostering a culture of compliance grounded in integrity and honesty across all of its professional activities. The Company focuses on embedding disclosure and transparency in all events and activities across its core business segments. RCC also affirms its constant commitment to all laws, regulations, and directives issued by the competent authorities relevant to the Company's business and activities, thereby safeguarding its reputation and credibility and strengthening shareholder confidence in its successful approach; fully aligned with the standards of efficiency, quality, and excellence. This Corporate Governance Report has been prepared and published in accordance with the Corporate Governance Regulations issued by the Capital Market Authority, as amended.*

Corporate Governance Framework

- **Board of Directors:** Provides strategic leadership and oversight of performance, risk, and internal control.
- **Audit Committee:** Oversees financial reporting integrity, risk assessment, internal control, and the internal audit function, receiving all Internal Audit reports and escalating outcomes to the Board.
- **Nomination & Remuneration Committee:** Manages Board/Executive nominations, succession, and remuneration; also oversees corporate governance procedures and CGR compliance.
- **Whistleblowing & Stakeholder Channels:** Confidential portal/email for reporting; IR contact for investors.
- **Dividend Policy:** Semi-annual distribution model, subject to OGA authorization and prudent capital stewardship.

Disclosure According to Regulations

All mandatory provisions of the Corporate Governance Regulations have been implemented.

Article No.	Article / Clause	Reason for Non-Application

28	Board composition / independence parameters (advisory elements)	Advisory; applied when/if mandatory or appropriate to RCC's scale and operations.
39	Board evaluation (advisory)	Advisory; to be implemented if mandated.
41	Board responsibilities (advisory sub-clauses)	Advisory; current charters address mandatory items; enhancements under review.
54(B)	Audit Committee — specific sub-clause	Advisory; duties performed; enhancements considered as needed.
70	NRC formation/mandate details	Advisory; covered by existing NRC charter.
71	NRC responsibilities	Advisory; responsibilities performed under current charter.
72	NRC meetings	Advisory; cadence set by Board.
76	Stakeholder / disclosure provisions	Advisory; applied where practicable.
77	Stakeholder / disclosure provisions	Advisory; applied where practicable.
88	Disclosure & transparency provisions	Advisory; applied where practicable.
89(3)	Disclosure detail (sub-article)	Advisory; applied where practicable.
95	Governance reporting provisions	Advisory; applied where practicable.

Note: The Audit Committee continues to study and assess risk matters; the Board has not formed a separate Risk Committee as the relevant CGR provisions remain advisory. Internal Audit reports are presented to the Audit Committee and its Chairman; overall outcomes are submitted to the Board.

BOARD OF DIRECTORS

To ensure directors, especially non-executives, are fully apprised of shareholder perspectives, the Company operates a structured investor-communications. Shareholder inquiries, proposals, and complaints are captured through the IR mailbox and web portal; AGM notices, results, and dividend timetables are posted on the Company website and the Saudi Exchange (Tadawul). A confidential whistleblowing channel complements these touchpoints and is available to all stakeholders. Information gathered is consolidated into periodic Board reports circulated ahead of each meeting and, when material, on an ad-hoc basis, highlights themes, volumes, and resolution status. The Chairman, Committee Chairs, and Non-Executive Directors receive concise dashboards covering market disclosures, analyst feedback, and shareholder engagement metrics, enabling independent challenge and timely follow-up with management.

Eng. Khaled bin Abdullah Al-Molhem	Present	Present	Present	Present	Present	100%
Dr. Nasser bin Fadl Aqeel	Present	Present	Present	Present	Present	100%
Eng. Mohammed bin Khalifa Al-Mulhem	Present	Present	Present	Present	Present	100%
Mr. Abdullah bin Ateeq Al-Fawaz	Present	Present	Present	Present	Present	100%
Mr. Fahad bin Hizam Al-Nabit	Present	Present	Present	Present	Present	100%
Dr. Fahd Saleh Hamad Al-Humaidah	—	—	Present	Present	Present	100%
Eng. Shoeil bin Jarallah Al-Ayed	Present	Present	—	—	—	100%

General Assemblies of Shareholders

No.	Name	Position (at OGA date 17/04/2025)	Ordinary General Assembly Meeting 17/04/2025	Ordinary General Assembly Meeting
1	Mr. Salah bin Rashed Al-Rashed	Chairman of the Board	Attended	—
2	Eng. Khaled bin Abdullah Al-Mulhem	Vice Chairman	Did not attend	—

3	Dr. Nasser bin Fadl Aqeel	Board Member	Attended	—
4	Mr. Fahad bin Hizam Al-Nabit	Board Member; NRC Chairman	Attended	—
5	Eng. Mohammed bin Khalifa Al-Mulhem	Board Member	Attended	—
6	Mr. Abdullah bin Ateeq Al-Fawaz	Board Member; Audit Committee Chairman	Attended	—
7	Eng. Shoeil (Shuail) bin Jarallah Al-Ayed	CEO	Attended	—

Note:

- Meeting held via modern technology; shareholders' attendance **63.59%**.
- **Election of Board members** for the new term **15/06/2025–14/06/2028**:
 - 1) Salah Rashed Al-Rashed
 - 2) Eng. Khalid Abdullah Al-Mulhem
 - 3) Dr. Naser Fadl Aqeel
 - 4) Mr. Fahd Hizam Al-Nabit
 - 5) Mr. Abdullah Ateeq Al-Fawaz
 - 6) Eng. Mohammad Khalifa Al-Mulhem
 - 7) **Fahad Al-Humaidah.**

BOARD COMMITTEES

Audit Committee

Meetings

During financial year **2025**, the Audit Committee held **five** duly convened meetings. **All members attended** each meeting.

