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Annual Report

1446-1447H

amiantit.com



Custodian of the Two Holy Mosques

King Salman bin Abdulaziz Al Saud

————— may Allah protect him —————



“My primary goal is for our country to be a successful and pioneering model in the world in all aspects, and I will work with you to achieve that.”



His Royal Highness Prince

Mohammed bin Salman Al Saud

Crown Prince, Prime Minister, may Allah protect him

————— may Allah protect him —————



“We are determined to build a thriving country in which all citizens can fulfill their dreams, hopes and ambitions. Therefore, we will not rest until our nation is a leader.”





Introduction

The Board of Directors of Saudi Arabian Amiantit Company (will be refer to as "The Company" or "The Group" have the pleasure to present "The Company" 's annual activity report for the year 2025G and the operations progress of "The Company" and its affiliates, including the production, marketing, and administrative performance of "The Group". The report also covers the consolidated financial statements for the years ending 31st December of 2025G & 2024G.

The annual report of the Board of Directors to the Ordinary General Assembly Meeting on the Fiscal Year of 2025G





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01

Company and Group Profile





The Company" was established

in 1388H (1968) in Dammam, Kingdom of Saudi Arabia. It is a Joint Stock - Listed Company with a paid-up capital of

445.5

SAR million, listed on the Saudi Stock Exchange (Tadawul). "The Company" is headquartered in Dammam (Saudi Arabia).

"The company" works in the manufacture of most types of pipes and accessories on all diameters and uses, as well as in the design, planning, implementation and management of projects related to pipes and water treatment plants, and has companies specialized in engineering consultancy. And also companies specialized in pipe technology, licensing it to others and marketing its products and operating in the Kingdom of Saudi Arabia and most countries of the world.

As of December 31, 2025G, "The Group" operates 25 plants (includes 9 plants in Saudi Arabia, the other premises mostly being located in Western Europe, Turkey, Qatar, North Africa and Kazakhstan) for producing pipes around the world (and the related products, such as tanks, fittings, flanges, rubber, and manholes), either fully owned or through joint ventures with local partners.

"The Company" also offers pipe design and installation services through its

% 100

owned Saudi subsidiary, Infra-Structure Engineering and Construction Company (ISECC), and "The Company" 's research



and development activities are carried by its R&D centers in the Dhahran Techno-Valley, Dhahran, Saudi Arabia, and Sandefjord, Norway as a part of the joint venture in Europe (Amiblu). It is also involved in Engineering, Procurement, Commissioning (EPC) of water treatment facilities in addition to its work in operates water management activities through its fully owned German subsidiary (PWT- Abwassertechnik) As well as its subsidiary PWT Saudi Limited. It is worth to mention that "The Company" owns

% 13

of "East Gas Company" which operates in procuring the natural gas from Saudi Aramco, and selling it to more than 50 industrial clients through a special

pipe network underground in the 2nd industrial city in Dammam City. It also carries out engineering, construction, operations, and maintenance work for gas pipeline network on a safe way and friendly to the environment.



1.1

Manufacturing & Sale of Pipes & Associated Technologies

“The Group” designs and manufactures standard-specification pipes and specification pipes designed specifically to meet customer needs, as well as the production of tanks and connections for water transport and to meet all uses, whether potable water, irrigation water, industrial water, sewage, seawater intake pipes, stormwater drainage, torrential water, and firefighting systems. “The Group” also provides integrated consulting services to its clients in the field of project design and pipe installation through its subsidiary (Engineering Infrastructure Contracting Company Ltd.). The pipe manufacturing and sales sector is “the Group’s” core business and the main source of its annual sales and profits.

“The Group” is keen to own and develop the latest technologies in the field of pipe industry, where its areas of development include the following:



Provide technical support.



Improvement and development of products.



Inspection and approval of raw materials.



Development of production processes and manufacturing methods

“The Group” Technology organization operates two Research and Development centers. One located in Dhahran Techno-Valley Company (DTVC) located in King Fahad University for Petroleum & Minerals, Dhahran, Saudi Arabia while the other is located in Sandiford (Norway) as part of its associate company Amiblu in Europe. Both centers have an estimated 82 qualified researchers and operates sophisticated research and testing equipment with a total value of SAR 56.8 million. The R&D spending of “The Group” reached SAR 26.4 million in 2025G (2024G: SAR 25 million). The Technology Centers are primarily focused on the GRP and GRE activities. They perform research activities that aim to improve product design, broaden applications, optimize production processes, among other activities.

Manufacturing & sales of pipes & associated technologies	Net Sales	Total Assets
2025G	598,800	1,661,778
2024G	771,881	1,630,021

Key figures for Manufacturing & Sales of pipes & Associated Technologies Segment (SAR'000).

1.2

Water Management Activities

1.2.1 EPC of Water Treatment Stations

The Group” fully owns PWT Wasser-und Abwassertechnik GmbH (PWT), a German Company headquartered near Frankfurt, Germany, and primarily specialized in the engineering, procurement, construction, and operation & maintenance of desalination plants, water treatment plants, wastewater treatment plants for urban areas and industrial clients, as well as, providing centralized and de-centralized (containerized) water treatment solutions. Furthermore, PWT operates groundwater treatment plants and develops and implements electro-technical and automation systems for the water sector.

This Company is presently working actively in Europe (Germany and Albania), the Caspian Region, and the GCC. The company has been developing new markets in the MENA region and in the GCC, focusing on Saudi Arabia.

The Company has changed its strategy in 2025 focusing selected infrastructure projects in the focused regions GCC, Europe (Balkans) and North Africa. A reorganization started to downsize the structure in Germany to a holding company and develop the structure in Saudi Arabia.

EPC of Water Treatment Stations	Net Sales	Total Assets
2025G	92,300	237,184
2024G	76,417	399,752

Key figures for EPC of Water Treatment Stations (SAR'000).



02

Amiantit Board of Directors & Committees Members





2.1 Board of Directors



HH Prince Ahmad Bin Khalid Bin Abdullah Bin Abdulrahman Al-Saud

Current Job

Businessman

Previous Job

Businessman

Qualifications

PhD in Law

Experience

Expertise in the board of directors and committees of companies and corporate committees for civil, insurance, credit, energy, and mining.



HRH Prince Abdulaziz Bin Mohammad Bin Fahad Bin Abdulaziz Al-Saud

Current Job

Businessman

Previous Job

Businessman

Qualifications

Master of Laws

Experience

Experience in the field of law.



Dr. Solaiman Bin Abdulaziz Al Twajri

Current Job

CEO of the National Agricultural Development Company (NADEC)

Previous Job

CEO of "The Company"

Qualifications

PhD in Accounting

Experience

Multiple experiences in corporate management, chairing and membership of the boards of directors of many companies and audit committees, academia, finance and accounting.



Dr. Mohammad Bin Saud Al-Badr

Current Job

Member of the Board of Directors in companies and member of committees

Previous Job

Managing Director & General Manager

Qualifications

PhD in Computer Education

Experience

Extensive experiences in membership of boards of directors and committees of companies, and in the field of management.





Mr. Khalid Bin Mohammed AlBawardi.

Current Job

CEO of Holding Company Affairs - Saudi Chemical Holding Company

Previous Job

Head of Follow-up Operations Unit – Capital Market Authority

Qualifications

Bachelor of Management

Experience

Multiple experiences in board membership, risk management and credit





2.2 Audit Committee



Dr. Sulaiman Abdullah Bin Al Sakran

Current Job

Consultant

Previous Job

General Secretary of Higher Education Fund

Qualifications

PhD in Finance

Experience

Diverse experience in the fields of finance and accounting, in addition to membership in several companies and audit committees, and the academic field.



Dr. Mohammad Bin Saud Al-Badr

Current Job

Board & Committees Member in companies

Previous Job

MD & General Manager

Qualifications

PhD in Computer Education

Experience

Extensive experience in finance, accounting, membership in many companies, audit committees, and academic field



Mr. Waleed Bin M. Al Othaimen

Current Job

Member of the boards of directors of companies and a member of multiple committees

Previous Job

General Manager

Qualifications

BSc in the Industrial Management (Accounting)

Experience

Extensive experience in the chairmanship and membership in audit committees.





2.3 Nomination and Compensation Committee



HH Prince Ahmad Bin Khalid Bin Abdullah Bin Abdulrahman Al-Saud

Current Job

Businessman

Previous Job

Businessman

Qualifications

PhD in Law

Experience

Expertise in the board of directors and committees of companies and corporate committees for civil, insurance, credit, energy, and mining.



Dr. Mohammad Bin Saud Al-Badr

Current Job

Board & Committees Member in companies

Previous Job

MD & General Manager

Qualifications

PhD in Computer Education

Experience

Extensive experience in finance, accounting, membership in many companies, audit committees, and academic field



Mr. Khalid Bin Mohammed AlBawardi.

Current Job

CEO of Holding Company Affairs - Saudi Chemical Holding Company

Previous Job

Head of Follow-up Operations Unit – Capital Market Authority

Qualifications

Bachelor of Management

Experience

Multiple experiences in board membership, risk management and credit





2.4 Executive Committee



HH Prince Ahmad Bin Khalid bin Abdullah Bin Abdulrahman Al-Saud

Current Job

Businessman

Previous Job

Businessman

Qualifications

PhD in Law

Experience

Expertise in the board of directors and committees of companies and corporate committees for civil, insurance, credit, energy, and mining.



HRH Prince Abdulaziz Bin Mohammad bin Fahad Bin Abdulaziz Al-Saud

Current Job

Businessman

Previous Job

Businessman

Qualifications

Master of Law

Experience

Experience in the field of law.



Dr. Solaiman Bin Abdulaziz Al Twaijri

Current Job

CEO of the National Agricultural Development Company (NADEC)

Previous Job

CEO of "The Company"

Qualifications

PhD in Accounting

Experience

Multiple experiences in corporate management, chairing and membership of the boards of directors of many companies and audit committees, academia, finance and accounting.



Mr. Sulaiman Bin Abdullah Al Amro

Current Job

Adviser and Regional Manager

Previous Job

Adviser and Regional Manager

Qualifications

Master of Business Administration (MBA)

Experience

Extensive experience in the membership of boards of directors, committees, and management



Mr. Feras Bin Ghassab AlHarbi

Current Job

GCEO of "The Company"

Previous Job

GCOO & GCFO and Ex-GCFO for Multi listed companies in KSA and outside KSA

Qualifications

Master's degree in Finance & Accounting

Experience

Extensive experience in corporate management, membership of multiple companies' boards of directors and audit committees, financial and accounting business and restructuring of many companies.





2.5 Senior Executive



Mr. Feras Bin Ghassab AlHarbi

Current Job

GCEO of "The Company"

Previous Job

GCOO & GCFO and Ex-GCFO for Multi listed companies in KSA and outside KSA

Qualifications

Master's degree in Finance & Accounting

Experience

Extensive experience in corporate management, membership of multiple companies' boards of directors and audit committees, financial and accounting business and restructuring of many companies.



Mr. Waleed Mohammad Abu Kishk ¹

Current Job

Legal & Compliance Director"

Previous Job

Legal Counsel of the "company"

Qualifications

Master's degree in law

Experience

Experiences in law and legal consulting and governance.

¹ The contract of Mr. Waleed Abu Kishk expired, and his last working day was on 30/08/2025G.



Eng. Abdullah Abbas Al-Baz

Current Job

Senior Operation Director"

Previous Job

Business Development Manager at Dubai Factory

Qualifications

Bachelor's degree in Mechanical Engineering

Experience

Licensed engineer from Ontario, Canada with multiple experiences in plant operations, management and business development



Mr. Asgar Yosuf Sarguroh

Current Job

Finance Director

Previous Job

Several positions in the financial management of the "company"

Qualifications

Bachelor's degree in financial accounting and business economics

Experience

Bachelor's degree in financial accounting and business economics



Eng. Mohammad Saleh Al-Shamrani ²

Current Job

Sales Director

Previous Job

Operations Director of "The Company"

Qualifications

Bachelor's degree in chemical engineering

Experience

Experiences in procurement management, raw materials management, and operations

² Eng. Mohammad Al-Shamrani submitted his resignation and his last working day 02/01/2026G.



Mr. Omar Zainalabdeen Hakeem

Current Job

Shared Services Director

Previous Job

- IT Governance Director at NADEC
- IT Manager at the "company"

Qualifications

Bachelor's degree in Information Technology

Experience

Multiple experiences in the digital transformation of the system, automation of processes using computing robots, digitization and AI, restructuring of human resources, building a manual of policies and procedures, and raising the efficiency of operational processes.



Mr. Faisal Abobakr Baradhwan ³

Current Job

Supply Chain Director

Previous Job

Multiple positions in Procurement and Supply Chain Management

Qualifications

Master's degree in Business Administration

Experience

Multiple experiences in Procurement Management and consulting services, building the strategies and restructuring in Supply Chain

³ Mr. Faisal Abobakr Baradhwan was appointed as "Supply Chain Director" for "the Company" on 13/01/2025G.



Eng. Raed Hamed Aljaghtami ⁴

Current Job

QHSE Director

Previous Job

Several positions in quality, safety, health and environmental Management at the "company"

Qualifications

Bachelor's degree in Civil Engineering

Experience

Multiple experience in quality, safety, health and environmental management

⁴ Eng. Raed Hamed Aljaghtami was appointed as "QHSE Director" for "the Company" on 01/01/2025G.



Eng. Khalid Bakheet Albashiri ⁵

Current Job

Marketing & Sales Director

Previous Job

Business Manager at NEOM and several other management positions

Qualifications

Master of Business Administration Bachelor's degree in Communication Engineering

Experience

Multiple experience in strategic management, consulting, business development, sales and project management, during which he has worked with major entities in the government and private sectors, including major national projects and leading energy and telecommunications companies.

⁵ Eng. Khalid Bakheet Albashiri was appointed as "Marketing & Sales Director" for "the Company" on 04/12/2025G.



03

Significant Decisions & Plans



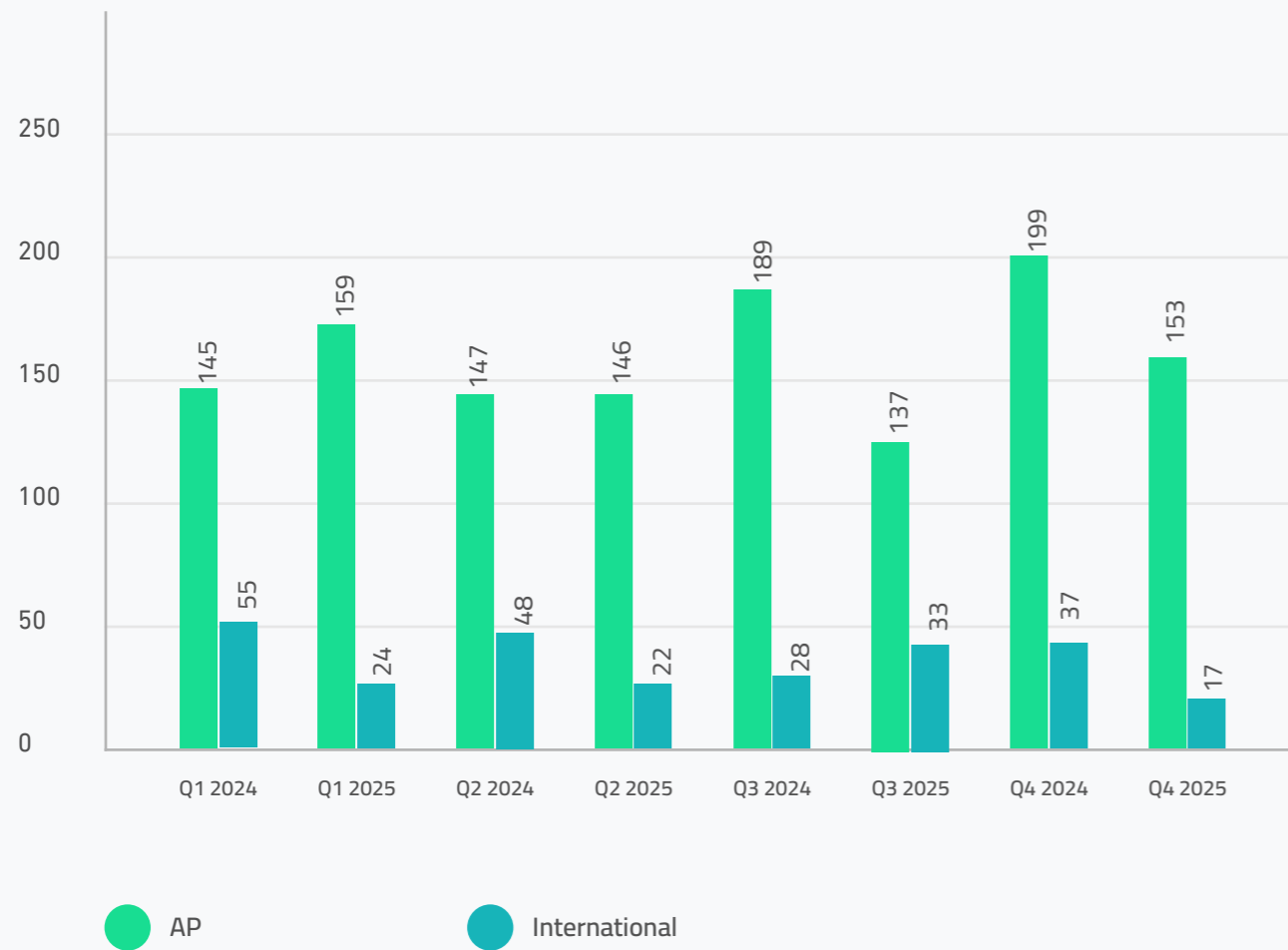


3.1

Increase of the Demand in GCC & International Areas

The decrease in revenues during 2025 compared to the previous year is mainly attributable to the postponement of supply for certain internal projects by some customers, which led to a decline in sales. This postponement is expected to have a positive impact on the sales pipeline in the coming years.

