



شركة صالح عبد العزيز الراشد وأولاده
Saleh Abdulaziz Al Rashed & Sons Co.

**Prospectus of Saleh Abdulaziz
Al Rashed & Sons Company**



شركة صالح عبد العزيز الراشد وأولاده
Saleh Abdulaziz Al Rashed & Sons Co.

Commencing on Thursday, 24 Sha'ban 1447H (corresponding to 12 February 2026G) until the end of Tuesday, 29 Sha'ban 1447H (corresponding to 17 February 2026G).

Investment in the Offer Shares involves certain risks and uncertainties. For a discussion of certain factors to be carefully considered before determining whether to subscribe for the Offer Shares, the “*Important Notice*” section on page (i) and Section 2 (*Risk Factors*) of this Prospectus should be considered.

Receiving Agents



This Red Herring prospectus will be made available to Participating Parties participating in the Book-building process, and does not include the Offer Price. The final version of this Prospectus which will include the Offer Price shall be published after the completion of the Book-building process and the determination of the Offer Price.



شركة صالح عبد العزيز الراشد وأولاده
Saleh Abdulaziz Al Rashed & Sons Co.

Important Notice

This Prospectus contains detailed and accurate information related to the Company and its Subsidiaries (the “**Group**”) as well as the Offer Shares. When submitting an application for the Offer Shares, institutional and individual investors will be treated as applying solely on the basis of the information contained in this Prospectus, which is available at the websites of the Company (www.salrashed.com.sa), the CMA (www.cma.gov.sa), the Exchange (www.saudiexchange.sa) or the Financial Advisor (www.anbcapital.com.sa).

With respect to the Offering, ANB Capital Company has been appointed by the Company as financial advisor (the “**Financial Advisor**”), lead manager (the “**Lead Manager**”), bookrunner (the “**Bookrunner**”) and underwriter (the “**Underwriter**”). (For further details, see Section 12 (*Underwriting*)).

This Prospectus includes information that has been presented in accordance with the Rules on the Offer of Securities and Continuing Obligations (as defined in Section 1 (*Definitions and Abbreviations*)) issued by the CMA. The Directors (as defined below), whose names appear on page (vi), collectively and individually, accept full responsibility for the accuracy of the information contained in this Prospectus, and they confirm that according to their knowledge and belief, after undertaking all reasonable enquiries, there are no other facts the omission of which would make any statement contained herein misleading.

While the Company has made all reasonable enquiries as to the accuracy of the information contained in this Prospectus as of the date hereof, a substantial portion of the information in this Prospectus relevant to the markets and industry in which the Company operates is derived from external sources. While none of the Company, the Selling Shareholders, the Financial Advisor, nor any of the Company’s other advisors, whose names appear on pages (viii) and (ix) of this Prospectus (together with the Financial Advisor, the “**Advisors**”), have any reason to believe that any of the market and industry information is materially inaccurate, none of the Company, the Selling Shareholders or any of the Advisors has independently verified such information, and no representation or assurance is made with respect to the accuracy or completeness of any of this information. Neither the Advisors nor any of their affiliates bear any responsibility for any inaccuracies, errors or incompleteness of any data or information contained in this Prospectus.

The information contained in this Prospectus as of the date hereof is subject to change. In particular, the actual financial condition of the Company and the value of the Offer Shares may be adversely affected by future developments, such as inflation, interest rates, taxation or other economic, political or other factors, over which the Company has no control (for further details, see Section 2 (*Risk Factors*)). Neither the delivery of this Prospectus nor any oral, written or printed information in relation to the Offer Shares is intended to be, or should be construed as, or relied upon in any way, as a promise, affirmation or representation as to future earnings, results or events.

This Prospectus is not to be regarded as a recommendation on the part of the Company, the Directors, the Selling Shareholders, the Receiving Agents or the Advisors to participate in the Offering. Moreover, the information provided in this Prospectus is of a general nature and has been prepared without taking into account individual investment objectives, the financial situation or the particular investment needs of the persons who intend to invest in the Offer Shares. Prior to making an investment decision, each recipient of this Prospectus is responsible for obtaining independent professional advice from a CMA licensed financial advisor in relation to the Offering and must rely on its own examination of the Company and the appropriateness of both the investment opportunity and the information herein with regard to the recipient’s individual objectives, financial situation and needs, including the merits and risks involved in investing in the Offer Shares. An investment in the Offer Shares may be appropriate for some investors but not others, and prospective investors should not rely on another party’s decision whether to invest as a basis for their own examination of the investment opportunity and such investor’s individual circumstances.