Name	Position	1st Meeting 21/01/2025	2nd Meeting 17/04/2025	3rd Meeting 05/08/2025	4th Meeting 22/10/2025	5th Meeting 15/12/2025	Attendance Rate
Dr. Fahd Saleh Hamad Al-Humaidah	Board Member (Non-Executive)	—	—	Attended	Attended	Attended	100%
Dr. Abdullah Saghir Al-Husseini	Member (from outside the Board)	Attended	Attended	Attended	Attended	Attended	100%
Mr. Mohammed Abdulaziz Al-Shaya	Member (from outside the Board)	Attended	Attended	Attended	Attended	Attended	100%
Mr. Abdullah bin Ateeq Al-Fawaz	Board Member (Independent)	Attended	Attended	—	—	—	100%

Mandate and scope

Under its Board-approved charter and in alignment with CMA CGR, the Committee oversees: (i) the preparation and fair presentation of interim/annual financial statements; (ii) effectiveness of ICFR and Internal Audit coverage; (iii) independence, qualifications, performance and fees of the external auditor; and (iv) significant policies, estimates, judgments and any unusual transactions. It monitors management's responses and the timely closure of audit observations.

The Audit Committee is responsible for overseeing the company's activities and ensuring the accuracy and integrity of its financial reports, financial statements, and internal control systems. The key duties and responsibilities are summarized as follows:

Results of the annual review of the effectiveness of the Company's internal control procedures, and the Audit Committee's opinion on the adequacy of the Company's internal control system:

Audit Committee's opinion on the adequacy of the Company's internal control system:

The Company's Internal Audit Department carries out continuous operational audit activities to verify the effectiveness and efficiency of the internal control system and procedures in safeguarding the Company's assets, assessing the risks of the Company's internal control framework, and submitting any recommendations to the Board of Directors that would enhance the system in a manner that achieves a positive impact for the Company and efficiently protects the interests of the Authority to a high standard.

Audit Committee's opinion on the adequacy of the Company's internal control system:

Based on the annual audit plan approved by the Audit Committee, the Company's Internal Audit Department conducts periodic review and examination of the Company's departments, including the Company's internal control system. Based on the results of the review and

examination procedures performed during the year 2022 and prior years, the Audit Committee's assessment of the Company's internal and financial control systems and controls did not identify any material weakness. The assessment also indicated that the implementation of internal control procedures is operating effectively. On the other hand, the external auditor typically performs an evaluation of the internal control system as part of the audit of the Company's annual financial statements, and the Company enables the external auditor to review all documents, systems, policies, procedures, Audit Committee meeting minutes, and Internal Audit Department reports for the period / financial year under examination.

Recommendations of the Audit Committee that conflict with Board of Directors' resolutions, or that the Board declined to adopt, regarding the appointment of the Company's external auditor and determination of the auditor's fees and performance evaluation, or the appointment of the internal auditor, together with the justifications for such recommendations and the reasons for not adopting them.

There is no conflict between the Audit Committee's recommendations and the Board of Directors' resolutions, and the Board of Directors has not declined to adopt the Audit Committee's recommendations regarding the appointment or dismissal of the Company's external auditor, the determination of the auditor's fees and performance evaluation, or the appointment of the internal auditor.

Composition and independence

Audit Committee comprised **three** members with relevant financial expertise: **Dr. Fahd S. H. Al-Humaidah** (Independent Board member) and **Dr. Abdullah S. Al-Husseini & Mr. Mohammed A. Al-Shaya** (both from outside the Board).

Working practices & key matters

Agendas and pre-reads (management reports, IA deliverables, draft FS, auditor materials) were circulated in advance; an action tracker monitored open items to closure; closed sessions with the external auditor were held where appropriate. Key work covered interim/annual FS reviews, IA plan & coverage, follow-up on ICFR observations, and RPT/compliance topics.

Nomination & Remuneration Committee (NRC)

Meetings

The NRC held **two** duly convened meetings during **2025**. **All members attended** each meeting.

Name	Position	Meeting 1 (2025)	Meeting 2 (2025)	Attendance
Eng. Mohammed bin Khalifa Al-Mulhem	Committee Chairman (Independent – Board)	—	Attended	100%
Mr. Salah bin Rashed Al-Rashed	Member (Non-Executive – Board)	Attended	Attended	100%

Eng. Khaled bin Abdullah Al-Melhem	Member (Non-Executive – Board)	Attended	Attended	100%
Fahad bin Hizam Al-Nabit	Member (Non-Executive – Board)	Attended	-	100%

Note: In 2025, **Mr. Mohammed bin Khalifa Al-Mulhem** was appointed **NRC Chairman** in place of Mr. Fahad bin Hizam Al-Nabit.

Mandate and scope

The NRC supports the Board on nominations (Board/Senior Management), succession for critical roles, remuneration philosophy/policy & disclosure for Directors/Committees/Senior Executives, and periodic assessments of Board & executive effectiveness, independence, and skills mix in line with strategy and regulations.

The most important duties and responsibilities are summarized as follows:

- Recommending to the Board of Directors nominations for membership of the Board.
- Reviewing the structure of the Board of Directors and conducting an annual review of members' capabilities and qualifications, and submitting recommendations on changes that may be made.
- Establishing clear policies for the remuneration of Board members and senior executives based on performance-linked criteria.
- Ensuring the independence of independent members and the absence of conflicts of interest.
- Preparing the remuneration policy for the Board committees and executive management and submitting it to the Board of Directors.