GCC & International Net Sales 2024/2025



Gulf & International Net Sales (in SAR million).



3.2

Optimal use of human resources (Manpower Reduction Program)

Recruited low-cost temporary workers directly to the “company” to replace some high-cost indirect labor.

3.3

Use industrial records in the best way (Government Fees Saving Program)

“The Company” worked to benefit from government support in the field of industry by save the cost of the financial subsidy for work licenses with a value of approximately 7.2 million Saudi riyals, as industrial records were used in an optimal way to reduce the cost of the product.

3.4

Continue to recruit and localize jobs (“Nitaqat Al Motawar” Program Implementation)

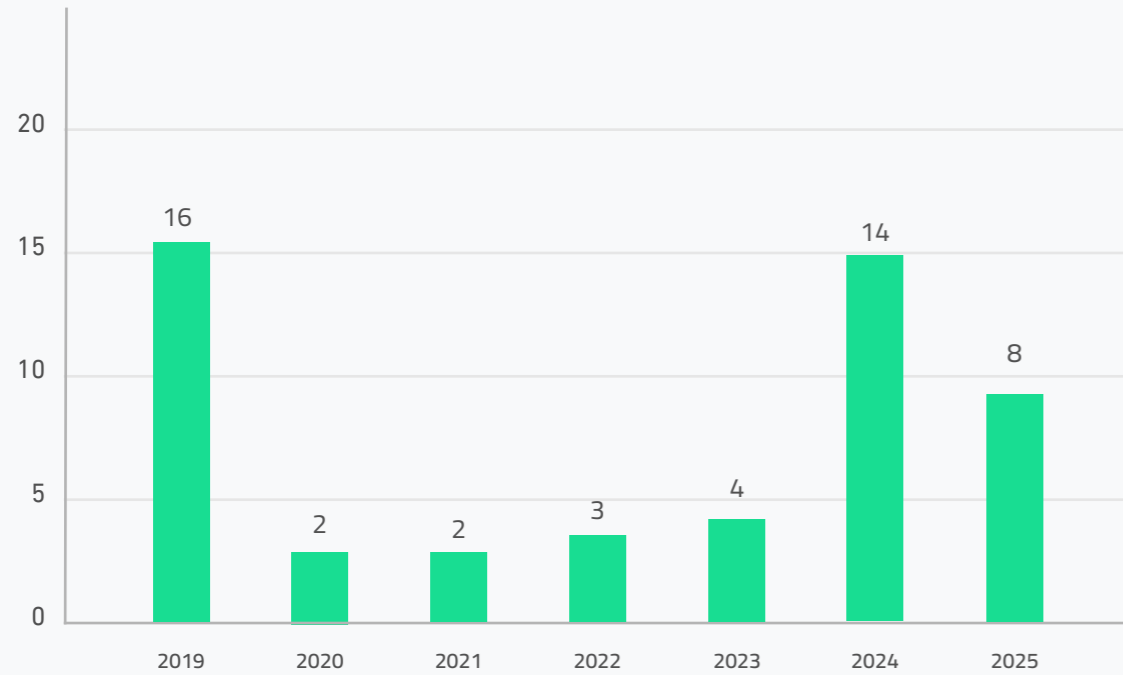
Monthly monitoring of Saudization ratios in accordance with the requirements approved by the Ministry of Human Resources and Social Development, to ensure compliance with the Enhanced Nitaqat Program, in addition to closely following any decisions and updates related to percentage revisions and acting on them immediately upon issuance.



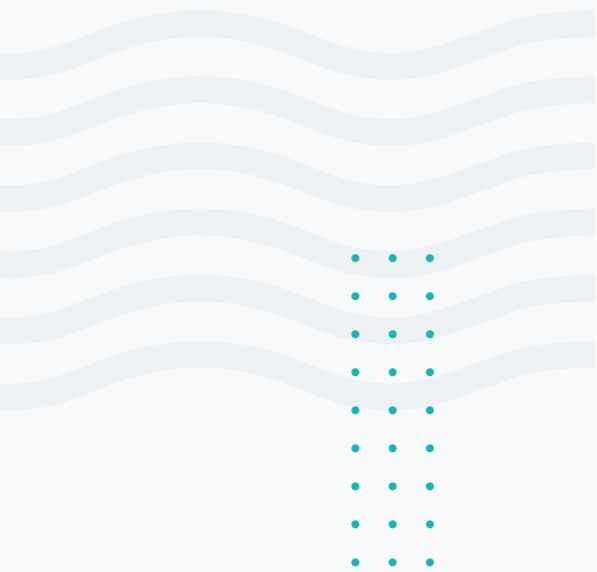
3.5

Capital Expenditure for the year

As shown in the following table, there are no substantial capital expenditures for 2025G.



Capital Expenditure 7 years. ('000 SAR)



3.6

Significant Expansion Plans & Capital Expenditure

3.6.1 Enhancing of Efficiency & Assets Resourcing

- The subsidiary Amiantit Fiberglass Industries Co. Ltd. (AFIL) has upgrade of the Hydro tester machine with a capacity of 1600 tons, extending the length to 18 meters instead of 12 meters at its Jeddah factory.
- The subsidiary Amiantit Fiberglass Industries Co. Ltd. (AFIL) has developed a receiving system for one of its production machines in its Jeddah factory to produce 18 meters long pipes with a diameter of 3,500 mm.



- The subsidiary Amiantit Fiberglass Industries Co. Ltd. (AFIL) has rehabilitated the CNC Waterjet Cutting (Computer Numerical control Waterjet cutting machine) digital control machine for cutting pipes and fiberglass woven with water at a pressure of 4,000 bar.
- The subsidiary Amiantit Fiberglass Industries Co. Ltd. (AFIL) has adopted Non-Ribbed double-walled cabinets as a new product and obtained a certificate of approval with the new design.



- The subsidiary Amiantit Fiberglass Industries Co. Ltd. (AFIL) has developed a fiber reinforcement machine for the manufacture of manholes.
- The subsidiary Amiantit Fiberglass Industries Co. Ltd. (AFIL) has started implementing the “Radio Frequency Identification System” on products in order to increase the efficiency of manufacturing, supply, and annual inventory. In the pipe production section in its factory in Jeddah. This system helps to read and transmit product data through an electronic chip connected to each product, which stores information about it. It also includes receivers connected to a computer or storage devices, which are intended to collect and process data quickly and accurately. This system is used to speed up production processes or for inventory and auditing purposes.
- The subsidiary Factory of Amiantit Rubber Industries Co., Ltd. (ARIL) has developed, produced and tested special performance O-Rings rubber.
- The subsidiary Factory of Amiantit Rubber Industries Co., Ltd. (ARIL) to has developed Electrical Cabinet Grommets in various sizes developed.
- The branch Amiantit Epoxy Pipe Production Factory (AMIPOX) has developed and automated the resin flow system of the main production line with an automatic dispensing system in accordance with the requirements of the International Organization for Standardization.
- The branch Amiantit Epoxy Pipe Production Factory (AMIPOX) has developed one of the production lines with automatic liner application systems in accordance with the requirements of Omani oil companies.



Branch of Amiantit R&D Center started in the following:

1

Upgrading and automating hydrostatic pressure testing machines at the Fiberglass factory in Dammam.

2

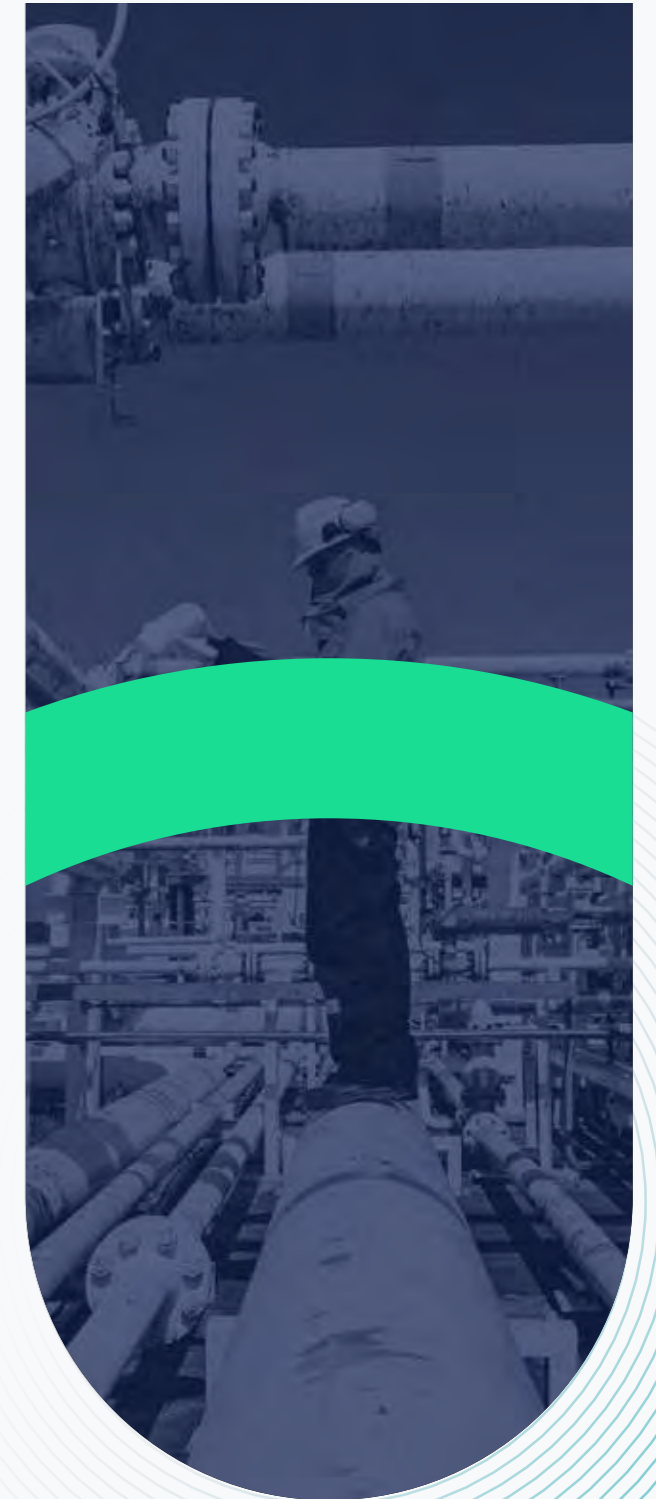
Complete the rehabilitation of polyethylene pipe machinery.

3

Rehabilitation of the chilled water circulation system for the production of polyethylene pipes.

4

Upgrading and automating the furnaces for heat treatment in the epoxy plant to ensure product quality and speed up the production process.





3.6.2 Significant Pipe Expansion Plans

- To preserve the environment and comply with sustainability requirements, its subsidiary, Amiantit Fiberglass Industries Co. Ltd. (AFIL), has implemented a water recycling system
- The subsidiary Amiantit Fiberglass Industries Co. Ltd. (AFIL) has started carrying out external pressure tests for underground tanks.
- The branch Poly Pipe Manufacturing Company has started preparing a study NDT (Non-Destructive Test) to measure pipe thickness.
- The subsidiary Factory of Amiantit Rubber Industries Co., Ltd. (ARIL) has started producing injection mold for a tube gasket with a nominal diameter of 200.
- The subsidiary Factory of Amiantit Rubber Industries Co., Ltd. (ARIL) has completed the preparation of Pipe Lip seals gasket molds for sizes 50 and 75, with a production capacity of up to 8,000 pieces per day.
- The branch Amiantit Epoxy Pipe Production Factory (AMIPOX) has started developing a prototype of a new connection for 600 mm Reka Joint Fiberglass Reinforced Epoxy Pipes, and testing it at a pressure of 48 bar.
- The branch Amiantit Epoxy Pipe Production Factory (AMIPOX) has completed 10,000 hours of testing to determine the “corrosion coefficient under expansion”. According to Aramco’s new requirements, this will allow for an increase in the share of supplies to the branch Amiantit Epoxy Pipe Production Factory (AMIPOX) within Aramco’s core and strategic projects.
- The branch Amiantit Epoxy Pipe Production Factory (AMIPOX) has started developing pipe fittings and cutting using multi-directional fiber fabrics, which will help reduce production costs.



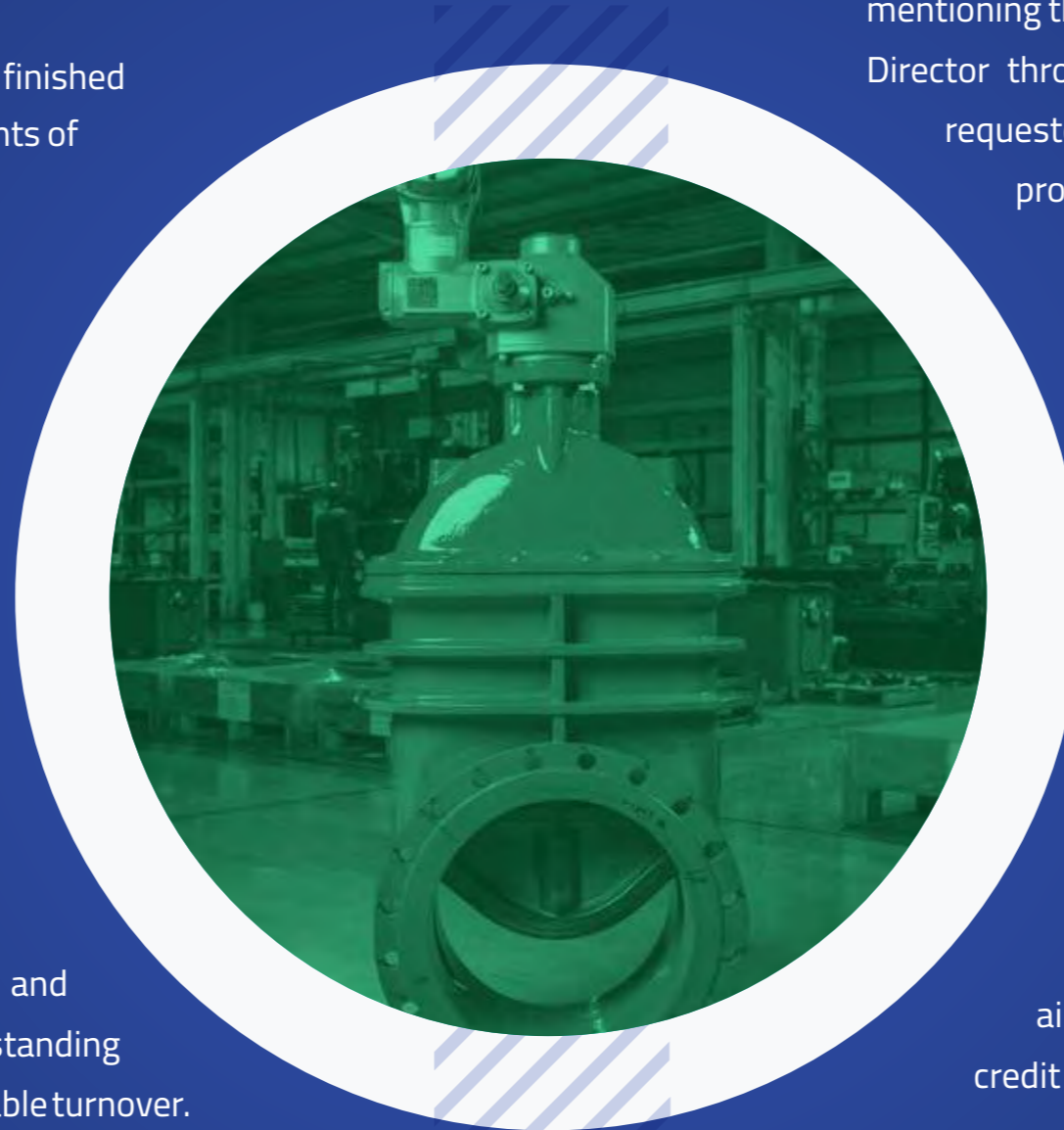
- The branch Amiantit Epoxy Pipe Production Factory (AMIPOX) has completed upgrade of hydrostatic pressure test line up to a pressure of 40 bar for a diameter of 1000 mm.
- The branch Amiantit Epoxy Pipe Production Factory (AMIPOX) has completed the Design and fabricate of a new hydrostatic pressure testing machine with testing load up to 400 tons.
- The subsidiary Saudi Amicon Co. Ltd. has expanded its product range to include control valves, UL/FM firefighting hydrants and valves, and wastewater application valves.
- The subsidiary Saudi Amicon Co. Ltd. has started the implementation of a Design for Rubber Molds for several Diameters project.
- Amiantit R&D is currently interested in a range of developments, including:
 - Development of the machinery of the subsidiary Amiantit Fiberglass Industries Co. Ltd. (AFIL) for the production of epoxy pipes, where pilot production with a diameter of 600 mm and a diameter of 900 mm has been started.
 - Research and development of high-pressure GRE threaded joint and the start of trial production are underway to pass the necessary tests to obtain accreditations.