The Offering is directed at, and may only be accepted by:

Tranche (A): Participating Parties comprising the parties entitled to participate in the book-building process as specified under the Book-Building Instructions issued by the CMA, including investment funds, companies, GCC and foreign companies (for further details, see Section 1 (*Definitions and Abbreviations*)); and

Tranche (B): Individual Subscribers comprising Saudi Arabian natural persons, (including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi person who can subscribe for her own benefit or in the names of her minor children, on the condition that she proves that she is a divorcee or widow and the mother of her minor Saudi Arabian children), GCC natural persons, foreign natural persons either residing or not residing in the Kingdom. A subscription for Offer Shares made by a person in the name of his divorced wife shall be deemed invalid and the applicant shall be subject to the sanctions prescribed by law. If a duplicate subscription is made, the second subscription will be considered void and only the first subscription will be accepted. For further details, see Section 16 (*Subscription Terms and Conditions*).

The Offering does not constitute an offer to sell, or solicitation of an offer to buy securities in any jurisdiction in which such offer or solicitation would be unlawful or prohibited. All of the recipients of this Prospectus must inform themselves of any legal

restrictions relevant to the Offering and the sale of Offer Shares and observe all such restrictions. Both Individual Subscribers and Participating Entities must read this Prospectus in full and seek advice from their legal advisors, financial advisors, and any professional advisors regarding statutory, tax, regulatory, and economic considerations related to their investment in the Offer Shares, and they will personally bear the fees associated with that advice derived from their legal advisors, accountants, and other advisors regarding all matters related to investing in the Offer Shares. There is no guarantee that any profits will be realised from an investment in the Offer Shares.

Market and Industry Data

Unless the source is otherwise stated, the market, economic and industry data in this Prospectus represent the Group's estimates, using underlying data from independent third parties. Statistics, data and other information related to markets, market sizes, market shares, market positions and other industry data pertaining to the Group's business and markets in this Prospectus are based on published and publicly available data obtained from multiple independent third-party sources.

In particular, unless otherwise specifically stated, the information in Section 3 (*Market Overview*) is derived from public sources and the market study report issued in March 2025G (the "**Market Report**") by Euromonitor International Limited (the "**Market Consultant**") exclusively for the Group. The Market Consultant is an independent third-party provider of strategic consulting services. For further details about the Market Consultant, visit its website (www.euromonitor.com).

The Market Consultant has prepared this study in an independent and objective manner, and it has taken adequate care to ensure its accuracy and completeness. Research has been conducted with an overall industry perspective, and it may not necessarily reflect the performance of individual companies in the industry.

Neither the Market Consultant nor does any of its subsidiaries, affiliates, partners, shareholders, directors, managers or their relatives own any shares or any interest of any kind in the Company or its Subsidiaries. As of the date of this Prospectus, the Market Consultant has given, and not withdrawn, its written consent for the use of its name, logo, statement and the market information and data supplied by it to the Group in the manner and format set out in this Prospectus.

The information provided in Section 3 (*Market Overview*) by the Market Consultant is based on primary and secondary information available internally or in the public domain and should be read in conjunction with the same. Quantitative market information was sourced from interviews by way of primary research, and therefore, the information is subject to change due to possible changes in the business and industry climate. Market estimates and assumptions are based on varying levels of quantitative and qualitative analyses, and actual results and future events could differ materially from such estimates, predictions or statements.

In its role as market consultant, the Market Consultant is only providing market research and the information provided by the Market Consultant derived from public data sources is not to be construed as investment, legal or any other type of advice about the Company.

Whilst the Directors believe that the information and data from third party sources contained in Section 3 (*Market Overview*), including those derived from public sources or provided by the Market Consultant, are reliable, such information and data have not been independently verified by the Company, the Directors, the Selling Shareholders or the Advisors, and thus none of them bears any liability for the accuracy or completeness of such information or data.

