



شركة اليمامة للصناعات الحديدية  
Al Yamamah Steel Industries Company



## Board of Directors Report For the results of the fiscal year 2024

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## Al Yamamah Steel Industries Board Report For the fiscal year ended September 30, 2024

### Respected Shareholders of Al Yamamah Steel Industries

Peace be upon you and God's mercy and blessings

The Board of Directors are pleased to submit its annual report to Shareholders on the performance of Al Yamamah Steel Industries (Company) and the consolidated audited financial statements (of the Group) for the fiscal year ended September 30, 2024, which includes its financial statement and the statement of the subsidiary (Al Yamamah Rebar Company) and Auditors' report, income statement, cashflow and the changes in property rights including the clarifications outlined to it for the year ending that date with comparison to the previous fiscal year.

The company and its subsidiary are characterized by serving the construction sector in manufacturing of iron products, which include iron pipes, tubes & rebar, and serving the electricity and telecommunications sector through the production of iron poles and masts for the distribution of electrical energy and street electric poles.

And the production of iron towers for the transmission of electric power and antenna carrier in the field of communications, and the service of the renewable energy sector by producing artifacts railing needed for solar tracking systems, and to produce the required wind steel towers to convert wind energy into electrical energy.

### Vision

Build an industrial cluster to lead the metals industry in the Middle East and North Africa, benefiting from subjective values and experiences while considering our commitments to the community.

### Mission

Our Partners: Maximizing the values and to attract investors.

Finance: Following financial standards and working hard to reduce cost and risk.

Customer: Maintain mutual benefits with customers by responding to their requirements at competitive prices and high quality.

Innovation: Challenging events by encouraging continuous research and development.

Individuals: Creating an attractive and enjoyable work environment that helps individuals launch their full potential.

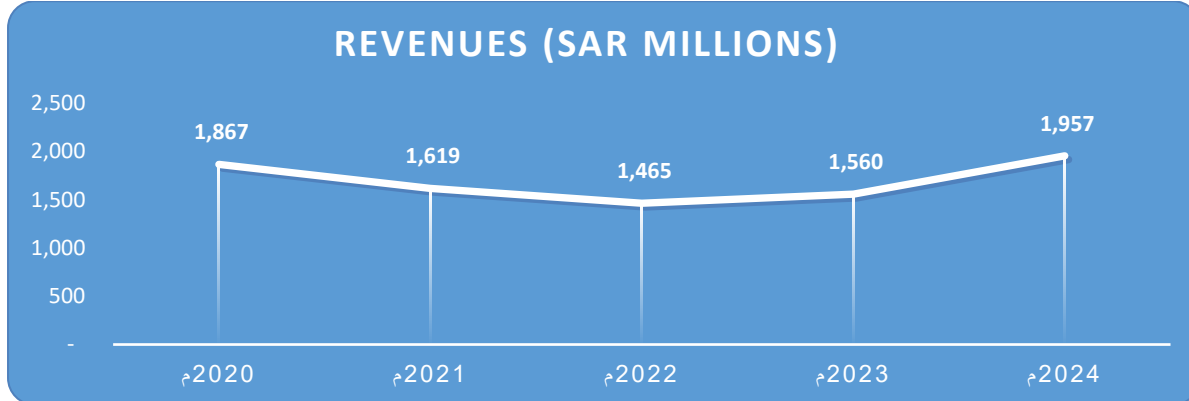
**First:**

**General Performance of Al Yamamah Steel Industries Company  
During fiscal year 2024**

## 1. Company's performance during fiscal year 2024:

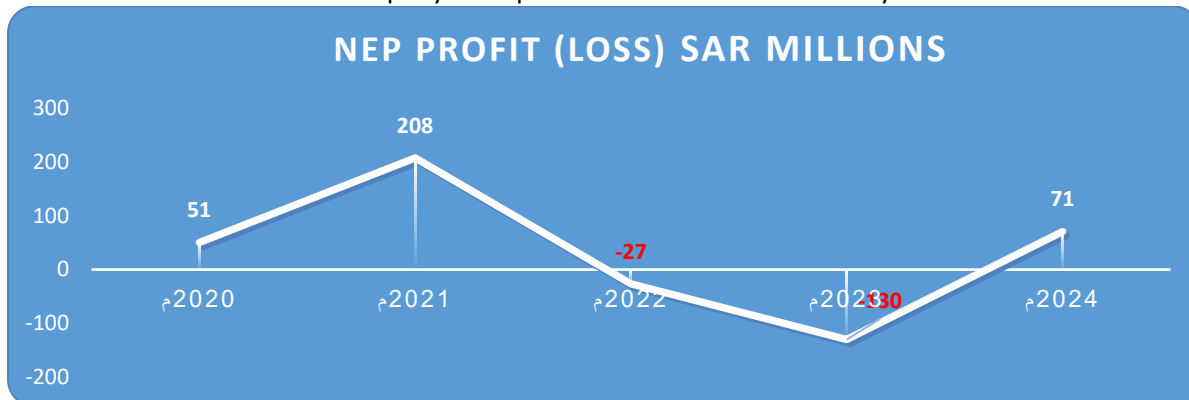
The company's revenues for the fiscal year ended September 30, 2024 increased by 25% from SAR 560.01 to 957.1 million compared to the previous fiscal year as a result increase in quantities sold by 21%.

The following chart shows consolidated revenues for the years (2020-2024) in millions of Saudi Riyals:



For the fiscal year ended September 30, 2024, the company achieved net profit of SAR 70.801 million compared to net profit of SAR 70.801 million compared to a net loss of 130,142 million for the previous fiscal year, and this result is due to the increase in the amount of sales in the construction and energy sectors renewable by 7% and 337% respectively, while quantities sold in the electricity sector decreased by 4% with a decrease in the average The cost of goods sold for the construction, electric power and renewable energy sector increased by 21%, 8% and 10% compared to the fiscal year previous 2023.

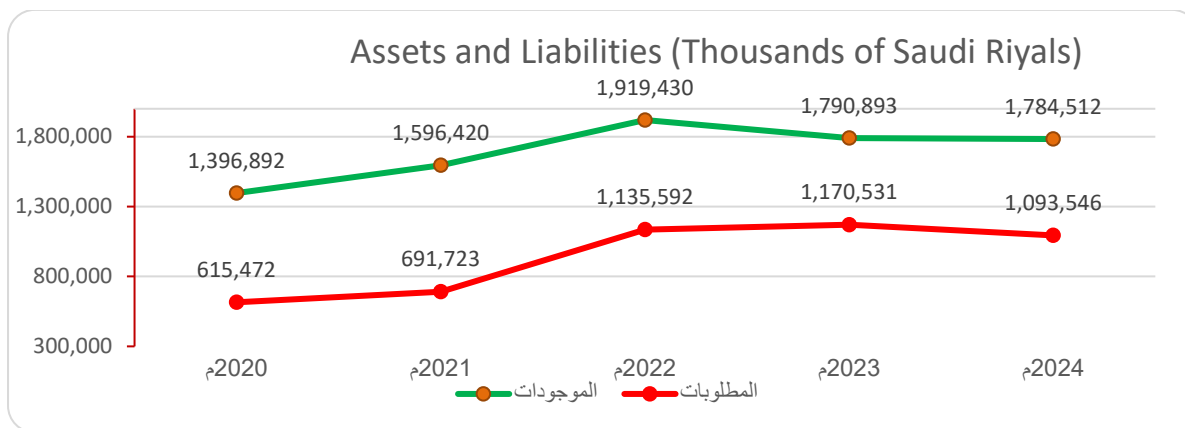
The chart below shows the company's net profit and loss for the last five years in millions of Saudi Riyals:



Summary of the company's consolidated financial statement over the last five years (thousands of Saudi Riyals):

Statement	2024	2023	2022	2021	2020
Current assets	1,168,970	1,160,303	1,377,968	1,115,788	909,613
Non-current assets	615,541	630,590	541,462	480,632	487,279
<b>Total assets</b>	<b>1,784,512</b>	<b>1,790,893</b>	<b>1,919,430</b>	<b>1,596,420</b>	<b>1,396,892</b>
Current liabilities	902,673	1,008,443	1,051,740	608,689	521,032
Non-current liabilities	190,873	162,089	83,852	83,034	94,440
<b>Total liabilities</b>	<b>1,093,546</b>	<b>1,170,531</b>	<b>1,135,592</b>	<b>691,723</b>	<b>615,472</b>
Total shareholders' equity	589,081	518,147	646,542	763,331	642,520
Non-controlling property rights	101,885	102,215	137,296	141,366	138,900
<b>Total liabilities and equity</b>	<b>1,784,512</b>	<b>1,790,893</b>	<b>1,919,430</b>	<b>1,596,420</b>	<b>1,396,892</b>

- Total current liabilities decreased during 2024 by 10% compared to 2023, mainly due to the decrease of the short term loans' balances used to finance the purchase of raw materials, while total non-current liabilities increased by 18%, mainly due to the receipt of new installments from Saudi Industrial Development Fund (SIDF) to establish Al Yamamah Wind Power Systems Factory.
- Shareholders' equity during the year 2024 increased by 13% compared to 2023 due to the increase in the balance of retained earnings by the net profit in the year 2024.
- The following graph shows a comparison of total assets and liabilities for the last five years (thousands of Saudi Riyals):



The following table shows the netbook value per share for the last five years:

Year ended September 30	Total shareholders' equity (thousands of Saudi riyals)	Book value per share (SR)	Change from the previous year	Percentage change from the previous year	Status of change from the previous year
2024	589,081	11.60	1.40	14%	Increase
2023	518,147	10.20	-2.53	-20%	Decrease
2022	646,542	12.73	-2.30	-15%	Decrease
2021	763,331	15.03	2.38	19%	Increase
2020	642,520	12.65	0.99	8%	Increase

The following table shows the results of the group's operation results for the last five years (in thousands of Saudi Riyals):

