

**SALEH ABDULAZIZ AL RASHED AND SONS COMPANY**  
**(A Saudi Joint Stock Company)**

**CONSOLIDATED FINANCIAL STATEMENTS**  
**AND INDEPENDENT AUDITOR'S REPORT**  
**31 DECEMBER 2025**

SALEH ABDULAZIZ AL RASHED AND SONS COMPANY  
(A Saudi Joint Stock Company)

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CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT  
For the year ended 31 December 2025

<b>Table of Contents</b>	<b>Pages</b>
Independent auditor's report	1 – 4
Consolidated statement of financial position	5
Consolidated statement of profit or loss and other comprehensive income	6
Consolidated statement of changes in equity	7
Consolidated statement of cash flows	8 – 9
Notes to the consolidated financial statements	10 – 44

**INDEPENDENT AUDITOR’S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF SALEH ABDULAZIZ AL RASHED AND SONS COMPANY (A Saudi Joint Stock Company)**

**Opinion**

We have audited the consolidated financial statements of Saleh Abdulaziz Al Rashed And Sons Company (A Saudi Joint Stock Company) (the "Company") and its subsidiaries (collectively referred to as “the Group”), which include the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in shareholders' equity and the consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, which include a summary of the material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the Company’s consolidated financial position as at 31 December 2025, its consolidated financial performance, and its consolidated cash flows for the year then ended in accordance with the International Financial Reporting standards that are endorsed the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants.

**Basis of opinion**

We conducted our audit in accordance with the International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the consolidated Financial Statements” section of our report. We are independent from the Group in accordance with the International Code of Conduct and Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia, that is relevant to our audit of the consolidated financial statements. We have fulfilled our other ethical responsibilities in accordance with this Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key audit matters**

The key audit matters, in our professional judgment, are those matters that were of most significance in our audit of the consolidated financial statements for the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The following is a description of the key audit matters and how it was addressed:

Key audit matter	How our audit addressed the key audit matter
<p><b>Revenue recognition</b> During the year ended 31 December 2025, revenue from contracts with customers amounted to 739,521,228 ﷲ were recognized.</p> <p>Revenue recognition is considered as one of the key indicators for measuring performance and as a results there is an inherent risk of overstating revenue to increase the profit, therefore, the revenue recognition has been considered as a key audit matter.</p> <p>Please refer to the accounting policy on revenue recognition and the disclosure note related to revenue reporting.</p>	<p>Our audit procedures included , among others, the following:</p> <ul style="list-style-type: none"> <li>• The appropriateness of the Group’s accounting policies related to revenue recognition and evaluating the extent of compliance of those policies with International Financial Reporting Standard No. (15) “ Revenue from contarcts with customers” that is endorsed in the Kingdom of Saudi Arabia.</li> <li>• Examined revenue transactions on a sample basis, and verify relevant supporting documents to check the measurement and accuracy of revenue recognition.</li> </ul>

**INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF SALEH ABDULAZIZ AL RASHED AND SONS COMPANY (A Saudi Joint Stock Company) (continued)**

**Key audit matters (continued)**

Key audit matter	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> <li>Conducted some analytical procedures on recognized revenue.</li> <li>Performing a cut-off test on the timing of revenue recognition from sales after the delivery of goods to ensure that they have been recorded in the correct accounting period.</li> <li>Evaluated the adequacy of the Group's disclosures regarding revenue from contracts with customers in the consolidated financial statements</li> </ul>

**Other information**

The management is responsible for other information. Other information consists of the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon. It is expected that the annual report will be available to us after the date of our report. Our opinion on the consolidated financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or with the knowledge obtained in the audit, or it appears to be materially misstated.

When we read the annual report, when it is available to us, if we become aware of a material misstatement therein, we are required to communicate the matter to those charged with governance.

**Responsibilities of management and those charged with governance for the consolidated financial statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants and the provisions of Companies' Law and Company's By-laws, and for such internal controls as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

**INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF SALEH ABDULAZIZ AL RASHED AND SONS COMPANY (A Saudi Joint Stock Company) (continued)**

**Responsibilities of management and those charged with governance for the consolidated financial statements (continued)**

Those charged with governance, the board of directors, are responsible for overseeing the Group's financial reporting process .

**The auditor responsibilities for the audit of the consolidated financial statements**

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

As part of an audit in accordance with International Standards of Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional skepticism throughout the audit. We also do the following:

- Identify and assess the risk of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit, in order to design appropriate audit procedures according to the circumstances, and not for the purpose of expressing an opinion on the effectiveness of the Groups' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management use of the going concern basis of accounting and based on the audit evidence obtained, whether material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosure, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



**INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF SALEH ABDULAZIZ AL RASHED AND SONS COMPANY (A Saudi Joint Stock Company) (continued)**

**Auditor's responsibilities for reviewing the consolidated financial statements (continued)**

- Plan and perform the audit of the Group to obtain sufficient appropriate audit evidence regarding the consolidated financial information of entities or business activities within the Group as a basis to express an opinion on the consolidated financial statements. We are responsible for directing, supervising and auditing of the Group's accounts. We remain solely responsible for our audit opinion.

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

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

Among the matters communicated to those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the current year, accordingly, these are considered the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of communicating it reasonably outweigh the public interest of such disclosure.

For Maham Company for Professional Services

Abdulaziz Saud Al Shabeebi  
Certified Public Accountant  
License no. (339)  
Date: 19 Ramadan 1447H  
Corresponding to: 8 March 2026



SALEH ABDULAZIZ AL RASHED AND SONS COMPANY  
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Note	2025 ؄	2024 ؄
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	275,722,297	205,741,535
Right-of-use assets	7	5,224,497	4,382,276
Intangible assets	8	6,966,460	8,640,267
<b>TOTAL NON-CURRENT ASSETS</b>		<b>287,913,254</b>	<b>218,764,078</b>
<b>CURRENT ASSETS</b>			
Inventories	9	106,542,441	129,407,966
Trade receivables and notes receivable	10	80,610,550	54,942,005
Prepayments and other current assets	11	33,526,555	22,989,889
Amounts due from related parties	12	44,144,758	50,184,444
Investment in financial instruments at fair value through profit or loss	13	17,223,482	4,476,665
Cash and cash equivalents	14	60,344,504	25,914,252
<b>TOTAL CURRENT ASSETS</b>		<b>342,392,290</b>	<b>287,915,221</b>
<b>TOTAL ASSETS</b>		<b>630,305,544</b>	<b>506,679,299</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Capital	15	186,000,000	186,000,000
Reserve	16	150,000	150,000
Retained earnings		235,442,284	170,444,464
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>421,592,284</b>	<b>356,594,464</b>
Non-controlling interests		17,107,463	19,270
<b>TOTAL EQUITY</b>		<b>438,699,747</b>	<b>356,613,734</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Lease liability - non-current portion	7	1,647,670	1,559,728
Murabaha financing – non-current portion	17	-	10,666,668
Employees defined benefits obligations	18	16,129,709	11,453,509
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>17,777,379</b>	<b>23,679,905</b>
<b>CURRENT LIABILITIES</b>			
Accounts payable		73,715,144	44,652,404
Accrued expenses and other current liabilities	19	41,406,632	40,808,325
Murabaha financing – current portion	17	52,218,368	34,466,798
Lease liabilities - current portion	7	2,009,140	2,130,339
Zakat provision	20	4,479,134	4,327,794
<b>TOTAL CURRENT LIABILITIES</b>		<b>173,828,418</b>	<b>126,385,660</b>
<b>TOTAL LIABILITIES</b>		<b>191,605,797</b>	<b>150,065,565</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>630,305,544</b>	<b>506,679,299</b>

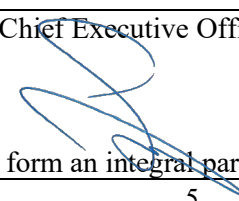
Mohammad Ayyad

Chief Executive Officer of  
Finance



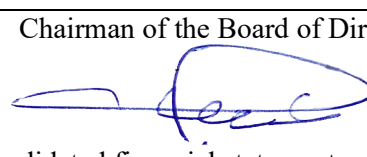
Saud Al Rashed

Chief Executive Officer



Abdulaziz Al Rashed

Chairman of the Board of Directors



The accompanying notes from 1 to 36 form an integral part of these consolidated financial statements.

SALEH ABDULAZIZ AL RASHED AND SONS COMPANY  
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
For the year ended 31 December 2025

	Note	2025 س	2024 س
Revenue	21	739,521,228	599,584,163
Cost of revenue	22	(575,558,749)	(492,890,316)
<b>GROSS PROFIT</b>		<b>163,962,479</b>	<b>106,693,847</b>
<b>EXPENSES</b>			
General and administrative expenses	23	(57,552,966)	(41,352,014)
Selling and marketing expenses	24	(2,193,012)	(2,137,147)
<b>PROFIT FROM OPERATIONS</b>		<b>104,216,501</b>	<b>63,204,686</b>
Finance cost	25	(4,723,949)	(4,654,704)
Other (losses) income, net	26	(3,642,806)	5,437,643
<b>PROFIT BEFORE ZAKAT</b>		<b>95,849,746</b>	<b>63,987,625</b>
Zakat	20	(4,284,669)	(4,300,062)
<b>NET PROFIT FOR THE YEAR</b>		<b>91,565,077</b>	<b>59,687,563</b>
Net profit for the year (loss for the year) attributable to:			
Shareholders of the company		91,656,884	59,688,293
Non-controlling interests		(91,807)	(730)
		<b>91,565,077</b>	<b>59,687,563</b>
<b>OTHER COMPREHENSIVE LOSS</b>			
<i>Item not to be reclassified to the Income Statement</i>			
Loss from remeasurement of defined benefit obligations	18	(2,479,064)	(1,684,389)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>89,086,013</b>	<b>58,003,174</b>
Net comprehensive income for the year (comprehensive loss for the year) attributable to:			
Shareholders of the company		89,177,721	58,003,904
Non-controlling interests		(91,708)	(730)
		<b>89,086,013</b>	<b>58,003,174</b>
<b>EARNING PER SHARE</b>			
Basic and diluted earnings per share from net income attributable to shareholders of the Company	29	4.93	3.21

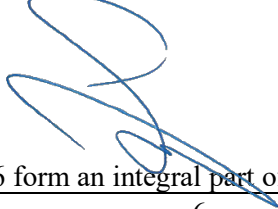
Mohammad Ayyad

Chief Executive Officer of  
Finance



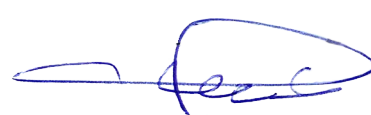
Saud Al Rashed

Chief Executive Officer



Abdulaziz Al Rashed

Chairman of the Board of Directors



The accompanying notes from 1 to 36 form an integral part of these consolidated financial statements.