3.6.3 Cost Reduction Control Program

- Strengthening and developing the regulatory bases on overtime, and intensively monitoring the performance and efficiency of the workforce in the factories.
- The usage and sale of the old and accumulated stock of finished goods with coordinated efforts between the departments of sales, production, planning, quality, and warehouses.

3.6.4 Receivable & Ongoing Collection Efforts

- A department called "Credit Department" was established in "The Company" in the middle of 2019G and this department reports to the Financial Director of "The Group" and contains all the information for all its debtors such as clients' GPS locations, contact information, copies of commercial registers and VAT certificates, credit applications, balance confirmations and payment schedules.
- Conducting negotiations with defaulting clients and discussing new payment plans to reschedule the outstanding balance, restore cash flow and increase accounts receivable turnover.
- "The Company" has become a member of the Saudi Credit Bureau (SIMAH), representing a strategic step to analyze customers' credit behaviors, obtaining accurate and up-to-date information, with the possibility to access to executive court decisions, thus enhancing creditworthiness assessment, and reducing the risk.

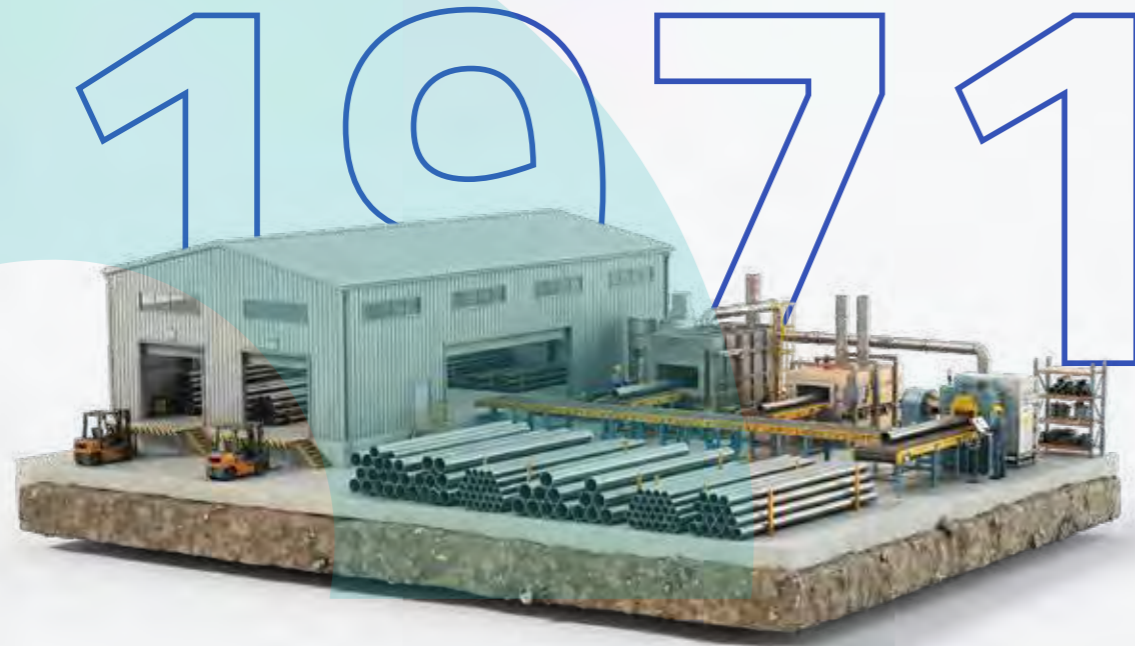


- The department conducts collection field visits on a continuous basis according to schedule approved by the Finance Department, with mentioning the results of the visits and submitting them to the financial Director through the Collection Department. All collection staff are requested to follow up on a daily basis to speed up the collection process and obtain recent reconciliations of receivable balances.
- Unifying the main and subsidiary accounts of customers in one account to aim of assessing the customer's creditworthiness of the customer uniformly, especially in cases where the customer has more than one account associated with different projects, regions, or commercial records under the same owner.
- "The Company" 's credit department established the Credit Management module (SAP) system, which contributed to improving coordination between debtors, sales, customer relations, and shipping, with the aim of controlling the delivery of products within pre-agreed credit limits.
- "The Company" has established a clear credit management policy and procedure to ensure transparency and efficiency in operations.
- The Company" collected SAR 711 million in 2025G, representing 102.9% of the total sales for the same year which amounted to SAR 691 million, Compared to SAR 928 million in 2024, representing 109.4% of the total sales for the same year which amounted to SAR 848 million.

3.7

Industrial Lands

"The Group" owns two industrial plots of land in Dammam since



recorded in "the Group" 's books with a book value of SAR 1.4 million. On June 30, 2022G, "the Company" changed its accounting policy to the fair value model for measuring investment properties and the revaluation model for lands measurement, while continuing to apply the cost model to measure other assets of property, plant, equipment, and intangible assets. The management appointed two independent valuers licensed by the Saudi Authority for Accredited Valuers ("Taqem") to evaluate both lands and investment properties when preparing the interim condensed consolidated financial statements for the second quarter of 2022G, provided that the revaluation will be subsequently re-evaluated on an annual basis, in line with the requirements of the Capital Market Authority ("CMA"), and selected the

lowest of the two valuations, and therefore "the company" recorded these two plots with a fair value of SAR 371.9 million in fixed assets with their own valuation reserve of SAR 370.5 million within shareholders' equity.

As at 31 December 2025, the Company made its annual revaluation of land in Dammam Industrial for an amount of SR 389.91 million, the carrying amount of this land was SR 378.10 million, upon revaluation, management has realized an amount of SR 11.81 million addition (2024: SR 5.02 million addition) as revaluation reserve movement on the consolidated statement of changes in equity.

Further, "The Group" owns a plot of industrial land in Jeddah from 2009 onwards. This land is recorded at book value of SAR 150 million recorded in the books of the subsidiary and the consolidated statement of financial position of "the Group" and as of 31 December 2025G, "The Group" has property, plant, and equipment with a carrying amount worth SAR 17.3 million (SAR 19.9 million for the year 2024G). A dispute has arisen over this land and in light of this, "the Company" has booked an impairment for the full value of the land of SAR 150 million, while the same dispute has already been decided and a royal order has been issued to prove the land to its current owners. Currently, in furtherance of the previous royal order, another royal order has been issued, a copy of which we have not received, but the Jeddah Municipality has begun to take the necessary measures to stabilize the land for its current owners, we would like to clarify that we are currently unsure of the percentage of ownership we can obtain from the land in accordance with the new Royal Order, and we will reverse the impairment provision once we obtain the electronic deed.



3.8

Zakat, VAT, and Transfer Pricing

As of 2014G, the Company has established a 100% unified Zakat account for all subsidiaries of the Company, whereby the Company pays Zakat at the consolidated level and submits a declaration of information to each subsidiary of "the Group".

3.8.1 Zakat Assessments

Saudi Arabian Amiantit Company (2014G to 2020G)

- Following to the Zakat assessment on the "Company" for the years from 2014 to 2020 and consummating all legal channels of challenging them, during in the year 2023, the final decisions for the years 2014 to 2020 were issued, demanding an additional zakat amount of SAR 277.75 million for those years. Consequently, the company recorded an additional zakat provision of SAR 115 million during the year within the income statement.
- On November 11, 2023, the Zakat, Tax and Customs Authority (ZATCA) approved granting "the Group" a plan to pay SAR 277.75 million in Zakat due for the years 2015-2020, including assignment of a claim with a government entity amounting SAR 29.185 million from the "Company" to the Zakat, Tax and Customs Authority and scheduling the remainder in semi-annual installments starting in the second quarter of 2024 for a period of 4 years According to the following details:

N	Payment No.	Payment Value / Saudi Riyal	Payment due date
1	Payment Number One	million 7.5	30/04/2024
2	Payment Number Two	million 7.5	30/10/2024
3	Payment Number Three	million 7.5	30/04/2025
4	Payment Number Four	million 7.5	30/10/2025
5	Payment Number Five	million 7.5	30/04/2026
6	Payment Number Six	million 7.5	29/10/2026
7	Payment Number Seven	million 101.780	29/04/2027
8	Payment Number Eight	million 101.780	31/10/2027



- As a result of receiving the final decision from the General Secretariat of the Tax, Zakat and Customs Committees for the years 2019 and 2014, the amount of the Zakat installment plan was reduced by a total value of SAR 18.3 million and deducted from the last payment.
- At the end of 2025, the installment plan for Zakat was rescheduled due to the delay in transferring the claim with a government entity worth 29.185 million riyals, the amount of the extract was added to the remaining payments, and the current remaining plan became as follows

#	Payment No.	Payment Value / Saudi Riyal	Payment due date
1	Payment Number One	17.2 million	30/10/2025
2	Payment Number Two	17.2 million	30/04/2026
3	Payment Number Three	17.2 million	01/11/2026
4	Payment Number Four	101.780 million	02/05/2027
5	Payment Number Five	83.3 million	31/10/2027

- In 2025, the Company obtained the Zakat Certificate from the Zakat, Tax and Customs Authority ending on 30 April 2026 for the financial year ending 31 December 2024
- The results of the final Zakat assessment for the years 2021-2023 were received on 18/02/2025, and the results were confirmed by the closure of the Zakat assessment without the need for any amendments to the submitted Zakat declarations. Accordingly, the provision in the statement of income was reduced by SAR 20.5 million.



Factory of Bondstrand Company Ltd.

- In 2025, "the Company" obtained the Zakat Certificate from the Zakat, Tax and Customs Authority (ZATCA) for the financial year ending 31 December 2024
- "The Company" did not receive the Zakat assessment for the years 2022 to 2024 by the Authority.

3.8.2 VAT Payments:

- During 2025G, "The Company" paid SAR 23 million for VAT in favor of Zakat, Tax, and Customs Authority ("ZATCA").

3.8.3 Withholding Tax:

- During 2025G, "The Company" paid SAR 1.2 million in withholding tax.

3.8.4 Transfer Pricing:

- All transactions between "the Company" and its subsidiaries are made with the same value as the materials approved in transactions with third parties, which means that there is no difference in the transfer rate between transactions with subsidiaries and transactions with third parties.
- Any transfer rates' adjustments will be added to ZAKAT base.



04

Risk Management





4.1

Macroeconomic Risk:

Sales of “The Group” products are prone to be affected by the macroeconomic factors and those consequences affect the ultimate results of “The Group”, and “The Group” continues to expand their market share through enhancing the relationships with customers and all concerned government institutions, and improving the pricing policies, and create alternatives in credit collateral that suits a bigger segment.

4.2

Financial Risk

In recent years, the overall increase in banks’ credit rating risk for companies operating in the contract and capital goods industries has led banks to increase corporate lending rates because they are directly subject to the macroeconomic risks to which the industry is exposed. “The Group” has followed, and the remaining only is Albilad’s bank obligation rescheduled for a period of ten years as previously announced.

“The Group’s management believes that the exposure to currency risk associated with USD is limited as “The Group’s currency is pegged to USD. The fluctuation in exchange rates against Euro is monitored on a continuous basis.



Interest rate risk is the exposure associated with the effect of fluctuations in the prevailing interest rates on “The Group” ’s financial position and cash flows.



Variable-rate financial liabilities as of 31/12/2025G amounted to SR 228.4 million (31 December 2024G: SR 257.8 million).

Management monitors the changes in interest rates and utilizes interest rate swaps to manage interest rate risk exceeding certain parameters.

An increase in days of payable on invoices for goods and services obtained on credit is generally favorable for the Company as it provides free cash flow to fund operations and to settle bank borrowings.

4.3

Credit Risk:



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

The Group manages credit risk in respect of customer debtors by monitoring it in accordance with established policies, procedures, and controls. The Group seeks to reduce credit risk in relation to customers by assessing customer’s credit quality based on SIMAH’s credit rating and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables and contract assets are regularly monitored. The top five customers representing 27% compared to total receivables as of 31 December 2025 (31 December 2024: 29%).



4.4

Liquidity Risk:



Liquidity risk is the risk that “The Group” may encounter difficulty in raising funds to meet commitments associated with financial instruments.

Liquidity risk may result from the inability to sell a financial asset quickly at an amount close to its fair value.

The Group manages its liquidity risk by maintaining adequate reserves, banking facilities, and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Group monitors cash shortfall risks using a liquidity planning tool. The group’s goal is to maintain a balance between financing continuity and flexibility through bank loans and lease agreements. The group has access to a diverse range of financing sources and can renew debt maturing within 12 months with current lenders. The Group has signed agreements to settle most of the banking obligations with banks, which will positively affect the Group’s performance in the coming periods.

4.5

Reputation Risk:

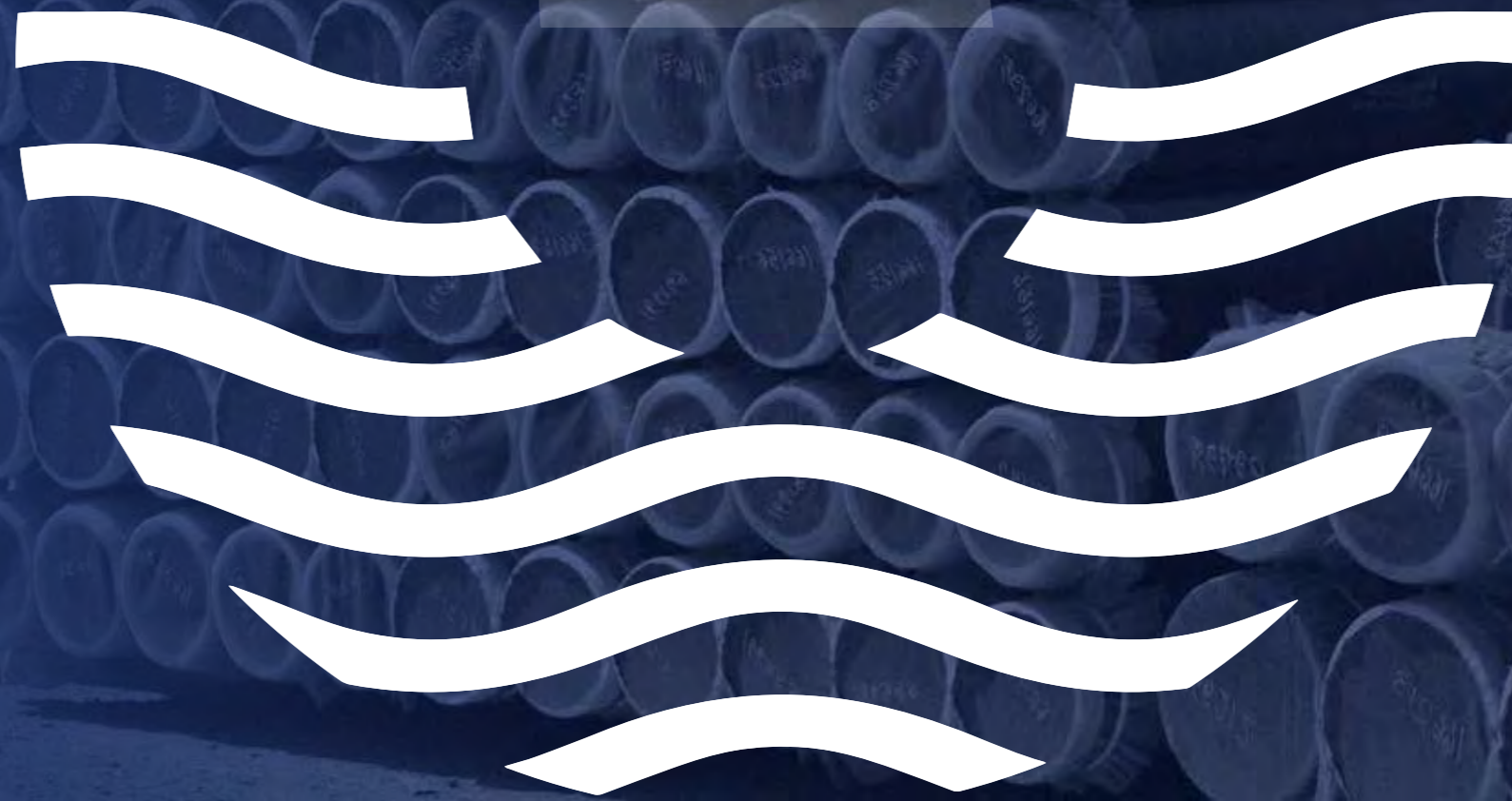
Reputational risk can occur in the following ways: Directly, as the result of the actions of “The Company” itself. Indirectly, due to the actions of an employee or employees.

Standardization, technology, policies, and procedures reduce the likelihood and severity of events that could cause reputational damage. By focusing on consistently supplying quality products and services, it is much less likely that there will be a harmful mistake.