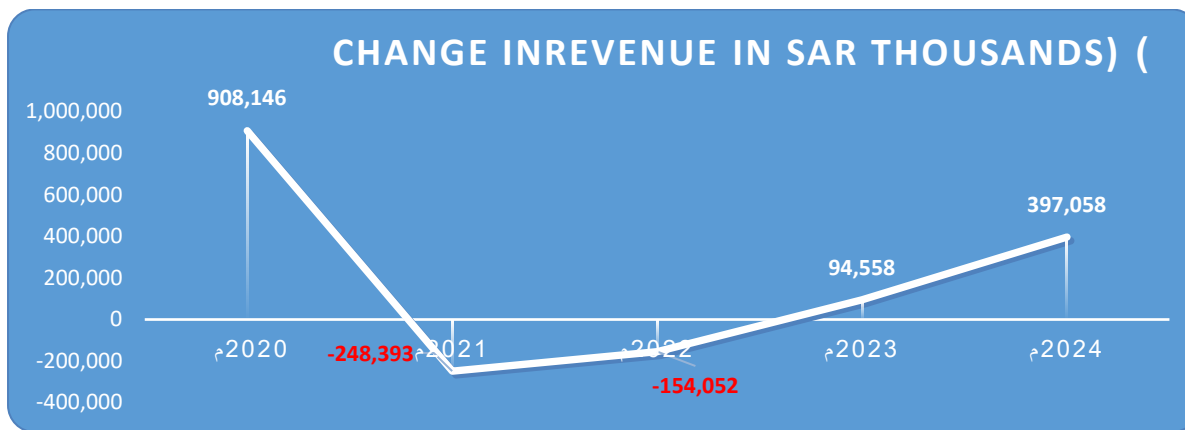
Description	2024	2023	2022	2021	2020
Net Sales	1,956,591	1,559,534	1,464,976	1,619,027	1,867,420
Cost of sales	(1,732,693)	(1,587,952)	(1,386,819)	(1,254,854)	(1,665,749)
<b>Gross Profit</b>	<b>223,898</b>	<b>(28,419)</b>	<b>78,157</b>	<b>364,173</b>	<b>201,671</b>
Sales & Distribution Expenses	(32,008)	(20,658)	(18,068)	(25,311)	(34,527)
Administrative expenses	(53,252)	(46,356)	(47,580)	(49,959)	(46,776)
<b>Operating Income (Loss)</b>	<b>138,638</b>	<b>(95,433)</b>	<b>12,509</b>	<b>288,903</b>	<b>111,368</b>
Reversal of impairment in property, plant and equipment	6,085	124	-	-	-
Gain/loss on financial assets Valuation at fair value	2,012	1,899	2,775	393	00
Provision for expected credit losses	-	-	1,441	(2,795)	-
Provision for Contracts Losses	-	1,492	4,316	(5,808)	--
Financing & Interests costs	(66,852)	(68,955)	(26,076)	(13,310)	(21,782)
Other income	1,064	286	1,389	1,552	463
<b>Profit (Loss) before Zakah and minority interest</b>	<b>80,946</b>	<b>(160,586)</b>	<b>(3,647)</b>	<b>268,935</b>	<b>90,049</b>
Zakah	(10,700)	(4,558)	(13,367)	(42,394)	(14,103)
<b>Profit (Loss) before minority interest</b>	<b>70,246</b>	<b>(165,144)</b>	<b>(17,014)</b>	<b>244,543</b>	<b>75,946</b>
Minority Interest	(555)	(35,002)	9,643	36,711	25,290
<b>Net profit (Loss)</b>	<b>70,801</b>	<b>(130,142)</b>	<b>(26,657)</b>	<b>207,832</b>	<b>50,656</b>

	2024	2023	2022	2021	2020
<b>Other comprehensive income:</b>					
Items that will not be classified as profit or loss (thousands of Saudi Riyals):					
Remeasure employee benefits obligations	358	1,668	(1,196)	2,010	(385)
<b>Total comprehensive income</b>	<b>70,604</b>	<b>(163,476)</b>	<b>(18,209)</b>	<b>246,553</b>	<b>75,561</b>
<b>Total comprehensive income attributed to:</b>					
Company shareholders	70,934	(128,395)	(27,889)	209,711	50,266
Minority interest portion	(330)	(35,081)	9,680	36,842	25,295
	<b>70,604</b>	<b>(163,476)</b>	<b>(18,209)</b>	<b>246,553</b>	<b>75,561</b>

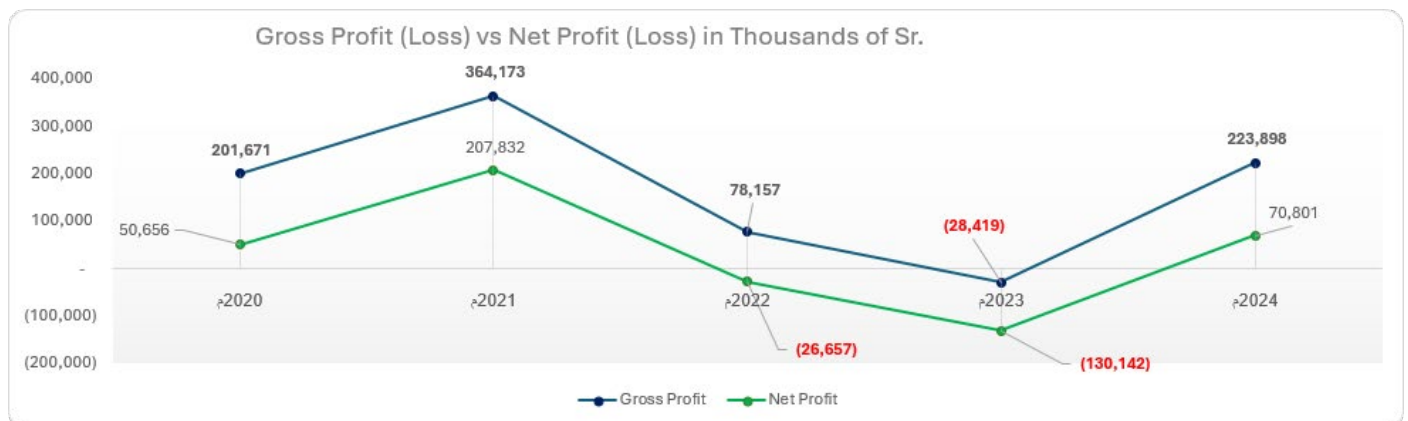
The following chart shows the change in consolidated revenues for the last five years (in thousands of Saudi Riyals):

Years	Revenues	Changes than prior Year	Changes % than Year prior	State of change from the previous year
2024	1,956,591	397,058	25.46%	Increase
2023	1,559,534	94,558	6.45%	Increase
2022	1,464,976	154,052-	-9.52%	Decease
2021	1,619,028	248,393-	-13.30%	Decease
2020	1,867,420	908,146	95.00%	Increase

The following chart shows the change in consolidated revenues for the last five years (in thousands of Saudi Riyals):

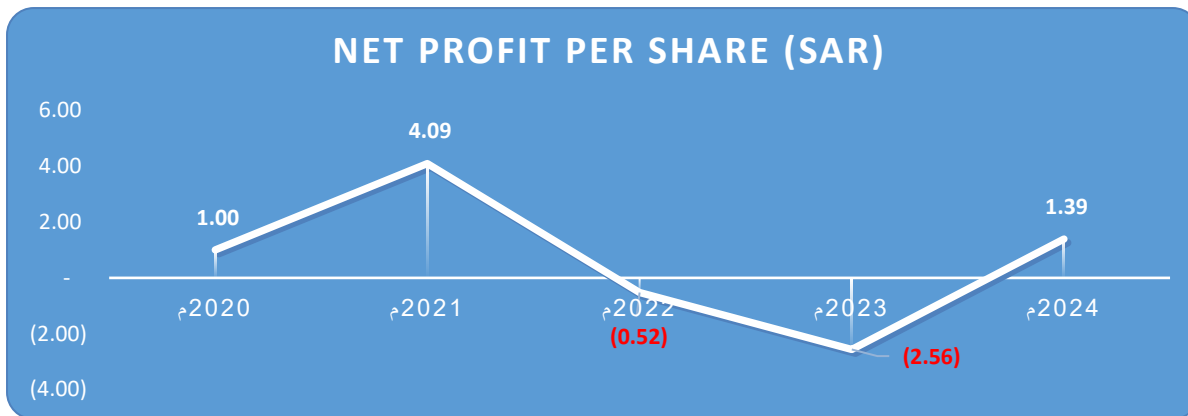


The following chart shows net profit (loss) and Gross profit for the last five years (thousands of Saudi Riyals):





The following chart shows the profitability (loss) per share of net profit (loss) for the last five years in Saudi Riyals:



#### Segment analysis of the company results:

The following is an explanation of the revenues and net profits (losses) of the business sectors in millions of Saudi Riyals:

Segment	Revenues		Net Profit (Losses)	
	2024	2023	2024	2023
Segment Constructions	940	922	14.70	(150.43)
Segment Electrical	530	517	47.80	(15.47)
Renewable Energy	478	121	5.74	(0.83)
Other	0	0	2.01	1.59
<b>Total</b>	<b>1,957</b>	<b>1,560</b>	<b>70.25</b>	<b>(165.14)</b>

#### Firstly: The construction sector:

The quantity and value of revenues/sales increased by 7% and 2% respectively comparative with the previous fiscal year (355 thousand tons to about 378 thousand tons) where the Sector achieved a net profit of SAR 15.26 million for the current fiscal year compared with a net Loss of SAR (115.47) in the previous fiscal year due to the increase in the quantities sold in addition to decrease the average cost of sales by 21% which is lower than the rate of decrease in selling prices of the products amounted 8%.

#### Secondly: Electricity sector:

- The Sales quantities decreased by 4% (from about 101 thousand tons for the year 2023 to about 97 thousand tons for the current year), sales value increased by 2% for the current fiscal year compared with the previous fiscal year and the sector achieved net profit amounted SAR 47.80 Million compared with net loss of SAR (15.47) Million for the previous fiscal year, due to the increase in the average selling price per ton.

#### Thirdly: Renewable Energy Sector:

Sales quantities increased by 337% (from about 22 thousand tons for the year 2023 to about 96 thousand tons for the current year), sales value increased by 304% for the current fiscal year compared with the previous fiscal year. In addition to the increase in the average selling price per ton, the Impact of that seemed obvious, the renewable energy sector achieved a net profit of SAR 5.73 Million instead of net loss of SAR 0.83 Million for the previous fiscal year, due to the increase in the high demand for solar energy products.

○ **Differences in operating results:**

The following table shows the differences in operating results between 2024 and 2023 (Thousand Saudi Riyals)

Statement	2024	2023	Change between the two years	
			Amount	Percentage (%)
Gross profit	223,898	(28,419)	252,317	888%
Profit (loss) from operation	138.638	(95,433)	234,070	245%
Net profit (loss)	70,801	(130,142)	200,943	154%

- Gross profit amounting to SAR 224 Million was achieved in the current year compared with gross loss of SAR (28) Million in the previous year due mainly to the increase in quantities sold by 21%, the increase in the value of revenues/sales of 25% and the decrease in cost of sales per ton.
- The company has achieved profit from operations amounting to SAR 139 Million in 2024 compared with loss of SAR (95) Million in the previous year 2023.
- The company achieved a net profit of SAR 71 Million in the current year compared with net loss amounting to SAR 130 Million in the previous year.