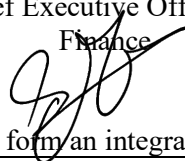
SALEH ABDULAZIZ AL RASHED AND SONS COMPANY  
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

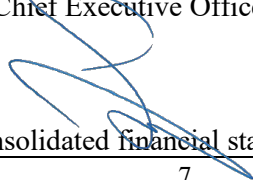
For the year ended 31 December 2025

	Attributable to shareholders of the Company				Non-controlling interests #	Total equity #
	Share capital #	Reserves #	Retained earnings #	Total #		
Balance as at 1 January 2024	186,000,000	150,000	121,740,560	307,890,560	-	307,890,560
Net profit for the year	-	-	59,688,293	59,688,293	(730)	59,687,563
Other comprehensive loss for the year	-	-	(1,684,389)	(1,684,389)	-	(1,684,389)
Total comprehensive income for the year	-	-	58,003,904	58,003,904	(730)	58,003,174
Non-controlling interest arising from business combinations (Note 28)	-	-	-	-	20,000	20,000
Dividends	-	-	(9,300,000)	(9,300,000)	-	(9,300,000)
<b>As at 31 December 2024</b>	<b>186,000,000</b>	<b>150,000</b>	<b>170,444,464</b>	<b>356,594,464</b>	<b>19,270</b>	<b>356,613,734</b>
As at 1 January 2025	186,000,000	150,000	170,444,464	356,594,464	19,270	356,613,734
Net profit for the year	-	-	91,656,884	91,656,884	(91,807)	91,565,077
Other comprehensive loss for the year	-	-	(2,479,064)	(2,479,064)	-	(2,479,064)
Total Comprehensive income for the year	-	-	89,177,820	89,177,820	(91,807)	89,086,013
Non-controlling interest arising from the establishment of a subsidiary (Note 1)	-	-	-	-	17,180,000	17,180,000
Dividends	-	-	(24,180,000)	(24,180,000)	-	(24,180,000)
<b>Balance as at 31 December 2025</b>	<b>186,000,000</b>	<b>150,000</b>	<b>235,442,284</b>	<b>421,592,284</b>	<b>17,107,463</b>	<b>438,699,747</b>

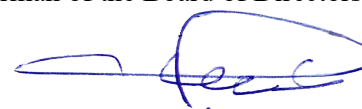
Mohammad Ayyad  
Chief Executive Officer of  
Finance



Saud Al Rashed  
Chief Executive Officer



Abdulaziz Al Rashed  
Chairman of the Board of Directors



The accompanying notes from 1 to 36 form an integral part of these consolidated financial statements.

SALEH ABDULAZIZ AL RASHED AND SONS COMPANY  
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	2025 ﷲ	2024 ﷲ
<b>OPERATING ACTIVITIES</b>		
Profit before zakat	95,849,746	63,987,625
<b>Amendments to:</b>		
Depreciation of property, plant and equipment	55,533,940	51,113,650
Depreciation of right-of-use assets	2,162,981	2,125,819
Amortization of intangible assets	1,784,138	599,947
Current service cost of defined benefit obligations – provided	2,970,827	2,603,085
Finance costs	4,723,949	4,654,704
Reversal of a provision that is no longer required for expected credit losses – trade receivables	(41,226)	(600,308)
Expense of provision for impairment – prepayments and other current assets	7,133,110	-
Allowance for impairment provision expense – related parties	447,697	-
Provision for inventory impairment	1,482,726	2,001,329
Loss (gain) from revaluation of investments in financial instruments at fair value through profit or loss	7,699,804	(324,691)
Gain from sale of investment in financial instruments measured at fair value through profit or loss	(781,374)	(1,733,257)
Gains on disposal of property, plant, and equipment	(563,880)	(1,386,335)
Losses on write-off of intangible assets	15,698	3,933
Gains on disposal of right-of-use assets	(23,367)	(4,413)
	<b>178,394,769</b>	<b>123,041,088</b>
<b>Changes in operating assets and liabilities:</b>		
Trade receivables and notes receivable	(25,627,319)	(8,174,370)
Prepayments and other current assets	(17,669,776)	91,527
Inventories	16,343,906	(9,179,163)
Trade payables	29,062,740	4,968,739
Amounts due from / to related parties	5,591,989	(30,075,792)
Accrued expenses and other current liabilities	598,307	14,752,576
Cash from operations	<b>186,694,616</b>	<b>95,424,605</b>
Zakat paid	(4,133,329)	(4,094,950)
Employees defined benefit obligations paid	(1,354,753)	(1,423,663)
Finance costs paid	(3,820,363)	(3,783,011)
Net cash from operating activities	<b>177,386,171</b>	<b>86,122,981</b>
<b>INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(133,819,495)	(59,986,170)
Additions to intangible assets	(126,029)	(7,874,248)
Proceeds from disposal of property, plant, and equipment	13,907,566	4,484,476
Proceeds from disposal of right-of-use assets	42,183	-
Additions to investments in financial instruments at fair value through profit or loss	(24,213,624)	(3,679,289)
Proceeds from sale of investments in financial instruments at fair value through profit or loss	4,548,377	6,601,896
Investment in subsidiaries, net of consideration Paid	-	(8,075,000)
Net cash used in investing activities	<b>(139,661,022)</b>	<b>(68,528,335)</b>

The accompanying notes from 1 to 36 form an integral part of these consolidated financial statements.

SALEH ABDULAZIZ AL RASHED AND SONS COMPANY  
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the year ended 31 December 2025

	2025 س	2024 س
<b>FINANCING ACTIVITIES</b>		
Repayment of lease liability	(3,379,799)	(3,259,890)
Non-controlling interests arising from establishment of a subsidiary	17,180,000	20,000
Murabaha financing – proceeds	112,273,978	163,882,034
Murabaha financing – repayments	(105,189,076)	(154,572,568)
Dividends	(24,180,000)	(9,300,000)
Net cash used in financing activities	<u>(3,294,897)</u>	<u>(3,230,424)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents at the beginning of the year	25,914,252	11,550,030
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u><b>60,344,504</b></u>	<u><b>25,914,252</b></u>
<b><u>SIGNIFICANT NON-CASH TRANSACTIONS:</u></b>		
Transfer from inventory to property, plant and equipment	(5,038,893)	(7,911,276)
Transferred from property, plant and equipment to intangible assets	-	1,144,250
Additions to lease contracts and lease liabilities	<u>(3,085,935)</u>	<u>1,158,454</u>

Mohammad Ayyad

Chief Executive Officer of  
Finance

Saud Al Rashed

Chief Executive Officer

Abdulaziz Al Rashed

Chairman of the Board of Directors

SALEH ABDULAZIZ AL RASHED AND SONS COMPANY  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

**1- GENERAL INFORMATION**

Saleh Abdulaziz Al Rashed and Sons Company (the "Company") is a Saudi Joint Stock Company established in accordance with the provisions of the Companies Law and registered in the Kingdom of Saudi Arabia under Commercial Registration No. 1010008417 dated 12 Rajab 1395 AH (corresponding to 22 July 1975).

The Company's registered address is Al-Aziziyah District, Riyadh, Kingdom of Saudi Arabia, P.O. Box: 4293, Riyadh 11491.

The Company's activities include importing, exporting, and wholesale and retail trading in crushers, crusher spare parts, building materials, and graded aggregates; purchasing land for building construction; investing in these buildings through cash sales, installments, or leasing for the Company; managing, maintaining, and developing real estate; purchasing and owning real estate for the Company; and selling, purchasing, and exploiting real estate and land for the Company.

The Capital Market Authority (the Authority) announced the issuance of a resolution by the Authority's Board dated 30 Rabi' Al-Awwal 1447H corresponding to 22 September 2025, approving the request of Saleh Abdulaziz Al-Rashed & Sons Company ("the Company") to register its shares and offer (5,580,000) shares for public offering, representing 30% of the Company's total shares, on the Main Market ("TASI").

The Company conducts its activities through the following branches, whose assets, liabilities, and results have been included in the consolidated financial statements:

Branch	CR No	Date	City
Saleh Abdulaziz Al Rashed and Sons Company	1010440978	08/04/1437 H	Riyadh
Saleh Abdulaziz Al Rashed and Sons Company	1120100785	06/11/1440 H	Rumah
Saleh Abdulaziz Al Rashed and Sons Company Branch	2031105350	27/06/1442 H	Al-Ahsa
Saleh Abdulaziz Al Rashed and Sons Company	1110000810	22/01/1435 H	Dhurma
Saleh Abdulaziz Al Rashed and Sons Company	1010829013	29/02/1444 H	Riyadh
Saleh Abdulaziz Al Rashed and Sons Company	4651103758	28/03/1444 H	Al-Ula
Saleh Abdulaziz Al Rashed and Sons Company	4030417830	27/10/1442 H	Jeddah
Saleh Abdulaziz Al Rashed and Sons Company	1120001936	12/02/1437 H	Rumah
Environmental Exports Maintenance Company	1010440977	08/04/1437 H	Riyadh
Saleh Abdulaziz Al Rashed and Sons Company	5900120939	06/04/1441 H	Jizan
Saleh Abdulaziz Al Rashed and Sons Company	3550126764	25/05/1444 H	Tabuk
Saleh Abdulaziz Al Rashed and Sons Company for Trading	5855032113	12/04/1430 H	Khamis Mushait Al-Medina Al-Munawarah
Saleh Abdulaziz Al Rashed and Sons Company Branch	4650227710	27/06/1442 H	Munawarah
Saleh Abdulaziz Al Rashed and Sons Company	3554102049	07/08/1444 H	Tayma

The following is a statement of the subsidiaries included in these consolidated financial statements:

Company	Country of incorporation	Direct and actual ownership percentage	
		2025	2024
Quality Rocks Mining Company (One-Person Company) (A)	Riyadh	100%	100%
Dorra Al-Mobani Company for Mining (One-Person Company) (B)	Riyadh	100%	100%
Alramal Alhamra Company for Mining (One-Person Company) (C)	Riyadh	100%	100%
National Shield Company for Mining (Limited Liability Company) (D)	Riyadh	80%	80%
SAR Mining for Industrial Development and Investment Company (E)	Riyadh	100%	-
SAR New Mount JV Mining Company (F)	Riyadh	70%	-
AKM Industries for Development and Investment Company (G)	Riyadh	51%	-

SALEH ABDULAZIZ AL RASHED AND SONS COMPANY  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
31 December 2025

**1- GENERAL INFORMATION (continued)**

The following is the subsidiary company of Quality Rocks Mining Company:

<u>Company</u>	<u>Country of incorporation</u>	<u>Direct and actual ownership percentage</u>	
		<u>2025</u>	<u>2024</u>
Sand Resources for Industrial Development and Investment Company (One-Person Company)	Riyadh	100%	-

A) On 9 December 2025, the Company resolved to establish Sand Resources for Industrial Development and Investment Company (One-Person Company). The company specializes in operating quarries, sand or aggregates mines, crushers, and land freight transport of goods. The company is registered under the Unified Commercial Register No. 7052891657 dated 18 Jumada al-Akhirah 1447 H, corresponding to 9 December 2025.

B) On October 3, 2024, the Company acquired 100% of the voting shares in Dorra Al-Mobani Company for Mining (One-Person Company). The Company specializes in the construction of roads, streets, pavements, and road-related facilities, as well as the operation of quarries, and the sale of aggregates and sand. It is registered under Commercial Register No. 1010817100 dated 7 Muharram 1444 H, corresponding to 5 August 2022 (Note 28).

The following is a subsidiary of Dorra Al-Mobani Company for Mining:

<u>Company</u>	<u>Country of incorporation</u>	<u>Direct and actual ownership percentage</u>	
		<u>2025</u>	<u>2024</u>
Rawasikh Tuwaiq for Industrial Development and Investment (One-Person Company)	Riyadh	100%	-

On 10 December 2025, the Company resolved to establish Rawasikh Tuwaiq for Industrial Development and Investment (One-Person Company). The Company specializes in operating quarries, sand or aggregates mines, crushers, and land freight transport of goods. It is registered under the Unified Commercial Registration No. 7052914012 dated 19 Jumada Al-Akhirah 1447H, corresponding to 10 December 2025.

C) On 4 October 2024, the Company acquired 100% of the voting shares in Alramal Alhamra Company for Mining (One-Person Company), which specializes in operating quarries and sand or aggregates mines. It is registered under Commercial Registration No. 1010849331 dated 3 Jumada Al-Awwal 1444H, corresponding to 22 December 2022 (Note 28).