05

Summary of Financial Data





5.1

Financial data:

The consolidated figures and statements for the year 2025G cover the following business segments of "The Group":

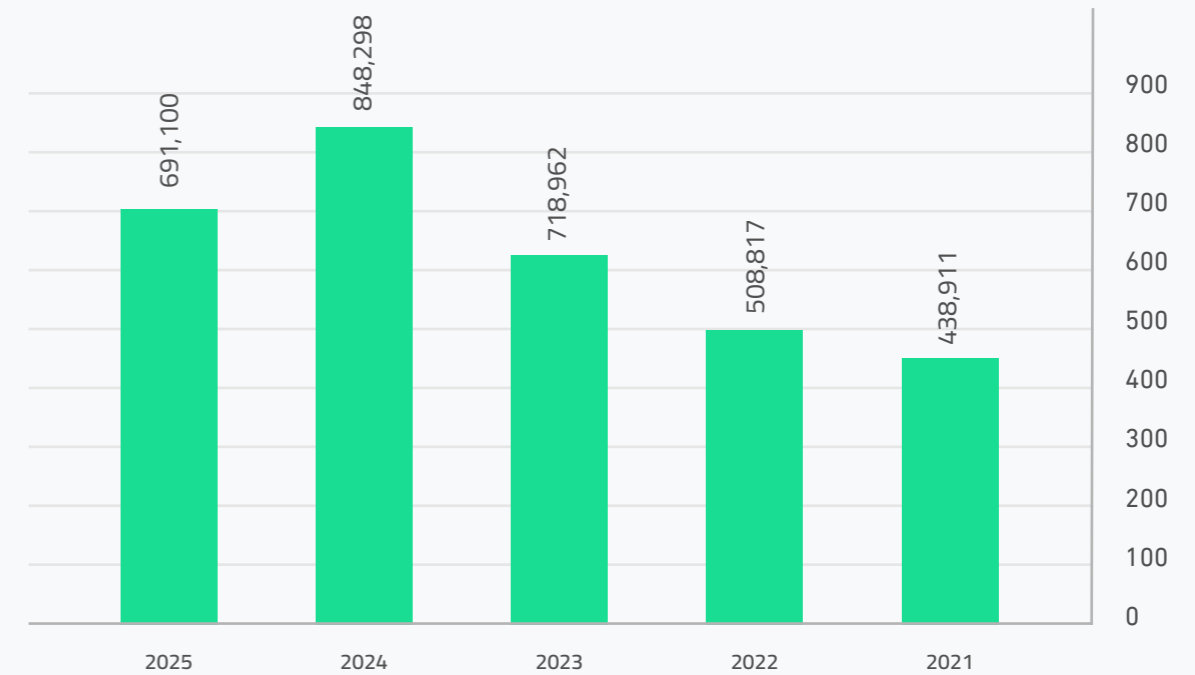
- Manufacturing and sales of pipes and associated technology.
- Water management.

Year	2025 G	2024 G	2023 G	2022G	2021G
Net Sales	691,100	848,298	718,962	508,817	438,911
Gross Profit (Loss) Margin Ratio	4.23	1.12	12.34	10.93	(17.44)
General, Administrative and Selling ex-penses	112,048	117,992	96,060	78,824	90,270
Impairment (reversal) loss on financial assets	(9,283)	27,652	2,745	(12,990)	20,756
Net Profit (Loss)	(85,978)	444,149	(170,499)	(5,063)	(172,421)
Cash Flow generated from (used in) Op-erations	(853)	(20,599)	42,231	(41,768)	21,499
Capital Expenditure	8,105	14,360	3,664	2,913	1,780
Total Assets	1,898,962	2,029,773	2,309,890	2,282,063	2,303,700
Total Liabilities	1,025,481	1,118,103	2,114,902	1,921,520	1,958,982
Total Equity	873,481	911,670	194,988	360,543	344,718
Paid Dividends	-	-	-	-	-

Distribution of Gross Sales by Geographic Region (SAR '000)



Chart of Net Sales Highlighting the Company's Key Results Over the Past Five Years (SAR '000)



5.2

Geographical Analysis of the Total Revenue

The company's total revenue is distributed geographically as follows (in thousand Saudi riyals):

Net Sales		2025G		2024G	
		Amount	Percentage%	Amount	Percentage%
Saudi Arabia	Central	162,572	23.5	183,438	21.6
	West	133,462	19.3	67,108	7.9
	East	255,337	37.0	332,341	39.2
Exports from KSA		43,559	6.3	101,143	11.9
Total Saudi Arabia		594,930	86.1	684,030	80.6
Europe		41,101	5.9	73,152	8.6
Other countries		55,069	8.0	91,116	10.7
Total		691,100	100	848,298	100

"The company" 's share of domestic sales during 2025G amounted to 86.1% of total sales compared to 80.6% during 2024G.

Sales in the pipe sector during 2025G amounted to SAR 564.3 million, or 81.7% of total sales, compared to SAR 739.9 million, or 87.2% during 2024G. As for the water management sector, its sales during 2025G amounted to SAR 92.3 million, or 13.3%, compared to SAR 76.4 million, or 9.0%, during 2024G.

Services sales reached SAR 34.5 million, or 5.0%, during 2025G, compared to SAR 32.0 million, or 3.8%, during 2024.

The company's subsidiaries total revenue is distributed geographically as follows (in thousand Saudi riyals):

Subsidiary Name	Country	% Owned	2025G		2024G	
			Amount	Percentage	Amount	Percentage
Amiantit Fiberglass Industry Co. Ltd. ("AFIL")	KSA	100	249,613	36.12	340,522	40.14
Poly Pipe Manufacturing Company	KSA	100	289	0.04	80	0.01
Factory of Bondstrand Ltd. ("Bondstrand")	KSA	60	13,285	1.92	19,592	2.31
AMIPOX Co.	KSA	100	50,754	7.34	40,888	4.82
Saudi Arabian Ductile Pipe Manufacturing Co. Ltd	KSA	100	228,201	33.02	223,539	26.35
Amicon Saudi Arabia Limited (AMICON)	KSA	100	3,826	0.55	12,105	1.43
Factory of Amiantit Rubber Industry Co. Ltd. (ARIL)	KSA	100	7,963	1.15	8,762	1.03
Amiantit Plastic Manufacturing Company (AMPLAS)	KSA	100	6,494	0.94	3,317	0.39
Infrastructure Engineering General Contracting Co. Ltd. (ISECC)	KSA	100	34,505	4.99	31,961	3.77
Amitech Astana Pipes Co.	Kazakhstan	51	3,870	0.56	91,116	10.74
PWT Co.	Germany	100	92,271	13.35	73,143	8.62
PWT Saudi Arabia Co.	KSA	100	-	-	3,265	0.38
PWT SUW 00 Co.	Turkmenistan	100	29	0	9	0
Total			691,100	100	848,298	100



5.3

Explanation of Material Changes in the Operating Results Compared to Prior Year (in thousand Saudi riyals):

5.3.1 Summary results

Item	2025	2024	Difference	Percentage %
Sales	691,100	848,298	(157,198)	-19%
Cost of sales	(661,874)	(838,831)	176,957	-21%
Gross profit	29,226	9,467	19,759	209%
General, Administrative and Selling expenses	(112,048)	(117,992)	5,944	%-5
Impairment reversal (loss) on financial assets	9,283	(27,652)	36,935	-134%
Operating loss	(73,539)	(136,177)	62,638	-46%
Other income, net	38,922	(11,309)	50,231	-444%
Gain on sale of subsidiary and loan settlement	-	629,581	(629,581)	-100%
Share in results of equity accounted investments	11,089	22,855	(33,944)	-149%
Financial charges, net	(20,76)	(27,518)	6,754	-25%
Profit (Loss) before zakat and foreign income tax	(66,47)	477,432	(543,902)	-114%
Foreign income tax and Zakat	(19,508)	(33,042)	13,534	-41%
Loss after tax from discontinued operations	-	(241)	241	-100%
Profit (Loss) for the year	(85,978)	444,149	(530,127)	-119%



5.3.2 Explanation of Changes

5.3.2.1 Net Sales

During 2025G, net sales decreased by SAR 157.2 million, or 18.5%, compared to the previous year, mainly attributable to the postponement of supply for certain internal projects by some customers, which led to a decline in sales. This postponement is expected to have a positive impact on the sales pipeline in the coming years. The company has obtained new orders that are expected to start in 2026G. The below table shows the sales of own manufactured pipe along with services and water management sales for 2025G and 2024G:

Desc.	Sales 2025G	Sales 2024G	Increase (Decrease)	Percent %
Pipe sales – GCC	560,425	648,804	(88,379)	-13.62%
Pipe sales – Other regions	3,870	91,116	(87,246)	-95.75%
Total Pipe Sales	564,295	739,920	(175,625)	-23.74%
Services	34,505	31,961	2,544	7.96%
Water management	92,300	76,417	15,883	20.78%
TOTAL	691,100	848,298	(157,198)	-18.53%

Pipe sales in the GCC had decreased in 2025G, recording a decrease of SAR 88.4 million, or 13.6%, compared to the previous year 2024G. Especially on Glass Reinforced Polyester Pipes where the decrease is SAR 90.7 million. or 26.63% was recorded over the previous year 2024G. These results are analyzed according to the following table (in thousand Saudi riyals):

Desc.	Sales 2025G	Sales 2024G	Increase (Decrease)	Percent%
Ductile Iron Pipes	232,027	235,644	(3,617)	-1.53%
Glass Reinforced polyester Pipes (GRP)	249,902	340,602	(90,700)	-26.63%
Glass Reinforced Epoxy Pipes (GRE)	64,039	60,479	3,560	5.89%
Other Pipes	14,457	12,079	2,378	19.68%
TOTAL	560,425	648,804	(88,379)	-13.62%

GCC Pipe Sales (SAR'000)

5.3.2.2 Cost of Sales

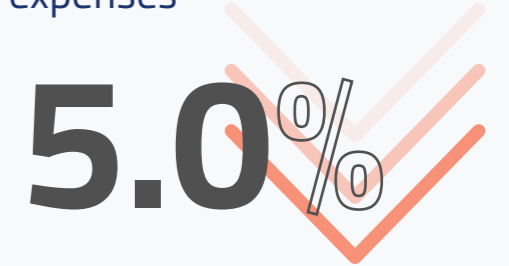
The Group witnessed a decrease in cost of sales in 2025G by SAR 177.0 million, or by



compared to the previous year 2024G, in line with the decrease in sales. In addition, 2025G recorded a provision for a decrease in the value of fixed assets for one of the cash-generating units by SAR 0.4 million and onerous contract provision by SR 37.7 million.

5.3.2.3 General, Administrative and Selling expenses

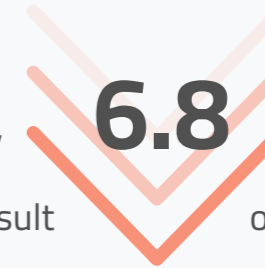
General, Administrative and Selling expenses also decreased by SAR 5.9 million, or



compared to the previous year 2024G resulting from decreased in professional services and the marketing and sales commission as sales decreased.

5.3.2.4 Financial Charges

The financial charges decreased by 6.8 SAR million compared to the previous year 2024G, as a result of the company continuous settlement of bank borrowings.



5.3.2.5 “The Company” Shares in Net Income of Associates

During the year 2025G, the Group recorded investment losses in associates and joint ventures of SAR 11.1 million, a decrease of SAR 33.9 million over the previous year 2024G which is mainly from the recorded provisions related to foreign investments (Amiblu Holding) as a result of the shutdown of the manufacturing facility in the Republic of Poland due to the Russian–Ukrainian war.



5.3.2.6 Impairment on Assets

The total losses on impairment in the value and provisions of current and non-current assets amounted to SAR 52.0 million in 2025G, compared to the impairment of SAR 73.5 million in the previous year 2024G, and the following table shows the details (in SAR million):

Item	2025G	2024G
Net reversal (losses) of the impairment in the value of financial assets (doubtful receivables)	9.3	(27.7)
Net Impairment losses in the value of fixed assets of Cash Generating Units (CGUs)	(0.4)	(0.7)
Inventory obsolescence reversal (provision)	5.4	(24.3)
Impairment loss on contract asset	-	(16.6)
Onerous contract provision	(37.7)	-
Impairment loss on goodwill	-	(3.0)
Impairment loss on investment from affiliated entity	-	(1.3)
Foreign investments provision	(28.6)	-
Total	(52.0)	(73.5)

The Company recorded net reversal on impairment in the value of doubtful receivables in 2025G in the amount of 9.3 million Saudi riyals, recorded a provision for impairment in the value of fixed assets of cash-generating units in the net amount of (0.4) million Saudi riyals, recorded a net reversal on provision for obsolete and slow-moving inventory in the amount of 5.4 million Saudi riyals, recorded an onerous contract provision during the year in the amount of (37.7) million Saudi riyals, and recorded a foreign investments provision in the amount of (28.6) million Saudi riyals:

The Group has reduced the provision for impairment of doubtful receivables in 2025G by SAR 9.3 million, containing a reversal on expected credit loss provision in the value of short-term receivables of



based on the latest assessment of the appointed independent consultant to review the impairment model, an additional of provision for doubtful debts in collection (under legal procedures) in the amount of SAR (6.7) million, and a reversal of provision on discount on long-term retained amounts of SAR 0.1 million.

Management appointed an independent consultant licenced by the Saudi Authority for Accredited Valuers (TAQEEM) to review the impairment models as of 31 December 2025. The recoverable amount of these CGUs has been determined based on a value-in-use calculation.

The results of the impairment test performed for each Cash Generating Units as at 31 December 2025 were as follows:

- As at December 31, 2025, management appointed an independent consultant to review the impairment model of the company's cash-generating-units for Amiantit Firberglass Ltd. Co. (AFIL). Accordingly, the recoverable amount has been determined based on a value-in-use calculation. The pre-tax discount rate applied to cash flow projections is ranging from 15.0% to 16.0% , and the cash flows beyond 2025 are extrapolated using a management estimate of growth rate. Management also estimated that as at December 31, 2025, there were no additional impairment indicators nor there were indicators of reversal in previously recorded impairment.
- As at December 31, 2025, management appointed an independent consultant to review the impairment model of the company's cash-generating-units for Saudi Arabian Ductile Pipe Ltd. (SADIP). Accordingly, the recoverable amount has been determined based on a value-in-use calculation. The pre-tax discount rate applied to cash flow projections is ranging from 15.0% to 16.0% , and the cash flows beyond 2025 are extrapolated using a management estimate of growth rate. Management also estimated that as at December 31, 2025, there were no additional impairment indicators nor there were indicators of reversal in previously recorded impairment.
- As at December 31, 2025, management appointed an independent consultant to review the impairment model of company's cash-generating-units for Factory of Bondstrand Limited ("BSL"). Accordingly, the recoverable amount of SAR nil as at 31 December 2025 has been determined based on a value in use calculation using cash flow projections from a budget approved by the board covering 2025. The pre-tax discount rate applied to cash flow

projections is ranging from 15.0% to 16.0% , and the cash flows beyond 2025 are extrapolated using a management estimate of growth rate. It was concluded that the fair value less costs of disposal cannot be measured reliably. As a result of this analysis, management has recognised an impairment charge of SAR (0.4) million against property, plant and equipment with a carrying amount of SAR 0.86 million as at 31 December 2025. The impairment charge is recorded within cost of sales in the consolidated statement of profit or loss.

- As at December 31, 2025, the management performed the annual impairment test for Amiblu. The recoverable amount of Amiblu has been determined based on a value-in-use calculation. Key assumptions used in this analysis include a post-tax discount rate which was calculated using a Weighted Average Cost of Capital (WACC) methodology of 9.10% and a growth rate of 1% for each business unit. As a result of the above mentioned assessment, the difference between the recoverable amount of the investment and its carrying amount as at December 31, 2025 was SAR nil (2024: SAR nil).
- During the year ended December 31, 2025, the Group recorded SAR 5.4 million net reversal on write down of cost of inventories to net realisable value under cost of revenue. The allowance for obsolete and slow moving inventories is based on nature of inventories, ageing profile, their expiry and sales expectation based on historic trends and other qualitative factors.

- During the year ended December 31, 2025, the Group recorded SAR (37.7) million provision on onerous contracts (2024: SAR nil) and utilized major portion of onerous contracts provision amounting SAR 166.2 million to as write down of contract assets. This provision relates mainly to the losses expected to be incurred to complete a fixed price contract in Samawa, Iraq.
- During the year, the Group recorded SAR (28.6) million provisions related to foreign investments (Amiblu Holding) as a result of the shutdown of the manufacturing facility in the Republic of Poland due to the Russian–Ukrainian war.





06

Accounting Standards





6.1

Compliance with international standards approved by the Saudi Organization for Auditors and Accountants

The Group has not departed from International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and other issuances approved by the Saudi Organization for Auditors and Accountants (SOCPA).

6.1.1 New Standards, amendments to Standards and Interpretations

The below-mentioned IFRSs are not expected to have a significant impact on the financial statements of the group.

6.1.2 New and revised standards with no material effect on the financial statements

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2025. The application of these revised IFRSs did not have any material impact on the amounts reported for current and prior periods.

1. Amendments to IAS 21 – Lack of exchangeability, effective date 1 January 2025;
 - An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose.

6.1.3 New and revised standards issued but not yet effective

Following are the new standards and amendments to standards which are effective for annual periods beginning on or after 1 January 2026 and earlier application is permitted for certain new standards and amendments; however, the Group has not early adopted them in preparing these Consolidated Financial Statements.



1. Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments, effective date 1 January 2026;
 - An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. These amendments: clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).
2. IFRS 18, 'Presentation and Disclosure in Financial Statements', effective date 1 January 2026;
 - This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:
 - the structure of the statement of profit or loss;
 - required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures)
 - enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.
 - Management anticipates that these new standards interpretations and amendments will be adopted in the Group's consolidated financial statements as and when they are applicable. The Group is currently evaluating the impact of the adoption of these standards on the Consolidated Financial Statements.



07

Corporate Structure



7.1

Branches

Branches of the mother Company whether directly or indirectly (by industrial license or branch commercial registration certificate or both of them) are 100 % owned. The branches do not represent separate legal entities, and do not have capital or debt instruments issued.