The following table shows the most important financial indicators for 2023 and 2024:

Statement	2024	2023
Return on total assets	3.97%	-7.3%
Growth rate/(decline)of revenues	25.5 %	6.5%
Return on revenue	3.6%	-8.3%
Rate of increase (decrease) net income	154%	-388%
Profit/loss per share from net income	1.39	-2.56

The following table shows a summary of the list of cash flows for 2024 and 2023 (in thousands of Saudi Riyals):

Statement	2024	2023
Net cash flows from operating activities	187,556	138,857
Net cash flow used in investing activities	(24,013)	(134,920)
Net cash flow used in financing activities	(116,324)	(48,470)
<b>Net change in cash and cash equivalents</b>	<b>47,220</b>	<b>(44,533)</b>
Cash and cash equivalents at the beginning of the year	23,799	68,332
<b>Cash and cash equivalents at the end of the year</b>	<b>71,019</b>	<b>23,799</b>

#### ○ Investments and reserves of the company's employees

The company has not made any investments for the benefit of its employees, and the following is a table showing the reserves that have been registered for the benefit of the company's employees as of September 30, 2024 (thousands of Saudi Riyals):

Statement	2024	2023
End-of-service compensation allowance*	45,481	40,376
Remuneration provision**	3,233	1,129

The end-of-service indemnity allowance included about SAR 16.36 Million and SAR 15.09 Million for the employees of the subsidiary company for 2024 and 2023 respectively.

\*\* Accrued bonus for the parent company

#### Total debts of the company and the subsidiary:

##### A- Short-term financing:

A group of Sharia compliant banking facilities were obtained from local banks in the form of letters of credit (LCs), Tawarraaq, Islamic Current accounts, and Islamic Letters of Guarantees (LGs). The facilities are subject to Murabaha rates in line with the average market rates. These facilities are secured by order notes and guarantees by the company and the subsidiary.

##### B- Long-term financing:

During the fiscal year 2024, the parent company obtained a long-term loan from the Industrial Development Fund (SIDF) amounted SAR 107 Million to contribute in financing the establishment of Al Yamamah Wind Power Systems Factory, the payments will be made in semiannual installments starting in 2027 and ending in 2032.

The following table shows the total financing exploited by the consolidated company for 2024 and 2023 (thousands of Saudi Riyals):

Type of financing	2024	2023
Short-term financing	742,878	822,930
Long-term financing - noncurrent portion	107,178	80,220
<b>Total</b>	<b>850,056</b>	<b>903,150</b>

The following table shows the movement of total short-term Tawarruq (financing the purchase of raw materials), the circulating part and the non-current part of Tawarruq (financing).

Long-term as of September 30, 2024 (Saudi Arabia):

Particulars	Parent Company		Subsidiary Company		Consolidated Company	
	2024	2023	2024	2023	2024	2023
Short-term Tawarruq	742,878	747,849	0	75,081	742,878	822,930
Long term loans-current portion	0	0	0	0	0	0
Long term loans - noncurrent portion	107,178	80,220	0	0	107,178	80,220
<b>Total</b>	<b>850,056</b>	<b>828,069</b>	<b>0</b>	<b>75,081</b>	<b>850,056</b>	<b>903,150</b>

The following table shows the total financing movement of the consolidated company for the year 2024 (thousands of Saudi Riyals):

Statement	Opening balance	Funding used	Outstanding funding	Balance
Short-term financing and the current portion of long-term financing	822,930	3,240,777	3,320,829	742,878
Long-term financing - non-current portion	80,220	29,199	2,241	107,178
<b>Total</b>	<b>903,150</b>	<b>3,269,976</b>	<b>3,323,070</b>	<b>850,056</b>

The following table shows the long-term financing of the consolidated company for 2024(thousands of Saudi riyals)

Statement	Type of funding	Origin of funding	Duration of funding	Paid up to 30/09/2023	Remaining balance 1 30/09/2024
Saudi Industrial Development Fund (SIDF)	Public	107,178	10 Years	0	107,178
<b>Total</b>		<b>107,178</b>		<b>0</b>	<b>107,178</b>

The following table of financing shows the short-term financing movement of consolidated company for 2024 (thousands of Saudi Riyals)

Statement	Type of funding	Amount due on 30/09/2023	Funding used during 2021	Fund Paid during 2021	Balance on 30/09/2024
Arab National Bank	Private	492,000	1,272,800	1,449,300	315,500
Saudi French Bank	Private	0	522,279	395,640	126,640
Al Rajhi Bank	Private	46,822	379,493	374,292	52,023
Saudi British Bank	Private	51,598	466,204	469,088	48,715
Alinma Bank	Private	215,929	600,000	615,929	200,000
The Saudi Investment Bank	Private	16,581	0	16,581	0
<b>Total</b>		<b>822,930</b>	<b>3,240,777</b>	<b>3,320,829</b>	<b>742,878</b>

○

○ **Clarification for the company's Conversion to international financial reporting standards**

The company has applied international accounting standards starting from 10/01/2017, and accordingly all accounting operations, reports, policies and financial statements were registered and approved in accordance with international financial reporting standards, and there is no difference in what is consistent with that.

○ **Geographical analysis of the company's total revenue:**

The following table shows that sales and revenues are compared by geographical location of local markets for fiscal year 2024 and fiscal year 2023 (thousands of Saudi Riyals):

Sector	2024		2023	
	Revenue	Ratio	Revenue	Ratio
Central Region	529,873	%27.08	372,208	23.87%
Western Region	1,001,185	%51.17	899,478	57.68%
Eastern Region	29,281	%1.50	210,274	13.48%
Southern Region	41,318	%2.11	18,251	1.17%
Northern Region	347,953	17.78	12,609	0.81%
<b>Total</b>	<b>1,949,610</b>	<b>%99.64</b>	<b>1,512,820</b>	<b>97.00%</b>

The following table compares sales and revenues from the domestic market and exports for fiscal year 2024 and fiscal year 2023 (thousands of Saudi Riyals):

Year	Local market		Export market	
	Revenue	Percentage of total revenue	Revenue	Percentage of total revenue
2024	1,949,610	99.64%	6,981	36.0%
2023	1,512,820	97.00%	46,714	3.00%

○ **Equity activities and debt instruments:**

1. Neither the company nor the subsidiary issued shares or debt instruments during the fiscal year ended 30-09-2024.
2. Neither the company nor the subsidiary in the fiscal year ending 30-09-2024 have any interests for people other than (board members, senior executives, their spouses and minors) of the shares category which has the right in voting.
3. During fiscal year 2024, the Company did not issue or grant any debt instruments convertible into shares, contractual securities, IPO notes or similar rights, and there is no compensation obtained by the company in return.
4. During 2024, the Company did not issue or grant any transfer or underwriting rights under debt instruments convertible into shares, any contractual securities, IPO notes or similar rights.
5. Neither the company nor its subsidiary during 2024 made any purchase, refund or cancellation of any recoverable debt instruments.
6. The Company has not made any arrangements or agreement under which any of the company's shareholders waived their rights in profit.
7. The Company has not made any arrangements or agreement under which a board member or a senior executive will waive a salary or compensation.
8. During 2024, the company did not make any investments or other reserves created for the benefit of the company's employees.

## 1. Company activities and strategy

Al-Yamamah Steel Industries Company - a Saudi joint stock company registered in the city of Al-Riyadh was established with commercial registration No. 1010070794 and date 01/06/1409 AH, and the company was licensed under Industrial License No. (/144P) dated 22/03/1409 Subsequent amendments thereto,

Capital Market Listing the company's shares on the Saudi Stock Exchange on 15/08/1437H corresponding to 22/05/2016G.

The company's authorized and paid-up capital is (508,000,000) Saudi Riyals only five hundred and eight million Saudi Riyals and divided into

(50,800,000) fifty million eight hundred thousand shares of equal value, and the nominal value of each share is (10) Saudi Riyals

All of them are ordinary shares in kind and in cash for which the shareholders have paid in full.

The company and the subsidiary are engaged in the manufacture of steel products to serve the construction sector in the Kingdom, which includes steel blanks and rebar,

And serving the electricity and communications sector through the production of iron poles and masts for the distribution of electrical energy and street lighting and the production of iron towers for transmission

Electric power and antenna carrier in the field of communications and the production of iron artifacts necessary for solar energy systems, and construction work is underway for a project

Al-Yamamah produces steel towers necessary for the energy systems of the Yanbu Industrial City, and it is expected that the construction of the project will be completed and operated by traders during the quarter

Third of fiscal year 2025.

## 2. Subsidiary: Al Yamamah Rebar Company (closed joint stock company)

Al Yamamah Rebar Company was established in Riyadh with a fully paid-up capital of SAR 300 million and divided into 30 million shares with a value of SAR 10 each and owns Al Yamamah steel Industries (21,750,000) Share representing 27.5% of the capital and there is no debt instruments issued from them.

The subsidiary is engaged in the production and wholesale and retail trade of rebar, and the company's factory is in the industrial city of Yanbu

The Kingdom of Saudi Arabia is affiliated to the Royal Commission for Jubail and Yanbu.

## 3. Core developments during the fiscal year 2024:

During the past two years, the company has expanded the production capacity of the towers activity by adding production lines and the necessary labor and the operation of the new galvanizing plant in Jeddah Industrial City to meet the demand for the supply of steel towers necessary for the electric power transmission lines in the coming years, the company has announced through Tadawul website signing the following contracts during October and December 2024:

- Signing three contracts with Larsen & Toubro Saudi Arabia to supply steel towers for the construction of line 380 kv, valued at SAR 428,342,543 Summarized as follows:

1) Contract for the supply of steel towers for the construction of a 500 kv ultra-high voltage line from the central region to the Western Region (Phase III) with a value of SAR 170,537,090, signed on October 20, 2024. The supply of the project will start from May 2025 and the financial impact of the contract will begin to appear in the third quarter of the fiscal year 2025.

2) Contract for the supply of steel towers for the construction of a 380 kv ultra-high voltage line from Stara Station to Wadi Al-Dawasir Station in the Central Region with a value of SAR 138,721,863, signed on October 20, 2024. The supply of the project will start from January 2025 and the financial impact of the contract will begin to appear in the second quarter of the fiscal year 2025.

3) A contract for the supply of steel towers for the construction of a 380 kv ultra-high voltage line in the central region with a value of SAR 119,083,590 Signed on October 30, 2024. The supply of the project will start from January 2025 The financial impact of the contract will begin to appear in the 2<sup>nd</sup> quarter of the fiscal year 2025.

- Signing a contract on December 8, 2024, for the supply of iron towers with the National Contracting Company Ltd. for a construction project of a 380 kv ultra-high voltage line in the central region at a value of SAR 94, 951, 979. The supply of the project will begin in May 2025 and the financial impact of the contract begins to appear in the third quarter of the fiscal year 2025.

#### Pipes activity:

The annual production capacity has been increased by about (45) thousand tons for the Pipes factory located in Jeddah at a cost of about SAR (24) Million, financed through the company's cash flows, the expansion will further strengthen the company's market share and provide all thicknesses and provide Solar power projects with their needs of steel pipes.

#### Wind Power System Activity:

The implementation of Al Yamamah Wind Power Systems Factory in Yanbu Industrial City, leased from the Royal Commission for Yanbu, is being completed in accordance with international standards and in accordance with the requirements for supplying steel towers necessary for wind energy systems and in accordance with the requirements of technology supply companies, and construction work and installation of production lines have been completed, and it is expected to start trial operation during the second quarter of the fiscal year 2025 and the start of commercial operation during the third quarter of the fiscal year 2025.

The company has signed a loan contract to finance 70% of the investment cost of the project with the Saudi Industrial Development Fund (SIDF) amounted one SAR 170 Million, to be repaid in semi-annual installments starting from Shawwal 1448H (March 2027) to Rabi Thani 1454H (July 2032).