Remuneration policy and the relationship between remuneration granted and the remuneration policy in force:

- An amount of 300,000 Saudi riyals is granted annually to each Board member, and executive management is granted annual bonuses commensurate with the effort exerted and the extent of commitment to achieving the Company's objectives, after approval by the Board of Directors.
- Remuneration was granted in accordance with the mechanism in force, and there were no material deviations from this mechanism.

BOARD AND EXECUTIVE MANAGEMENT PROFILE

Composition & Committee Memberships (2025–2028 Term)

Name	Role	Classification	Committee Memberships
Salah bin Rashed Al-Rashed	Chairman	Non-Executive	Nomination & Remuneration Committee — Member

Eng. Khaled bin Abdullah Al-Melhem	Vice Chairman	Non-Executive	Nomination & Remuneration Committee — Member
Dr. Nasser bin Fadl Aqeel	Board Member	Non-Executive	—
Eng. Mohammed Khalifa Al-Melhem	Board Member	Independent	Nomination & Remuneration Committee — Chairman
Abdullah bin Ateeq Al-Fawaz	Board Member	Independent	—
Fahad bin Hizam Al-Nabit	Board Member	Non-Executive	—
Dr. Fahd Saleh Hamad Al-Humaidah	Board Member	Independent	Audit Committee — Chairman

Committee members (non-directors)

- **Dr. Abdullah Saghir Al-Husseini** — Audit Committee Member (external).
- **Mohammed Abdulaziz Al-Shaya** — Audit Committee Member (external).

Board of Directors



Mr. Salah bin Rashed Al-Rashed
— Chairman (Non-Executive) and Nomination & Remuneration Committee Member

Academic qualifications

- Bachelor's in Civil Engineering, University of Washington, USA (1977).

Professional experience

- General Manager, Rashid Al Abdulrahman Al-Rashed & Sons Company (1977–present).
- Chairman, Board of Directors, Riyadh Cement Company (2016–present).

Memberships in other boards

- Chairman: Arab National Bank (2017–present); Technical Investments Co. (2016–present); Al-Rashed A. Betong Co. (2015–present); Trade & Contracting Co. (2016–present); Golden Chicken Farms Co. (2013–present); Saudi Electrical Business Services Co. (2013–present); Care & Medical Sciences Co. (2015–present); Al-Rashed & Al-Omran Co. (1970–present).
 - Board Member: Gulf Applications Co. (2007–present); Imdad Solutions for Information Technology (2014–present); Al-Yamama Medical Co. (2010–present); Al-Malz Financial Co. (2008–present).
-



Eng. Khaled bin Abdullah Al-Melhem

— Vice Chairman (Non-Executive) and Nomination & Remuneration Committee Member

Academic qualifications

- B.Sc. in Engineering Management, University of Evansville, USA (1981).
- B.Sc. in Electrical Engineering, University of Evansville, USA (1981).

Professional experience

- Vice Chairman, Board of Directors, Riyadh Cement Company (2016–present).
- General Manager, Saudi Arabian Airlines (2006–2014).
- Chief Executive Officer, Saudi Telecom Company (2001–2006).
- Vice President of Finance, Saudi Telecom Company (1998–2001).
- Chief Executive Officer, Almarai Dairy Company (1997–1998).
- Various senior positions, Saudi British Bank (SABB): Senior Manager – Retail Banking; Executive Director – Investment Banking; Regional Manager; Executive Director – Investment (1989–1997).
- Head of Task Force, Saudi Industrial Development Fund (1983–1989).
- Engineer, King Abdulaziz Airbase – Royal Saudi Air Force (1981–1983).

Memberships in other boards

- Board Member: MBC Group; Kadana Development and Real Estate; Al-Aqeer Development Co.; Al-Awwal Investment Co.
-



Mr. Fahad bin Hizam Al-Nabit
— Board Member (Non-Executive)

Academic qualifications

- Bachelor's in Law, King Saud University, Saudi Arabia (1992).

Professional experience

- General Manager: Heritage Buildings Company (2018–present); National Food Investment Company (1998–present); Mawarid Holding Company (1997–present).

Memberships in other boards

- None disclosed.
-



Dr. Nasser bin Fadl Aqeel
— Board Member (Non-Executive)

Academic qualifications

- Ph.D., Civil Engineering, University of Colorado Boulder, USA (1989).
- M.Sc., Civil Engineering – Construction Engineering & Management, University of Colorado Boulder, USA (1985).
- B.Sc., Civil Engineering – Construction Engineering & Management, King Saud University, Saudi Arabia (1981).

Professional experience

- CEO, Riyadh Cement Company (1997–2016).
- General Manager, Riyadh Cement Company (2006–2011).
- Coordinator, Engineering Management Sector & Member, Training Board, Institute of Public Administration (1989–1995).

- Graduate Researcher, University of Colorado Boulder (1987–1989).
- Teaching Assistant, University of Colorado Boulder (1981–1982).

Memberships in other boards

- Chairman, Board of TOWA Development Company (to present).
-



Mr. Abdullah bin Ateeq Al-Fawaz
— Board Member (Independent)

Academic qualifications

- Master's in Law, Indiana University (1988).
- Bachelor's in Law, King Saud University (1985).

Professional experience

- Legal Advisor, Expert Committee of the Council of Ministers (1988–2016).