The following is a subsidiary of Alramal Alhamra Company for Mining (One-Person Company)

<u>Company</u>	<u>Country of incorporation</u>	<u>Direct and actual ownership percentage</u>	
		<u>2025</u>	<u>2024</u>
Jawdat Alrimal Alhamra Company for Industrial Development and Investment (One-Person Company)	Riyadh	100%	-

On 10 December 2025, the Company resolved to establish Jawdat Alrimal Alhamra Company for Industrial Development and Investment (One -Person Company). The company specializes in operating quarries, sand or aggregates mines, crushers, and land freight transport of goods. It is registered under the Unified Commercial Registration No. 7052910986 dated 19 Jumada Al-Akhirah 1447H, corresponding to 10 December 2025.

SALEH ABDULAZIZ AL RASHED AND SONS COMPANY  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

31 December 2025

**1- GENERAL INFORMATION (continued)**

- D) On 20 November 2024, the Company resolved to establish National Shield Company for Mining (A Limited Liability Company). The Company specializes in operating quarries, sand or aggregates mines, crushers, and land freight transport of goods. It is registered under Commercial Registration No. 1009138756 dated 18 Jumada Al-Awwal 1446H, corresponding to 20 November 2024.
- E) On 7 December 2025, the Company resolved to establish SAR Mining for Industrial Development and Investment Company (One-Person Company). The Company specializes in operating quarries, sand or aggregates mines, crushers, and land freight transport of goods. It is registered under the Unified Commercial Registration No. 7052861494 dated 16 Jumada Al-Akhirah 1447H, corresponding to 7 December 2025.

The following is a subsidiary of SAR Mining for Industrial Development and Investment Company:

<u>Company</u>	<u>Country of incorporation</u>	<u>Direct and actual ownership percentage</u>	
		<u>2025</u>	<u>2024</u>
Rawasekh Al-Himmah for Industrial Development and Investment Company (One-Person Company)	Riyadh	100%	-

On 10 December 2025, the Company resolved to establish Rawasekh Al-Himmah for Industrial Development and Investment Company (One-Person Company). The Company specializes in operating quarries, sand or aggregates mines, crushers, and land freight transport of goods. It is registered under the Unified Commercial Registration No. 705911653 dated 19 Jumada Al-Akhirah 1447H, corresponding to 10 December 2025.

- F) On 9 October 2025, the Company resolved to establish SAR New Mount JV Mining Company (One-Person Company). The Company specializes in operating quarries, sand or aggregates mines, crushers, and land freight transport of goods. It is registered under the Unified Commercial Registration No. 7052006199 dated 17 Rabi' Al-Thani 1447H, corresponding to 9 October 2025.
- G) On 13 November 2025, the Company resolved to establish AKM Industries for Industrial Development and Investment Company (A Limited Liability Company). The Company specializes in operating quarries, sand or aggregates mines, crushers, land freight transport of goods, and ready-mix concrete. It is registered under the Unified Commercial Registration No. 7052552747 dated 22 Jumada Al-Awwal 1447H, corresponding to 13 November 2025.

**2- BASIS OF PREPARATION**

**2-1 Statement of Compliance**

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”) (collectively referred to as “IFRS as endorsed in KSA”).

**2-2 Basis of Measurement**

These consolidated financial statements have been prepared under the historical cost convention, except for certain assets, which are investments in financial instruments carried at fair value through profit or loss, and the recognition of defined benefit obligations at the present value of future obligations using the projected unit credit method.

**2-3 Functional and presentation currency**

These consolidated financial statements are presented in Saudi Riyals (ﷲ), which is the functional currency of the Group.

## 2- BASIS OF PREPARATION (continued)

### 2-4 New and Amended Standards and Interpretations

The Group has applied for the first time the following standards and amendments, effective for periods beginning on or before 1 January 2025, and which have no impact on the Group's financial statements:

- Amendments to International Accounting Standard (IAS 21): Lack of exchangeability between a currency and a foreign currency

### 2-5 Standards issued but not yet effective

Following are the new standards and amendments to standards that are effective for annual periods beginning on or after 1 January 2026, and earlier application is permitted, but which have not been applied by the Company in the preparation of these consolidated financial statements. The Company is currently evaluating the impact of applying these standards on the financial statements.

Standard, amendment, or interpretation	Effective Date
• Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments.	1 January 2026
• Issue 11: Annual Improvements to International Financial Reporting Standards.	1 January 2026
• Amendments to IFRS 9 and IFRS 7: Power Purchase Agreements.	1 January 2026
• IFRS 18: Presentation and Disclosure in Financial Statements - replaces IAS 1: Presentation of Financial Statements.	1 January 2027
• IFRS 19: Subsidiaries without Public Accountability.	1 January 2027
• Amendments to IFRS 10 and IFRS 28: Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture.	Not yet determined

## 3- BASIS OF CONSOLIDATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements comprise the consolidated financial statements of the Company and its subsidiaries (collectively referred to as the ("Group")) as at 31 December 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In particular, the Group controls an investee only when the Group has:

- Power over the investee company (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure to risks and has rights to receive variable returns through its relationship with the investee; and
- The ability to use its power over the investee to affect its returns.

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

- Contractual arrangements with the voting rights holders of other members of the investee group,
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.

The Group reassesses whether or not it exercises control over an investee when facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary shall commence upon the group taking control of the subsidiary and shall cease upon the group relinquishing the exercise of such control.

The assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to exercise such control.

### 3- BASIS OF CONSOLIDATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

Profit or loss and each component of other comprehensive income (OCI) are attributed to the shareholders of the parent company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. Where necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies in line with those of the Group. All intra-group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between Group companies are eliminated in full consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the related assets (including goodwill) and liabilities of the subsidiary;
- Derecognizes the carrying value of any non-controlling interests;
- Recognizes the consideration received at fair value;
- Recognizes any investment retained at fair value; &
- Recognizes any surplus or deficit in profit or loss.

Reclassifying shareholders' share of items previously recognized in other consolidated comprehensive income to profit or loss or retained earnings, as appropriate, and as would be required if the Group had directly disposed of the related assets or liabilities.

### 4- SIGNIFICANT ACCOUNTING JUDGEMENTS, ASSUMPTIONS AND ESTIMATES

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including future expectations.

#### **Key sources of estimation uncertainty**

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below.

#### Inventory quantities

The inventory consists of finished production—primarily graded aggregate products—as well as raw materials represented by bulk rocks stored in piles. Since direct weight measurement is not feasible, the Group's management estimates the quantities at year-end by measuring the piles and converting them into volume units using field surveys and appropriate techniques, applying the relevant density factors. Management possesses technical expertise and suitable tools to carry out measurement and estimation with a reasonable degree of reliability and engages external surveyors for certain sites when necessary. Density conversion factors are then applied based on standardized practices used for similar graded aggregate inventory within the industry, in order to arrive at a reasonable and reliable estimate of inventory quantities.

#### Estimated useful lives of property, plant and equipment

The Group's management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the useful lives and residual value, when necessary, future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

#### Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groups of various customer segments that have similar loss patterns (i.e. in terms of geographic area, product type, customer type, price, and hedge by letters of credit and other forms of credit guarantees).

#### 4- SIGNIFICANT ACCOUNTING JUDGMENTS, ASSUMPTIONS AND ESTIMATES (continued)

##### Key sources of estimation uncertainty (continued)

###### Provision for expected credit losses on trade receivables (continued)

The provision matrix is initially based on the historical observed default rates. The group calibrates the matrix to adjust historical credit loss experience with forward-looking information. For example, if economic conditions (i.e., GDP) are expected to deteriorate over the coming year, potentially leading to an increased number of defaults in a particular sector, historical default rates are adjusted. At each reporting date, observed historical default rates are updated, and an analysis is performed to account for the changes in forward-looking estimates. Evaluating the interrelationship between observed historical default rates, forecasted economic conditions, and expected credit losses is a significant estimate. The amount of expected credit losses is affected by changes in forecasted economic conditions and circumstances. Furthermore, the Group's historical credit losses and forecast economic circumstances may not be indicative of a customer's actual future default.

###### Impairment of non-financial assets

Impairment occurs when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. Fair value less costs to sell is calculated based on available data from binding sales transactions conducted under arm's length conditions for similar assets or observable market prices less incidental costs to the disposal of the asset. Value in use is calculated using the discounted cash flow method. The Group's management determines the lease term with renewal and termination options.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

###### Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgements and estimates of the outcome of future events.

###### Impairment of inventory

Inventory is stated at the lower of cost or market value. When inventory becomes old or obsolete, an estimate of its market value is made. For individually significant amounts, this estimate is made for each amount separately for amounts that are individually immaterial but considered old or obsolete, they are collectively assessed and the provision is made based on type of inventory and its age or degree of obsolescence based on historical selling prices.

###### Going concern

These consolidated financial statements have been prepared on a going concern basis. The Group's management has conducted an assessment of the Group's ability to continue to as going concern and the opinion that the Group has sufficient resources to continue to operate in the future. Furthermore, Management is not aware of any material uncertainty that would cast doubt on the Group's ability to continue as going concern.

###### Zakat liabilities and zakat and tax position for years not yet agreed with the ZATCA

The zakat provision presented in the consolidated statement of financial position represents the management's best estimate for the outstanding obligation for the years which have not yet been agreed with Zakat, Tax and Customs Authority ("ZATCA").

The zakat base has been calculated based on the management understanding of the zakat and tax regulations that are applied in the Kingdom of Saudi Arabia. The zakat and tax regulations in Saudi Arabia are subject to different interpretations and the assessments that might be raised by ZATCA may differ from the declarations filed by the Group.

## 5- MATERIAL ACCOUNTING POLICIES

The following are the accounting policies applied in the preparation of these consolidated financial statements:

### **Current versus non-current classification**

The Group presents assets and liabilities in the statement of consolidated financial position based on their current/non-current classification. An asset is current when:

- a) it expects to realize the asset, or intends to sell or consume it, in the Group's normal operating cycle;
- b) it holds the asset primarily for the purpose of trading;
- c) it expects to realize the asset within twelve months after the reporting date; or
- d) the asset is cash or a cash equivalent, unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date

The Group shall classify all other assets as non-current. When the Group normal operating cycle is not clearly identifiable, its duration is assumed to be twelve months.

The Group classifies a liability as current when:

- a) it expects to settle the liability in the Group's normal operating cycle;
- b) it holds the liability primarily for the purpose of trading;
- c) the liability is due to be settled within twelve months after the reporting date; or
- d) the entity does not have unconditional right to defer settlement of the liability for at least twelve months after reporting date.

The Group classifies all other liabilities as non-current liabilities.

### **Cash and cash equivalents**

Bank balances include cash deposited with local banks, cash on hand. These balances are subject to an immaterial risk of changes in value.

### **Inventories**

Inventory is initially measured at cost, which includes purchase costs, conversion costs and other costs incurred in bringing the inventories to their current location and condition. The Group uses the weighted average cost method when measuring inventories. Under the weighted average cost formula, the cost of each item is determined based on the weighted average cost of similar items at the beginning of a given period and the cost of similar items purchased during the year. Inventories are subsequently measured at the lower of cost or net realizable value.

### Impairment

At each reporting date, inventory is assessed for impairment. If the inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognized immediately in profit or loss in the consolidated statement of profit and loss and other comprehensive income.

### **Financial instruments**

Financial assets, upon initial recognition and subsequently measured at amortized cost, are classified as fair value through other comprehensive income (FVTOCI) and fair value through profit or loss (FVTPL).