#### 4. Dealing with related Parties entities/related parties

The company's commercial transactions with related parties to sell the company's products for the fiscal year amounted to (519) million riyals, representing 27%, compared to 28% of the company's sales and revenues for the previous year, which are also dealings of the members of the board of directors with a direct or indirect interest with the company, which was renewed in the general assembly of shareholders held on 10-03-2024, knowing that there are no preferential conditions in all transactions.

The table below shows the company's consolidated revenues from related parties (no preferential conditions) (thousands of Saudi Riyals)

Name	Relationship	2024	2023
Abdulkader Al Muhaidib & Sons Company	A founding shareholder represented by Mr. Raed bin Ibrahim Almudaiheem	242,461	166,578
Rashid Abdulrahman Al Rashid & Sons Company	A founding shareholder represented by Board Member Mr. Khalid Abdullah Alshhami	29,854	1,776
Al Muhanna Trading Company	Founding shareholder	137,444	146,772
Al Muhanna Trading Group	Owned by Board Member Mr. Muhanna Abdullah Almuhanha and a founding shareholder	71,729	94,782
Al-Moajil Trading and Contracting Company	Founder shareholder and Chairman Mr. Saad bin Ibrahim Al-Moajil represents her and partner	2,452	1,355
Madar building materials (formerly Al Fawzan Building Materials Company)	Shareholder in the subsidiary company	34,709	19,172
<b>Total</b>		<b>518,649</b>	<b>430,435</b>



\*Dealings with Abdul Qader Al Muhaidib & Sons Company include Masdar Building Materials Company and Thabat Contracting Company.

\*\*Dealing with Rashid Abdul Rahman Al Rashed & Sons Company includes Saudi Electrical and Mechanical Works Services Company and Al-Rashed Building Materials Company

The following table shows the company's consolidated purchases from related parties (no preferential conditions) in thousands of Saudi Riyals.

Name	Relationship	2024	2023
Abdulqadir Al Muhaidib & Sons Company*	A founding shareholder represented by The Board of Directors member Mr. Raed Bin Ibrahim Almudaiheem	619	272
Rashid Abdul Rahman Al Rashid & Sons Company **	A founding shareholder represented by The Board of Directors member Mr. Khalid bin Abdullah al-Shami	-	-
Al Muhanna Trading Group	Owned by Board Member Mr. Muhanna Abdullah Al-Muhanna and a founding shareholder	36	-
Madar Building Materials Co., Ltd.	Shareholder in the subsidiary	339	164
<b>Total</b>		<b>994</b>	<b>436</b>

\*Includes dealings with Masdar Building Materials Company and Masdar Technical Equipment Company.

\*\*Includes dealings with Al Rashid Building Materials Company and Al Rashid Stabilizers Company.

Note: Purchases are from related parties related to operating supplies.

The table below shows the contracts for projects implemented for the benefit of related parties (no preferential terms) during the fiscal year 2024 with the Saudi Electrical and Mechanical Works Services Company for the supply of electrical towers (in Saudi Riyals):

Project	Contract date	Duration of the contract	Contract value	Executed until 9/30/2021	Executed in the year 2021	Reviews
1- Dhiba Project	2024-07-24	One year extendable (10% of the contract value under increase or decrease)	49,953	24,162	24,162	continued 48%

## 5. Future expectations and risks

The company expects improved results during the fiscal year ending on September 30, 2025 for the electricity sector, especially the activity of electrical towers as a result of the operation of the expansion and acquisition of the supplies of many contracts for the towers of electric power transmission lines for projects that have been contracted locally, as well as the expansion of the production capacity of pipes used in solar energy projects supported by the expansion of the production capacity of iron galvanization to serve the expansion of towers and solar energy activity, the construction sector will continue to provide the market with its needs of pipes and tubes For all sizes through the company's activity in the manufacture of pipes as well as providing authorized distributors of rebar in addition to continuing to expand in the renewable energy sector by adding the Wind Power Systems Factory.



The company will continue to take caution and caution against fluctuations in raw materials prices and their impact on cost, inventory valuation, reduce their negative effects, maximize the benefit of their positive effects on the company's results, and provide raw materials locally and internationally, supported by the company's good financial position and the strength and strength of the company's relationship with supply chains.

All necessary measures and precautions will be taken to reduce financing expenses by following up the collection and follow-up of the disbursement of the wind loan with the Saudi Industrial Development Fund and obtaining competitive fees for credit facilities from local banks and banks.

The company will continue to maintain its national and expatriate cadres while continuing to implement the necessary plans and attract distinguished cadres to fill the vacancies resulting from the operation of expansions in the company's business units.

## 6. Governmental payments:

The table below shows a comparison of the statutory payments due, and the amounts paid during the fiscal year 2024 and fiscal year 2023 (in thousands of Saudi Riyals):

Statement	Payments due		Payments made	
	2024	2023	2024	2023
Zakat *	16,654	25,394	19,441	8,446
VAT	12,210	12,691	248,918	165,177
General Organization for Social Insurance	1,915	1,878	8,183	7,757

### \*Zakat Status:

#### A) Al Yamamah Steel Industries Company

The company submitted zakat declarations for the years from the beginning of incorporation on June 26, 2006 until the year ending on September 30, 2023, according to which the company paid the due zakat and obtained a final zakat certificate valid until January 30, 2025. Below are the details of the company's zakat position from the date of incorporation until September 30 2023, which shows the value of the zakat differences resulting from the Authority's assessments of the aforementioned years and as a result of the company's objection to those differences, as well as the amounts paid by the company in exchange for the assessments differences of those years:

#### a) For the period from the date of incorporation from June 26, 2006 to September 30, 2007:

The company received final Zakat certificate and final Zakat assessment from Zakat, Tax and Customs Authority.

#### b) The years from 2008 to 2011:

The Zakat differences for the years from 2008 to 2011 amounted to SAR 9.9 Million according to the demands of the Zakat, Tax and Customs Authority. The company objected to the differences amounting to SAR 9.9 Million for these years. The amount of 2.4 million Saudi Riyals for the year 2011 was accepted from the objection submitted on these differences. The company issued a letter of guarantee in the amount of SAR 7.5 Million representing all the differences that were not accepted by the Authority for the years 2008-2010, so that the net differences due and objected to for those years were SAR 7.5 Million. The General Secretariat of the Zakat, Tax and Customs Committees, in the appeal session held on March 19, 2024, confirmed the end of the dispute between Al-Yamamah Steel Industries Company (unique number 3000656924) and the Zakat, Tax and Customs Authority, related to the main item in the objection, which is the failure to deduct the company's contribution to the Al-Malisa land development project from the tax base. Zakat for the years 2008 to 2010, by the Authority accepting the company's requests in this regard, which stipulate deducting the balance of the Melissa land from the Zakat base for these years, in addition to accepting the objection to the Authority's addition of one of the items to the Zakat base, and thus accepting about 91% of the value of the objection and rejecting the other items that represent about 9% of the value of the objection. During April 2024, the company submitted a petition to the General Secretariat of the Zakat, Tax and Customs Committees on the items that were rejected in the appeal session held on March 19, 2024, which represent approximately 9% of the tax differences for the years 2008 to 2010. After communicating with the Authority, the company requested the General Secretariat

of the Zakat, Tax and Customs Committees to suspend the petition in order to reach a settlement with the Authority. The General Secretariat of the Zakat, Tax and Customs Committees agreed to this during November 2024, and the petition was suspended until May 5, 2025, in order to reach a settlement with the Authority. The company submitted a settlement request to the Zakat, Tax and Customs Authority during December 2024.

**c) The years from 2012 to 2014:**

The company did not receive any assessments for those years.

**d) The years from 2015 to 2019:**

The Zakat differences for the years from 2015 to 2019 amounted to SAR 4.7 Million according to the demands of the Zakat, Tax and Customs Authority. The company paid SAR 1.4 Million representing the Zakat differences for the years 2016 and 2018. It objected to an amount of SAR 3.3 Million for the years 2015, 2017 and 2019. An amount of SAR 1.5 Million of the objection submitted on those differences was accepted, and the company paid an amount of SAR 1.8 Million representing the total differences that were not accepted by the Authority. Thus, there are no remaining Zakat differences due for those years.

**e) Financial year 2020:**

The Zakat differences for the year 2020 amounted to SAR 9.74 Million according to the Zakat assessment and the demands of the Zakat, Tax and Customs Authority. The company paid an amount of SAR 12,589 and objected to an amount of SAR 9.73 Million. The objection submitted to the Authority on these differences was rejected, and the company issued a bank guarantee in favor of the Authority in the amount of SAR 4.87 Million. The General Secretariat of the Zakat, Tax and Customs Committees rejected the company's objection to the Zakat assessment with the Authority. The company filed a request to appeal the decision of the General Secretariat of the Zakat, Tax and Customs Committees. The appeal was rejected during the session held in October 2023, and the company was required to pay an amount of 9.73 million Saudi riyals. The company paid the amount and appealed to the relevant authorities during the month of December 2023. The First Appellate Circuit for Income Tax Violations and Disputes, emanating from the General Secretariat of the Zakat, Tax and Customs Committees, held its session on 01/17/2024. After reviewing the petition request of Al Yamamah Steel Industries Company regarding the zakat differences for the fiscal year 2020, the submitted memoranda, and the papers and documents contained in the case file, the appeal was rejected. During the year 2024, the company filed another petition regarding these differences, and the General Secretariat of the Zakat, Tax and Customs Committees issued its final decision to reject the company's petition during the month of November 2024. Thus, the zakat differences due for that year were closed permanently.

**f) Financial year 2021-2022**

During April 2024, Al Yamamah Steel Industries Company received the approval of the Zakat, Tax and Customs Authority for its Zakat declaration for the year ending September 30, 2021. It also received a Zakat assessment for the year ending September 30, 2022, which included Zakat differences amounting to SAR 1.53 Million. The company paid the amount and objected to the Zakat assessment during July 2024.

**g) Fiscal year 2023**

During July 2024, Al Yamamah Steel Industries Company received a Zakat assessment from the Zakat, Tax and Customs Authority for its Zakat declaration for the year ending September 30, 2023, without any differences in the Zakat due.

**B) Al Yamamah Company for Reinforcing Steel Bars**

The company submitted its zakat returns for the years from the beginning of the activity until the fiscal year ending on September 30, 2024 and paid the due Zakat in those returns, noting that the zakat certificate expires on January 30, 2025. The company has finalized its zakat position with the Zakat and Tax Authority for the years from the date of the company's establishment until the fiscal year ending on September 30, 2019.

