

## **Saleh Abdulaziz Al Rashed & Sons Company announces an operational update regarding subsidiaries newly established and/or invested.**

Saleh Abdulaziz Al Rashed & Sons Co. (the “**Company**”, together with its subsidiaries, the “**Group**”) announces an operational update regarding subsidiaries newly established and/or invested in by following CMA approval in connection with the Company’s initial public offering and listing on the Main Market of the Saudi Exchange.

This announcement is published prior to the first day of trading to ensure that investors have relevant information available in a complete, clear, accurate and/orderly manner.

### **1. Overview of the New Subsidiaries**

The Company incorporated and/or invested in nine entities in the Kingdom to evaluate potential land and quarry acquisitions and licensing opportunities. One of these subsidiaries, AKM Industries for Industrial Development and Investment Company (“**AKM**”), operates in ready-mix concrete.

Of the nine subsidiaries, five have already been cancelled which were incorporated and/or invested in for the purpose of obtaining additional land and quarry licenses as a result of unsuccessful bid outcomes, with no financial impact. The remaining four subsidiaries include one inactive subsidiary and three active subsidiaries:

- **SAR Newmount JV Mining Co. (Inactive):** established in October 2025G, with the Company holding 70.0 percent. directly. As part of its assessment of mining opportunities. The Company’s capital contribution amounted to approximately SAR 0.1 million, funded from internal resources;
- **Newmount Mining Co. (Active):** invested in February 2026G, with the Company holding 49.0 per cent. It pursues silica and Grade A minerals opportunities and holds two exploration licences in Riyadh. The Company’s investment amounted to SAR 5.0 million, funded from internal resources;
- **Tamouh Al-Qimmah Mining Co. (Active):** invested in February 2026G, with the Company holding 99.0 per cent. directly and indirectly. It holds a building materials quarry licence in Al Jubayl, Eastern Region, for aggregates. The Company’s investment amounted to SAR 1.2 million, funded from internal resources;
- **AKM (Active):** established in November 2025G, with the Company holding 51.0 per cent. AKM represents a natural extension of the Group’s existing construction materials platform and is currently in an early ramp-up phase for ready-mix concrete production and sales through three batching plants in Riyadh. Current production is approximately 17,000 m<sup>3</sup> per month, compared to installed capacity of approximately 100,000 m<sup>3</sup> per month. The Company contributed SAR 17.9 million from internal resources. As of 31 December 2025G and/or for the financial year ended 31 December 2025G, its assets were SAR 40,437,342, liabilities were SAR 5,596,407, revenues were SAR 3,791,750 and net profit/loss were negative SAR 159,065. Although AKM was not in existence as of 30 September 2025G, the above financial metrics would have represented approximately 7.1

per cent. of the Company's total consolidated assets, 3.3 per cent. of total liabilities, 0.7 per cent. of revenues and negative 0.24 per cent. of net profit on a consolidated basis by reference to the financial statements of the nine-month period ended 30 September 2025G. Therefore, AKM is considered a substantial subsidiary due to the total assets percentage exceeding the 5.0 per cent. threshold. The establishment of AKM exposes the Group to ready-mix concrete production and sales, which are subject to quality, performance, and compliance requirements. If the ready-mix concrete supplied does not meet applicable specifications, the Group may face customer claims, product rejection, replacement or remediation costs, and reputational damage. These operations also require effective production controls, reliable sourcing and logistics of key inputs, and disciplined management of production capacity, and any failure to manage these effectively could materially and adversely affect the Group's business and financial performance.

As of the date of this announcement, aggregate investment, costs and expenses relating to the new subsidiaries amounted to approximately SAR 30.8 million.

## **2. Company undertakings pending listing and shareholder approval**

The Company undertakes that each New Subsidiary that has not yet been liquidated has suspended all activities and has not taken any steps that would create operational or financial commitments and will not: (i) commence new operations that were not yet commenced; (ii) enter into new contracts; (iii) hire new employees; (iv) acquire new assets; or (v) incur new liabilities, in each case until both: (i) listing is completed; and (ii) the General Assembly (as defined below) approves continuation.

The Company further undertakes to include an item on the agenda of the first General Assembly (as defined below) convened following the listing (and in all cases within the timeframe specified below) to vote on whether the Company shall proceed with the continuation of the new subsidiaries or liquidate and/or divest from any new subsidiaries that have not been liquidated.

## **3. Post-listing shareholder consideration and governance**

The Company undertakes to convene an ordinary general assembly (the "**General Assembly**") within 30 days after listing to allow the public shareholders to vote on whether the Company should proceed with the New Subsidiaries that have not yet been liquidated or divest and/or liquidate them. The shareholders will be able to decide, with full disclosure, whether the New Subsidiaries that have not yet been liquidated should remain within the Group. In the event that the public shareholders resolve to divest and/or liquidate them, the selling shareholders shall undertake to complete the relevant procedures within 90 days from the date of the General Assembly.

To ensure that the decision reflects public investor preference and avoids conflicts, selling shareholders will not be permitted to vote on the relevant resolution as they are related parties and may be purchasing the New Subsidiaries that have not yet been liquidated.

#### **4. Escrow protection and economic neutrality for public investors**

To ensure that public investors are economically protected pending the General Assembly decision, the selling shareholders have provided to the Company a binding undertaking that if public shareholders vote to divest the New Subsidiaries that have not yet been liquidated, the selling shareholders (or such other purchaser as may be approved) would acquire the New Subsidiaries that have not yet been liquidated at no less than the amount of the Company's aggregate investment, costs and expenses incurred in connection with the New Subsidiaries.

The selling shareholders have also provided an undertaking to the Company pursuant to which they will be liable for any legal liabilities arising and will indemnify the Company and any other relevant party for any losses, damages, costs or expenses that may arise in connection with the Company incorporating and/or investing in the above nine subsidiaries. Any right of recourse available to the Selling Shareholders shall be solely against the third-party purchaser in the event of its breach, delay, or failure to perform its obligations and, to the extent any shortfall remains after application of such remedies, it would be borne as between the selling shareholders and the purchaser in accordance with the agreed transaction documents, without any recourse to the Company. The Company will continue to comply with its disclosure obligations following listing and will announce any material developments as and when required.