The classification of financial assets upon initial recognition depends on the cash flow characteristics of the financial asset and the Group's business model for managing it.

### Initial recognition and measurement

Financial assets and financial liabilities are initially measured at fair value. Upon initial recognition, transaction costs relating directly to the acquisition or issuance of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets and financial liabilities, as appropriate. Transaction costs directly related to the acquisition of financial assets measured at fair value through profit or loss are recognized directly in the consolidated statement of profit or loss and other comprehensive income

### Financial assets

#### Subsequent measurement for financial instruments

The Group has the following financial assets:

## 5- MATERIAL ACCOUNTING POLICIES (continued)

### Financial instruments (continued)

#### Financial assets at amortized cost:

This category includes accounts receivable, notes receivable, and amounts due from related parties. Financial assets are measured at amortized cost only if the following two conditions are met and are not included at FVTPL:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise, on specified dates, to cash flows that represent "Solely Payments of Principal and Interest" on the principal amount outstanding (the SPPI criterion).

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

#### Equity investments held at fair value through profit or loss

Equity investments classified as held at fair value through profit or loss unless they are designated as equity investments not held for trading or are contingent consideration arising in a business combination, are measured at fair value through other comprehensive income upon initial recognition.

#### Reclassification

Financial assets shall not be reclassified after initial recognition, except for a period after the Group changes the financial asset management business model.

#### Impairment of financial assets

The Group applies the simplified method stipulated in IFRS 9 to measure expected lifetime credit losses on trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on historical credit losses of the Group, restated for factors related to debtors, general economic conditions, and an assessment of both the current and expected market trends at the reporting date, including the time value of cash, if appropriate.

#### Derecognition of financial assets

The Group derecognizes financial assets only when the rights to receive cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership, nor transfers control of the asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it would have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset.

When a financial asset measured at amortized cost is derecognized, the difference between the asset's carrying amount and the amount of consideration received or receivable is recognized in the consolidated statement of profit or loss and other comprehensive income. Conversely, when the Group derecognizes an equity investment that the Group chose to measure at fair value through other comprehensive income upon initial recognition, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to the consolidated statement of profit or loss and other comprehensive income but is transferred to retained earnings.

#### Financial liabilities

The Group classifies its financial liabilities as measured at amortized cost or fair value through profit or loss. Financial liabilities are classified at fair value through profit or loss if they are classified as financial liabilities acquired for trading, as derivatives or allocated as such upon initial recognition.

The Group's financial liabilities include trade payables, other accounts payable, and Murabaha financing.

## 5- MATERIAL ACCOUNTING POLICIES (continued)

### Financial instruments (continued)

#### Financial liabilities (continued)

##### Subsequent measurement for financial liabilities

All liabilities of the Group are measured at amortized cost.

##### Derecognition of financial liabilities

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

##### Off-set of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

### Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. When these assets are created internally, their cost includes all the amounts necessary to bring the asset to its current state and location to be ready for its intended use by the Group. This excludes all other costs such as general and administrative expenses and training costs. Any costs for the business case are charged to expense as incurred unless they relate to a specific asset that is created internally and directly attributable to it.

The Group adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of that item when the cost is incurred if the replacement part is expected to generate additional future benefits to the Group; and the carrying amount of the replaced part is derecognized. All other repair and maintenance expenses are charged directly to profit or loss in the consolidated statement of comprehensive income and loss during the period in which they are incurred.

Asset depreciation is charged to spread the cost of assets less their estimated residual value over their estimated useful lives using the straight-line method.

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are recognized in profit or loss in the consolidated statement of profit and loss and other comprehensive income. Major spare parts are eligible for recognition as plant and equipment when the Group expects to use them for more than one year. Transfers are made to the relevant operating assets category when these items are available for use.

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets as follows.

<u>Property, plant and equipment category</u>	<u>Years</u>
Buildings and caravans	10-20
Machinery and equipment	5
Vehicles	5-7
Furniture and fixture	4
Electrical appliances	4
Leasehold improvements	10 or the lease term, whichever is less

## 5- MATERIAL ACCOUNTING POLICIES (continued)

### Property, plant and equipment (continued)

Residual values, useful lives and depreciation methods for assets are reviewed and adjusted prospectively, if appropriate, at the end of each financial period. Any item of property, plant and equipment and any significant portion thereof that is initially recognized shall be derecognized when it is retired or when there are no expected future benefits from its use. Any gains or losses arising from the derecognition of the asset (which are calculated as the difference between the net disposal proceeds and the carrying amount of the asset) are recognized in profit or loss in the consolidated statement of profit and loss and other comprehensive income.

### Intangible assets

Intangible assets acquired separately are measured at cost upon initial recognition. Subsequent to initial recognition, intangible assets are recorded at cost less any accumulated amortization and any accumulated impairment losses, if any.

The useful lives of intangible assets are classified as either “finite” or “indefinite”. Intangible assets with finite lives are amortized over their estimated economic useful lives and assessed for impairment whenever there is any indication that the intangible asset may be impaired. The amortization period and method for any intangible asset with a finite useful life are reviewed at least at each financial year end.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits associated with the asset are accounted for by changing the amortization period or method, where appropriate, and are treated as changes in accounting estimates. Amortization expense for intangible assets with finite lives is recognized in the consolidated statement of profit or loss and other comprehensive income within the expense category consistent with the function of the intangible asset.

Intangible assets with finite useful lives are amortized as follows:

<i>Intangible Assets Category</i>	<i>years</i>
Computer Software	10 years
Mining license	5 years

### Leases

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

#### *Group as lessee*

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

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

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section “Impairment of non-financial assets”. The right-of-use asset is depreciated using the straight-line method over the lease term or the estimated useful lives of the assets. The lease term for workers' housing, warehouses, and land is estimated to be between 2 and 15 years.

## 5- MATERIAL ACCOUNTING POLICIES (continued)

### Leases (continued)

#### Group as lessee (continued)

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### Short-term leases and leases of low-value asset

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

#### Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of profit and loss and comprehensive profit due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Leases are classified, upon inception, as finance leases or operating leases. Leases in which the Group transfers substantially all the risks and rewards of ownership are classified as finance leases.

#### **Impairment of non-financial assets**

The Group assesses, at each consolidated reporting date, whether there is an indication that a non-financial asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's (or CGU's) fair value, less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset (or CGU) exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-zakat discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The group impairment calculation is based on the detailed budget and forecast calculations which are prepared separately for each of the group CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a five-year period. For longer periods, a long-term growth rate is calculated and applied to projected future cashflows after the budget period.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior years. A reversal of an impairment loss is recognized in profit or loss in the consolidated statement of profit or loss and other comprehensive income.

## 5- MATERIAL ACCOUNTING POLICIES (continued)

### Employees benefits

#### Short-term employees' benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and air tickets, that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. The liability is recorded at the undiscounted amount of the benefits expected to be paid in exchange for that service.

#### End of service benefits for employees

The defined benefit obligation for employees is determined using the expected credit unit method, in addition to the actuarial valuations performed at the end of each fiscal year. Re-measurements, including actuarial gains and losses, are shown immediately in the consolidated statement of financial position with the increase or decrease shown in other comprehensive income in the period in which they occur. Recognized remeasurements within other comprehensive income are immediately shown in retained earnings and will not be reclassified to the consolidated statement of profit and loss and other comprehensive income in subsequent periods.

Changes in the present value of the defined benefit obligation, resulting from programmed adjustments or direct labor reductions, are recognized directly in the consolidated statement of profit and loss and other comprehensive income as pre-service costs. The commission is calculated by applying the discount rate at the beginning of the period to the net defined benefit liabilities or assets.

Defined benefit assets or liabilities consist of the present value of defined benefit liabilities, less past service costs and the present value of program assets from which the liabilities must be paid. At present, the program is not funded and has no assets.

### Provisions

Provisions are recognized when there are existing (legal or constructive) obligations on the Group arising from past events, and it is probable that the use of resources involving economic benefits will be required to settle the obligation, so that the amount of the obligation can be reliably estimated. Where the Group expects to recover part or all of the provision, for example under an insurance contract, amounts recovered are recognized as a separate asset only when the recovery is virtually certain. The expense relating to the provision is presented in the consolidated statement of profit and loss and other comprehensive income net of any recoveries. If the effect of the time value of money is material, provisions are discounted using a current pre-Zakat rate that reflects, where appropriate, the risks specific to liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

### Zakat and value added tax

#### Zakat

The Group is subjected to zakat in accordance with the Zakat, Tax and Customs Authority's Regulations ("ZATCA"). A provision of zakat shall be charged to the consolidated statement of profit or loss and other comprehensive income. Differences, if any, at the finalization of assessments are accounted for when such amounts are determined in accordance with the requirements of International Accounting Standard 8 "Accounting Policies, Changes in Accounting Estimates and Errors" endorsed in the Kingdom of Saudi Arabia.

#### Value added tax

Revenues, expenses and assets are recognized net of the of value added tax (VAT), except when the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in such case, the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable. Trade receivables and payables are stated with the amount of value added tax included. The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

## 5- MATERIAL ACCOUNTING POLICIES (continued)

### Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal market or the most advantageous market must be accessible to the Group. The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities; that can be obtained at the measurement date;

Level 2 —Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly (such as prices) or indirectly observable;

Level 3 —Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Group determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement.

At each reporting date, the Group analyses the movements in the values of assets and liabilities, which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Group also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable for the purpose of fair value disclosures. The Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as described above.

## 5- MATERIAL ACCOUNTING POLICIES (continued)

### Revenue recognition

The Group recognizes revenue under IFRS No. (15) using the five-step model:

Step 1: Identify the contract with the client	A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and specifies the standards for each contract that must be met.
Step 2: Identify the performance obligations	A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
Step 3: Determine the transaction price	The transaction price is the amount of consideration that the Group expects to receive in exchange for transferring the goods or services promised to the customer, excluding amounts collected on behalf of third parties.
Step 4: Allocate the transaction price to the performance obligation	For a contract that contains more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that determines the amount of consideration the Company expects to receive in exchange for satisfying each performance obligation.
Step 5: Revenue recognition	The Group earns revenue when (or whenever) it fulfills a performance obligation by transferring the goods or services promised to the customer under the contract.

The Group recognizes revenue from the following main sources:

#### Sales of the following goods directly to customers:

- Sales of construction materials.
- Sales of spare parts.

The Group recognizes revenue when control of the sold products is transferred to the customer, which is considered in the context of the five-step revenue recognition method and the application of applicable shipping terms. Revenue is recognized at a point in time.

Construction material prices — when delivery terms to the customer’s site apply using trucks owned or operated by the Group — include the related transportation services. The Group considers that, in such cases, the transportation services do not constitute a separate performance obligation, as they are not distinct from the supply of goods, but rather form an integral part of the main performance obligation.

#### Other income

Other income is recognized after services are provided in accordance with agreements and contracts concluded with customers.

#### **Cost of revenue**

All expenses are recognized on an accrual basis. Operating costs are recognized at historical cost. Production costs and direct manufacturing expenses are classified as cost of sales. This includes raw materials, direct labor, and other attributable indirect costs.

#### **Selling and marketing expenses**

These expenses include any costs incurred to carry out or facilitate all of the Group's sales activities. These costs typically include marketing, selling, and logistics expenses, as well as provision for certain indirect general expenses.

#### **General and administrative expenses**

These expenses relate to operating expenses that are not directly related to the production or sale of any goods or services. They also include allocations for general expenses not specifically attributable to cost of sales or selling and marketing expenses. Expenses are allocated to cost of revenue, selling and marketing expenses, and general and administrative expenses, where applicable, on a consistent basis based on pre-determined rates as appropriate by the Group.