The movement in the Zakat provision during the year ended 30 September 2024 (in Saudi Riyals) is as follows:

Particulars	2024	2023
<b>Balance at the beginning of the year</b>	<b>25,394,386</b>	<b>29,282,285</b>
Added: Comprised during the year and previous years diff.	8,178,383	5,837,054
Deducted: Payments during the year	-	(1,212,052)
Zakat differences from previous years	2,521,740	(67,100)
Paid during the year	(19,440,888)	(8,445,801)
<b>Balance at the end of the year</b>	<b>16,653,621</b>	<b>25,394,386</b>

## 7. Dividends Policy:

The dividends and their amount shall be based on the net realized profits and cash flows of the Company in line with the distribution policy contained in the Company's Articles of Association in Articles (40) to (41) as follows:

The company's net annual profits after deducting all general expenses and other costs, including zakat imposed by Shariah, shall be distributed as follows:

- The Ordinary General Assembly, when determining the share of shares in the net profits, may decide to form other reserves, to the extent that it is in the interest of the company or ensures the distribution of fixed dividends as much as possible to the shareholders. The said association may also deduct from the net profits sums for the establishment of social enterprises for the company's employees or for the assistance of existing such institutions.
- The General Assembly shall determine the percentage to be distributed from the net profits after deducting the reserves, if any.
- The remainder shall then be distributed to the shareholders as an additional share in the profits or carried forward to the following years as approved by the General Assembly.
- No dividends were distributed during the fiscal year ending on September 30, 2024, but the board has recommended, in his meeting on December 25, 2024, to the general assembly which will hold a meeting in February 2025 to distribute SAR 25.4 Million to the shareholders (SAR 0.50/ share). Eligibility for cash dividend distributions to shareholders who own shares at the end of the second trading day following the day of the company's general assembly, which will be announced later.

The following table reveals dividends per share for the results of the past five financial years (SAR):

Fiscal year	2024	2023	2022	2021	2020
Dividends (SAR per share)	Not distributed yet	Not distributed	0,75	1,75	1,00
Distribution-to-nominal share value ratio	-	-	7.5%	17.5%	10%

\*\*\*\*\*

## **Secondly:**

### **Company Governance**

Al Yamamah Steel Industries Company, as a publicly listed joint-stock company, is committed to achieving the highest standards of governance, transparency, and fairness in all its activities, in order to ensure the trust of shareholders, investors, and all stakeholders. The Board of Directors, in collaboration with the executive management and the governance department, forms the cornerstone of achieving these principles by adopting policies and procedures aimed at promoting sound governance and adherence to best practices in transparency and disclosure. The Board of Directors provides overall oversight of all company operations and manages the associated risks by establishing policies and procedures that ensure business continuity and effectiveness according to the highest standards of integrity. The Board also works on reviewing and updating the company's strategies to ensure their alignment with market changes and potential risks, while ensuring the protection of shareholders' and stakeholders' rights.

The executive management is also committed to implementing the Board of Directors' directions and policies within a structured and thoughtful framework. It is responsible for monitoring operational performance, identifying and managing risks according to approved strategic plans. The executive management ensures that the company's objectives are achieved in line with the Board's vision and directions. The governance department oversees the implementation of governance principles and plays a key role in enhancing transparency and fairness in all business aspects by developing mechanisms that ensure accurate and regular disclosure of all relevant financial and non-financial information. We reaffirm our commitment to enhancing and continuously improving governance practices, while promoting transparency and fairness in dealings with all stakeholders, in order to achieve our strategic objectives and contribute to the development of the national economy.

## 1. Ownership Structure of the Company

Below is a list of shareholders who directly own more than 5% of the company's capital as of 30/09/2024, and there are no debt instruments issued by the company.

No.	Shareholder Name	Number of Shares	Direct Ownership Percentage
1	Al-Moajel Trading and Contracting Company	5,074,141	9.99%
2	Rashid Abdul Rahman Al-Rashid & Sons	4,900,000	9.65%
3	Abdelkader Al-Muhaideb & Sons	4,083,461	8.04%
4	Al-Mouhana Trading Company	3,440,384	6.77%
5	Abdul Karim Hamad Al-Moajel	2,962,556	5.83%

The following table shows the share ownership by members of the Board, their spouses, and minor children as of 30/09/2024, and there are no debt instruments issued by the company.

No.	Shareholder Name	Position	Number of Shares on 30/09/2023	Change (%)	Number of Shares on 30/09/2024
1	Mouhana Abdullah Al-Mouhana	Board Member	1,200,115	(5.27%)	1,140,000
2	Raed Ibrahim Al- Mudaiheem	Board Member	1,000	--	1,000

No.	Shareholder Name	Position	Number of Shares on 30/09/2023	Change (%)	Number of Shares on 30/09/2024
3	Khalid Abdullah Al-Shami	Board Member	1,000	--	1,000
4	Abdulhamid Abdulaziz Al- Al-Ohali	Board Member	2,000	225%	6,500
5	Mr. Abdulrahman Rashed Albluwe	Board Member	1	--	1
6	Adnan Abdulrahman Alzamel	Board Member	40	--	40

There is no share ownership by senior executives, their spouses, or minor children during the fiscal year 2024 (from 01/10/2023 to 30/09/2024).

## 2. Structure of the Board of Directors & Classification of Members

The Board of Directors of Al Yamamah Steel Industries Company is the highest administrative body of the company, and it has direct responsibility to the General Assembly of Shareholders and regulatory authorities regarding the management of the company. The Board performs this role in accordance with the company's Articles of Association and relevant laws and regulations.

The Board's role includes defining and approving the company's strategic directions and main objectives, as well as establishing and monitoring internal control and governance procedures to ensure their efficiency and effectiveness. The Board makes decisions related to major budgets and financial policies, and it monitors the company's performance and the activities of the executive management. In addition, the Board works to establish policies that govern the relationship with stakeholders and protect their rights, including compliance policies with laws and regulations and disclosure of material information related to the company.

Article (16) of the Articles of Association of Al Yamamah Steel Industries Company states: "The Company shall be managed by Board of Directors consisting of seven members, all of whom must be natural persons elected by the General Assembly of shareholders for a term not exceeding four years. The number of independent members elected by the Ordinary General Assembly shall always be three independent members, and the majority of the Board members shall be non-executive. Accordingly, and in application of the above-mentioned article, the Board consists of seven members, which complies with the Companies Law, the Corporate Governance Regulations issued by the Capital Market Authority, and relevant laws and regulations.

The following table shows the members of the Board of Directors, their classification, and their memberships in listed joint-stock companies.

Member's name	Position	Membership status	Membership in listed companies / other than al-Yamamah company in his personal capacity or representative of a legal person
Mr. Saad Ibrahim Al-Moajel	Chairman	Non-executive member	-
Mr. Raed Ibrahim Al-Mudaiheem	Vice chairman	Non-executive member	<ul style="list-style-type: none"> <li>- Bawan Co.</li> <li>- Riyadh Cables Group Company</li> <li>- CATRION Catering Holding Co.</li> <li>- United Mining Industries Co.</li> </ul>
Mr. Mouhana Abdullah Al-Mouhana	Board member	Non-executive member	-
Mr. Khalid Abdullah Al-Shami	Board member	Non-executive member	- United Mining Industries Co.
Mr. Abdulhamid Abdulaziz Alohal	Board member	Independent Member	- Malath Cooperative Insurance Co.
Mr. Adnan Abdulrahman Al Mansour	Board member	Independent Member	-
Mr. Abdulrahman Rashed Ibluwe	Board member	Independent Member	- United Mining Industries Co.

The following table outlines the most important past and current positions, experiences, and qualifications of board members:

Name	Current positions	Previous positions	Qualifications	Experiences
Mr. Saad Ibrahim Al-Moajel	<ul style="list-style-type: none"> <li>- Chairman of the Board of Directors of Al Yamamah Company for Reinforcing Steel Bars</li> <li>- Chairman of the Board of Directors of Al-Moajel Trading and Contracting Company</li> <li>- Chairman of Board of director for AL Moajel Real estate company (Closed Joint Stock Co.)</li> <li>- Board Member – Charity Association for the Care of Orphans (Insan) since 2012</li> </ul>	<ul style="list-style-type: none"> <li>- Chairman of the Coordinating Board of National Committees of the Board of Saudi Chambers.</li> <li>- Chairman of the Board of Trustees of the Riyadh Economic Forum.</li> <li>- Chairman of the Industrial Committee of Riyadh Chamber</li> <li>- Chairman - United Mining Industries Co.</li> <li>- Chairman of the Board of Directors - Al Yamamah Marble and Granite Company</li> <li>- Vice Chairman of the Board of Directors of the Chamber of Commerce in Riyadh</li> <li>- Board member of the Chamber of Commerce and Industry in Riyadh</li> <li>- Member of the Board of Directors of the Saudi Chambers representing Riyadh Chamber.</li> <li>- Member of the Supreme Preparatory Committee for the Local Industrialization of the Armed Forces.</li> <li>- Board member - Manufacturing and Energy Services Company</li> <li>- Board member - Technical Investment S.A.</li> <li>- Member of the Board of Directors - Dhahran International Exhibitions Company Dammam</li> <li>- Board member - Food Industries Company (DIMA)</li> <li>- Member of the Board of Directors Saudi Ceramic Company</li> <li>- Board of Directors Member - Arab Precision Industries Co.</li> <li>- Board Member - Arabian Pipe Company</li> <li>- Board Member - Eastern Cement Company</li> </ul>	<ul style="list-style-type: none"> <li>- Master of Chemical Engineering 1975</li> <li>- Bachelor of Chemical Engineering 1973</li> </ul>	During the past decades he has held several positions in the presidency and membership of the boards of directors of several companies till now and he participated in some different industrial and commercial organizations as well as participated in some different charitable and social organizations.
Mr. Raed Ibrahim Al-Mudaiheem	<ul style="list-style-type: none"> <li>- Chairman - United Mining Industries Co.</li> <li>- Vice Chairman – CATRION Catering Holding Company.</li> <li>- First Vice Chairman of the Jeddah Chamber of Commerce.</li> <li>- Board Member Jeddah Central Development Co</li> <li>- Vice Chairman - Masdar Building Materials Co.</li> <li>- Vice Chairman - Bawan Co.</li> <li>- Chairman of the directors of Jeddah Airports.</li> </ul>	<ul style="list-style-type: none"> <li>- Board Member of Saudi Pipes Company</li> <li>- Vice Chairman - Northern Cement Company</li> </ul>	<ul style="list-style-type: none"> <li>- Master of Electrical Engineering 1992</li> <li>- Bachelor of Electrical Engineering 1986</li> </ul>	He has over 35 years of experience in engineering, spanning various fields, including water and energy, trade and manufacturing of construction materials, as well as trade and manufacturing of iron and wood. He also possesses extensive managerial experience, including overseeing and implementing numerous acquisitions and mergers, as well as developing strategies.