Memberships in other boards

- Chairman, Board of Directors, Faza Industrial Company.
-



Eng. Mohammed bin Khalifa Al-Melhem
— Board Member (Independent) and Nomination & Remuneration Committee Chairman

Academic qualifications

- Master's in Banking & Finance, Queen Mary University of London (2011).
- Bachelor's in Civil Engineering, Concordia University (2014).

Professional experience

- Civil Engineer, Aramco (2014–2017).
- Business Development Manager, Modular Concrete Buildings Systems Company (2017–present).

Memberships in other boards (independent, personal capacity)

- Al-Etefaq Steel Company; Advanced Petrochemical Company; Al-Jazeera Support Services Company.
-



Dr. Fahad Saleh Hamad Al-Humaidah

— Board Member (Independent) and Audit Committee Chairman

Academic Qualifications

- PhD in Financial Markets, University of Reading, United Kingdom (2015).
- Master's in Investment Management, University of London, United Kingdom (2005).
- Bachelor's in Financial Sciences, King Fahd University of Petroleum & Minerals, Kingdom of Saudi Arabia (2003).

Professional Experience

- Deputy Minister of Economy and Planning for Strategic Planning and Institutional Excellence (since May 2023 to date).
- Senior Advisor to the Minister of Economy and Planning (since November 2022).
- Advisor to H.E. the Minister of Finance, Director of the Advisory Department, and Head of the Advisory Team to H.E. the Minister of Finance (2017–2022).
- Held multiple positions at the Saudi Arabian Monetary Authority (SAMA) (now the Saudi Central Bank), including Investment Advisor and Head of Fixed Income and Alternatives (2006–2016).
- Board Member, Saline Water Conversion Corporation (2003–2004).
- Teaching Assistant and Assistant Lecturer, King Fahd University of Petroleum & Minerals (2003–2004).

Memberships in Other Boards (in a personal and independent capacity)

- Sustainability Holding Company — Board Member (Independent).
 - National Center for Social Studies and Research — Board Member (Independent).
-



Dr. Sultan bin Saad Al-Owais
— Secretary of the Board of Directors

Academic qualifications

- Ph.D. in Media (Public Relations), Imam Muhammad bin Saud Islamic University (2025).
- Master's in Media (Public Relations), IMSIU (2016).
- Higher Diploma in Business Administration, IMSIU (2012).
- Bachelor's in Media, King Saud University (2007).

Professional experience

- Secretary of the Board of Directors, RCC (2023–present).
- Public Relations Manager, RCC (2023–present).
- Director of Media Affairs, Riyadh Municipality (2021–2023).
- Public Relations Manager, Municipal Council (2016–2021).
- Media Officer, Public Relations Department, Riyadh Municipality (2007–2016).

Memberships

- Board Member, Saudi Public Relations & Advertising Association (2023–present).

Audit Committee — External Members' Profiles

Dr. Abdullah bin Sagheer bin Mohammed Al-Hussaini
— Audit Committee Member (external)

Academic qualifications

- Ph.D. in Financial Accounting & Auditing, University of Kent (2015).
- Master's in Accounting, King Saud University (1997).
- Bachelor's in Accounting, King Abdulaziz University (1995).

Professional experience

- Professor of Accounting & Auditing — Dean, Prince Sultan University (2010–present).
- Financial Management / HR Management (2005–2010).
- Financial & Administrative Consulting — Zakat and Taxes (2000–2005).
- Accounting & Auditing roles (1990–2000).
- Chairman, Board of Directors, Faza Industrial Company (1437–1443 AH).

Memberships in other boards

- None disclosed.
-

Mr. Mohammed bin Abdulaziz bin Abdulrahman Al-Shaya
— Audit Committee Member (external)

Academic qualifications

- Certified Internal Auditor (CIA), IIA (USA, 2003).
- SOCPA (Saudi Organization for Certified Public Accountants, 2000).
- CPA (AICPA, USA, 1999).
- Bachelor's in Accounting, Imam Muhammad bin Saud Islamic University (1990).
- Master's in Accounting, University of Illinois (1998).

Professional experience

- Chairman of the Board, SAB Takaful.
- Chief Executive Officer, Medgulf Insurance Company.
- General Manager, Supervision of Financing Companies, Saudi Central Bank (SAMA).

Memberships in other boards

- None disclosed.
-

Executive Management



Eng. Shueil (Shoeil) bin Jarallah Al-Ayed
— Chief Executive Officer

Academic qualifications

- Master's in Engineering Management, Florida Institute of Technology (1985).
- B.Sc. in Physical Engineering, Jacksonville University (1983).
- B.Sc. in Electrical Engineering, Jacksonville University (1983).

Professional experience

- CEO, Riyadh Cement Company (2017–present).
- CEO, Sabc Steel (2013–2016).
- Vice President, Southern Cement Company (2010–2013).
- General Manager, Hif Southern Region (2007–2010).
- Distribution Engineering Manager, Saudi Electricity Company – Southern Region (2005–2007).
- Electrical Manager, Saudi Electricity Company – Asir Region (2003–2005).
- Distribution & Transmission Manager, Saudi Electricity Company – Asir Region (1987–2003).
- Project Engineer, Saudi Electricity Company (1985–1987).
- Chairman, National Steel Committee, Council of Saudi Chambers (2014–2016).