## 5- MATERIAL ACCOUNTING POLICIES (continued)

### Foreign currency transactions

Transactions in foreign currencies are translated into Saudi Riyals (ﷲ) using the prevailing exchange rates when those transactions occur. Monetary assets and liabilities denominated in foreign currencies are translated into Saudi riyals using the prevailing exchange rates at the reporting date. Non-monetary assets and liabilities measured at fair value in a foreign currency are translated into the functional currency using exchange rates at the date when the fair value is determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the transaction. Gains and losses resulting from the changes in exchange rates are recognized in the consolidated statement of profit or loss and other comprehensive income.

### Dividends

Final dividends are recognized as liabilities upon approval by the shareholders' assembly. Dividends are recognized when approved by the Board of Directors. The corresponding amount is recognized directly in the consolidated statement of changes in equity.

### Earnings per share

The Group presents basic and diluted earnings per share, if any, for its ordinary shares. Basic and diluted earnings per share are calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the financial year.

### Segmental Information

The Group reviews its performance and makes resource allocation decisions at the level of a single operating unit. All of the Group's operations have similar economic characteristics and operate in a single market environment, meaning they constitute a single operating segment. Accordingly, separate segment information is not presented in these consolidated financial statements, as there are no multiple operating segments that require disclosure.

SALEH ABDULAZIZ AL RASHED AND SONS COMPANY  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

31 December 2025

**6- PROPERTY, PLANT AND EQUIPMENT**

	Land ؔ	Buildings and caravans ؔ	Machinery and equipment ؔ	Vehicles ؔ	Furniture and fixture ؔ	Electrical appliances ؔ	Leasehold improvements ؔ	Projects in progress ؔ	Total ؔ
<b>Cost:</b>									
As at 1 January 2025	1,752,000	29,590,637	203,460,668	168,745,141	8,662,997	3,655,221	2,816,957	428,513	<b>419,112,134</b>
Additions	4,625,000	3,072,609	84,819,902	34,418,591	1,913,379	675,403	522,400	3,772,211	<b>133,819,495</b>
Transferred from Inventory	-	-	5,038,893	-	-	-	-	-	<b>5,038,893</b>
Disposals	<u>(1,200,000)</u>	<u>(1,096,378)</u>	<u>(3,073,625)</u>	<u>(25,100,121)</u>	<u>(1,139,590)</u>	<u>(1,271,557)</u>	<u>(81,023)</u>	<u>(134,012)</u>	<b><u>(33,096,306)</u></b>
As at 31 December 2025	<u>5,177,000</u>	<u>31,566,868</u>	<u>290,245,838</u>	<u>178,063,611</u>	<u>9,436,786</u>	<u>3,059,067</u>	<u>3,258,334</u>	<u>4,066,712</u>	<b><u>524,874,216</u></b>
<b>Accumulated depreciation:</b>									
As at 1 January 2025	-	9,415,177	134,043,785	60,386,932	5,484,740	2,329,989	1,709,976	-	<b>213,370,599</b>
charged for the year	-	1,859,870	30,400,610	21,121,732	1,394,353	578,425	178,950	-	<b>55,533,940</b>
Disposals	<u>-</u>	<u>(461,101)</u>	<u>(2,891,997)</u>	<u>(14,152,153)</u>	<u>(1,005,165)</u>	<u>(1,178,869)</u>	<u>(63,335)</u>	<u>-</u>	<b><u>(19,752,620)</u></b>
<b>As at 31 December 2025</b>	<u>-</u>	<u>10,813,946</u>	<u>161,552,398</u>	<u>67,356,511</u>	<u>5,873,928</u>	<u>1,729,545</u>	<u>1,825,591</u>	<u>-</u>	<b><u>249,151,919</u></b>
Net Book Value:									
<b>At 31 December 2025</b>	<u><b>5,177,000</b></u>	<u><b>20,752,922</b></u>	<u><b>128,693,440</b></u>	<u><b>110,707,100</b></u>	<u><b>3,562,858</b></u>	<u><b>1,329,522</b></u>	<u><b>1,432,743</b></u>	<u><b>4,066,712</b></u>	<u><b>275,722,297</b></u>

SALEH ABDULAZIZ AL RASHED AND SONS COMPANY  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

31 December 2025

**6- PROPERTY, PLANT AND EQUIPMENT (continued)**

	Land ﷲ	Buildings and caravans ﷲ	Machinery and equipment ﷲ	Vehicles ﷲ	Furniture and fixture ﷲ	Electrical appliances ﷲ	Leasehold improvements ﷲ	Projects in progress ﷲ	Total ﷲ
<b>Cost:</b>									
At 1 January 2024	1,752,000	30,014,436	216,349,652	119,832,171	8,096,939	3,842,741	2,030,057	1,549,452	383,467,448
Additions	-	1,570,470	4,582,221	50,312,951	1,217,526	441,036	786,900	1,075,066	59,986,170
Transferred from inventory	-	3,976	5,071,296	2,746,210	89,794	-	-	-	7,911,276
Transfers	-	-	578,858	-	-	-	-	(578,858)	-
Transferred to intangible assets	-	-	-	-	-	-	-	(1,144,250)	(1,144,250)
Disposals	-	(1,998,245)	(23,121,359)	(4,146,191)	(741,262)	(628,556)	-	(472,897)	(31,108,510)
<b>At 31 December 2024</b>	<b>1,752,000</b>	<b>29,590,637</b>	<b>203,460,668</b>	<b>168,745,141</b>	<b>8,662,997</b>	<b>3,655,221</b>	<b>2,816,957</b>	<b>428,513</b>	<b>419,112,134</b>
<b>Accumulated depreciation:</b>									
As at 1 January 2024	-	8,020,032	124,905,930	48,749,891	5,078,237	2,163,487	1,349,741	-	190,267,318
Charged for the year	-	1,834,249	32,227,453	14,781,737	1,142,250	767,726	360,235	-	51,113,650
Disposals	-	(439,104)	(23,089,598)	(3,144,696)	(735,747)	(601,224)	-	-	(28,010,369)
<b>At 31 December 2024</b>	<b>-</b>	<b>9,415,177</b>	<b>134,043,785</b>	<b>60,386,932</b>	<b>5,484,740</b>	<b>2,329,989</b>	<b>1,709,976</b>	<b>-</b>	<b>213,370,599</b>
Net book value:									
As of December 31, 2024	1,752,000	20,175,460	69,416,883	108,358,209	3,178,257	1,325,232	1,106,981	428,513	205,741,535

Depreciation charge has been allocated to the consolidated statement of profit or loss and other comprehensive income as follows:

	2025 ﷲ	2024 ﷲ
Cost of revenues	53,357,770	49,017,229
General and administrative expenses	2,176,170	2,096,421
	<b>55,533,940</b>	<b>51,113,650</b>

SALEH ABDULAZIZ AL RASHED AND SONS COMPANY  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

31 December 2025

**7- LEASE CONTRACTS**

a) Right-of-use assets

Right-of-use assets represent leases related to leases of workers' housing, warehouses, and land. The movement in right-of-use assets is as follows:

	2025 ﷲ	2024 ﷲ
<b>Cost:</b>		
As at the beginning of the year	7,678,630	7,744,809
Additions	3,085,935	1,158,454
Disposals	(2,075,980)	(1,224,633)
	<u>8,688,585</u>	<u>7,678,630</u>
<b>Accumulated depreciation</b>		
As at the beginning of the year	3,296,354	1,270,868
Charge for the year	2,162,981	2,125,819
Disposals	(1,995,247)	(100,333)
	<u>3,464,088</u>	<u>3,296,354</u>
<b>Netbook value:</b>		
<b>As at the end of the year</b>	<u>5,224,497</u>	<u>4,382,276</u>

Depreciation expense is charged to the consolidated statement of profit or loss and other comprehensive income as follows:

	2025 ﷲ	2024 ﷲ
Cost of revenue	1,268,191	1,359,903
General and administrative expenses	894,790	765,916
	<u>2,162,981</u>	<u>2,125,819</u>

b) Lease liabilities

The carrying amount of the fixed lease liability and changes during the year are as follows:

	2025 ﷲ	2024 ﷲ
At the beginning of the year	3,690,067	6,423,894
Additions	3,085,935	1,158,454
Finance costs	322,524	496,322
Disposals	(61,917)	(1,128,713)
Amounts paid	(3,379,799)	(3,259,890)
	<u>3,656,810</u>	<u>3,690,067</u>
Current portion of lease liabilities	2,009,140	2,130,339
Non-current portion of lease liabilities	1,647,670	1,559,728
	<u>3,656,810</u>	<u>3,690,067</u>

SALEH ABDULAZIZ AL RASHED AND SONS COMPANY  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

31 December 2025

**8- INTANGIBLE ASSETS**

Intangible assets consist of SAP software, other software, and a building materials mining license. The movement in intangible assets during the year was as follows:

	SAP Program ﷲ	Mining license ﷲ	2025 ﷲ	2024 ﷲ
<b>Cost:</b>				
At 1 January	1,776,583	7,842,248	<b>9,618,831</b>	755,102
Additions	126,029	-	<b>126,029</b>	7,874,248
Transferred from projects in progress	-	-	-	1,144,250
Disposals	(233,884)	-	<b>(233,884)</b>	(154,769)
At 31 December	<u>1,668,728</u>	<u>7,842,248</u>	<u><b>9,510,976</b></u>	<u>9,618,831</u>
<b>Accumulated Amortization:</b>				
At 1 January	505,325	473,239	<b>978,564</b>	529,453
Charge for the year	161,604	1,622,534	<b>1,784,138</b>	599,947
Disposals	(218,186)	-	<b>(218,186)</b>	(150,836)
At 31 December	<u>448,743</u>	<u>2,095,773</u>	<u><b>2,544,516</b></u>	<u>978,564</u>
<b>Net book value:</b>				
<b>As at 31 December</b>	<u><u>1,219,985</u></u>	<u><u>5,746,475</u></u>	<u><u><b>6,966,460</b></u></u>	<u><u>8,640,267</u></u>

The amortization is presented in the consolidated statement of profit or loss and other comprehensive income as follows:

	2025 ﷲ	2024 ﷲ
Cost of revenue	<b>1,633,913</b>	485,309
General and administrative expenses	<b>150,225</b>	114,638
	<u><b>1,784,138</b></u>	<u>599,947</u>

**9- INVENTORIES**

	2025 ﷲ	2024 ﷲ
Finished goods	<b>75,177,086</b>	94,541,500
Spare parts	<b>28,879,032</b>	28,551,926
Raw materials	<b>8,880,072</b>	9,349,385
Production in progress	<b>4,758,439</b>	6,634,617
	<u><b>117,694,629</b></u>	<u>139,077,428</u>
Less: Provision for impairment of inventory	<u><b>(11,152,188)</b></u>	<u>(9,669,462)</u>
	<u><u><b>106,542,441</b></u></u>	<u><u>129,407,966</u></u>

SALEH ABDULAZIZ AL RASHED AND SONS COMPANY  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

31 December 2025

**9- INVENTORIES (continued)**

The movement in inventories' impairment provision is as follows:

	2025 ﷲ	2024 ﷲ
At the beginning of the year	9,669,462	7,668,133
Provided during the year	1,482,726	2,001,329
At the end of the year	<u>11,152,188</u>	<u>9,669,462</u>

**10- TRADE RECEIVABLES AND NOTES RECEIVABLE**

	2025 ﷲ	2024 ﷲ
Trade receivables	73,916,267	50,068,245
Less: provision for expected credit losses	(4,374,054)	(4,415,280)
	<u>69,542,213</u>	<u>45,652,965</u>
Note receivables (*)	11,068,337	9,289,040
	<u>80,610,550</u>	<u>54,942,005</u>

(\*) Notes receivable amounting to 10,468,337 ﷲ (31 December 2024: 9,289,040 ﷲ) were collected subsequent to the date of the consolidated statement of financial position

The movement provision for expected credit losses during the year was as follows:

	2025 ﷲ	2024 ﷲ
At the beginning of the year	4,415,280	6,013,282
Reversal of provision for the year	(41,226)	(600,308)
Witten off bad debts	-	(997,694)
At the end of the year	<u>4,374,054</u>	<u>4,415,280</u>

**Days past due – trade receivables**

	0-90 days ﷲ	91-180 days ﷲ	181-270 days ﷲ	271-360 days ﷲ	More than 1 year ﷲ	Total ﷲ
<b>2025</b>						
Total Amount	68,975,483	878,593	471,520	176,734	3,413,937	73,916,267
<b>2024</b>						
Total Amount	43,264,769	2,149,415	2,412,231	976,512	1,265,318	50,068,245

Based on past experience, the Company expects to fully collect all receivables that are not impaired. The outstanding balances are unsecured and do not bear financing costs.