#	Company	Activity	Country	Establishment Place	Amiantit Share %
1	Branch of Saudi Arabian Amiantit Company	Marketing of "The Company" products	KSA - Dammam	KSA - Riyadh	100
2	Branch of Saudi Arabian Amiantit Company	Marketing of "The Company" products	KSA - Dammam	KSA - Jeddah	100
3	Amiantit Plastic Products Manufacturing Co. (AMIPLAS)	For the manufacture of plastic products	KSA - Dammam	KSA - Dammam	100
4	Amiantit Epoxy Pipe Production Factory (AMIPOX)	Epoxy pipes	KSA - Dammam	KSA - Dammam	100
5	Amiantit Research & Development Center	Technical Research and Studies	KSA - Dhahran	KSA - Dhahran	100
6	Saudi Arabian Amiantit Construction, Maintenance, and operation Co.	General Contracting & Industrial Maintenance	KSA - Dammam	KSA - Dammam	100
7	Poly Pipe Manufacturing Company	Production of polyethylene pipes	KSA - Jeddah	KSA - Jeddah	100
8	Factory of Amiantit Fiberglass Industries Co. Ltd (AFIL)	Pipes Production	KSA - Dammam	KSA - Jeddah	100
9	Factory of Amiantit Fiberglass Industries Co. Ltd (AFIL)	Pipes Production	KSA - Dammam	KSA - Dammam	100
10	Branch of Amiantit Fiberglass Industries Co. Ltd. (AFIL)	Contracting	KSA - Dammam	KSA - Dammam	100
11	Factory of Saudi Arabian Ductile Iron Pipes Co. Ltd	Pipes Production	KSA - Dammam	KSA - Dammam	100
12	Branch of Saudi Arabian Ductile Iron Pipes Co. Ltd	Contracting	KSA - Dammam	KSA - Dammam	100

#	Company	Activity	Country	Establishment Place	Amiantit Share %
13	Branch Infrastructure Engineering Contracting Co. Ltd. ⁶	Construction and machines sales	KSA - Dammam	KSA - Dammam	100
14	Infrastructure Engineering Contracting Co. Ltd. (ISECC Kuwait)	Design and Installation services	Kuwait	Kuwait	100
15	Infrastructure Engineering Contracting Co. Ltd. (ISECC Dubai)	Design and Installation services	Dubai	UAE	100
16	Infrastructure Engineering Contracting Co. Ltd. (ISECC Qatar)	Design and Installation services	Doha	Qatar	100
17	Infrastructure Engineering Contracting Co. Ltd. (ISECC Abu Dhabi)	Design and Installation services	Abu Dhabi	UAE	100
18	Infrastructure Engineering Contracting Co. Ltd. (ISECC Oman)	Design and Installation services	Muscat	Oman	100



Note:

Branches do not have capital, and they do not issue financial statements.

⁶ On 10/11/2025G, the sub-commercial registration was cancelled.



7.2

Fully or Partially owned Subsidiaries

#	Company	Activity	The country of incorporation / the main place of its operations	Capital	Currency	Amiantit Share %
1	Amiantit Fiberglass Industries Co. Ltd "AFIL"	Pipes Production	Dammam, KSA	86,999,000	SAR	100
2	Factory of Amiantit Rubber Industries Ltd. Co. "ARIL"	Rubber gaskets & pipe fittings	Dammam, KSA	8,750,000	SAR	100
3	Saudi Arabian Ductile Iron Pipes Co. Ltd "SADIP"	Pipes Production	Dammam, KSA	86,915,000	SAR	100
4	Ameron Saudi Arabia Ltd. Co. (liquidated) ⁷	Pipes Production	Dammam, KSA	76,500,000	SAR	100
5	Factory of Bondstrand Co. Ltd	Pipes Production	Dammam, KSA	20,000,000	SAR	60
6	Saudi Arabia Concrete Products Co. (SACOP) (Under Liquidation)	Pipes Production	Jeddah, KSA	12,250,000	SAR	100
7	Saudi Amicon Co. Ltd.	Pipes and Valves production	Dammam, KSA	15,000,000	SAR	100
8	Arabian Building Materials & Industrial Equipment Trading Co. Ltd. (Al Arabia for Trade Co.)	Industrial Machines Trade	Dammam, KSA	2,000,000	SAR	100
9	Infra-Structure Engineering and Construction Company (ISECC)	Design & Installation Services	Dammam, KSA	500,000	SAR	100
10	Saudi Arabian Amiantit for Management Company Ltd. (SAAM)	Management	Dammam, KSA	10,000	SAR	100



#	Company	Activity	The country of incorporation / the main place of its operations	Capital	Currency	Amiantit Share %
11	PWT Saudi Co. Ltd.	Water Management	Dammam, KSA	500,000	SAR	100
12	Amiantit International Holding Company	Holding Company	Manama, Bahrain	32,000,000	USD	100
13	Ductile Technology Co. W.L.L.	Selling, buying, and rental of Real Estate	Manama, Bahrain	20,000	BD	100
14	Aquamundo GmbH	Water Management	Germany	3,000,000	EUR	100
15	P.W.T Wasser und- Abwassertechnik GmbH	EPC of Water Treatment Plants	Germany	3,000,000	EUR	100
16	Amiantit Malta Holding Ltd.	Holding	Malta	49,025,000	EUR	100
17	LLP Amitech Astana	Production of pipes	Kazakhstan	403,000,000	KZT	51
18	Amitech Switzerland AG	Holding	Switzerland	10,500,000	CHF	100
19	PWT SUW 000 Turkmenistan	Water Management	Turkmenistan	250,000	USD	100

⁷ The liquidation of Ameron Saudi Arabia Limited and its commercial registration was cancelled on 19/01/2026.

7.3 Affiliated Companies

Companies in which the Company owns non-controlling and unconsolidated shares in the financial statements, whether directly or indirectly

#	Company	Activity	The country of incorporation / the main place of its operations /	Capital	Currency	Amiantit Share%
1	SPA Amitech Algeria	Pipes Production	Algeria	262,769,000	DZD	50
2	Amiantit Qatar Pipes Co. W.L.L. "AQAP"	Pipes Production	Qatar	37,200,000	QAR	40
3	Eastern Gas Co.	Gas distribution	Dammam, KSA	80,000,000	SAR	13
4	Sarplast S.A. (under liquidation)	Pipes Production	Switzerland	1,600,000	EUR	23.7
5	Fiber Tie Pipes and Accessories W.L.L	Pipes Production	Qatar	200,000	QAR	20.4
6	Subor Boru Sanayi Ve Ticaret AS	Pipes Production	Turkey	48,306,000	TRY	20
7	Subor Gap Sanayi Ve Ticaret AS	Pipes Production	Turkey	21,700,000	TRY	16
8	Amitech Pipe Systems SRL	Trading of Pipes	Romania	327,620	RON	20
9	Amiblu Holding GmbH	Pipes Production	Austria	5,950,000	EUR	50
10	Initiative Industrial Spa	Pipe Production	Italy	3,700,000	EUR	4.48

Note:



In addition to the above, "The Company" has several commercial representation offices inside Saudi Arabia and abroad.

Directory of Amiantit's Companies, Branches, and Industrial Facilities within the Kingdom of Saudi Arabia





08

Details of Issued Shares & Debt Instruments of Subsidiaries





The issued shares of the subsidiaries are as follows:

#	Subsidiary	Issued shares	Shareholders
1	Amiantit Fiberglass Industries Ltd.	86,999 ordinary shares of each SAR 1,000 per share	Amiantit 100%
2	Saudi Arabian Ductile Iron Pipe Co. Ltd.	86,915 ordinary shares of each SAR 1,000 per share	Amiantit 100%
3	Factory of Bondstrand Co. Ltd.	20,000 ordinary shares of each SAR 1,000 per share	Amiantit 60% Ameron BV. Holland 40%
4	Ameron Saudi Arabia Ltd. (liquidated)	76,500 ordinary shares of each SAR 1,000 per share	Amiantit 100%
5	Factory of Amiantit Rubber Industries Ltd.	8,750 ordinary shares of each SAR 1,000 per share	Amiantit 100%
6	Saudi Arabia Concrete Products Ltd. (Under liquidation)	24,500 ordinary shares of each SAR 500 per share	Amiantit 100%
7	Saudi Amicon Co. Ltd.	15,000 ordinary shares of each SAR 1,000 per share	Amiantit 100%
8	LLP Amitech Astana	Charter Capital of KZT 403 million- Limited Liability Partnership	Amiantit International Holding Co. 51% Abykayev M 34% Gavrilov V 10% Listopadney G 5%
9	Amiantit International Holding Co. WLL	32,000 ordinary shares of each USD 1,000 per share	Amiantit 100%
10	Amitech Switzerland AG	112 ordinary shares of each CHF 1,000 per share	Amiantit international Holding Co. 10.71% Amiantit Malta Holding Ltd. 89.29%
11	Ductile Technology Co. W.L.L.	200 ordinary shares of each BHD 100 per share	Amiantit 100%
12	Aquamundo GmbH	10 ordinary shares of each EUR 300,000 per share	P.W.T Wasser Co. 100%



#	Subsidiary	Issued shares	Shareholders
13	P.W.T Wasser und- Abwassertechnik GmbH	10 ordinary shares of each EUR 300,000 per share	Amiantit international Holding Co. 100%
14	PWT Saudi Co.	500 ordinary shares of each SAR 1,000 per share	Amiantit 51% P.W.T Wasser Co. 49%
15	PWT SUW 000 Turkmenistan	1 ordinary shares of each USD 250,000 per share	P.W.T Wasser Co. 99% PWT Saudi Co 1%
16	Infrastructure Engineering Contracting Co. Ltd.	500 ordinary shares of each SAR 1,000 per share	Amiantit 100%
17	Saudi Arabian Amiantit Management Co. Ltd.	10 ordinary shares of each SAR 1,000	Amiantit 100%
18	Arabian Building Materials & Industrial Equipment Trading Co. Ltd. (Al Arabia for Trade Co.)	2000 ordinary shares of each SAR 1,000	Amiantit 100%



Note:

- The Subsidiaries have not issued marketable debt instruments. The only external financial debts of the subsidiaries are represented by bank loans, which are covered under section (13) of this report.
- The entities under liquidation are mostly dormant entities, and the liquidation process will not have any material impact on the financial statements of "The Group".

8 On 07/10/2025G, Amiantit International Holding Co. WLL waived its ownership to Saudi Arabian Amiantit Company.



09

Dividends Policy





1

The General Assembly shall determine the percentage to be distributed to shareholders of the net profits after deducting the reserves, if any.

2

The shareholder shall be entitled to his share in the profits in accordance with the resolution of the General Assembly issued in this regard, and the resolution shall indicate the date of maturity and the date of distribution. Dividends shall be eligible for shareholders registered in the shareholders' registers at the end of the day fixed for maturity. The bylaws specify the maximum period within which the Board of Directors must implement the resolution of the General Assembly regarding the distribution of dividends to shareholders.

9.1 Distribution of Intern Dividends:

According to the rules and regulations of the Saudi Capital Market Authority, "The Company" may distribute phases dividends to its shareholders on biannual or quarterly basis after satisfaction of the following requirements:

1. The Ordinary General Assembly shall authorize the Board of Directors to distribute interim dividends by virtue of a resolution renewed annually.
2. The "Company" should be of good profitability and regularity.
3. The "Company" has reasonable liquidity and can reasonably predict its level of profits.
4. The "Company" shall have distributable dividends in accordance with the latest audited financial statements, sufficient to cover the profits proposed to be distributed, after deducting the dividends that have been distributed and capitalized after the date of these statements.



Note:

The shareholder shall be entitled to his share in the profits in accordance with the resolution of the General Assembly issued in this regard, and the resolution shall indicate the maturity date and the date of distribution, and the eligibility for dividends shall be for the shareholders registered in the shareholders' registers at the end of the day specified for maturity.



10

Requests of Shareholders Book Application



During 2025, the Company requested twelve requests for the shareholders' register through Tadawulaty service, according to the following statement:

Request Date	Reasons
11/05/2025	General Assembly
,06/05/2025 ,01/05/2025 ,24/04/2025 ,17/04/2025 ,04/03/2025 ,02/01/2025 ,30/10/2025 ,28/08/2025 ,31/07/2025 ,08/05/2025	For the purposes of the company's investor relations management



11

Major External Shareholders



As per Tadawul records

as of 31 December 2025, there are no major shareholders

holding

5%

or more of the capital.



12

Board members' and senior executives' Ownerships





12.1

Ownership by Board of Directors members, wives, and minor children in the shares of Saudi Arabian Amiantit Company:

No	Member Name	Number of Shares at Year- Start 2025	%	Number of Shares at Year- End 2025	% At Year-End	% Of Change	Number of Shares of wife & Minor Children at Beginning of the year 2025	%	Number of Shares of wife & Minor Children at End of the year 2025	Change of Shares of Wife & Minor Children
1	HH Prince Ahmad bin Khalid bin Abdullah bin Abdurrahman Al-Saud	1,119,217	2.51227	1,119,217	2.51227	0	NA	NA	NA	NA
2	HRH Prince Abdulaziz Bin Mohammad bin Fahad bin Abdulaziz Al-Saud	0	0	0	0	0	NA	NA	NA	NA
3	Dr. Solaiman Bin Abdulaziz Al Twajiri	0	0	0	0	0	NA	NA	NA	NA
4	Dr. Mohammad Bin Saud Al-Bader	6,000	0.01346	6,000	0.01346	0	NA	NA	NA	NA
5	Mr. Khalid Bin Mohammed AlBawardi.	108	0.00024	108	0.00024	0	NA	NA	NA	NA

12.2

Ownership of Senior Executives of "The Company" and wives and minor children in the shares of Saudi Arabian Amiantit Company:

No	Executive Name	Number of Shares at Year Beginning 2025	%	Number of Shares at Year End 2025	% At Year-End	Change %	No of Shares of Wife & Minor Children at Year Beginning 2025	%	No of Shares of Wife & Minor Children at Year End 2025	Change of Shares of Wife & Minor Children
1	Mr. Feras Bin Ghassab AlHarbi	NA	0	NA	NA	0	NA	0	NA	0
2	Mr. Waleed Mohammad Abu Kishk	NA	0	17,000	0.0381	-	NA	0	NA	0
3	Eng. Abdullah Abbas Al-Baz	NA	0	5,000	0.0112	-	NA	0	NA	0
4	Mr. Asgar Yosuf Sarguroh	NA	0	NA	NA	0	NA	0	NA	0



No	Executive Name	Number of Shares at Year Beginning 2025	%	Number of Shares at Year End 2025	% At Year-End	Change %	No of Shares of Wife & Minor Children at Year Beginning 2025	%	No of Shares of Wife & Minor Children at Year End 2025	Change of Shares of Wife & Minor Children
5	Eng. Mohammad Saleh Al-Shamrani	NA	0	NA	NA	0	NA	0	NA	0
6	Mr. Omar Zainalabdeen Hakeem	NA	0	16,500	0.0370	-	NA	0	NA	0
7	Eng. Faisal Abobakr Baradhwan	NA	0	NA	NA	0	NA	0	NA	0
8	Eng. Raed Hamed Aljaghtami	NA	0	7,444	0.0167	-	NA	0	NA	0
9	Eng. Khalid Bakheet Albashiri	NA	0	NA	NA	0	NA	0	NA	0

12.3

Except what mentioned in clauses (12.1) and (12.2) and (27) of this report, “the Company” declares that there is no interest in the voting class of shares belonging to persons (other than directors, senior executives and their spouses, and their minor children), whether in the shares of “the Company” or its subsidiaries, and there has been no change during 2025G.

12.4

Except what mentioned in clauses (12.1) and (12.2) and (27) of this report, “the Company” declares that there is no interest, contractual securities and subscription rights belonging to the members of the Board of Directors, senior executives and their relatives in the shares or debt instruments of the Company or any of its subsidiaries and there was no change during 2025G.



13

Borrowings



13.1

The Borrowings of "The Company" were as such as of

December 31, 2025G:

Borrower	Bank	Nature of Loan	Repayment Date	Balance as of December 31, 2024	New Borrowings	Repayments	Reclassifications	Currency Conversion Adjustments	Balance as of December 31, 2025
Saudi Arabian Amiantit	Bank Albilad	Loan	2025-2031	184,250	-	-	184,250	-	-
Total				184,250	-	-	(184,250)	-	-

13.2

Current Portion of Long-Term Loans (SAR '000).

Borrower	Bank	Nature of Loan	Repayment Date	Balance as of December 31, 2024	New Borrowings	Repayments	Reclassifications	Currency Conversion Adjustments	Balance as of December 31, 2025
Saudi Arabian Amiantit	Al-Inma Bank	Loan	2025	48,860	-	(32,932)	184,250	-	200,178
Amitech Astana	Mr. Abykayev	Partners Loan	-	7,332	-	(285)	-	321	7,368
Total				56,192	-	(33,217)	184,250	321	207,546

13.3

Short Term Loans (SAR '000)

Borrower	Bank Name	Nature of loans	Balance as of December 31, 2024	New Borrowing	Repayments	Reclassifications	Currency Conversion Adjustments	Balance as of December 31, 2025
Saudi Arabian Amiantit	The Saudi Investment Bank	Short-term	3,245	10,406	(3,361)	-	-	10,290
Saudi Arabian Amiantit	Riyad Bank	Short-term	3,494	3,805	-	-	-	7,299
Amiantit Fiberglass Industries Ltd.	The Saudi Investment Bank	Short-term	7,183	1,209	(8,392)	-	-	-
Saudi Arabian Ductile Pipe Mfg. Co. Ltd	The Saudi Investment Bank	Short-term	3,243	3,007	(3,243)	-	-	3,007
PWT Germany	Ulke Enterprise & Sowatly Doganlar Economic Society	Short-term	211	-	-	-	28	239
Total			17,376	18,427	(14,996)	-	28	20,835

Most of the short-term term loans are used to finance receivables and stock of raw materials, since these receivables amount to SAR 414 million at the end of the year of 2025G (SAR 455 million in 2024G) while the total inventory value reached SAR 260 million at the end of the year of 2025G (SAR 212 million in 2024G), and for the purpose of the disclosure the term of loan contemplated with clause 87 of the corporate governance regulations, the term of short term loans mentioned above is one year or less.