	- Board Member - Riyadh Cables Group Company.			
Mr. Abdulhamid Abdulaziz Al-Ohali	<ul style="list-style-type: none"> <li>- Board Member Ajwaad Holding Company</li> <li>- Board Member - Kayan Holding Company.</li> <li>- Board Member Malath Cooperative Insurance Company.</li> </ul>	<ul style="list-style-type: none"> <li>- CEO of United Electronics Company (Extra)</li> <li>- CEO of Al-Fawzan Metals</li> <li>- Board Member - United Electronics Company (Extra)</li> <li>- Member of the Board of Directors Al Majal Real Estate Development.</li> <li>- General Manager of Al Rajhi Industrial Group.</li> <li>- General Manager - Al Rajhi Cooperative Insurance Company.</li> <li>- Assistant Director of Marketing Department at the National Cooperative Insurance Company.</li> </ul>	Bachelor of science in industrial Management , King Fahad University of Petroleum and Mining	He has a professional history spanning several years in the fields of industry, trade, and insurance. Additionally, he has served as a member on numerous boards of directors.
Mr. Adnan Abdulrahman Alzamel	<ul style="list-style-type: none"> <li>- Member of NR Committee at Water Solutions Company (one of the PIF companies).</li> <li>- Member of the Audit Committee at Jaz Arabian Services Company.</li> <li>- Member of the Audit Committee at the Economic Cities &amp; Zones Authority .</li> <li>- Member and Secretary of the Board of Directors and Member of the Executive Committee for the Project for Measuring and Achieving Beneficiary Satisfaction with Government Services in the Eastern Region.</li> </ul>	<ul style="list-style-type: none"> <li>- CEO of Zamil Steel</li> <li>- Vice President for Executive Affairs - Saudi Electricity Company</li> </ul>	<ul style="list-style-type: none"> <li>- Bachelor's in civil engineering.</li> <li>- Strategic Management Program at Stanford University, California.</li> </ul>	More than 45 years of experience in engineering, quality management, strategic planning, leadership and human capital
Mr. Abdulrahman Rashed Albluwe	<ul style="list-style-type: none"> <li>- Board Member – Safer Holding Company.</li> <li>- Board Member United Mining Industries Co.</li> </ul>	<ul style="list-style-type: none"> <li>- CEO of Natural Gas Distribution Company.</li> <li>- Board Member – SAPAC Co .</li> <li>- Board Member – Amjad Holding Company.</li> <li>- Board Member – Tabuk Cement Company.</li> <li>- CEO of Bana Abu Dhabi Company.</li> <li>- General Manager – GMG Company - Abu Dhabi</li> <li>- Director of Banking Relations – Samba Bank.</li> </ul>	<ul style="list-style-type: none"> <li>- Bachelor degree in Finance from King Saud University.</li> <li>- Master's degree in international management from Portland University.</li> </ul>	He has more than 25 years of experience in the fields of financial management, investment, industry, and contracting.

Name	Current posts	Previous posts	Qualifications	Experiences
Mr. Mater Saud Al-Anzi	The Chief Financial Officer Tawuniya Insurance Company.	<ul style="list-style-type: none"> <li>- Chief Financial Officer of the Saudi Military Industries Company (SAMI).</li> <li>- Chief Financial Officer, ACWA Power Company - Saudi Arabia.</li> <li>- Chief Financial Officer - the Public Investment Authority (currently the Ministry of Investment).</li> <li>- General Manager of Treasury - Ma'aden Alcoa Aluminum (Joint Venture).</li> <li>- Financial Controller -Ma'aden Alcoa Aluminum (Joint Venture).</li> <li>- Budget Manager - Ma'aden.</li> <li>- Financial Analyst -SABIC.</li> </ul>	<ul style="list-style-type: none"> <li>- Executive Master's in business administration from King Fahd University of Petroleum and Minerals.</li> <li>- Bachelor's degree in Business Administration, Accounting Department.</li> </ul>	Has more than 18 years in the field of Financial Management
Mr. Abdulrahman Rashed Albluwe	<ul style="list-style-type: none"> <li>- Board Member – Safer Holding Company.</li> <li>- Board Member United Mining Industries Co.</li> </ul>	<ul style="list-style-type: none"> <li>- CEO of Natural Gas Distribution Company.</li> <li>- Board Member – SAPAC Co .</li> <li>- Board Member – Amjad Holding Company.</li> <li>- Board Member – Tabuk Cement Company.</li> <li>- CEO of Bana Abu Dhabi Company.</li> <li>- General Manager – GMG Company - Abu Dhabi</li> <li>- Director of Banking Relations – Samba Bank.</li> </ul>	<ul style="list-style-type: none"> <li>- Bachelor degree in Finance from King Saud University.</li> <li>- Master's degree in international management from Portland University.</li> </ul>	He has more than 25 years of experience in the fields of financial management, investment, industry, and contracting.
Mr. Abdullah Abdulkarim Al-Mouhana.	Chief Financial Officer of Saudi Arabian Automobile & Motorcycle Association.	<ul style="list-style-type: none"> <li>-Acting CEO of the Saudi Automobile and Motorcycle Association.</li> <li>-Chief Financial Officer of the Saudi Automobile and Motorcycle Association.</li> <li>- Member of the Executive Committee of the Saudi Automobile and Motorcycle Association.</li> <li>-Secretary of the Audit Committee of the Saudi Automobile and Motorcycle Association.</li> <li>- Chief Financial Officer of the Saudi Falcons Club.</li> <li>- Member of the NR Committee of the Saudi Falcons Club.</li> <li>- Secretary of the Audit Committee of the Saudi Falcons Club.</li> <li>- Chief Financial Officer of Pharma Pharmaceutical Company- Dammam.</li> <li>- Senior Specialist in Financial and Regulatory Reporting at Mobily.</li> <li>- Assistant Financial Manager and Senior Tax Consultant at Spimaco Pharmaceutical Group.</li> <li>-Assistant Manager and Senior Accountant at Ernst &amp; Young.</li> </ul>	<ul style="list-style-type: none"> <li>- Masters in business administration and Accounting.</li> <li>- Bachelor's in accounting</li> </ul>	He has more than 19 years of experience in audit, financial management and regulatory reports.

		-Assistant Auditor at Talal Abu-Ghazaleh Professional Accountants.		
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The following table outlines the most important past and current positions, experiences and qualifications for senior executives:

Name	The current positions	Previous positions	Qualifications	Experiences
Sahal Mekhdar Al-Thobaiti	CEO	<ul style="list-style-type: none"> <li>- Chief Operating Officer at Al Yamamah Steel Industries Co.</li> <li>-Sales engineer at Zahid Company</li> <li>-Business Unit Head of Al Yamamah Steel Industries Co.</li> </ul>	<ul style="list-style-type: none"> <li>- MBA</li> <li>- Bachelor's degree in Mechanical engineering</li> <li>- Bachelor of Accounting</li> </ul>	He has more than 24 years of experience in the industry and management of the electrical poles business.
Mohammad Baker Abu Farhah	Chief Financial Officer of the Company	<ul style="list-style-type: none"> <li>- Chief Financial Officer at Qassim Cement Company</li> <li>- Finance Director at Watania for Industries.</li> <li>- Vice President - Finance at Alajhi Ekhwan.</li> <li>- Group Financial Controller at Saudi Printing and Packaging Company.</li> <li>- Audit supervisor at BODAI CPA.</li> <li>- Chief Accountant at Al Wahda Express Saudi LLC.</li> <li>- Auditor at Deloitte – Dubai, United Arab Emirates.</li> </ul>	<ul style="list-style-type: none"> <li>- Professional Certificate: Certified Public Accountant (CPA) from the United States of America.</li> <li>- Bachelor's degree in accounting.</li> <li>- Diploma in English Language</li> </ul>	He has more than 26 years of experience in accounting, financial management, and audit.

The following table outlines the most important past and current positions, experiences, and qualifications of Audit committee:

### Board of Directors' Meetings:

During the fiscal year 2024, the Board of Directors held five meetings using modern video conferencing technologies (remotely). It is noteworthy that the attendance rate for the Board meetings reached 100%, indicating the commitment of all Board members to attend. The table below shows the meeting dates and the attendance record of the members:

Member's name	October 12 2023	Dec 27 2023	Feb 07 2024	May 15 2024	August 08 2024	NO	Attendance %
Saad Ibrahim Al-Moajel	✓	✓	✓	✓	✓	5	100%
Raed Ibrahim Al-Mudaiheem	✓	✓	✓	✓	✓	5	100%
Mouhana Abdullah Al-Mouhana	✓	✓	✓	✓	✓	5	100%
Khaled Abdullah Al-Shami	✓	✓	✓	✓	✓	5	100%
Adnan Abdulrahman Al Mansour	✓	✓	✓	✓	✓	5	100%
Abdulhamid Abdulaziz Al-Ohali	✓	✓	✓	✓	✓	5	100%
Mr. Abdulrahman Rashed Albluwe	✓	✓	✓	✓	✓	2	100%

### 3. Rewards and compensation paid to board members, committees and senior executives

	Fixed Remunerations							Variable Remunerations						End of Service benefit	Grand Total	Expenses allowance
	Specified amount	Allowances of attending Board meetings	Total allowance for attending committee meetings	Noncash advantages	Remunerations of Consultations & Managements works, management and	Remuneration the Chairman, Managing Director or Secretary if he is a member	Total	Profit ratio	Periodic Bonus	Short term motivation plan (value is entered)	Long-term incentive plans	Shares awarded (value is entered)	Total			
First: Independent members																
1. Abdulhamid Abdulaziz Al-Ohali	300,000	16,000	0	0	0	0	316,000	0	0	0	0	0	0	0	316,000	0
2. Adnan Abdurrahman Al-Mansour	300,000	16,000	0	0	0	0	316,000	0	0	0	0	0	0	0	316,000	0
3 Abdulrahman Rashed Albalawy	226,500	16,000	0	0	0	0	242,000	0	0	0	0	0	0	0	242,000	0
Subtotal	876,500	48,000	0	0	0	0	924,500	0	0	0	0	0	0	0	924,500	
Second: Non-executive members																
1. Saad Ibrahim Al-Moajel	300,000	16,000	0	0	0	0	316,000	0	0	0	0	0	0	0	316,000	0
2. Raed Ibrahim Al-Mudaiheem	450,000	16,000	0	0	0	0	466,000	0	0	0	0	0	0	0	466,000	0
3- Mouhana Abdullah Al-Mouhana	450,000	16,000	0	0	0	0	466,000	0	0	0	0	0	0	0	466,000	0
4. Khaled Abdullah Al-Shami	450,000	16,000	0	0	0	0	466,000	0	0	0	0	0	0	0	466,000	0
Subtotal	1,650,000	64,000	0	0	0	0	1,714,000	0	0	0	0	0	0	0	1,714,000	0
Total	2,526,500	112,000	0	0	0	0	2,638,500	0	0	0	0	0	0	0	2,638,500	0

	(Excluding attendance allowance)	Allowance of attending sessions	Total
<b>Members of Audit Committee</b>			
1. Mater Saud Al Enzi	100,000	12,000	112,000
2. Abdullah Abdulkarim Al Muhan	100,000	12,000	112,000
3. Abdulrahman Rashed ALBluwe	100,000	12,000	112,000
<b>Subtotal Total for Audit Committe</b>	<b>300,000</b>	<b>36,000</b>	<b>360,000</b>
<b>Members of Executive Committee</b>			
1. Raed Ibraheem Al Mudiheem	200,000	12,000	212,000
2. Muhana Abdullah Al-Mouhana	200,000	12,000	212,000
3. Khalid Abdullah Al Shami	200,000	12,000	212,000
<b>Subtotal of Executive Committee</b>	<b>600,000</b>	<b>36,000</b>	<b>636,000</b>
<b>Members of rewards Committee</b>			
1. Adnan Abdulrahman Al Mansour	50,000	9,000	59,000
2. Muhana Abdullah Al-Mouhana	50,000	9,000	59,000
3. Khalid Abdullah Al Shami	50,000	9,000	59,000
<b>Subtotal of rewards Committee</b>	<b>150,000</b>	<b>27,000</b>	<b>177,000</b>
<b>Total</b>	<b>1,050,000</b>	<b>90,000</b>	<b>1,149,000</b>

**The following table shows the Rewards of top five Executive**

Senior executive positions	Salaries	Allowances	Noncash advantages	Total	Periodic Bonus	Profits	Short term motivation plan (value is entered)	long term motivation plan (value is entered)	Shares awarded (value is entered)	EOSB	Total
Rewards of top five Executive	2,980,000	1,193,040	0	4,173,040	1,617,721	0	0	0	0	314,317	6,105,078

## Board of Directors Committees:

The committees emanating from the Board of Directors perform their tasks and responsibilities based on the Corporate Governance Regulations issued by the Capital Market Authority and the Governance Manual of Al Yamamah Steel Industries Company. This is in accordance with the tasks and competencies that define their authority and working procedures, which include the rules for selecting committee members, the duration of their membership, the method of operation of the committees, and in compliance with the requirements of the Corporate Governance Regulations issued by the Capital Market Authority.