Other affiliations

- Vice Chairman, First Copper Company (2016–present).
 - Board Member, Rummat Company (2023–present).
 - Board Member, National Company for Metal Recycling (2013–2016).
-



Mr. Muhannad (Muhanad) Muhammad Melhem
— Chief Financial Officer

Academic qualifications

- Master's in Accounting, Arab Academy for Banking and Financial Sciences (Jordan, 2006).
- Bachelor's in Accounting, Al-Zaytoonah University (Jordan, 2003).

Professional experience

- Director of Financial Management / CFO, Riyadh Cement Company (2018–present).
 - Financial Manager, Umm Al-Qura Cement Company (2016–2018).
 - Financial Manager, Northern Cement Company (2012–2016).
 - Financial Manager, Fawaz Al-Hokair Company (2008–2012).
-



Eng. Girish Kumar
— Plant Manager

Academic qualifications

- Executive MBA, CMJ University, India.

Professional experience

- 28+ years in cement and lime industry.
- Factory Manager, Riyadh Cement Company (2024–present).
- Former Head of Manufacturing at multiple global cement companies: ARM Cement; FLSmidth O&M; Kanodia; UltraTech Cement; Lafarge Cement; Ambuja Cement; Andhra Cement; Pioneer Cement; JP Cement.

Shareholder Matters, Ownership & Dividend Policy

Board Members' Share Ownership

Board member	Shares at the beginning of the year 2024	Shares at the end of the year 2025	Change (shares)	Percentage
Mr. Salah bin Rashed Al-Rashed	27,856,198	27,856,198	0	0%
Engineer Khaled bin Abdullah Al-Melhem	2,275,675	2,275,675	0	0%
Dr. Nasser bin Fahd Al-Aqeel	2,261,666	3,140,000	878,334	38.8%
Engineer Mohammed bin Khalifa Al-Melhem	25,176	25,176	0	0%
Mr. Abdullah bin Ateeq Al-Fawaz	1,020,000	1,020,000	0	0%
Dr. Fahd bin Saleh Al-Humaidah	0	0	0	0%
Mr. Fahd bin Hizam Al-Otaibi	0	0	0	0%
Mr. Shoeil Jarallah Al-Ayed	1,080,000	1,081,376	376	0.034%
Mr. Mohannad Mohammed Melhem	0	1,510	1,510	100%

Foreign Ownership Levels vs. Limits

- Foreign ownership limit: 49% (per Tadawul/Argaam profile).
- Actual foreign ownership at 31 Dec 2025: 5%

Dividend Distribution Policy

The Company's **annual net profits**, after deducting all general expenses, other costs, and provisions for zakat, are distributed as follows:

- 1. Discretionary reserve (up to 5% of net profit).**
The Ordinary General Assembly (OGA), based on a proposal from the Board of Directors, may allocate **5% of net profits** to form a discretionary reserve to be used for purposes decided by the OGA.
- 2. Other reserves (as needed).**
The OGA may also decide to create **other reserves** in a manner that benefits the Company or ensures the distribution of **consistent dividends** to shareholders.
- 3. Social/employee institutions.**
The OGA may allocate **amounts from net profits** to establish social institutions for the Company's employees or to support existing institutions.
- 4. Minimum shareholder dividend (5% of paid-up capital).**
After the allocations above, the **remaining profits are first distributed to shareholders at 5% of the Company's paid-up capital.**
- 5. Board compensation (10% of the remainder).**
In accordance with **Article 19** of the Company's Bylaws and **Article 70** of the Companies Law, and **after** the allocations above, **10% of the remaining amount** is dedicated as compensation for Board members; eligibility is **proportional to the number of meetings attended** by each member.
- 6. Distribution of any further remainder.**
Any **remaining profits** may then be distributed **in any manner decided by the OGA.**
- 7. Interim dividends.**
The Company may distribute **interim dividends** (annual, semi-annual, or quarterly) **in accordance with Capital Market Authority guidelines**, based on an **OGA mandate** authorizing the Board of Directors to distribute interim dividends.

Dividend Distribution Data for Fiscal Year Ending 31 Dec 2025

Announcement date	Eligibility date	Distribution method	Distribution date	Dividend amount (Saudi riyals per share)	Total
15-12-2025	Date of the General Assembly meeting	To be determined later	To be determined later	0.60	72,000,000
2025-08-05	2025-09-08	Transfer to shareholders' accounts	2025-09-18	1.00	120,000,00
2025-01-21	2025-04-17	Transfer to shareholders' accounts	2025-04-29	1.25	150,000,00

Penalties or Violations

No penalties or violations were disclosed for Riyadh Cement Company on the Saudi Exchange website during 2025.

REMUNERATION DISCLOSURES AND RELATED PARTY TRANSACTIONS

Remuneration Policy

Riyadh Cement Company maintains a Board-approved compensation policy covering Directors, Board-Committee members, and Senior Executives. The policy is fixed-criteria based and aims to reward service responsibly while meeting the Saudi Companies Law and the CMA Corporate Governance Regulations.

Policy Implementation Mechanism

Board of Directors

- Attendance allowances: paid for Board meetings and for committee meetings attended by the Director (including any chair responsibilities). Amounts are set by the Board on NRC recommendation and disclosed in the annual “Statement of Rewards” tables
- Independence safeguard: Independent Directors’ compensation is not linked to company profits or profitability measures; it is structured as fixed fees and allowances to preserve objectivity (CGR-consistent).
- Other elements (if applicable): reasonable expense allowances and in-kind benefits related to official duties; any additional role-based stipends (e.g., Board/Committee chair) must remain within regulatory caps and be disclosed in the tables noted above.