13.4

Long-term Loans: Maturity Profile & Creditors of "The Group" (SAR '000)

Borrower	Bank Name	2026	2027	2028	2029	2030 and beyond	Total
Amitech Astana	Minority Partners Loan	7,368	-	-	-		7,368
Saudi Arabian Amiantit	Alinma Bank	49,428	33,500	33,500	33,500	50,250	200,178
Total		56,796	33,500	33,500	33,500	50,250	207,546



14

Transfer rights or subscription rights under convertible debt instruments, contractual securities, right of issue memoranda or similar rights

“The Company” acknowledges that there are no transfer rights or subscription rights under convertible debt instruments, contractual securities, right of issue memoranda or similar rights issued or granted by the Company during 2025G.

15

Redeem, purchase, or cancel debt instruments

The Company acknowledges that there is no redemption, purchase, or cancellation by “the Company” of any redeemable debt instruments during 2025G.

16

Convertible debt instruments, contractual securities, right of issue memoranda or similar rights

“The Company” acknowledges that there are no denominations and numbers of any convertible debt instruments, contractual securities, right of issue memoranda or similar rights issued or granted by the Company during 2025G.



17

Board of Directors Composition & Committees





17.1

The Board of Directors is Composed of (5) Members:



HH Prince Ahmad bin Khalid bin Abdullah bin Abdulrahman Al-Saud

Title	Status
Chairman	Non-Executive



HRH Prince Abdulaziz Bin Mohammad bin Fahad bin Abdulaziz Al-Saud

Title	Status
Vice Chairman	Non-Executive



Dr. Solaiman Bin Abdulaziz Al-Twajri

Title	Status
Member	Non-Executive



Dr. Mohammad Bin Saud AlBadr.

Title	Status
Member	Independent



Mr. Khalid Bin Mohammed AlBawardi.

Title	Status
Member	Independent

17.2

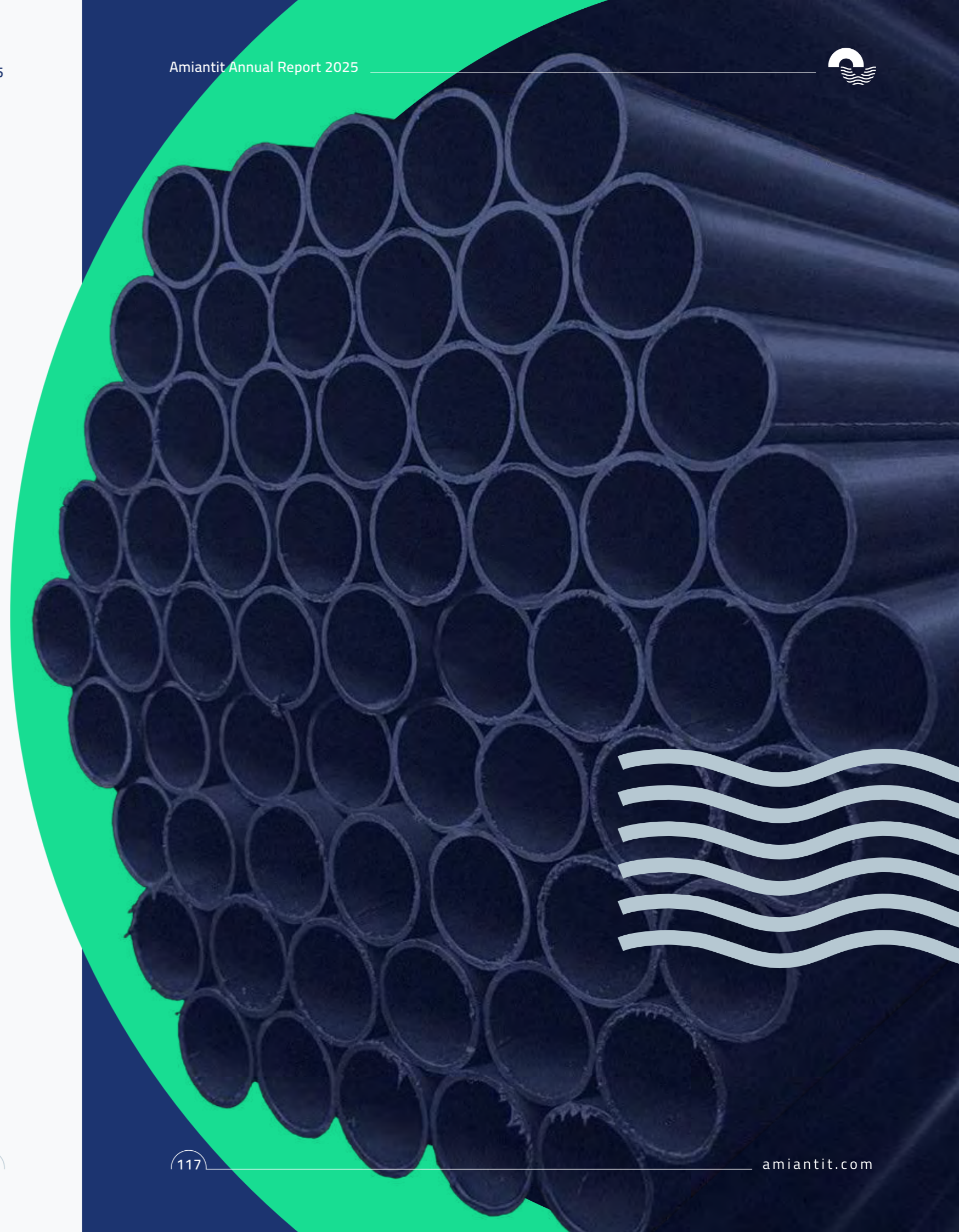
Board of Directors Meetings During 2025G

The Board of Directors met during the year 2025 according to the following attendance schedule:

The attendance record of Board of Directors meetings for the fiscal year 2025 And the total is Nine

#	Meeting date	HH Prince Ahmad bin Khalid bin Abdullah bin Abdulrahman Al-Saud	HRH Prince Abdulaziz Bin Mohammad bin Fahad bin Abdulaziz Al-Saud	Dr. Solaiman Abdulaziz Al Twaijri	Dr. Mohammad Bin S. AlBadr	Mr. Khalid Bin Mohammed AlBawardi.
		Membership				
		Chairman	vice-chairman	Member	Member	Member
1	01/02/2025	✓	✓	✓	✓	✓
2	10/03/2025	✓	✓	✓	✓	✓
3	19/03/2025	✓	✓	✓	✓	✓
4	12/05/2025	✓	✓	✓	✓	✓
5	24/06/2025	✓	✓	✓	✓	✓
6	04/08/2025	✓	✓	✓	✓	✓
7	06/11/2025	✓	✓	✓	✓	✓
8	09/11/2025	✓	✓	✓	✓	✓
9	25/12/2025	✓	✓	✓	✓	✓
Total		9	9	9	9	9

The Board of Directors confirmed that “The Company” maintained proper accounting records and the internal control system was sound and is effectively executed. There are no remarks on “The Company” going concern position.





18

Board of Directors and Nomination and Compensation Committee



This Nomination and Compensation Committee covers salaries, wages, and annual bonus related to performance and incentive plans (schemes) or any other benefits in kind. The policies and mechanisms for determining the remuneration of the Board Members are the following:

18.1

Board of Directors fees

According to Article 21 of the Company's Articles of Association, the Nomination and Remuneration Committee submits to the Board of Directors a recommendation regarding the remuneration of the members of the Board of Directors, and this remuneration may be a certain amount, attendance allowance for meetings, in-kind benefits, or a certain percentage of net profits, and it is permissible to combine two or more of the above, and the Board of Directors submits a proposal to the Ordinary General Assembly the maximum limit for such remuneration every year separately. The Ordinary General Assembly shall determine the amount of such remuneration, taking into account that the remuneration shall be fair, motivating and commensurate with the performance of the member and the performance of the company. The regulations shall specify the controls necessary for the implementation of this paragraph.

The report of the Board of Directors to the Ordinary General Assembly at its annual meeting shall include a comprehensive statement of all remuneration, attendance allowance, expenses allowance and other benefits received or due to each member of the Board of Directors during the fiscal year. It shall also include a statement of what the members of the Council received as workers or administrators or what they received in return for technical, administrative or consulting work, and also include a statement of the number of meetings of the Council and the number of meetings attended by each member.

The following table shows the details of the remuneration for the members of the Board of Directors for the year 2025 (SAR):

#		Fixed Compensation							Variable Compensation						End of Service (Indemnity)	Gross Total SAR	Expenses Reimbursements
		Fixed Amount	Board Attendance Fees	Committees Attendance Fees	In-kind privileges	Compensation for consultation, administration, & technical works	Compensation for the chairman, MD, board secretary (In case that he is not a board member)	Total	Profit Share	* Periodic Board Fees	Short Term Incentive Programs	Long Term Incentive Programs	Bonus Shares (Nominal Value)	Total			
First: Independent Members																	
1	Dr. Mohammad Bin Saud AlBadr	-	27,000	24,000	-	-	-	51,000	-	400,000	-	-	-	-	-	451,000	-
2	Mr. Khalid Bin Mohammed AlBawardi.	-	27,000	12,000	-	-	-	39,000	-	400,000	-	-	-	-	-	439,000	-
Total		-	54,000	36,000	-	-	-	90,000	-	800,000	-	-	-	-	-	890,000	-
Second: Non-Executive Members																	
1	HH Prince Ahmad Bin Khalid Bin Abdullah Bin Abdulrahman Al-Saud	-	27,000	15,000	-	-	-	42,000	-	400,000	-	-	-	-	-	442,000	-
2	HRH Prince Abdulaziz Bin Mohammad Bin Fahad Bin Abdulaziz Al-Saud	-	27,000	3,000	-	-	-	30,000	-	400,000	-	-	-	-	-	430,000	-
3	Dr. Solaiman Bin Abdulaziz Al-Twajiri	-	27,000	3,000	-	-	-	30,000	-	400,000	-	-	-	-	-	430,000	-
Total		-	81,000	21,000	-	-	-	102,000	-	1,200,000	-	-	-	-	-	1,302,000	-

It is worth noting that the report of the Board of Directors for the year 2024G did not include the payment of the remuneration of the members of the Board of Directors, as the report was submitted on 25/03/2025, and on 11/05/2025, the General Assembly approved the payment of remuneration to the members of the Board of Directors with a total value of two millions riyals. Therefore, these remunerations were received by the members of the Board of Directors in 2025 and represent their remuneration for the fiscal year 2024 distributed as follows:

Member	Board Of Directors Remuneration Fees 2024G which was received in 2025G / SAR
First: Independent Members	
Dr. Mohammad Bin Saud AlBadr	400,000
Mr. Khalid Bin Mohammed AlBawardi.	400,000
Total	800,000
Second: Non-Executive Members	
HH Prince Ahmad Bin Khalid Bin Abdullah Bin Abdurrahman Al-Saud	400,000
HRH Prince Abdulaziz Bin Mohammad Bin Fahad Bin Abdulaziz Al-Saud	400,000
Dr. Solaiman Bin Abdulaziz Al-Twajjri	400,000
Total	1,200,000
Grand Total	2,000,000

With regard to the remuneration of the members of the Board of Directors for the year 2025G, the Nomination and Remuneration Committee recommended to the Board of Directors the payment of remuneration of SAR 1 million for the said year. This recommendation has been approved by the Board of Directors and is scheduled to be submitted to the General Assembly for a vote. If approved by the General Assembly, the disbursement of these remunerations will be included in the Board of Directors' 2026G report.

18.2

Committee fees

In accordance with "the Company" 's governance law, the members of the committees emanating from the Board of Directors receive fees approved by the Board of Directors based on a proposal from the Nomination and Remuneration Committee. The value of these fees is 100,000 Saudi riyals (per member annually). While the member receives 3,000 Saudi riyals as an attendance allowance for each meeting. Whereas members who have membership in more than one committee shall receive a one-time fee. If several meetings are held on the same day, they shall receive attendance fees for one meeting only. The following table shows the details of the bonuses for the sub-committees for the year 2025G (Saudi riyals):

Members	Fixed Fees (Except Attendance Fees) / SAR	Attendance Fees / SAR	Total / SAR
Executive Committee			
HH Prince Ahmad Bin Khalid Bin Abdullah Bin Abdurrahman Al-Saud	100,000	3,000	103,000
HRH Prince Abdulaziz Bin Mohammad Bin Fahad Bin Abdulaziz Al-Saud	100,000	3,000	103,000
Dr. Solaiman Bin Abdulaziz Al Twajjri	100,000	3,000	103,000
Mr. Sulaiman Bin Abdullah Al Amro	100,000	3,000	103,000
Mr. Feras Bin Ghassab AlHarbi	100,000	3,000	103,000
Total	500,000	15,000	515,000

Members	Fixed Fees (Except Attendance Fees) / SAR	Attendance Fees / SAR	Total / SAR
Audit Committee			
Dr. Sulaiman Bin Abdullah Al Sakran	100,000	15,000	115,000
Dr. Mohammad Bin Saud Al-Badr	100,000	12,000	112,000
Mr. Waleed Bin Mohammed AlOthaimen	100,000	15,000	115,000
Total	300,000	42,000	342,000
Nomination & Compensation Committee			
HH Prince Ahmad Bin Khalid Bin Abdullah Bin Abdulrahman Al-Saud	-	12,000	12,000
Dr. Mohammad Bin Saud Al-Badr	-	12,000	12,000
Mr. Khalid Bin Mohammed AlBawardi.	100,000	12,000	112,000
Total	100,000	36,000	136,000
Grand Total	900,000	93,000	993,000



Note:

- According to "The Company" 's policy, the member receives a one-time fixed fee if he is a member of more than one committee, the member shall also be entitled to a one-time annual fee if more than one meeting is held on the same day and at the headquarters, in addition, the member will not be compensated for attending meetings if he is present via phone.



19

Compensation and Remuneration of Senior Executives ⁹

⁹ Senior Executives shall mean the Group Chief Executive Officer, the Chief Financial Officer, the Senior Operations Manager, the Sales and Marketing Manager, and the Shared Services Manager



Remuneration Policy for the Senior Executives

The Board of Directors, based on the recommendations of the Nominations and Remuneration Committee, determines the bonuses for senior executives according to the following criteria:

1. Alignment with the company's strategy and objectives, ensuring that bonuses are aimed at motivating employees to contribute to the company's long-term success and growth.
2. Bonuses are determined based on the level of the position, the tasks and responsibilities assigned to the role, educational qualifications, practical experience, skills, and performance level.
3. Alignment with the size, nature, and degree of risks faced by the company, taking into account the practices of other companies in determining bonuses.
4. Targeting the attraction, retention, and motivation of professional talents, and coordinating with the Nominations Committee during new appointments.

The annual bonus for the company's CEO is determined according to their contract or as decided by the Remuneration Committee or the Board of Directors. The annual bonus for the executive management of the company is calculated based on the approved policy and mechanism for annual bonuses, ensuring that the salaries and benefits allocated to executive management include the base salary, benefits, and allowances according to the company's approved policy, with no significant deviations from this policy.

The following table shows the bonuses and compensations received by senior executives for the year 2025G (in thousands of Saudi riyals):

Thousands Saudi Riyals	Fixed Compensation				Variable Compensation						End of Service (Indemnity)	Grand Total
	Salaries	Allowances	In-kind Privileges	Total	Periodic Bonus	Profits	Short-term incentive plans	Long-term incentive plans	Bonus Shares (Value)	Total		
Total	4,768	2,222	205	7,195	2,100	-	-	-	2,400	4,500	627	12,322



Clarification:

The Group has complied with the disclosure of the components of the senior executives' remuneration on aggregate in line with the requirements set out in clause (b) of subparagraph (a) of paragraph (4) of (Article 90) of the Corporate Governance Regulations issued by CMA, but to protect the interests of the Company, its shareholders and employees, and to avoid any damage that may occur as a result of disclosing the detailed senior executives' remuneration by position, the Company did not disclose the details as per Appendix (1) of the CG Regulations.





20

Actions Taken by the Board to Brief its Members About the Shareholder Suggestions



“The Company” is keen to inform the members of the Board of Directors of the shareholders’ suggestions and observations about the Company and its performance through the following procedures:



1 Presentation of suggestions and observations

Shareholders’ suggestions and observations (if any) shall be presented to the members of the Board at the nearest meeting held by the Board, or through any other means of communication that achieves the required purpose, periodically and continuously.



2 Investor Relations Section

The Investor Relations Department at the Company receives and responds to shareholders’ comments and inquiries, in addition to providing the Board with the latest developments in this regard.



3 Attending General Assembly Meetings

Board members participate in the meetings of the General Assemblies of Shareholders, where shareholders are allowed to present their suggestions and opinions directly to the Board, and they are answered during the meeting.