### ■ Audit Committee:

The Audit Committee was formed with the approval of the Extraordinary General Assembly held on June 7, 2023, for a period of three years. The Extraordinary General Assembly also approved the tasks, work regulations, and member compensation of the Audit Committee. The committee is composed of Non-executive members of the Board of Directors. The committee is responsible for reviewing the company's financial and administrative policies and procedures, the process of preparing financial reports and their outputs, as well as reviewing the internal audit reports and observations. The committee recommends to the Board of Directors the appointment, dismissal, and remuneration of the External auditors and ensures their independence. It also reviews the interim and annual financial statements before they are presented to the Board and provides its opinion on them, examines the external auditor's observations on the financial statements, and reviews the audit plan with the external auditor and provides its observations on it. The committee carries out these tasks periodically and systematically, enabling it to assess the efficiency and effectiveness of oversight activities, risk management, compliance, and anti-fraud and corruption efforts. The committee is chaired by Mr. Mater Saud Al-Anzi (a member from outside the board) and includes the membership of Mr. Abdulrahman Rashed Albluwe (Independent Board Member) and Mr. Abdullah Abdulkarim Al-Mouhana (a member from outside the board).

The committee held four meetings during the fiscal year 2024, as outlined below:

Member's name	20/12/ 23	05/02/ 2024	12/05/ 2024	04/08/ 2024	No	Perce ntage
Mater Saud Al-Anzi	✓	✓	✓	✓	4	100%
Abdulrahman Rashid Alblowi	✓	✓	✓	✓	4	100%
Abdullah Abdulkarim Al-Mouhana***	✓	✓	✓	✓	4	100%

#### ■ Tasks of the Audit committee:

1. The adequacy and integrity of internal control systems, financial accounting, reports, policies, procedures and effectiveness of internal audit and auditor functions.
2. Check the company's compliance with relevant rules, regulations, policies, and instructions.
3. The adequacy and integrity of policies and procedures regarding the safety and security of the company's assets, and the integrity of the company's financial statements.
4. Verifying the External Auditor's Independency, objectivity, fairness, and the effectiveness of the audit process, considering the relevant rules and regulations.
5. Contribute to the review and evaluation of strategic risks and receive regular reports on these emerging risks.
6. The Audit Committee is responsible for preparing and publishing the Committee's annual report to the Board of Directors and other reports required in accordance with the applicable rules, laws, and regulations.

#### ■ Audit Committee Endorsement:

1. The financial records have been prepared accurately.
2. The internal control system has been established on sound foundations and implemented effectively.
3. There is no significant doubt regarding the company's ability to continue its operations.

#### ■ Nominations and Remuneration Committee:

The Nomination and Remuneration Committee was formed by a decision of the Board of Directors on 25/06/2023, consisting of three members for a period of three years. The committee is chaired by Mr. Adnan Abdulrahman Al-Mansour (Independent Board Member), with two non-executive Board members: Mr. Mouhana Abdullah Al-Mouhana and Mr. Khalid Abdullah Al-Shami. The committee held three meetings during the fiscal year 2024, as outlined below:

Member's name	05/10/2023	04/12/2023	12/05/2024	No	Percentage
Adnan AbdulRahman Al Mansour	✓	✓	✓	3	100%
Mouhana Abdullah Al-Mouhana	✓	✓	✓	3	100%
Khaled Abdullah al-Shami	✓	✓	✓	3	100%

#### ■ Tasks of the Nominations and Remuneration Committee:

- The Committee assists the Board in identifying the Candidates who are eligible to become board members, recommending to the Board the members nominated for election for the annual General Assembly of shareholders.
- Annual review of the required skills and appropriate membership of the Board of Directors and prepare a description of the capabilities and competencies required for such membership, including the time required to conduct the board activities.
- The Committee reviews the composition of each committee of the Board and recommends the Board of Directors to approve the members of each committee.
- The Committee assists the Board in selecting, developing, and evaluating potential candidates for executive positions, including the CEO, and overseeing the development of plans to succeed the CEO.



- The committee follows up on the orientation programs for the new board members.
- The Committee develops and recommends to the Board to approve the Board's annual self-assessment process and oversees the Board's annual self-assessment.
- The Committee assists the Board on an annual basis in determining the compliance of each member and CEO with the company's code of conduct and ethics and any violations of the regulations must be reported to the Board.
- Review the structure of both the Chairman and members of the Board of Directors, including size, rewards, skills, knowledge, and experience, as well as recommend appropriate differences in this regard.
- Identify the strengths and weaknesses of the Board of Directors and recommend solutions that are in the company's interest.
- Emphasizing the independence of independent members and the absence of any conflict of interest if a board member acts as a member of another company's board.

The committee, appointed by the Board of Directors, has approved the detailed policy for measuring the performance of senior management and determining performance indicators based on the results achieved by the end of the fiscal year, which will serve as the basis for determining annual bonuses. Additionally, the committee approved changes to the transportation allowance system for company employees and modifications to the authority matrix for human resources management.

The committee reviewed the policy regulations for the board's and its committees' bonuses, made some amendments, and submitted its recommendations to the Board of Directors, which were approved by the Extraordinary General Assembly of Shareholders on 30 September, 2024 .

The Nominations and Remuneration Committee approved the Board of Directors' performance evaluation policy and followed up on the related recommendations. The committee also organized workshops for the Board of Directors, which are scheduled to be implemented during the current board term. Additionally, the committee carried out all procedures related to the election of Board members at the Extraordinary General Assembly held on June 7, 2024. This included overseeing the opening of nominations by the Governance Department, reviewing the CVs of the candidates based on the nomination criteria, and ensuring the completion of all required documents.

The committee continued to monitor and supervise the succession planning program for key positions within the company, identifying lists of future leadership candidates, and preparing developmental and training plans to equip them to assume these roles in case of vacancies.

#### Responsibilities for determining compensation and remuneration:

- The Nominations and Remuneration Committee recommends to the Board of Directors the rewards of its board members, its committees and the company's senior executives in accordance with the Board of Directors' Remuneration Policy, committees, and executive management, which was adopted by the General Assembly on 18/03/2020 and its latest amendment on 30/09/2024. Also the General Assembly has approved the rewards for the Fiscal year 2021,2022
- The Board of Directors discusses the report of the Nominations and Remuneration Committee for board members, committee members and senior executives, and the Board approves the awards of its members and its committees and senior executives in accordance with the regulations and policy adopted. In addition, the General Assembly is competent to approve the remuneration of members of the Audit committee.
- The Allowances of board members consist of a certain amount or allowance to attend the meetings or an expense allowance or benefits or a percentage of profits may be combined between two or more of these benefits and not exceed the stipulated by the Company law or the Instructions issued by the competent authority.

#### Executive Committee:

The Executive Committee was appointed by the decision of the Board of Directors on 26/06/2023. The committee Consist of three non-executive board members, Chaired by Mr. Raed Ibrahim Al-Mudaiheem (non-executive member) and two non-executive board members Mr. Mouhana Abdullah Al-Mouhana and Mr. Khalid Abdullah Al-Shami. the committee held its meetings with the executive management of the company, represented by the CEO, Mr. Sahal Mekhdar Al-Thobaiti, and the CFO, Mr. Mohammad Baker Abu Farhah. The committee conducted four meetings during the fiscal year 2024, as outlined below:

Member's name	02/10/2023	02/04/2024	25/07/2024	01/10/2024	Attendance	Percentage
Raed Ibrahim Al-Mudaiheem	✓	✓	✓	✓	4	100%
Mouhana Abdullah Al-Mouhana	✓	✓	✓	✓	4	100%
Khaled Abdullah Al-Shami	✓	✓	✓	✓	4	100%

#### Executive Committee tasks:

- 1- The committee assists the board in performing the activities and tasks delegated to it by the board of directors to facilitate smoothly the operations of the company.
- 2- The committee assists the board in setting the company's main strategic objectives and investment strategies, and the board approves them.
- 3- The committee contributes to facilitating the definition and setting of the vision and the special tasks of the Board.
- 4- The committee sets an action plan which helps the Board to define the company's vision, mission, and business direction.
- 5- It sets the main strategic objectives that contribute to achieving the required results of the company.
- 6- The committee assists the board in conducting a strategic review of the company's performance on a regular basis to determine whether the company has achieved its goals in the short and long term.
- 7- The committee participates in reviewing and approving all main investment decisions, in line with the company's approved strategies.
- 8- The committee is responsible for forming or reconfiguring any joint venture or partnership, including the expenses associated with the project.
- 9- The committee helps to develop the company's investments, such as increasing its market share and achieving the maximum profit for the shareholders.
- 10- The committee shall promote and develop the technologies and technical support of the company.
- 11- The committee is responsible for managing vendor relationships with major suppliers.
- 12- The committee shall be responsible for setting the commercial operations, policies and operational procedures that must be followed during the implementation of the daily operations of the company, and the committee should also monitor compliance with these procedures, identify the obstacles that prevent adherence to these policies and procedures, and submit action plans that contribute to overcoming these obstacles.
- 13- The committee should monitor the overall development of the employees by ensuring regular training and developing general skills.