Financial and Statistical Information

The audited special purpose financial statements of the Company for the financial year ended 31 December 2022G, and the audited consolidated financial statements of the Group for the financial year ended 31 December 2024G, including the comparative financial information of the Group for the financial year ended 31 December 2023G, have been prepared in accordance with the International Financial Reporting Standards (“**IFRS**”) as endorsed in the Kingdom and other standards and pronouncements issued by the Saudi Organisation for Chartered and Professional Accountants (“**SOCPA**”). The unaudited consolidated financial statements of the Group for the three-month period ended 31 March 2025G, which include the financial statements for the three-month period ended 31 March 2024G, have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” as endorsed in the Kingdom and other standards and pronouncements that are issued by SOCPA.

The audited special purpose financial statements of the Company for the financial year 31 December 2022G, and the audited consolidated financial statements of the Group for the financial year ended 31 December 2024G, including the comparative financial information for the financial year ended 31 December 2023G, have been audited by Maham Professional Services Company (the “**Auditor**”). The unaudited consolidated financial statements of the Group for the three-month period ended 31 March 2025G, which include the financial statements for the three-month period ended 31 March 2024G, have been reviewed by the Auditor. Such financial statements are contained in Section 19 (*Financial Statements and the Auditor’s Report*).

The Company prepares its financial statements in Saudi Arabian Riyals (for further details on the financial information of the Group, see Section 6 (*Management’s Discussion and Analysis of Financial Position and Results of Operations*)).

The financial and statistical information contained in this Prospectus is rounded off to the nearest integer or the first decimal point, where applicable. Accordingly, where numbers have been rounded up or down, there may be minor differences between the figures set out in this Prospectus and the audited financial statements and certain financial amounts presented in this Prospectus may not correspond or add up to the financial information included elsewhere in this Prospectus or may not add up. Where the amounts included in this Prospectus were converted from a foreign currency to Saudi Arabian Riyals, the Saudi Arabian Riyal exchange rate against the relevant currency is the one in effect as of the date hereof.

Unless otherwise expressly provided in this Prospectus, any references to “year” or “years” are references to Gregorian years.

Forecasts and Forward-Looking Statements

Forecasts set forth in this Prospectus have been prepared on the basis of assumptions based on the Company's information according to its market experience, as well as on publicly available market information. Since future operating conditions may differ from the assumptions used, no affirmation, representation, or warranty is made with respect to the accuracy or completeness of any of these forecasts.

Certain statements in this Prospectus constitute, or may be deemed to constitute, "forward-looking statements". Such statements can generally be identified by their use of forward-looking words and terms, such as "intends", "plans", "estimates", "believes", "expects", "anticipates", "may", "will", "should", "expected", "would be" or the negative thereof or other variations of such terms or comparable terminology. These forward-looking statements reflect the views of the Company as of the date of this Prospectus with respect to future events but are not a guarantee of future performance. Many factors could cause the actual results, performance or achievements of the Company to be significantly different from any future results, performance or achievements that may be expressed or implied. Some of the risks and factors that could have such an effect are described in more detail (for further details, see Section 2 (*Risk Factors*)). Should any of these risks or uncertainties materialise or any underlying assumptions prove to be incorrect or inaccurate, the Company's actual results may vary materially from those described as estimated, believed, expected or planned in this Prospectus.

Subject to the requirements of the Rules on the Offer of Securities and Continuing Obligations, the Company must submit a supplementary prospectus to the CMA if at any time after the publication of this Prospectus and before the completion of the Offering it becomes aware of:

- (i) a significant change in any material information contained in this Prospectus or any document required under the Rules on the Offer of Securities and Continuing Obligations; or
- (ii) the occurrence of additional significant matters which would have been required to be included in this Prospectus.

Except for the aforementioned circumstances, the Company does not intend to update or otherwise revise any industry or market information or forward-looking statements in this Prospectus, whether as a result of new information, future events or otherwise. As a result of the aforementioned and other risks, uncertainties and assumptions, the expectations of future events and circumstances set forth in this Prospectus may not occur as expected by the Company or may not occur at all. Consequently, prospective investors should consider and review all forward-looking statements in light of these explanations and should not place undue reliance on them.