SALEH ABDULAZIZ AL RASHED AND SONS COMPANY  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

31 December 2025

**11- PREPAYMENTS AND OTHER CURRENT ASSETS**

	2025 ﷲ	2024 ﷲ
Prepayments	22,195,867	9,852,736
Advance payments to suppliers	16,676,309	10,743,653
Cash advances and deposits	1,549,989	2,243,500
Bank guarantee margin deposits	237,500	150,000
Less: Provision for impairment	(7,133,110)	-
	<u>33,526,555</u>	<u>22,989,889</u>

The movement in the allowance for impairment during the year was as follows:

	2025 ﷲ	2024 ﷲ
Provided during the year	7,133,110	-
At the end of the year	<u>7,133,110</u>	<u>-</u>

The allowance for impairment was recorded against advances to suppliers amounting to 7,037,270 ﷲ and employee advances amounting to 95,840 ﷲ.

**12- TRANSACTIONS WITH RELATED PARTIES**

Related parties represent shareholders, affiliates, key management personnel, and entities that are controlled or jointly controlled by these parties, or over which these parties exercise significant influence. Transactions with related parties and the related terms are approved in accordance with the Company's approved policies. The following presents the transactions with related parties and their related balances:

<u>Related Party</u>	<u>Relationship</u>
Najd Roads Contracting Company	Owned by a shareholder
Masarat for Mining Company	Owned by a partner in a subsidiary
Mohammed Othman Al-Abdulkarim Company	Former partner in a subsidiary

The following is a statement of significant transactions with related parties:

		<b>Amount of transactions</b>	
		2025 ﷲ	2024 ﷲ
<b>Related Party</b>	<b>Nature of transaction</b>		
Najd Roads Contracting Company	Sales	120,943,930	116,930,704
	Purchases	(35,006,067)	-
	Payments on behalf	35,537,794	-
Masarat for Mining Company	Purchases	(2,702,500)	-
	Purchases	(33,231,884)	-
Mohammed Othman Al-Abdulkarim Company	Sales	1,840,045	-

SALEH ABDULAZIZ AL RASHED AND SONS COMPANY  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

31 December 2025

**12- TRANSACTIONS WITH RELATED PARTIES (continued)**

Amounts due from related parties are presented in the consolidated statement of financial position under current assets and consist of the following:

	2025 ﷲ	2024 ﷲ
Najd Roads Contracting Company	41,355,465	49,934,444
Mohammed Othman Al-Abdulkarim Company	236,990	-
Masarat for Mining Company	3,000,000	250,000
	<b>44,592,455</b>	<b>50,184,444</b>
Less: provision for impairment	(447,697)	-
	<b>44,144,758</b>	<b>50,184,444</b>

The impairment provision was recorded against the receivable balance from Najd Roads Contracting Company.

**Remunerations of key management personnel:**

Key management personnel consist of the executives, members of the Board of Directors, and the committees formed by the Board. The following is a statement of the compensation incurred in this regard:

	2025 ﷲ	2024 ﷲ
Chairman of the Board of Directors' allowances and bonuses	9,591,869	9,460,891
Short-term salaries and benefits - executive management	2,202,339	1,280,000
Allowances and remuneration of members of the Board of Directors and other committees	777,500	572,500
Employee defined benefit obligations – executive management	698,935	80,000
	<b>13,270,643</b>	<b>11,393,391</b>

SALEH ABDULAZIZ AL RASHED AND SONS COMPANY  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

31 December 2025

### 13- INVESTMENT IN FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

This item represents investments in the shares of the following companies listed on the Saudi stock markets:

	Fair value as at 31 December	
	2025 ﷲ	2024 ﷲ
Specialized Medical Company (SMC)	9,486,009	-
Arabian Company for Agricultural and Industrial Investment	3,064,246	-
Osool & Bakheet Investment Company (OBIC)	1,372,329	2,509,400
Dar Al Majed Real Estate Company	958,880	-
Knowledge Net Company for Computers	885,877	1,356,070
Saudi Lime Industries Company	618,050	611,195
Derayah Financial Company	430,090	-
Flynas Company	211,152	-
Umm Al-Qura Development & Construction Company	107,042	-
United Carton Industries Company	89,807	-
	<u>17,223,482</u>	<u>4,476,665</u>

The movement in investment in financial instruments carried at fair value through profit or loss was as follows:

	2025 ﷲ	2024 ﷲ
At the beginning of the year	4,476,665	5,341,324
Additions	24,213,624	3,679,289
Disposals	(3,767,003)	(4,868,639)
Revaluation gain (loss)	(7,699,804)	324,691
At the end of the year	<u>17,223,482</u>	<u>4,476,665</u>

The Group sold its shareholding in listed companies' equities amounting to 3,767,003 ﷲ (31 December 2024: 4,868,639 ﷲ) and recognized a gain on disposal of 781,374 ﷲ (31 December 2024: 1,733,257 ﷲ).

The fair value of investments in listed equity instruments measured at fair value through profit or loss is determined by reference to quoted market prices in an active market as at 31 December 2025.

### 14- CASH AND CASH EQUIVALENTS

	2025 ﷲ	2024 ﷲ
Bank balances	60,325,618	25,575,209
Cash in investment portfolio	18,886	339,043
	<u>60,344,504</u>	<u>25,914,252</u>

Bank balances are held in local banks and are dominated in Saudi Riyals (ﷲ).

SALEH ABDULAZIZ AL RASHED AND SONS COMPANY  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

31 December 2025

**15- CAPITAL**

The Company's capital consists of 18,600,000 shares, each share value 10 ټ as at 31 December 2025 (18,600,000 shares, each share value 10 ټ as at 31 December 2025), distributed as follows:

shareholders	Number of Shares	Ownership %	Total value ټ
Abdulaziz Saleh Abdulaziz Al-Rashed	6,664,380	35.83%	<b>66,643,800</b>
Abdullah Saleh Abdulaziz Al-Rashed	3,875,124	20.83%	<b>38,751,240</b>
Abdulaziz Saad Saleh Al-Rashed	1,395,000	7.5%	<b>13,950,000</b>
Saud Saad Saleh Al-Rashed	1,395,000	7.5%	<b>13,950,000</b>
Noura Saleh Al-Rashed	1,007,748	5.42%	<b>10,077,480</b>
Sarah Saleh Al-Rashed	1,007,748	5.42%	<b>10,077,480</b>
Areej Saud Al-Dhabaan	697,500	3.75%	<b>6,975,000</b>
Danah Saad Saleh Al-Rashed	697,500	3.75%	<b>6,975,000</b>
Lulua'a Saad Saleh Al-Rashed	697,500	3.75%	<b>6,975,000</b>
Noura Saad Saleh Al-Rashed	697,500	3.75%	<b>6,975,000</b>
Maryam Saad Al-Rashed	465,000	2.5%	<b>4,650,000</b>
<b>Total</b>	<b>18,600,000</b>	<b>100%</b>	<b>186,000,000</b>

**16- RESERVE**

During 2024, the Company amended its Articles of Association to comply with the provisions of the new Saudi Companies Law issued by Royal Decree No. M/132 dated 30 June 2022. As a result, the Company is no longer required to maintain a statutory reserve. Accordingly, the statutory reserve balance maintained in previous years is subject to the shareholders' decision in the future whether to retain it as a general reserve or return it to retained earnings.

**17- MURABAHA FINANCING**

The Group obtained Murabaha financing and bank facilities that charged Murabaha commissions at prevailing market rates plus a profit margin, as stipulated in the various financing agreements. These facilities are secured by promissory notes and personal guarantees from certain of the Group's shareholders. Under the terms of the agreement, the Bank has the right to demand immediate repayment of the financing in the event of non-fulfillment of any of these covenants. The Group was in compliance with these covenants as at 31 December 2025.

	2025 ټ	2024 ټ
Current portion of Murabaha financing	<b>52,218,368</b>	34,466,798
Non-current portion of Murabaha financing	-	10,666,668
	<b>52,218,368</b>	45,133,466

Finance costs charged to the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2025 amounted to 3,820,363 ټ (31 December 2024: 3,783,011 ټ).

**18- EMPLOYEES' DEFINED BENEFITS OBLIGATIONS**

The Group grants defined benefits obligations ("the benefit plan") to its employees in accordance with the requirements of the Labor Law in the Kingdom of Saudi Arabia. The benefits granted under this benefit plan represent a lump sum amount calculated based on the employees' latest salaries, allowances, and their accumulated years of service at the date of service termination.

The defined benefits obligations recognized in the consolidated statement of financial position related to employees' end-of-service benefits represent the present value of the defined benefits obligations at the reporting date. The most recent actuarial valuation was conducted by an independent qualified actuary using the projected unit credit method.

SALEH ABDULAZIZ AL RASHED AND SONS COMPANY  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

31 December 2025

**18- EMPOLYEES' DEFINED BENEFITS OBLIGATIONS (continued)**

	2025 ﷲ	2024 ﷲ
As at the beginning of the year	11,453,509	8,214,327
Current service cost	2,970,827	2,603,085
Financing costs	581,062	375,371
Payments	(1,354,753)	(1,423,663)
Loss from rereasurement charged to the consolidated other comprehensive income.	2,479,064	1,684,389
As at the end of the year	<u>16,129,709</u>	<u>11,453,509</u>

The following are the significant assumptions used in determining the employee end-of-service gratuity liability:

	2025	2024
Discount rate	4.20%	5.5%
Salary increases rate	4%	4%

The following is a sensitivity analysis of the employee defined benefit obligation to changes in the weighted average of the key assumptions:

Significant assumptions	Change in assumption	2025	2024
Discount rate	+1%	15,053,220	10,769,442
	-1%	17,322,037	12,233,105
Salary increase rate	+1%	17,392,718	12,294,639
	-1%	14,971,698	10,703,241

**19- ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES**

	2025 ﷲ	2024 ﷲ
Accrued expenses	22,208,623	21,467,924
Contract liabilities	5,444,800	6,491,487
VAT	4,097,673	4,197,460
Other	9,655,536	8,651,454
	<u>41,406,632</u>	<u>40,808,325</u>

**20- ZAKAT**

The Company and its subsidiaries submit zakat returns based on the separate financial statements of each company.

*a. Zakat expense charged for the year*

Zakat charged for the year amounted to 4,284,669 ﷲ (2024: 4,300,062 ﷲ).