Board Committees

- Committee service is compensated via fixed committee fees (ex-attendance) plus meeting attendance allowances; chairs may receive higher fees reflecting added responsibilities. Amounts are approved by the Board following NRC recommendation and disclosed in the committee rewards table.

Senior Executives

- Pay comprises fixed salary, allowances/benefits, and performance-related elements (periodic/annual bonuses and incentive plans) approved by the Board. The NRC’s mandate explicitly includes clear policies for senior-executive compensation based on performance-related criteria and market competitiveness.
- Executives (including the CEO) receive compensation aligned with effort and the level of commitment to Company goals, per Board approval. No material deviations from the approved mechanism were disclosed in the prior year baseline.

Governance, approval & disclosure

- NRC prepares and recommends → Board approves → Ordinary General Assembly (OGA) ratifies where required (e.g., Board bonuses), with per-director and per-committee disclosures in the Annual Report.

Regulatory compliance & limits

- All remuneration arrangements must comply with CMA Corporate Governance Regulations, Companies Law, and other competent-authority instructions; totals must remain within regulatory caps and reflect arm's-length principles.

Board & Committee Remuneration

Board of Directors

Board Members	FIXED REWARDS					
	A Specific Amount (SAR)	Allowance for attending Board meetings (SAR)	Total allowance for attending Committee meetings (SAR)	Non-monetary benefits (SAR)	Reward of the Chairman / Managing Director / Secretary (if any) (SAR)	Total (SAR)
<i>First: Independent Members</i>						
Eng. Mohammed bin Khalifa Al-Melhem	300,000	25,000	-	-	-	325,000
Mr. Abdullah bin Ateeq Al-Fawaz	300,000	25,000	-	-	-	325,000
Dr. Fahd Saleh Hamad Al-Humaidah	163,333	15,000	-	-	-	178,333
<i>Second: Non-Executive Members</i>						

Mr. Salah bin Rashed Al-Rashed	300,000	25,000	-	-	-	325,000
Eng. Khaled bin Abdullah Al-Melhem	300,000	25,000	-	-	-	325,000
Dr. Nasser bin Fadl Aqeel	300,000	25,000	-	-	-	325,000
Mr. Fahad bin Hizam Al-Nabit	300,000	25,000	-	-	-	325,000
Third: Executive Members						
1. Eng. Shoeil bin Jarallah Al-Ayed	136,667	10,000	-	-	-	146,667

Notes:

- The term of Mr. Abdullah Atiq Al-Fawaz ended on 14-06-2025.
- Dr. Fahad Saleh Hamad Al-Humaidah was appointed on 15-06-2025.
- Eng. Shuail bin Jarallah Al-Ayedserved as an executive Board member until 14-06-2025.

Audit Committee Members

Member	Fixed Remuneration (excluding attendance) (SAR)	Attendance Allowance (SAR)	Total (SAR)
Dr. Fahd Saleh Hamad Al-Humaidah — Chairman	54,521	20,000	74,521
Mr. Abdullah Atiq Al-Fawzan – Member (Independent)	45,205	20,000	65,205
Dr. Abdullah bin Sagheer Al-Hussaini — Member (external)	120,000	40,000	160,000
Mr. Mohammed bin Abdulaziz Al-Shaya — Member (external)	120,000	40,000	160,000

Nomination and Remuneration Committee Members

Member	Fixed Remuneration (excluding attendance) (SAR)	Attendance Allowance (SAR)	Total (SAR)
Eng. Mohammed bin Khalifa Al-Melhem — Chairman	50,000	10,000	60,000
Mr. Salah bin Rashed Al-Rashed — Member	50,000	10,000	60,000
Eng. Khaled bin Abdullah Al-Melhem — Member	50,000	10,000	60,000

Senior Executives (Top Five Including CEO & CFO)

Component	Amount (SAR)
Salaries & Compensation	4,128,000
Allowances	1,444,800

Periodic/Annual Bonuses & Incentives	2,296,000
In-kind Benefits	-
Total	7,868,800

Related Party Transactions

Policy & controls

Riyadh Cement Company conducts all dealings with Related Parties on a competitive, arm's-length basis that safeguards shareholder rights. All RPTs are:

- Reviewed by the Audit Committee,
- Approved by the Board, and
- Submitted to the General Assembly for voting when required (the interested party abstains).
Disclosures are made on the Saudi Exchange (Tadawul) in line with CMA rules.
-

Transactions approved by the Ordinary General Assembly dated 17-04-2025

Related party	Relationship / interested Board member	Nature of transaction	Amount (Saudi riyals)	Key terms
TOWA Development Company	A company chaired by Dr. Nasser bin Fadl Aqeel	Sale of cement	40,876,786	Prevailing commercial terms
Al-Rashed Cement Company	A company chaired by Mr. Salah bin Rashed Al-Rashed	Sale of cement	129,826,390	Prevailing commercial terms
Precast Building Systems for Cement	A related party linked to Engineer Mohammed bin Khalifa Al-Melhem	Sale of cement	505,781	Prevailing commercial terms

Transactions with related parties during the fiscal year 2025

Related party	Relationship / interested person	Nature of transaction	Period	Amount (Saudi riyals)	Terms (pricing / credit / settlement)
TOWA Development Company	A company chaired by Dr. Nasser bin Fadl Aqeel	Sale of cement	2025	22,973,528	Prevailing commercial terms
Al-Rashed Cement Company	A company chaired by Mr. Salah bin Rashed Al-Rashed	Sale of cement	2025	92,858,395	Prevailing commercial terms