Corporate Directory

The Company's Board of Directors

In accordance with the Company's Bylaws, the Company is managed by a Board of Directors comprising of six (6) members, elected by the Ordinary General Assembly for a period not exceeding four (4) years, which began on 14 Ramadan 1444H (corresponding to 5 April 2023G) and will end on 28 Shawwal 1448H (corresponding to 5 April 2027G). The following table shows the details of the Board of Directors:

Table 1: The Company's Board of Directors

Name	Position	Nationality	Capacity/ Independence ⁽³⁾	Direct Ownership (%) ⁽¹⁾		Indirect Ownership (%) ⁽¹⁾		Date of Appointment ⁽²⁾
				Pre - Offering	Post - Offering	Pre - Offering	Post - Offering	
Abdulaziz Saleh Abdulaziz Al Rashed	Chairman	Saudi	Non-Executive	35.8%	25.1%	-	-	14 Ramadan 1444H (corresponding to 5 April 2023G)
Salah Khalid Abdullah Al Tuwajiri	Vice Chairman	Saudi	Non-Executive	-	-	-	-	14 Ramadan 1444H (corresponding to 5 April 2023G)
Khalid Abdulrahman Mohammed Al Mousa	Director	Saudi	Independent	-	-	-	-	14 Ramadan 1444H (corresponding to 5 April 2023G)
Abdulaziz Abdulrahman Abdulaziz Al Rashed	Director	Saudi	Independent	-	-	-	-	14 Ramadan 1444H (corresponding to 5 April 2023G)
Abdullah Mohammed Abdullah Al Rashed	Director	Saudi	Non-Executive	-	-	-	-	14 Ramadan 1444H (corresponding to 5 April 2023G)
Saud Abdulaziz Saleh Al Rashed	Director and Chief Executive Officer	Saudi	Executive	-	-	-	-	14 Ramadan 1444H (corresponding to 5 April 2023G)

Source: The Company.

(1) The ownership percentages are rounded to the nearest decimal place.

(2) The dates listed in this table are the dates of appointment to the current positions in the Board of Directors. Their biographies in Section 5.2.4 (*Biographies of the Directors and the Secretary*) describe the dates of their appointment to the Board of Directors and any other positions.

(3) An independent Director is a non-executive member of the Board of Directors with complete independence in their position and decisions, and none of the issues affecting independence set out below apply to him/her:

- he/she holds five per cent. or more of the shares of the Company or any other company within its Group, or are a relative of someone who owns such percentage;
- he/she is a relative of any Company Director, or of any other company director within the Company's Group;
- he/she is a relative of any Senior Executive of the Company, or of any other company within the Company's Group;
- he/she is nominated to be a director for any company within the Company's Group;
- he/she is an employee, or were a former employee during the previous two years, of the Company or a company within its Group, or held a controlling interest in the Company or any party dealing with the Company or any company within its Group, such as external auditors or key suppliers, during the preceding two years;
- he/she have a direct or indirect interest in the business and contracts conducted for the Company;
- he/she receive financial consideration from the Company in addition to remuneration for their membership of the Board or any of its committees in excess of SAR 200,000 or 50.0 per cent. of their remuneration for the previous year of their membership of the Board or any of its committees, whichever is less;
- he/she engages in businesses that competes with the Company, or conduct business in any of the Company's lines of activities; or
- he/she serve for more than nine years, whether consecutive or not, as a Director of the Company.

The Secretary of the Board of Directors is Ahmed Magdy Hamdy Abduljawad who was appointed pursuant to a resolution of the Board of Directors dated 27 Shawwal 1445H (corresponding to 6 May 2024G). He does not own any shares in the Company. See Section 5.2.4.7 (*Ahmed Magdy Hamdy Abduljawad, Board Secretary*) for his biography.

The Company's Registered Address, Representatives, Board Secretary

The Company

Saleh Abdulaziz Al Rashed & Sons Company

19 Ibn Qasim Road, Al-Aziziya District
P.O. Box 4293, Riyadh 11491,
Tel: + 966 920035732
Fax: + 966 (11) 4951819
Website: www.salrashed.com.sa
Email: IR@salrashed.com.sa



شركة صالح عبد العزيز الراشد وأولاده
Saleh Abdulaziz Al Rashed & Sons Co.