SALEH ABDULAZIZ AL RASHED AND SONS COMPANY  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

31 December 2025

**20- ZAKAT (continued)**

b. Movement of Zakat provision:

	2025	2024
	ﷲ	ﷲ
At the beginning of the year	4,327,794	4,118,000
Charged during the year	4,284,669	4,300,062
Paid during the year	(4,133,329)	(4,094,950)
Related to acquisition of subsidiaries	-	4,682
At the end of the year	<u>4,479,134</u>	<u>4,327,794</u>

c. **Zakat position:**

**Saleh Abdulaziz Al-Rashed and Sons Company (Parent Company)**

The Company submitted its Zakat returns to the Zakat, Tax and Customs Authority ("ZATCA") for all years until 2024, paid the zakat due accordingly, and obtained the zakat certificates. The Company obtained Zakat assessments until 2015 and paid its zakat dues. Zakat assessments have not been received for the rest of the years from ZATCA yet.

**Quality Rock Mining Company (Subsidiary)**

The Company submitted its Zakat returns to the Zakat, Tax and Customs Authority ("ZATCA") for the years from 2021 to 2024, paid its due zakat and obtained Zakat certificates. Zakat assessments have not yet been received from ZATCA.

**Alramal Alhamra Company for Mining (Subsidiary)**

The Company submitted its Zakat returns to the Zakat, Tax and Customs Authority ("ZATCA") for the period ended 31 December 2024, paid its due zakat and obtained Zakat certificates. Zakat assessments have not yet been received from ZATCA.

**Dorra Al-Mobani Company for Mining (Subsidiary)**

The Company submitted its Zakat returns to the Zakat, Tax and Customs Authority ("ZATCA") for the period ended 31 December 2024, paid its due zakat and obtained Zakat certificates. Zakat assessments have not yet been received from ZATCA.

**National Shield Company for Mining (Subsidiary)**

The Company is in the process of submitting its first Zakat return and obtaining the Zakat certificate for the period ended 31 December 2025 from the Zakat, Tax and Customs Authority.

**SAR Mining for Industrial Development and Investment Company (Subsidiary)**

The Company was incorporated on 10 December 2025. Accordingly, the Company has not yet submitted any Zakat returns.

**SAR New Mount JV Mining Company (Subsidiary)**

The Company was incorporated on 9 October 2025. Accordingly, the Company has not yet submitted any Zakat returns.

**AKM Industries for Industrial Development and Investment Company (Subsidiary)**

The Company was incorporated on 13 November 2025. Accordingly, the Company has not yet submitted any Zakat returns.

**Sand Resources for Industrial Development and Investment Company (Owned by a Subsidiary)**

The Company was incorporated on 9 December 2025. Accordingly, the Company has not yet submitted any Zakat returns.

SALEH ABDULAZIZ AL RASHED AND SONS COMPANY  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

31 December 2025

**20- ZAKAT (continued)**

**c. Zakat position (continued)**

**Rawasikh Tuwaiq for Industrial Development and Investment (Owned by a Subsidiary)**

The Company was incorporated on 10 December 2025. Accordingly, the Company has not yet submitted any Zakat returns.

**Jawdat Alrimal Alhamra Company for Industrial development and Investment (Owned by a Subsidiary)**

The Company was incorporated on 10 December 2025. Accordingly, the Company has not yet submitted any Zakat returns.

**Rawasekh Al-Himmah for Industrial Development and Investment Company (Owned by a Subsidiary Company)**

The Company was incorporated on 10 December 2025. Accordingly, the Company has not yet submitted any Zakat returns.

**21- REVENUE**

	2025	2024
	ﷲ	ﷲ
Sales of building materials	637,185,772	491,623,636
Sales of spare parts	102,335,456	107,960,527
Sales recognized at a point in time	<u>739,521,228</u>	<u>599,584,163</u>

**Geographical markets:**

	2025	2024
	ﷲ	ﷲ
Inside Kingdom of Saudi Arabia	738,408,718	599,091,517
Outside Kingdom of Saudi Arabia	1,112,510	492,646
	<u>739,521,228</u>	<u>599,584,163</u>

**22- COST OF REVENUE**

	2025	2024
	ﷲ	ﷲ
Materials and operating supplies	296,428,160	237,020,458
Salaries, wages, and related benefits	77,971,643	67,827,078
Maintenance and equipment expenses	53,927,613	58,989,556
Depreciation of property, machinery, and equipment	53,357,770	49,017,229
Transportation	33,091,678	34,720,254
Government expenses	32,546,804	22,666,729
Short-term leases	11,337,556	9,213,724
Insurance expenses	5,365,059	3,640,735
Service expenses	1,811,159	1,682,580
Amortization of intangible assets	1,633,913	485,309
Provision for inventory impairment	1,482,726	2,001,329
Depreciation of right-of-use assets	1,268,191	1,359,903
Other	5,336,477	4,265,432
	<u>575,558,749</u>	<u>492,890,316</u>

SALEH ABDULAZIZ AL RASHED AND SONS COMPANY  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

31 December 2025

**23- GENERAL AND ADMINISTRATIVE EXPENSES**

	2025 ﷲ	2024 ﷲ
Employee salaries and related benefits	36,526,956	29,464,701
Impairment provision – prepayments	7,133,110	-
Depreciation of property, plant, and equipment	2,176,170	2,096,421
Government expenses	1,828,893	1,196,110
Subscriptions	1,517,106	1,617,711
Insurance	1,257,322	1,135,104
Fees and consulting fees	1,219,924	2,438,122
Bank charges	1,192,046	608,424
Depreciation of right-of-use assets	894,790	765,916
Short-term leases	594,498	387,398
Maintenance	587,787	297,495
Service expenses	545,021	610,054
Impairment provision – related parties	447,697	-
Amortization of intangible assets	150,225	114,638
Transportation	139,858	320,365
(Reverse) provision for expected credit losses – trade receivables	(41,226)	(600,308)
Other	1,382,789	899,863
	<u>57,552,966</u>	<u>41,352,014</u>

**24- SELLING AND MARKETING EXPENSES**

	2025 ﷲ	2024 ﷲ
Sale commissions	2,085,507	1,374,146
Advertising	107,505	763,001
	<u>2,193,012</u>	<u>2,137,147</u>

**25- FINANCE COSTS**

	2025 ﷲ	2024 ﷲ
Finance costs on Murabaha financing	3,820,363	3,783,011
Finance costs related to lease liabilities	322,524	496,322
Finance costs related to employee defined benefits	581,062	375,371
	<u>4,723,949</u>	<u>4,654,704</u>

**26- OTHER (LOSSES) INCOME, NET**

	2025 ﷲ	2024 ﷲ
Gains from sale of scrap	2,676,359	2,054,753
Gains from sale of investment in financial instruments at FVTPL	781,374	1,733,257
Gains on disposal of property, plant, and equipment	563,880	1,386,335
Gains on disposal of right-of-use assets	23,367	4,413
Losses on the disposal of intangible assets	(15,698)	(3,933)
Currency exchange rate losses	(102,010)	(61,873)
(Losses) Gains on the revaluation of investments in financial instruments at FVTPL	(7,699,804)	324,691
Other	129,726	-
	<u>(3,642,806)</u>	<u>5,437,643</u>

SALEH ABDULAZIZ AL RASHED AND SONS COMPANY  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

31 December 2025

## 27- FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the value at which an asset or a liability would be exchanged between knowledgeable willing parties in an arm's length transaction.

Financial instruments consist of financial assets acquired at fair value through profit or loss, trade receivables, note receivables, cash and cash equivalents, and amounts due from related parties while financial liabilities consist of Murabaha financing, trade receivables, amounts due to related parties, accrued expenses, other current liabilities, and lease liabilities.

Management has assessed that the fair value of its assets and financial liabilities is close to its carrying amount, largely due to the short-term maturity year of these instruments.

Investments in listed financial instruments measured at fair value through profit or loss are classified within Level 1 of the fair value hierarchy. For the two years ended 31 December 2025 and 2024, no transfers were made between Level 1 and Level 2 of the fair value hierarchy, nor were there any transfers into or out of Level 3 of the fair value hierarchy.

## 28- BUSINESS COMBINATIONS

### Acquisition of Dorra Al-Mobani Company for Mining

On 3 October 2024, the Company acquired 100% of the voting shares in Dorra Al-Mobani Company for Mining (a one-person company), which is engaged in the construction of roads, streets, sidewalks, road supplies, quarrying operations, and the sale of aggregates and sand. The Company acquired Dorra Al-Mobani Company for Mining as it plans to expand products in the mining sector.

#### Assets acquired and liabilities assumed

The fair value of the identifiable assets and liabilities acquired in connection with the acquisition of Dorra Al-Mobani Company for Mining as of the acquisition date was as follows:

	<b>Fair value recognized upon acquisition</b>
	<b>ﷲ</b>
<b>Assets</b>	
Prepayments and other current assets	150,000
Cash and cash equivalents	25,000
<b>Total Assets</b>	<b>175,000</b>
<b>Liabilities</b>	
Accrued expenses and other current liabilities	10,991
Amounts due to a related party	75,000
Zakat provision	4,682
<b>Total Liabilities</b>	<b>90,673</b>
<b>Net recognizable assets at book value</b>	<b>84,327</b>
<b>Intangible asset arising from acquisition</b>	<b>7,842,248</b>
<b>Goodwill</b>	<b>73,425</b>
<b>Consideration Paid</b>	<b>8,000,000</b>

## 28- BUSINESS COMBINATIONS (Continued)

The acquisition resulted in the following intangible assets:

- 1- An intangible asset amounting to 7,842,248 ٴ representing the purchase price allocation for the quarrying license, which is amortized over five years from the license date.
- 2- Goodwill amounting to 73,425 ٴ. The Company fully amortized the goodwill in the consolidated statement of profit or loss and other comprehensive income during the year.

### Acquisition of Alramal Alhamra Company for Mining

On 4 October 2024, the Company acquired 100% of the voting shares in Alramal Alhamra Company for Mining (a one-person company), which is engaged in operating quarries and sand or aggregates mines. The Company acquired Company Alramal Alhamra Company for Mining as it plans to expand products in the mining sector.

#### Assets acquired and liabilities assumed

The fair value of the identifiable assets and liabilities assumed for the acquisition of Alramal Alhamra Company for Mining as of the acquisition date was as follows:

	<b>Fair value recognized upon acquisition ٴ</b>
<b>Assets</b>	
Amounts due from related party	100,000
<b>Total Assets</b>	<u>100,000</u>
<b>Liabilities</b>	
Accrued expenses and other current liabilities	8,099
<b>Total Liabilities</b>	<u>8,099</u>
<b>Net assets recognizable at book value</b>	<u>91,901</u>
<b>Goodwill</b>	<u>8,099</u>
<b>Consideration Paid</b>	<u>100,000</u>

The acquisition resulted in goodwill of 8,099 ٴ. The Company amortized the full value of goodwill in the consolidated profit or loss statement and other comprehensive income during the year.

## 29- EARNINGS PER SHARE (“EPS”)

Basic EPS is calculated by dividing net profit attributable to ordinary shares by the weighted average number of common shares outstanding during the year. Diluted EPS is similar to basic EPS because the company has no dilutive shares outstanding.

	<b>2025 ٴ</b>	<b>2024 ٴ</b>
Dividends for the year attributable to shareholders	<b>91,656,884</b>	59,688,293
Weighted average number of outstanding shares	<b>18,600,000</b>	18,600,000
Basic and diluted earnings per share	<b>4.93</b>	3.21

### 30- CONTINGENCIES AND COMMITMENTS

The Group has outstanding letters of guarantee amounting to 35,336,091 ٴ, with cash margin against these letters of guarantee amounted to 237,500 ٴ (31 December 2024: outstanding letters of guarantee of 12,836,091 ٴ and cash margin against these letters of guarantee of 150,000 ٴ).