21

Directors Mandates of Members of the Board of Directors





Directors Mandates of Members of the Board of Directors

Member Name	Names of companies in which the board member is a member of its current board of directors or its directors	Inside/ Outside KSA	Legal Entity	Names of the companies in which the member of the board of directors is a member of its previous board of directors or its directors.	Inside/ Outside KSA	Legal Entity
HH Prince Ahmad Bin Khalid Bin Abdullah Bin Abdulrahman Al-Saud	Saudi Arabian Cooperative Insurance Co. (SAICO)	Inside KSA	Listed joint stock	Saudi Chemical Holding Co.	Inside KSA	Listed joint stock
	American Express Saudi Arabia.	Inside KSA	Unlisted joint stock	Arab Business Enterprises Co. Ltd.	Inside KSA	Limited liability
	Amex Middle East B.S.C. (closed)	Outside KSA	Unlisted joint stock	Al Mward Ltd. Co. for Energy & Mining	Inside KSA	Limited liability
	MIG Holding Co. Limited	Outside KSA	Limited liability	-	-	-
	AlKhaldiya Law Firm	Inside KSA	Limited liability	-	-	-
	First Khalidiya Holding Company	Inside KSA	Limited liability	-	-	-

Member Name	Names of companies in which the board member is a member of its current board of directors or its directors	Inside/ Outside KSA	Legal Entity	Names of the companies in which the member of the board of directors is a member of its previous board of directors or its directors.	Inside/ Outside KSA	Legal Entity
HRH Prince Abdulaziz Bin Mohammad Bin Fahad Bin Abdulaziz Al-Saud	-	-	-	-	-	-

Member Name	Names of companies in which the board member is a member of its current board of directors or its directors	Inside/ Outside KSA	Legal Entity	Names of the companies in which the member of the board of directors is a member of its previous board of directors or its directors.	Inside/ Outside KSA	Legal Entity
Dr. Solaiman Bin Abdulaziz Al Twajri	First Abu Dhabi Bank	Inside KSA	Listed joint stock	National Electric Transmission Company	Inside KSA	Limited liability
	Arabian Mills for Food Products Co.	Inside KSA	Listed joint stock	Chemical Co. for Development	Inside KSA	Limited liability
	-	-	-	National Agricultural Development Co. (NADEC)	Inside KSA	Listed joint stock
	-	-	-	Takween Advanced Industries Co.	Inside KSA	Listed joint stock
	-	-	-	Mulkia Investment Company	Inside KSA	Licensed company
	-	-	-	Saudi Arabian Amiantit subsidiaries	Inside and outside KSA	Limited liability and Unlisted joint stock
	-	-	-	Wala Cooperative Insurance Company	Inside KSA	Listed joint stock
	-	-	-	Institute of Management Accountants (IMA)	outside KSA	Non-profit organization
-	-	-	Student Support Fund	Inside KSA	Government Organization	



Member Name	Names of companies in which the board member is a member of its current board of directors or its directors	Inside/ Outside KSA	Legal Entity	Names of the companies in which the member of the board of directors is a member of its previous board of directors or its directors.	Inside/ Outside KSA	Legal Entity
Dr. Mohammad Bin Saud Al-Badr	Etihad Salam Telecommunications Company	Inside KSA	Unlisted joint stock	Saudi Paper Manufacturing	Inside KSA	Listed joint stock
	-	-	-	Saudi Chemical Holding Co.	Inside KSA	Listed joint stock

Member Name	Names of companies in which the board member is a member of its current board of directors or its directors	Inside/ Outside KSA	Legal Entity	Names of the companies in which the member of the board of directors is a member of its previous board of directors or its directors.	Inside/ Outside KSA	Legal Entity
Mr. Khalid Bin Mohammed AlBawardi	Etihad Salam Telecommunications Company	Inside KSA	Unlisted joint stock	-	-	-
	Suez International Nitrate Company	Outside KSA	Unlisted joint stock	-	-	-
	Saudi Chemical Holding Co.	Inside KSA	Listed joint stock	-	-	-





22

Transactions with Related Parties



The table below shows the Group's transactions with its non-consolidated associates in terms of sales and purchases, dividends, and other transactions (in thousand Saudi Riyals):

Borrower	Nature of Transaction	Receivable Balance as of December 31, 2024		Repayments	Transfer of Investment	CTA	Balance as of December 31, 2025
Amiantit Qatar	Know-how Fee & Dividends	896	-	(896)	-	-	-
Subor & Subor Gap	Trade Receivable	128	-	-	-	-	128
Amiblu Germany	Other Receivable	30	-	-	-	-	30
Amiblu Holding	Sale of Investment	81	-	-	-	-	81
Others	Other receivable	3	-	(1)	-	-	2
TOTAL		1,138	-	(897)	-	-	241

The issuer and "the Group" do not have any specific related party transaction to report which could cause a conflict of interest between the issuer or any of its subsidiaries and affiliates, on the one hand, and board members or members of the Management on the other hand.



23

Amounts due & paid by "The Group" to Zakat, Tax Authorities, & other Legal Fees



Amounts due & paid by "The Group" to Zakat, Tax Authorities, & other Legal Fees

The following is a list of payments paid and due to Zakat, taxes, fees or any dues from the "Company" and its local subsidiaries according to the consolidated financial statements during the year 2025 (in thousands of Saudi Riyals).

Description	Total payments made in 2025	Total payments made in 2024	Total amounts due as at 31 December 2025	Total amounts due as at 31 December 2024	Reason
Zakat	25,994	24,847	259,334	297,088	According to the General Authority of Zakat, tax & Customs (ZATCA)
Income taxes imposed by the Saudi authorities	0	0	81	81	According to the Income Tax System on Foreigners
Income Taxes due to Foreign Authorities	1,123	8,383	4,810	4,931	Imposed under foreign laws in the countries where the consolidated subsidiaries are located
Total due balance for Zakat and income tax	27,117	33,230	264,225	302,100	
Social Insurance Subscription Fees	11,186	10,155	887	849	According to the Social Insurance System
Value Added Tax (VAT)	23,070	57,184	32,404	28,373	According to the General Authority of Zakat, tax & Customs (ZATCA)
With Holding Tax (WHT)	1,296	1,195	251	581	According to the General Authority of Zakat, tax & Customs (ZATCA)
Total	62,669	101,764	297,767	331,903	



24

Businesses or Contracts with Board of Directors or Senior Executives or Related Individuals

The Board of Directors assures that there is no business or contracts between "The Company" or "The Group" and the Board of Directors or Senior Executives or any related individuals during 2025G.

25

Waiver of Salary or Compensation by Directors or Senior Executives

"The Company" declares that there were no waivers, arrangements, assignment or other modifications by any Board Member or Senior Executives of any salary or compensation rights or any profit rights during 2025G.

26

Waiver by any Shareholder of Rights to Dividends

No shareholders of the issuer have waived any right to dividend during 2025G.

27

Employee Share-Option Funds

In order to maintain outstanding employees, enhance their affiliation with the Company, and give them the opportunity to benefit from the Company's performance, the Company has a dedicated employee portfolio under the name of the Saudi Arabian Amiantit Employee share ownership plan, and the Company has obtained all regulatory approvals. As at 31 December 2025, the balance of shares reached 37,588 shares.



28

Declarations



28.1

Books of Accounts

The Board of Directors declare that proper books of account have been maintained.

28.2

System of Internal Control

The Board of Directors declare that the system of internal control is sound in design and has been effectively implemented.

28.3

Going-Concern

The Board of Directors declare that there are no significant doubts concerning "The Company" 's ability to continue as a going concern.

28.4

"Company" competition

The Board of Directors acknowledges that there is no competing business of the Company or any of the branches of activity practiced by it and practiced or was practiced by any member of the Board of Directors.



29

Corporate Governance





The company's corporate governance compliance plan includes a commitment to the rights of shareholders, customers, employees and stakeholders, with a focus on strengthening relationships with them through the principles of transparency and disclosure. The company aims to activate the role of the Board of Directors and executive management by defining their responsibilities, which contributes to improving the decision-making process and directing strategies effectively.

The company also seeks to ensure that effective mechanisms are in place to enhance internal control and risk management, in line with the Corporate Governance Regulations of the Capital Market Authority. It also adheres to ethical values such as integrity, justice and respect.

During the year 2009, the General Assembly of "The Company" has approved the Governance Regulations of the Saudi Arabian Amiantit Company "Internal Governance Regulations", reflecting its commitment to transparency. The Remuneration and Compensation committee has studied such policies and raised recommendation to Board of Directors to update it in order to reflect the latest developments and changes to adopt the new changes issued by CMA. The Board of Directors as well has approved such changes and decided to submit to the General Assembly for ratification, and on 26 April 2021G, the general assembly has approved them, it is worth mentioning that some policies have been updated and approved by the General Assembly on 09/06/2024G.

The company has established regulations and established specialized committees, defining the responsibilities of each committee, which enhances performance effectiveness and helps achieve strategic objectives in a sustainable manner. In implementation of these regulations, the company has developed the necessary rules and mechanisms, and established subcommittees on the Board of Directors,

specifying its responsibilities and mechanism of work according to the following:



29.1

Committees

29.1.1 Executive Committee

Authorities

The Executive Committee shall be responsible for all the competencies entrusted to it in these Regulations, and the Committee shall submit its reports to the Board of Directors and maintain direct channels of communication with it, and the terms of reference of the Committee under the relevant laws and regulations shall be as follows:

- Participate and supervise the development of the company's strategic plan and evaluate the proposals submitted by the executive management concerned with the vision and mission of the company and the strategic axes, strategic and financial objectives and initiatives and submit to the Board for approval.
- Ensure the implementation of the company's general strategy and its effectiveness in achieving the desired goals.
- Supervise the preparation of the company's annual budget, review the proposals submitted by the executive management, and submit recommendations to the Board to approve the annual budget.
- Review the financial and strategic performance reports related to the follow-up of the implementation of strategic plans and initiatives and submit the recommendations the Committee deems appropriate to the Board.
- Study strategic and important projects with a significant financial impact and submit to the Council for approval.
- Review and evaluate proposals for new capital investments, approve projects within the powers of the Committee, and submit its recommendations to the Board in this regard.
- Submit recommendations to the Board regarding loans, mortgages and guarantee applications.
- Consider matters referred to it by

Committee Meetings:

- The Committee shall meet at least twice, at the invitation of its Chairman, and the Chairman of the Committee may invite it to meet in exceptional cases if the need arises.
- The Committee may hold its meetings electronically or through modern technology.
- Meeting invitations must be sent to each member of the Committee at least five days before the date of the meeting, indicating in the invitation the time, date, place of the meeting, the agenda, as well as the documents to be discussed at the meeting.
- The Committee shall hold its meetings at the company’s head office and may meet outside the head office.
- A member of the Committee may attend through the use of one of the means of communication, after the approval of the Committee.
- No member of the Board of Directors or the executive management who is not a member of the Committee has the right to attend its meetings except at the invitation of the Committee to listen to his opinion or obtain his advice.

Committee Members & Meetings

The attendance record of the members of the Executive Committee for the committee meetings for the fiscal year 2025 And the total is One

#	Meeting date	HH Prince Ahmad Bin Khalid Bin Abdullah Bin Abdulrahman Al-Saud	HRH Prince Abdulaziz Bin Mohammad Bin Fahad Bin Abdulaziz Al-Saud	Dr. Solaiman Bin Abdulaziz Al Twajjri	Mr. Sulaiman Bin Abdullah Al Amro	Mr. Feras Bin Ghassab AlHarbi
		Membership				
		Chairman	vice-chairman	Member	Member	Member
1	17/03/2025	✓	✓	✓	✓	✓
Total		1	1	1	1	1

Term: Four years (4 years) starting 1st January 2024 ended 31st December 2027.

The Secretary of the committee is Mrs. Nourah Ibrahim Boanz.

29.1.2 Audit Committee

Duties & Responsibilities

Without prejudice to the tasks and responsibilities set forth in the Companies Law, the Articles of Association and the Corporate Governance Regulations, the Committee’s tasks and responsibilities shall include carrying out all the work that enables it to achieve its objectives, including:



1. Financial Reports:

- Study the company’s interim and annual financial statements and related announcements before presenting them to the Board and expressing its opinion and recommendation thereon to ensure their integrity, fairness and transparency, and to ensure that they are prepared in accordance with the accounting standards adopted in the Kingdom and the provisions of the Companies Law and the Company’s Bylaws and in line with the instructions issued by the supervisory authorities.
- Provide a technical opinion - at the request of the Board - on whether the Board report and the financial statements of the Company are fair, balanced and understandable and include information that allows shareholders and investors to evaluate the financial position of the Company, its performance, business model and strategy.
- Study any important or unusual issues included in financial reports.
- Thoroughly research any issues raised by the company’s CFO, his assume, the company’s compliance officer, the internal auditor or the auditor
- Verify accounting estimates on material matters contained in financial reports.
- Study the accounting policies followed in the company and express an opinion and recommendation to the Board of Directors in this regard.



2. Internal Audit:

- Study and review the internal and financial control systems and risk management in the company and make recommendations on the proposed amendments to develop and raise their efficiency.
- Study, approve and update the overall internal audit plan annually, and should include a review of key activities and processes, including risk management and compliance activities, at least annually.
- Study the internal audit reports and follow up the implementation of corrective actions for the observations contained therein.
- Control and supervise the performance and activities of the internal auditor and the internal audit department in the company to verify the availability of the necessary resources and their effectiveness in performing the work and tasks entrusted to it.
- Recommending to the Board of Directors the appointment of the Director of the Internal Audit Unit or Department or the Internal Auditor and proposing his remuneration.
- Ensure that the Internal Audit Department prepares a written report on its work and submits it to the Board of Directors and the Audit Committee on a quarterly basis at least. This report shall include an assessment of the company's internal control system and the findings and recommendations of the unit or management, and a statement of the actions taken by each department regarding the processing of the findings and recommendations of the previous audit and any observations thereon, especially in the event of lack of timely treatment and the reasons for this.
- Ensure that the Internal Audit Department prepares a written public report and submits it to the Board of Directors and the Audit Committee on the audits conducted during the fiscal year and compares them with the approved plan, indicating the reasons for any breach or deviation from the plan, if any, during the quarter following the end of the fiscal year concerned.
- Ensure that the Internal Audit Department works according to a comprehensive audit plan approved by the Audit Committee, and this plan is updated annually. Key activities and processes, including those related to risk management and compliance management, should be reviewed at least annually.



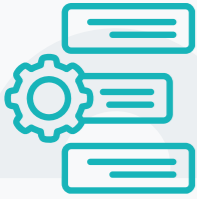
3. Auditor:

- Recommending to the Board of Directors the nomination of auditors, dismissing them, determining their fees and evaluating their performance, after verifying their independence and reviewing the scope of their work and the terms of their contract.
- Verify the independence, objectivity and fairness of the auditor, and the effectiveness of the audit work, taking into account the relevant rules and standards.
- Review the company's auditor's plan and work, verify that he has not submitted technical or administrative work outside the scope of audit work, and express its views thereon.
- Answering the inquiries of the company's auditor.
- Study the auditor's report and observations on the financial statements and follow up on what has been taken in this regard.



4. Compliance Guarantee:

- Review the results of the reports of the regulatory authorities and verify that the company has taken the necessary measures in this regard.
- Verifying the company's compliance with the relevant laws, regulations, policies and instructions.
- Review the contracts and transactions proposed to be conducted by the company with the relevant parties, and submit its views thereon to the Board.
- Submit any matters it deems necessary to take action to the Board of Directors and make recommendations on the actions to be taken.



5. Arrangements for submission of observations:

- The Audit Committee shall establish a mechanism that allows employees of the company to submit their observations on any violation in financial or other reports confidentially. The committee shall verify the application of this mechanism by conducting an independent investigation commensurate with the magnitude of the error or transgression and adopting appropriate follow-up procedures.
- Propose to the Board to develop policies or procedures for stakeholders to submit their complaints or report violating practices.



6. Powers of the Committee:

The scope of work of the Committee includes monitoring the company’s business, independently verifying the integrity and integrity of reports, financial statements and internal control systems, and making the necessary recommendations to the Board, and in order to achieve this, it has the following:

- The right to access the company’s records and documents, and to obtain all resources and information necessary to perform its duties and responsibilities.
- Request any clarification or statement from the members of the Board of Directors or the executive management.
- It may request the Board to convene the General Assembly of the Company if the Board obstructs its work or the Company suffers serious damage or losses.
- Study the topics that concern it or that are referred to it by the Council, and submit its recommendations to the Council for decision, or take decisions if authorized by the Council, provided that the mandate issued by the Council is not general or indefinite.
- The Committee may seek the assistance of experts and specialists from inside or outside the company within the limits of its powers, with this evidenced in the minutes of the Committee’s meeting, mentioning the name of the expert and his relationship with the company or the executive management.



7. Committee Meetings:

- The Committee shall hold regular meetings for the effective exercise of its functions, as well as whenever the need arises, and shall prepare at the beginning of each year a plan for its meetings during the year to enable it to carry out its work and carry out the tasks and responsibilities entrusted to it.
- The Committee shall hold at least four (4) meetings per year at the invitation of its Chairman or his representative, in case of his absence, preferably once every three months.
- The Committee may hold its meetings outside the company’s headquarters and may hold meetings through modern technology.
- The process of attending the meetings of the Committee should be organized, and cases of irregular attendance by members should be dealt with.
- The Audit Committee meets periodically with the Company’s auditor and the Company’s internal auditor.
- The Internal Auditor and the Auditor may request a meeting with the Audit Committee whenever the need arises.