Shareholder register

Company Name	Code	Request Date & Time	Record Date	Reason
Riyadh Cement Company	3092	28/08/2025 09:28	10/09/2025	Dividend File
Riyadh Cement Company	3092	21/04/2025 09:37	21/04/2025	Dividend File
Riyadh Cement Company	3092	17/04/2025 18:15	17/04/2025	General Assembly
Riyadh Cement Company	3092	08/04/2025 09:59	08/04/2025	Corporate Actions
Riyadh Cement Company	3092	12/03/2025 12:59	02/01/2025	Other
Riyadh Cement Company	3092	29/01/2025 09:57	28/01/2025	Other

Declarations of the Board of Directors

The Board of Directors declares the following:

1. **Accounting records** have been prepared correctly.
2. **Internal control system** has been designed on sound bases and implemented effectively.
3. There is **no doubt regarding the Company's ability to continue as a going concern**.
4. There is **no interest in any class of voting shares** held by persons who have notified the Company of such rights pursuant to Article (68) of the CMA Rules on the Offer of Securities and Continuing Obligations.
5. The Company **has not issued or granted** during the financial year **any classes or amounts of convertible debt instruments, contractual securities, warrants, or similar rights**.

6. There are **no conversion or subscription rights** under any convertible debt instruments, contractual securities, warrants, or similar rights issued or granted by the Company.
7. The Company **has not redeemed, purchased, or cancelled** any redeemable debt instruments during the year.
8. There are **no arrangements or agreements** under which any **Board member or Senior Executive has waived any remuneration**.
9. There are **no arrangements or agreements** under which any **shareholder has waived rights to dividends**.
10. **Employee share program (ESOP/RSU):**
11. **Penalties / sanctions / precautionary measures / reserve restrictions: None** imposed on the Company in **2025**.
12. **Internal Auditor:** There is **no recommendation from the Audit Committee to appoint an internal auditor**, as the Company already has an Internal Audit function.
13. **Alignment of Audit Committee and Board:** There is **no conflict** between the Audit Committee's recommendations and Board resolutions, and **no AC recommendations were rejected** by the Board.
14. **External auditor's report (FY2025): No qualifications** on the annual financial statements.
15. **There is no recommendation from the Board to change the external auditor before the end of the appointed term**.
16. **Competing business: No Board member conducts, or has conducted, any business that competes** with the Company or any of its business lines.
17. The Company has **no loans** as at 31 December 2025.
18. There is no departure from the accounting standards issued by the **Saudi Organization for Chartered and Professional Accountants**.
19. Measures taken by the Board of Directors to keep its members, in particular the non-executive members, informed of shareholders' proposals and observations regarding the Company and its performance:
The Board of Directors did not receive any observations from shareholders regarding the Company and its performance. It

should be noted that all shareholders' inquiries and questions are addressed during General Assembly meetings, and the questions and answers are documented in the General Assembly minutes.

20. Statement of statutory payments:

Item	Amount paid	Amount due	Note
Value Added Tax	54,274,498	8,566,543	Value Added Tax for December 2025 was paid in January 2026.
Zakat	13,852,789	0	None.
Social Insurance	5,679,054	491,500	Social insurance for December 2025 was paid in January 2026.

06. FINANCIAL REPORT

Financial Review

Independent Auditor's Report

Consolidated Statement of Financial Position

Consolidated Statement of Profit or Loss

Consolidated Statement of Changes in Equity

Consolidated Statement of Cash Flows

Notes to the Consolidated Financial Statements

Financial Review

Pricing Discipline, Margin Protection, and Operational Strength

Riyadh Cement Company delivered a resilient financial performance in 2025 reflecting disciplined pricing policies, improved operational reliability, and effective cost control despite weak demand in the central region. The Company maintained strong profitability margins while prioritizing value over volume, preserving sound profitability and a strong financial position, supported by operational efficiency, disciplined cost management and continued focus on value preservation.

Revenue for the year amounted to **SAR 787.6 million** (2024: **SAR 789.4 million**), representing a modest **0.22%** year-on-year decline. The decrease in revenue during the current year compared to the previous year was deliberate management of sales volumes and selective export participation. This reflects the competitive market environment during the year and the Company's continued focus on sustaining its market position. Grey cement remained the principal contributor to revenue at **SAR 625.4 million**, representing **79.4%** of total revenue while white cement contributed **SAR 162.2 million** representing **20.6%** of total revenue. Export revenue totaled **SAR 2.7 million (0.4%)**, reflecting the Company's predominantly domestic market focus.

Profitability held at strong levels. Gross profit reached **SAR 257.8 million**, delivering a gross profit margin of **32.7%** while operating profit totaled **SAR 216.2 million**, representing an operating profit margin of **27.5%**. Net profit amounted to **SAR 207.8 million** (2024: **SAR 310.4 million**), with a net profit margin of 26.4% and earnings per share of **SAR 1.73**.

The 2025 results demonstrate Riyadh Cement Company's ability to sustain high earnings quality through pricing discipline, optimization of fuel and energy costs, and improved asset utilization efficiency.

Cash Flow and Capital Structure

Cash flow generation remained positive, with net cash generated from operating activities amounting to **SAR 243.1 million** in 2025 (2024: **SAR 435.0 million**), movement primarily reflects working capital movements, including increased receivables collection period and improved supplier terms.