- 14- The committee shall explore means of developing the business in a manner that is cost-effective, efficient, and satisfying to clients.
- 15- The committee must ensure proper coordination and exchange of information and opinions between senior executives and directors of key departments.
- 16- The committee should update the succession plan of positions periodically to ensure that business requirements are met.
- 17- The committee should monitor the performance of the CEO and the executive management regarding the implementation of the business plan established by the Board.
- 18- The committee reviews the ability of the commercial partner's participation in the projects carried out by Al Yamamah Steel Industries Company, if any.
- 19- Defining investment strategy and investment policies are subject to board approval and guideline principles, including policies and guidelines on asset classes, asset allocation, restricted investments, and evaluation.
- 20- Review proposals for the new investments and monitor the compliance of these investments with investment policies and procedures.
- 21- Consider whether the proposed investment is beneficial to the related parties, and requires special attention, and review the board's approval.
- 22- Periodically review and approve the standards or other measurement devices which the company uses to monitor the performance of its investments.
- 23- Review the treatment of Zakat or Taxes and review the compliance issues of Zakat or Taxes associated with investment deals.
- 24- Review the accounting treatment and disclosure of each investment transaction and ensure that the valuation is done in accordance with the accepted accounting standard.
- 25- Continuous monitoring of the performance of investment advisors in the company and taking the decision to either retain or terminate their services as they see fit.
- 26- Periodically evaluate the investment results and submission of the necessary reports to the board of directors, including:
  - Reviewing executive management recommendations.
  - Review the components of the current and future investment portfolio.
  - Ensure that those in charge of managing funds adhere to the investment policy.
  - Reviewing buying and selling decisions

#### 4- Corporate governance system:

Al Yamamah Steel Industries Company has developed the principles of governance of accountability, responsibility, transparency, and justice as an applicable guide, in order to ensure the sustainability of the company's business, and to preserve the rights of all stakeholders from shareholders, employees, society, customers, etc., the company develop all the required regulations that help to achieve the goal of governance culture prevailing in all aspects of the company's transactions. Throughout the years of listing on the Saudi Stock Exchange (Tadawul), the company has been applying the highest standards of governance through effective strategic planning, transparency, risk management, and social and environmental responsibility.

Al Yamamah Steel Industries Company also aims from governance to provide a series of relationships between the company, its senior management, shareholders, and other concerned and relevant parties, so that this provides the way that clarifies the company's objectives and the methods that lead to achieving these goals, The company has a clear division of responsibilities between the board of directors and the senior management of the company.

Al Yamamah Steel Industries Company pledges to fully adhere to the corporate governance regulations issued by the Capital Market Authority and considers it an important factor in its success, which implementation requires a clear framework of transparency and disclosure to ensure that the board of directors works to achieve the best interests of the shareholders and provides a clear and fair picture of the company's financial results and the results of its business.

The board of directors of Al Yamamah Steel Industries approved the version (Fifth) of its corporate governance manual on 30/09/2024 and its appendices, which are in line with the company's Bylaws, the new companies' law and the Capital Market Authority's laws and regulations.

The company applies all the stated articles in the corporate governance regulations issued by the Capital Market Authority, except for the below guiding articles:

Article No.	Article text	Reasons for non-application
Article 37	Training of Board members	Guiding Article
Article 39	The Assessment of Board members	Guiding Article
Article 67	Composition of the Risk Management Committee	Guiding Article
Article 68	Competencies of the Risk Management Committee	Guiding Article
Article 69	Meetings of the Risk Management Committee	Guiding Article
Article 82	Employee Incentives	Guiding Article
Article 92	Formation of the Corporate Governance Committee	Guiding Article

#### 5- Disclosure Policies:

The charter (regulation) of the policy of disclosure of information is an integral part of the governance regulation guide for Al Yamamah Steel Industries and any shareholder can view it at the company's headquarter or on the company's website ([www.yamsteel.com](http://www.yamsteel.com)). The company has disclosed the most important events and changes at the time of their occurrence, and the company has disclosed its quarterly and annual financial results and the most important material events that affect the results of the company and the meeting of the shareholders' General Assembly according to the period specified by the Capital Market Authority and it was announced on the company's page at the Saudi Stock Market's website (Tadawul).

#### 6- Results of the annual audit of the effectiveness of internal control procedures:

The audit committee emanating from the board of directors of Al Yamamah Steel Industries Company considers in relation to the effectiveness of internal control procedures by reviewing the work of the external auditor of the company, PKF - AL Bassam & Co, reviewing the work of the company's internal audit department and drawing the relevant recommendations to improve it and raise it periodically to the board of directors to ensure the efficiency and effectiveness of the internal control system in general and in relation to the fairness of the financial statements, to provide a continuous evaluation of the internal Audit system and the extent of its effectiveness and to pay attention to any observations that appear and to deal with them very seriously, bearing in mind that it is not possible to absolutely assert the completeness of the evaluation processes by the internal and external auditors, the evaluation is done by examining random samples with the aim of obtaining reasonable assurances about the effectiveness of internal control procedures.

The audit committee believes that the internal control procedures applied in the company during the fiscal year 2024 are highly effective and efficient, and considering the work carried out by the committee, it does not have any fundamental observations or significant deficiencies that require alerting to it or disclosure of it by the executive management of the company or its subsidiary.

#### **7 - Penalties, restrictions, and sanctions against the company:**

There are no penalties of material effects, precautionary restrictions or other sanctions imposed on Al Yamamah Steel Industries by any regulatory, supervisory, or judicial authority for the fiscal year 2024.

#### **8 - The report of the company's external auditor:**

According to what was stated in the report of the external auditor of the company, PKF - Al Bassam & Co, who stated in his opinion that "the consolidated financial statements" present fairly, in all material aspects, the consolidated financial position of AL Yamamah Steel Industries and its subsidiary (the "Group") as of September 30, 2024 and its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with the International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Certified Public Accountants (SOCPA).

#### **9 - External Auditor's Reservations on the Annual Financial Statements:**

The external auditor of the company, PKF - AL Bassam & Co, has no reservations regarding the annual financial statements for the year ended 30/09/2023.

#### **10- Actions taken by the Board of Director to inform its members with the shareholder's proposals and observations:**

The board of directors takes several measures to inform its members of the comments, suggestions, and opinions of the shareholders through the periodic board meetings, inquiries and opinions are received in the discussions that take place during the General Assembly meetings about the company and its performance. In addition to receiving inquiries and proposals by e-mail or phone by the shareholder affairs official, and accordingly, the board is informed of the latest developments in this framework through the executive management so that the board takes what it deems appropriate about these issues.

#### **11. General Assemblies of the Shareholders and shareholders register**

The Ordinary General Assembly of the company was held on March 10, 2024, during which the assembly reviewed the Board of Directors' report and the financial statements for the fiscal year ended on September 30, 2023. The assembly also reviewed the auditor's report, approved the discharge of the Board members, and approved the appointment of the auditor. Furthermore, the assembly authorized the Board of Directors to distribute interim dividends on a semi-annual or quarterly basis. Additionally, the assembly approved the transactions and contracts to be made between the company and related parties during the fiscal year ending on September 30, 2023. The attendance of the Board members was 100%.

The Extraordinary General Assembly of the company was held on September 30, 2024, where the assembly approved the amendment of the company's Articles of Association to align with the new Companies Law and the rearrangement and renumbering of the articles. The assembly also approved amendments to the Audit Committee's and the Nominations and Remuneration Committee's regulations, as well as the approval of changes to the criteria and controls for granting permission for a Board member to compete with the company's business. Furthermore, the assembly approved changes to the Board members' and committees' and executive management's remuneration policy, as well as the transfer of the statutory reserve balance to retained earnings. The attendance of the Board members was 100%.

The following table outlines the number of requests made by the company to the shareholders' register, the dates of those requests, and their reasons:

No.	Order date	The Reason
1	30/09/2024	Extra Ordinary General Assembly
2	10/03/2024	Ordinary General Assembly
3	30/09//2024	Company Producers

## 12- Social responsibility:

Al-Yamamah Steel Industries Company, a publicly listed company on the Saudi Stock Exchange (Tadawul), places a high priority on social responsibility and is committed to its role in society through various initiatives and activities in 2024. The company has reinforced this commitment through a range of distinguished programs and participations, including:

### 1. Partnership with the Distinguished Initiatives Association (Mubader):

- The company launched a dedicated visit program for high school students in collaboration with "Mubader," an association specialized in providing sustainable community initiatives based on the best global practices and modern management methods. The following actions were carried out:
  - 16 visits were conducted, involving over 800 students in each program.
  - The company provided financial support of 125,000 SAR to the association for the year 2024, in addition to technical and advisory support.
  - This initiative aims to raise youth awareness about the industry's role in the national economy and encourage them to develop their skills.

### 2. Promoting Saudization and Attracting National Talent:

- The company attracted 376 Saudi employees as of September 30, 2024, representing 35.31% of the total workforce as of 30 September, 2024.
- The company supported its recruitment efforts in cooperation with the Human Resources Development Fund by participating in job fairs organized by the Ministry of Human Resources and Social Development.
- The company worked to provide job opportunities and attract Saudi talent.

### 3. Environmental Sustainability:

- The company applies the latest technologies in its production processes to ensure a reduction in environmental impact.
- It strives to protect the environment and society by adopting production methods free of harmful materials.

These efforts reflect Al-Yamamah Steel Industries Company's commitment to its social responsibility, its active role in promoting sustainable development, and supporting national talent. The company will continue this approach by diversifying its social responsibility initiatives, serving the nation and its people.

### 13- Declarations of the Board of Directors and the Company's Management:

The Board of Directors and Management of the company affirm and acknowledge the following:

- The accounting records have been prepared correctly.
- The internal control system has been developed on sound principles and implemented effectively.
- There is no doubt about the company's ability to continue its operations.
- The company confirms that there are no competing activities by any Board member or any branch of the business the company operates.
- The Audit Committee has no reservations about the company's external auditor, PKF - Al Bassam & Co, and has not made any recommendation to the Board of Directors to replace or terminate the auditor before the agreed-upon contract term.

#### Conclusion:

Over the past two years, the company has expanded its production capacity in the tower manufacturing sector by adding necessary production lines and labor, as well as operating the new galvanizing plant in the industrial city of Jeddah. This expansion is aimed at meeting the demand for supplying steel towers for electrical power transmission lines in the coming years. The company announced via the Tadawul website that it has signed contracts in October and December 2024 for the supply of electrical towers with Larsen & Toubro Saudi Arabia and National Contracting Company, valued at 428 million SAR and 95 million SAR, respectively. The supply will begin, and the financial impact will be seen during the fiscal year 2025.

The company has made significant progress in the construction and building works for the Al-Yamamah Wind Power Systems Factory project in Yanbu Industrial City. The project buildings were fully received in May 2024, and the company is currently following up on the technical aspects and the supply of production lines with the best global suppliers according to the project's approved timeline. This ensures the quality of the products required by the company's clients, particularly the global companies specializing in wind-powered electricity turbines, especially those involved in wind power projects in the Kingdom of Saudi Arabia.

Ongoing communication is being maintained with these companies to introduce the company and its projects and secure their approvals. The pilot operation of the project is expected to begin during the second quarter of the fiscal year 2025, with commercial operations commencing during the third quarter of the fiscal year 2025.

#### Board of Directors

#### Al-Yamamah Steel Industries Company