Committee Members & Meetings:

The attendance record of the members of the Audit Committee for the committee meetings for the fiscal year 2025 And the total is Five

p	Meeting date	Dr. Sulaiman Bin Abdullah Al Sakran (Outside the board)	Dr. Mohammad Bin Saud AlBadr	Mr. Waleed Bin Mohammed Al Othaimeen (Outside the board)
		Membership		
		Chairman	Member	Member
1	31/01/2025	✓	✓	✓
2	12/05/2025	✓	✓	✓
3	03/08/2025	✓	✓	✓
4	05/11/2025	✓	✓	✓
5	15/11/2025	✓	✓	✓
Total		5	5	5

Term: four years starting 1st January 2024 ended 31st December 2027.

The secretary of the committee is Mr. Watheq Ali Al-Hawawreh.



Note:

During 2025G the Audit Committee has studied the interim & annual financial statements and has raised them to the Board of Directors for ratification.

The Audit Committee Report for the Year 2025G

Audit Committee’s Opinion on the Adequacy of the Company’s Internal Control Systems

The Audit Committee held (5) meetings during the year 2025G, all conducted through virtual communication, and through the committee’s direct supervision of the work of the Internal Audit Department in the company and the review of governance and risk systems, reports, financial statements and disclosures, the committee carried out the following basic work:

- Review and approve the company’s annual and quarterly financial reports.
- Study the main risks facing the company, which include financial, operational, and legal risks, and review the policies applied by management related to the processes of identifying, evaluating, and treating those risks.
- Review the independence of the internal audit department and whether it has been exposed to any deviation from objectivity and independence, which are among the basic principles of internal auditing.
- Evaluating the performance of the Audit Department by reviewing the reports and results recorded by the Internal Audit Department and the importance and extent of the impact achieved by the Committee through the Audit Department’s implementation of follow-up procedures and closing important observations.
- Reviewing the extent of the company’s implementation of reforms and corrective measures for observations that were recorded in previous years, as the committee stressed the need not to be lax in following up and ending observations that have a high-risk nature.
- Providing recommendations to the Board of Directors and the General Assembly of Shareholders regarding the selection of the chartered accountant, which is based on the committee’s study of his professional competence, independence, and the expected risks of a conflict of interest, as well as the fees that he will receive.



Conclusion:

Based on what was mentioned, the committee studied all the essential aspects of the internal control systems through its direct supervision of the internal audit department during its successive meetings during the year 2025. The committee also reviewed reports related to the effectiveness of examining various operational activities and ensuring the integrity of the operational and financial procedures and their adequacy in the internal control system. With the aim of ensuring the effectiveness and adequacy of internal control systems and increasing reliability and reassurance to the degree of compliance with relevant laws and regulations. Based on the work of the aforementioned committee, it reached reasonable assurances that there are no fundamental observations, reservations, or weaknesses in the company's internal control systems, documents, and records.



29.1.3 Nomination and Compensation Committee

Authorities

Without prejudice to the tasks and responsibilities set forth in the Companies Law, the Company's Articles of Association and the Corporate Governance Regulations, the Committee's tasks and responsibilities shall include carrying out all the work that enables it to achieve its objectives, including:



1. Regarding nominations, they shall be concerned with the following:

- Proposing clear policies and criteria for membership in the Board and the executive management.
- Recommending to the Council the nomination and renomination of its members in accordance with the approved policies and standards, taking into account the non-nomination of those who have previously been convicted of a crime against trust.
- Prepare a description of the capabilities and qualifications necessary for membership of the Board and fill the positions of executive management.
- Determine the time that the member must devote to the work of the Council.
- Annual review of the necessary needs for skills or experience appropriate to the membership of the Board and the functions of executive management.
- Review the structure of the Board and Executive Management and make the necessary recommendations on making any changes to it.
- Verify on an annual basis the independence of independent members, and the absence of any conflict of interest if the member is a member of the board of directors of another company.
- Statement of job descriptions for executive members, non-executive members, independent members and senior executives.
- Determine the procedures to be followed in the event of a vacancy in the position of a member of the Board of Directors or senior executives.
- Identify the weaknesses and strengths of the Board, and propose solutions to address the weaknesses in accordance with the interest of the Company.



2. Regarding remuneration, it is concerned with the following:

- Prepare a clear policy for the remuneration of the members of the Council, the committees emanating from it and the executive management, and submit it to the Council for consideration in preparation for approval by the General Assembly, taking into account the adoption of standards related to performance, disclosure thereof, and verification of their implementation.
- Clarify the relationship between the bonuses granted and the approved remuneration policy, and indicate any material breach of this policy.
- Periodically review the remuneration policy, and evaluate its effectiveness in achieving its objectives.
- Recommending to the Board the remuneration of the members of the Board, its committees and senior executives in accordance with the approved policy.

Duties:

The scope of work of the Committee includes reviewing the structure of the Board of Directors, committees, skills and criteria required for board membership. In addition to reviewing the organizational structure of the company, succession plans, human resources regulations and policies, and the remuneration and compensation policy for board members, committees and executive management, and providing the necessary recommendations to the Board of Directors, and in order to achieve this, it has the following:

- The right to access the company's records and documents, and to obtain all resources and information necessary to perform its duties and responsibilities.
- Study the topics that concern it or that are referred to it by the Board of Directors, and submit its recommendations to the Board for decision, or take decisions if authorized by the Board to do so, provided that the mandate issued by the Board is not general or indefinite.
- The Committee may seek the assistance of experts and specialists from inside or outside the company within the limits of its powers, with this evidenced in the minutes of the Committee's meeting, mentioning the name of the expert and his relationship with the company or the executive management.



Committee Meetings:

- The Committee shall hold regular meetings to exercise its functions effectively, and also when the need arises, so that it may carry out its work and carry out the tasks and responsibilities entrusted to it.
- The Committee shall meet periodically at least every six months, and the meeting shall be held at the invitation of the Chairman of the Committee or his representative - in case of his absence -.
- The Chairman of the Committee or his representative, in his absence, shall invite the Committee to a meeting whenever requested by a member of the Committee.
- The Committee may hold its meetings outside the company's headquarters, and may hold meetings through modern technology.
- The process of attending the meetings of the Committee should be organized, and cases of irregular attendance by members should be dealt with.



Committee Members & Meetings:

The attendance record of the members of the Nomination and Compensation Committee for the committee meetings for the fiscal year 2025 And the total is Four

#	Meeting date	H.H. Prince Ahmad Bin Khalid Bin Abdullah Bin Abdulrahman Al-Saud	Dr. Mohammad Bin Saud AlBadr	Mr. Khalid Bin Mohammed AlBawardi
		Membership		
		Member	Chairman	Member
1	09/03/2025	✓	✓	✓
2	29/05/2025	✓	✓	✓
3	23/06/2025	✓	✓	✓
4	24/12/2025	✓	✓	✓
Total		4	4	4

Term of Committee: Four Years (4 years) starting January 1st, 2024, ended 31st December 2027.

The secretary of the committee is Mrs. Nourah Ibrahim Boanz.





30

Compliance to Governance Regulations



In order to protect the rights of its shareholders

as well as the stakeholders dealing with it, the Board of Directors has prioritized the implementation of the Corporate Governance Regulations issued by the Capital Market Authority, where the company applies all the mandatory articles contained therein, and as there are still some guidelines articles that have not been applied, which will be implemented while they are mandatory by the Capital Market Authority, the Ministry of Commerce, or the regulatory and supervisory authorities. The following is a summary of the provisions that have been adopted to governance, and which have not been adopted and the reasons:

#	Item	Adopted	Not Adopted	Reason in Case of Non-adoption
1	General rights of shareholders	Yes	-	
2	Right of shareholders to inquire & obtain information not effecting company interests.	Yes	-	
3	Shareholders' pertaining to the General Assembly	Yes	-	
4	Voting Rights	Yes	-	
5	Shareholders' rights related to shares	Yes	-	
6	Policies & procedures related to disclosures	Yes	-	
7	Disclosures in the Board of Directors' Report	Yes	-	
8	The main roles of Board Members	Yes	-	
9	The responsibilities of the Board of Directors	Yes	-	
10	The composition of the Board of Directors	Yes	-	

#	Item	Adopted	Not Adopted	Reason in Case of Non-adoption
11	The committees of the board and their independence	Yes	-	
12	The Audit Committee	Yes	-	
13	The Nominations & Remuneration Committee	Yes	-	
14	Board of Directors meetings and their agenda	Yes	-	
15	Board of Directors' fees & remuneration	Yes	-	
16	Conflict of interest for the Board of Directors	Yes	-	
17	Cumulative Voting	No	No (Not Applicable)	There are no board elections
18	The means by which the Board of Directors relied in evaluating its performance, the performance of its committees and members, and the external party that carried out the evaluation	No	No (Not Applicable)	Guidance material





31

Statement of the General Assembly meetings



Dates of the General Assemblies of Shareholders held during the last financial year and the names of the members of the Board of Directors present in the meeting:

An Ordinary General Assembly was held once on 11/05/2025, and the meeting was attended by:

Member Name	Attendance Register
	Second GA Meeting 11/05/2025
HH Prince Ahmad Bin Khalid Bin Abdullah Bin Abdulrahman Al-Saud	Apologized
HRH Prince Abdulaziz Bin Mohammad Bin Fahad Bin Abdulaziz Al-Saud	Apologized
Dr. Solaiman Bin Abdulaziz Al Twajiri	✓
Dr. Mohammad Bin Saud Al Badr	✓
Mr. Khalid Bin Mohammed Al Bawardi.	✓



32

Polices Related to the Disclosure



The General assembly has adopted policies and procedures related to the disclosure which are still in practice.

33

Results of Annual Auditing for Effective Internal Control



The Board of Directors has been assigned the responsibility to ensure that management maintains an effective system of internal controls, which provides reasonable assurance in all material respects of efficient and effective operation of controls.



34

Independence & Authority

The Internal Audit Department provides independent and objective services with the purpose of supporting the Board of Directors, the Audit Committee, and Executive Management in carrying out their responsibilities with a high level of efficiency and effectiveness. The Internal Audit Department operates with full independence and is not subject to any influence or interference from Executive Management, and it has unrestricted access to all records (manual or electronic), Company assets, and employees, as required to perform its duties.





Internal Audit Responsibility

The responsibilities of the Internal Audit Department encompass the following

- Preparing and updating the annual strategic plan for Internal Audit work in line with the company's objectives and governance requirements.
- Performing audit and inspection activities in accordance with the approved annual audit plan.
- Issuing detailed reports on the results of audit and inspection activities.
- Identifying and assessing financial and operational risks, and coordinating with management to implement effective and cost-efficient internal control measures to mitigate the impact of such risks and ensure timely detection.
- Coordinating with the various departments of the Company and with external regulatory bodies, including the External Auditor.
- Developing and enhancing audit policies and procedures to ensure alignment with best professional practices.
- Utilizing available resources in accordance with the approved Internal Audit budget.
- Training and developing Internal Audit personnel to perform their duties efficiently and effectively, through internal training sessions as well as specialized courses, conferences, and seminars related to internal audit activities.



Scope of Work

The Internal Audit Department follows a structured and systematic approach to evaluating and improving the effectiveness of internal control systems, in order to support the achievement of the Company's objectives and safeguard its assets.

Annual Results of Internal Audit

- The Internal Audit Department carried out its activities in accordance with an agreed-upon work plan designed to cover all key activities of the Company over a three (3) year Risk-Based Audit Plan (RBAP), with focus and priority given to higher-risk activities.
- As a result of the audit visits, several key recommendations were issued, and follow-up actions were implemented through corrective measures in coordination with the audited departments and with the support of Executive Management. These audits covered multiple departments comprehensively and resulted in added value and improvements to the existing internal control system.
- The Internal Audit Department participated in conducting inventory counts at multiple plants in coordination with the relevant departments, and recommendations were issued for immediate corrective actions to strengthen controls and ensure the accuracy and integrity of inventory records.
- The Internal Audit Department also participated in the re-evaluation of the current authority matrix within the Company's Finance Department by providing key recommendations to enhance controls, improve oversight, and support greater efficiency and transparency.



The Internal Audit Department confirms that the internal control system is reasonable and adequate, and that no material deficiencies were identified during the year 2025. The Department continued to submit quarterly reports to the Audit Committee on the work performed and follow-up actions with the departments audited.

Area	Observation Name	Results of the Recommendations
Plants	AFIL & SADIP Camp Visit	During our visit to the employee's camp, we identified several minor safety and health observations that require attention and improvement. The Shared Services Department implemented the Internal Audit recommendations by addressing the issues identified during the visit and taking the necessary actions to enhance safety and health conditions within the camp.
Finance Department	Missing Authority Matrix	Based on the responses provided in the periodic reports during the year, the approved Authority Matrix was attached as requested
Plants	Shipping of SADIP	During our review at the SADIP plant, we noted that several job descriptions were outdated and did not accurately reflect current roles, responsibilities, or operational requirements. SADIP Management, in coordination with the Human Resources Department, implemented the Internal Audit recommendations by updating job descriptions to align with actual duties, ensuring clarity, accuracy, and consistency across all positions.
TAX	VAT Entries	Invoice review procedures, particularly VAT-impacting transactions, have been strengthened, and reliance on the e-invoicing system ensures accurate recording. Accordingly, the observation has been corrected.
Sales Department	Customer Master Data Management	The Sales Department implemented the Internal Audit recommendations by reviewing and updating customer records to ensure all required documentation is properly maintained and uploaded in the system. The Sales Department implemented the Internal Audit recommendations by reviewing and updating customer records to ensure all required documentation is properly maintained and uploaded in the system
Finance- Reconciliation Department	Dormant Bank Accounts with Idle Balances	Based on the responses provided in the periodic reports during the year, the bank accounts are active; however, no transactions were recorded.
Finance-Reconciliation Department	Lack Updated Policy & Procedure	Based on the responses provided in the periodic reports during the year, the latest version of the finance procedures was issued in 2018, not 2011. However, as no changes have occurred since then, an update is currently not required. The updated version will be provided once received from the Human Resources department.
Human Resources	Employee Records and Professional Memberships	During our review of employee records, we noted that certain employee files required further review to ensure completeness and compliance, particularly with respect to the validity of Engineers' and Accountants' professional memberships. The Audit Department recommended that Human Resources review these records and ensure that SCE and SOCPA memberships are valid and up to date. Human Resources implemented the recommendations accordingly.
Human Resources	Documents Upload	Management has addressed the audit recommendation and continues to ensure that required documents are consistently uploaded into the system regularly and periodically.
Human Resources (Government Relations)	Expired government platform "Muqem" Points	During our review of the relevant government platform, we noted the presence of expired points that were not utilized before their expiration. The Government Relations Department implemented the Internal Audit recommendations by establishing a tracking process to monitor platform point balances and ensuring timely utilization to prevent future expirations.

Among the things worth noting is that the Internal Audit Department has set for itself goals that are consistent with the company's directions in terms of developing new methods related to evaluating activities and operations in the company's departments and factories related to performance and raising the quality of work as follows:



Adding the (Scorecards) activity to contribute to providing more tools that help executive management evaluate the company's operations more accurately.



Developing a method for evaluating the quality of work provided by the Internal Audit Department (Quality Assurance Program).



Updating the agreements for providing consulting tasks.

On a related level, the Audit Department communicated and coordinated with the external auditor and provided all the samples he needed from the Audit Department.





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Changes in External Auditor

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Any irregularity, penalty, precautionary measure, or precautionary restriction

"The Company" did not change the external auditor during their term in which "The Company" has appointed them.

During the year 2025, no penalty, precautionary measure, or precautionary restriction was imposed on the Company by the Capital Market Authority or any supervisory, regulatory, or judicial authority.



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Employees





37.1

Management & Training:

The total number of employees in the company reached 1,756 employees in 2025G compared to 1,809 employees in 2024G, distributed as follows:

Particulars	2025	2024	Increases / (decrease)	Percentage increase (leakage)
Local Sector	1,527	1,559	-32	-2.05%
International Sector	229	250	-21	-8.40%
Total	1,756	1,809	-53	-2.93%
Number of Saudi Employees	480	521	-41	-7.87%
Percentage of Saudis in the local sector	31.5%	34%	-2.57%	-7.55%



The following training courses were provided in 2025G:

Course Name	Number of Participants
English Language – Beginner Level	13
Fundamentals of Metallurgy and Hardening & Modeling of Iron Castings	2
PLC Troubleshooting	8
Heat Stress Awareness and Prevention Methods	140
Safe Work Permit	15
Electrical Accident Investigation and Safety Report	2
Basic Safety Rules	367
Microsoft Excel – Level 1	15
Microsoft Excel – Level 2	9
Personal Protective Equipment (PPE)	74
Firefighting	33
Hazard Communication (HAZCOM)	15
Financial and Managerial Accounting Associate Certification (FMAA™)	1
Industrial Security Refresher Course	25
Forklift Operator	63
Handling Hazardous Materials	15
Safety Officers Training (Equipment Traffic Marshals)	11
Electrical Hazards	20
Total	828



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Safety & Security



“The Company” factories continued their high level of safety and security thanks to the regular training and qualification programs and training courses in all factories for all employees. “The Company” continued to approve new standards to maintain the safety and linked the incentive given to employees by achieving high safety level in their place of work. The safety efforts made by “The Company” have reflected in the drop of work incidents remarkably over the years. “The Company” invests heavily to comply with local environmental standard & obtained the presidency of metrology and environment (PME) permits for all plants.



Best Regards,
Board of Directors