The Company maintained prudent credit controls: the average trade receivables collection period was **107 days (2024: 99 days)**, with an expected credit loss provision of **SAR 2.0 million**, reflecting stable collection levels. Average trade payables days stood at **22 days (2024: 27 days)**, while the cash conversion cycle remained broadly stable at approximately **304 days**.

Capital Investment during the year remained focused on supporting and enhancing the operating asset base with capital expenditure totaling **SAR 131.4 million** (2024: **SAR 91.8 million**), directed to improving plant performance, enhancing operational reliability.

The balance sheet remained strong, with total assets of approximately **SAR 1.9 billion**, total liabilities of approximately **SAR 178.7 million**, and Cash and cash equivalents stood at **SAR 62 million**, resulting in net debt of approximately **SAR 116.7 million**.

Liquidity levels remain strong, supported by a current ratio of approximately 4.70x, providing significant financial flexibility.

Free cash flow after capital expenditure was approximately **SAR 111.7 million**, supporting a dividend distribution of **SAR 192.0 million**, equivalent to a payout ratio of approximately **96%**, consistent with the Company's approved capital allocation framework.

Outlook

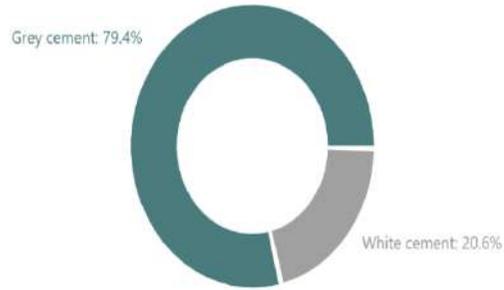
Looking ahead, Riyadh Cement Company will continue to prioritize margin flexibility, operational reliability, and working capital management efficiency, while maintaining a disciplined approach to capital allocation.

The Company enters 2026 with a strong financial base, high levels of asset utilization, and sustainable earnings capacity. With a focus on pricing policy integrity, cost efficiency, and operational excellence, Riyadh Cement Company remains well-positioned to navigate cyclical market fluctuations and deliver sustainable long-term value for shareholders.

Revenue % by Product

Grey Cement: **SAR 625,406,540**

White Cement: **SAR 162,219,342**



Revenue % by Geography

Saudi Arabia: SAR 784,881,138
Export markets: SAR 2,744,744



Revenue: 787.6 | -0.22% YoY
Gross profit: 257.8 | -22% YoY

Gross margin: 32.7% | -8.9 pts YoY
Operating profit: 216.2 | -26.9% YoY
Operating margin: 27.5% | -9.7 pts YoY
Net profit: 207.8 | -33.1% YoY
Net profit margin: 26.4% | -12.9 pts YoY
Capex: 131.4 | +43.1% YoY
Operating cash flow: 243.1 | -44.0% YoY
Free cash flow: 111.7 | -67.5% YoY
Dividends: 192.0 | -28.9% YoY
Current ratio: 4.70x | -3.26% YoY
EPS (basic): 1.73 | -33.5% YoY

Financial Highlights

- Net profit
SAR 207.8 m (2024: SAR 310.4 m)
- Gross profit
SAR 257.8 m (2024: SAR 328.8 m)
- **Operating profit**
SAR 216.2 m (2024: SAR 292.9 m)
- Total assets
SAR 1,896.9 m (2024: SAR 1,970.5 m)
- Shareholders' equity
SAR 1,718.2 m (2024: SAR 1,781.2 m)

Income Statement (5-year summary)

	2025	2024	2023	2022	2021
	(S 000)				
Revenue	787,626	789,396	643,383	598,006	671,066
Cost of Revenue	(529,808)	(460,629)	(406,484)	(366,460)	(404,516)
Gross Profit	257,818	328,767	236,899	231,546	266,550
Operating Profit	216,248	292,936	201,064	201,936	233,303
Net Profit Before Zakat	219,390	299,240	201,513	199,340	231,731
Zakat	(11,564)	11,199	(12,740)	(9,500)	(18,000)
Net Profit	207,827	310,439	188,772	189,840	213,731
Gross Profit Margin	32.7%	41.6%	36.8%	38.7%	39.7%
Net Profit Margin	26.4%	39.3%	29.3%	31.7%	32.5%

The Company's assets, liabilities, and equity (5-year summary)

Line Item	2025	2024	2023	2022	2021
	(S 000)				
Total Current Assets	665,338	758,487	611,607	601,950	550,397
Total Non-Current Assets	1,231,549	1,211,983	1,226,901	1,289,041	1,337,396
Total Assets	1,896,887	1,970,470	1,838,508	1,890,992	1,887,793

Total Current Liabilities	141,427	155,974	125,988	182,812	190,508
Total Non-Current Liabilities	37,269	33,247	32,753	32,994	35,205
Total Liabilities	178,696	189,221	158,740	215,806	225,713
Total Equity	1,718,191	1,781,249	1,679,768	1,675,186	1,662,080
Total Equity and Liabilities	1,896,887	1,970,470	1,838,508	1,890,992	1,887,793

Geographical Analysis of the Company's Total Revenues

	31 December 2025 (SAR)	31 December 2024 (SAR)
Kingdom of Saudi Arabia	784,881,138	785,231,370
State of Iraq	464,094	1,613,810
Sultanate of Oman	1,158,718	1,062,287

Hashemite Kingdom of Jordan	–	528,124
Kingdom of Bahrain	409,092	480,596
State of Yemen	712,840	480,173
State of Kuwait	–	–
Total	787,625,882	789,396,360