The Group has letters of credit amounting to 21,619,348 ٴ (31 December 2024: Nil) designated for suppliers.

### 31- RISK MANAGEMENT OF FINANCIAL INSTRUMENTS

The Group's principal financial liabilities consist of Murabaha financing, trade payables, amounts due to related parties, accrued expenses, other current liabilities and lease liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include financial assets at fair value through profit or loss, trade receivables, notes receivable, cash and cash equivalents, and amounts due from related parties that arise directly from its operations.

The Group is exposed to equity price risk, market risk, credit risk, and liquidity risk. The Board of Directors and senior management of the Group oversee the management of these risks.

#### A) Market Risk

Market risk represents the risk arising from fluctuations in the fair value or future cash flows of a financial instrument as a result of changes in prevailing market prices. Market risk comprises four types of risk: financing cost risk, foreign exchange rate fluctuation risk, commodity price risk, and equity price risk. Financial instruments affected by market risk include loans and deposits.

#### Financing cost commission risks

Finance cost commission risk represents the risk that the value of a financial instrument will fluctuate due to changes in prevailing market financing rates. The Group's exposure to the risk of changes in prevailing market financing rates relates primarily to the Group's borrowings with variable financing rates.

The Group's sensitivity to a reasonably possible change in financing cost rates of 50 basis points would have resulted in an increase / (decrease) in net profit of 243,380 ٴ (2024: 248,941 ٴ).

#### Foreign Currency Fluctuations Risk

Foreign currency risk represents the risk arising from fluctuations in the fair value or future cash flows due to changes in foreign exchange rates. Management monitors foreign exchange rate fluctuations and believes that the Group is not exposed to significant currency risk, as it does not enter into material transactions in foreign currencies other than (ٴ) and the US Dollar, Euro, and Pound Sterling.

The Company's sensitivity to a reasonably possible change of 10% in foreign exchange rates would have resulted in an increase / (decrease) in net profit of 10,201 ٴ (2024: 6,187 ٴ).

#### Commodity Price Risk

Commodity price risk is the risk associated with changes in the prices of certain commodities, primarily including diesel, bitumen, and similar materials. Such changes may have an adverse impact on the Group's costs and cash flows. These risks arise from the expected purchases of certain raw materials used by the Group in its operations. The Group manages commodity price risk through regular monitoring of global commodity markets to determine appropriate actions to mitigate exposure to commodity price fluctuations.

The Company's sensitivity to a reasonably possible change of 10% in commodity prices would have resulted in an increase / (decrease) in net profit of 9,731,532 ٴ (2024: 5,923,738 ٴ).

**31- RISK MANAGEMENT OF FINANCIAL INSTRUMENTS (continued)**

**A) Market Risk (continued)**

**Equity Price Risk**

Equity price risk represents the risk arising from fluctuations in the value of financial instruments due to changes in market prices. The Group's investments are exposed to market price risk resulting from uncertainty about future prices. Management manages this risk by diversifying the investment portfolio across sector concentrations.

The Group's sensitivity to a reasonably possible change of 50 basis points in equity prices would have resulted in an increase / (decrease) in net profit of 54,250 ٴ (2024: 24,545 ٴ).

**B) Credit Risk**

Credit risk represents the risk that another party or a customer fails to meet its contractual obligations concerning a financial instrument or a customer contract, resulting in the Company incurring a financial loss. The Group is exposed to credit risk in respect of its cash and cash equivalents and trade receivables as follows:

	2025 ٴ	2024 ٴ
Trade receivables	73,916,267	50,068,245
Bank balances	60,344,504	25,914,252
Notes receivable	11,068,337	9,289,040
	<u>145,329,108</u>	<u>85,271,537</u>

Trade receivables

The Group's exposure to credit risk is primarily influenced by the individual characteristics of each customer; however, management also considers factors that may affect credit risk across the Group's customer base, including default risk within the customer's sector. The Group recognizes an allowance for expected credit losses, which amounted to 4,374,054 ٴ as at 31 December 2025 (31 December 2024: 4,415,280 ٴ).

Bank balances

The Company maintains cash at banks and an investment portfolio amounting to 60,344,504 ٴ (31 December 2024: 25,914,252 ٴ). Credit risk arising from balances with banks and financial institutions is managed in accordance with the Group's policy. The Group seeks to manage credit risk relating to banks by dealing only with banks of good reputation. As at the date of preparation of the consolidated financial statements, management has not identified any significant concentrations of credit risk.

**31- RISK MANAGEMEN OF FINANCIAL INSTRUMENTS (continued)**

**C) Liquidity Risk**

Liquidity risk represents the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk results from the inability to sell a financial asset quickly at an amount equal to its fair value. The Group manages liquidity risk by ensuring the availability of banking facilities and financing. The Group's forward sales terms provide for repayment within 30 to 60 days from the date of sale. Accounts payable are typically repaid within 90 days from the date of purchase. All liabilities shown on the Group's consolidated statement of financial position, except for the non-current portion of lease obligations and defined benefit obligations, are contractually due on demand.

The table below summarizes the maturity profile of the Group's undiscounted financial liabilities as of 31 December based on contractual repayment dates and current market interest rates:

<b>As at 31 December 2025</b>	<b>Within a year</b> ؄	<b>1 to 5 years</b> ؄	<b>More than five</b> <b>years</b> ؄	<b>Total</b> ؄
Trade payables	73,715,144	-	-	73,715,144
Accrued expenses and other current liabilities	41,406,632	-	-	41,406,632
Murabaha financing	52,218,368	-	-	52,218,368
Lease liabilities	2,174,141	1,438,678	660,000	4,272,819
	<b>169,514,285</b>	<b>1,438,678</b>	<b>660,000</b>	<b>171,612,963</b>

<b>As at 31 December 2024</b>	<b>Within a year</b> ؄	<b>1 to 5 years</b> ؄	<b>More than five</b> <b>years</b> ؄	<b>Total</b> ؄
Trade payables	44,652,404	-	-	44,652,404
Accrued expenses and other current liabilities	40,808,325	-	-	40,808,325
Murabaha financing	34,466,798	10,666,668	-	45,133,466
Lease liabilities	2,185,020	1,303,746	740,000	4,228,766
	<b>122,112,547</b>	<b>11,970,414</b>	<b>740,000</b>	<b>134,822,961</b>

**D) Capital Management**

For the purpose of managing the Group's capital, capital comprises issued share capital and all other equity reserves attributable to shareholders. The primary objective of the Group's capital management is to maintain adequate capital ratio in order to support its operations and maximize shareholder returns. The Group manages and adjusts its capital structure considering changes in economic conditions. There have been no changes to the objectives, policies, or procedures of capital management during the years ended 31 December 2025 and 31 December 2024.

SALEH ABDULAZIZ AL RASHED AND SONS COMPANY  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

31 December 2025

### 32- FAIR VALUE MEASUREMENT

The following table shows the hierarchy for measuring the fair value of the Group's financial assets:

The hierarchy for measuring the fair value of assets as at 31 December 2025:

	Calendar Date	Fair value measurement using			
		Total ﷲ	Prices traded in active markets (Level 1) ﷲ	Significant observable inputs (Level 2) ﷲ	Significant unobservable inputs (Level 3) ﷲ
Financial assets measured at fair value:					
Equity investments in listed equity instruments (Note 13):	31 December 2025	17,223,482	17,223,482	-	-

The hierarchy for measuring the fair value of assets as at 31 December 2024:

	Calendar Date	Fair value measurement using			
		Total ﷲ	Prices traded in active markets (Level 1) ﷲ	Significant observable inputs (Level 2) ﷲ	Significant unobservable inputs (Level 3) ﷲ
Financial assets measured at fair value:					
Equity investments in listed equity instruments (Note 13):	31 December 2024	4,476,665	4,476,665	-	-

### 33- DIVIDENDS

At the Ordinary General Assembly meeting of the Company held on 26 Ramadan 1446H (corresponding to 26 March 2025), the shareholders approved dividends amounting to 9,300,000 ﷲ for the year ended 31 December 2023, which were paid in cash during 2025.

According to the authorization granted by the Company's Ordinary General Assembly held on 26 Ramadan 1446H (corresponding to 26 March 2025), on 9 Dhul-Qi'dah 1446H (corresponding to 7 May 2025), the Board of Directors approved interim dividends for the year ended 31 December 2024 at 0.80 ﷲ per share (totaling 14,880,000 ﷲ), which were paid in cash.

At the Ordinary General Assembly meeting of the Company held on 19 Dhul-Qi'dah 1445H (corresponding to 27 May 2024), the shareholders approved dividends amounting to 9,300,000 ﷲ for the year ended 31 December 2022, which were paid in cash during 2024.

### 34- SUBSEQUENT EVENTS

1. The Group's management collected a balance of notes receivable as disclosed in Note 10.
2. On 22 Ramadan 1447H (corresponding to 11 March 2026), the shares of Saleh Abdulaziz Al Rashed and Sons Company were listed and began trading on the Saudi main market under the ticker symbol 1324.

### 34- SUBSEQUENT EVENTS (continued)

3. On 18 February 2026, the Group's management resolved to deregister the following subsidiaries:
- Rawasekh Al-Himmah for Industrial Development and Investment Company
  - Rawasikh Tuwaiq for Industrial Development and Investment
  - Sand Resources for Industrial Development and Investment Company
  - Jawdat Alrimal Alhamra Company for Industrial development and Investment
  - SAR Mining for Industrial Development and Investment Company

Management assessed the financial impact of this decision and concluded that there is no material effect requiring adjustments to the consolidated financial statements as at 31 December 2025, since these subsidiaries had not carried out any commercial activities.

4. On 28 Sha'ban 1447H (corresponding to 16 February 2026), the Company acquired 100% of the voting interests in Tamuh Alqimma for Mining Company (a limited liability company). This company specializes in the operation of sand and aggregates mines, crushers, and land freight transport, and is registered under Commercial Registration No. 1009192786 dated 18 Sha'ban 1447H (corresponding to 6 February 2026).
5. On 23 Sha'ban 1447H (corresponding to 11 February 2026), the Company acquired 49% of the voting interests in Neumont Mining Company (a limited liability company). This company specializes in the mining of non-ferrous metal ores such as aluminum, copper, and lead, as well as precious metal ores including gold, silver, and platinum. Its activities also include exploration drilling, precious metals, geological surveys, and exploration of mineral resources. The company is registered under Commercial Registration No. 4030381096 dated 22 Ramadan 1441H (corresponding to 15 May 2020).

Except for the matters mentioned above, management believes that there are no significant subsequent events requiring adjustments to or disclosures in these consolidated financial statements.

### 35- COMPARATIVE FIGURES

During the year ended 31 December 2025, the Group reclassified the balance relating to Masarat for Mining Company from prepaid expenses to amounts due from related parties, as Masarat for Mining Company is owned by a partner in one of the Group's subsidiaries. Accordingly, it has been classified as a related party in accordance with the relevant standards .

<b>31 December 2025</b>	Balances Before Reclassification ﷲ	Reclassification ﷲ	Balances After Reclassification ﷲ
<b>Consolidated statement of financial position</b>			
Prepaid expenses and other current assets	23,239,889	(250,000)	22,989,889
Amounts due from related parties	49,934,444	250,000	50,184,444

### 36- APPROVAL OF FINANCIAL STATEMENTS

The Company's consolidated financial statements for the year ended 31 December 2025 were approved by the Board of Directors on 18 Ramadan 1447H (corresponding to 7 March 2026).