The Company's Representatives

Saud Abdulaziz Saleh Abdulaziz Al Rashed

19 Ibn Qasim Road, Al-Aziziya District
P.O. Box 4293, Riyadh 11491,
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Tel: + 966 920035732 – Ext: 211
Fax: + 966 (11) 4951819
Website: www.salrashed.com.sa
Email: saud@salrashed.com.sa

Abdulaziz Saleh Abdulaziz Al Rashed

19 Ibn Qasim Road, Al-Aziziya District
P.O. Box 4293, Riyadh 11491,
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Tel: + 966 920035732 – Ext: 114
Fax: + 966 (11) 4951819
Website: www.salrashed.com.sa
Email: aziz@salrashed.com

Secretary of the Board of Directors

Ahmed Magdy Hamdy Abduljawad

19 Ibn Qasim Road, Al-Aziziya District
P.O. Box 4293, Riyadh 11491,
Riyadh, Kingdom of Saudi Arabia
Tel: + 966 920035732 – Ext: 180
Website: www.salrashed.com.sa
Email: dr.amagdy@salrashed.com

Stock Exchange

Saudi Exchange (Tadawul)

Tawuniya Towers, Northern Tower
King Fahad Road, Al Olaya 6897
Unit No. 15
Riyadh 12211-3388
Kingdom of Saudi Arabia
Tel: + 966 92000 1919
Fax: + 966 (11) 218 9133
Website: www.saudiexchange.sa
E-mail: csc@saudiexchange.sa



Share Registrar

Securities Depository Centre Company (Edaa)

Tawuniya Towers
King Fahad Road, Al Olaya 6897
Unit No. 11
Riyadh 12211- 3388
Kingdom of Saudi Arabia
Tel: + 966 92002 6000
Website: www.edaa.com.sa
E-mail: cc@edaa.sa



من مجموعة تداول السعودية
From Saudi Tadawul Group

Advisors

Financial Advisor, Lead Manager, Bookrunner and Underwriter

ANB Capital Company

King Faisal Street, Al Murabba District,
ANB Capital Company Building 3851
P.O. Box 220009
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Kingdom of Saudi Arabia
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Fax: +966 (11) 406 2548
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Email: investment.banking@anbcapital.com.sa



Legal Advisor of the Issuer

STAT Law Firm

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7894 King Fahad Road, Ar Rahmadiyah District
Postal Code 12343
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Tel: +966 (11) 272 0003
Fax: +966 (11) 237 0005
Website: <http://www.statlawksa.com>
E-mail: capitalmarkets@statlawksa.com



Legal Advisor of the Financial Advisor, Lead Manager, Bookrunner and Underwriter

The Law Firm of Latham & Watkins

King Fahd Road, Tatweer Towers, Tower 1, 7th Floor
P.O. Box: 17411 Riyadh 11484
Kingdom of Saudi Arabia
Tel: + 966 (11) 2072500
Fax: + 966 (11) 2072577
Website: www.lw.com
Email: projectbahs.lwteam@lw.com



Financial Due Diligence Advisor

PricewaterhouseCoopers - Public Accountants

Tower 9, Laysen Valley
King Khalid Road
P.O. Box 13933
Riyadh 11414
Kingdom of Saudi Arabia
Tel: + 966 (11) 211 0400
Fax: +966 (11) 211 0401
Website: www.pwc.com
E-mail: mer_project_bahs@pwc.com



Market Consultant

Euromonitor International Limited

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Website: www.euromonitor.com
E-mail: info-mena@euromonitor.com



Auditor for the Financial Years Ended 31 December 2022G, 2023G and 2024G, and the Three-Month Period Ended 2025G

Maham Professional Services Company

Dammam – King Fahd Road – Northern Khalidiya

P.O. Box 6140

Al Dammam 32232

Kingdom of Saudi Arabia

Tel: +966 (13) 8589000

Website: www.maham-sa.com

Email: info@maham.com



Note: All of the abovementioned Advisors and the Auditor have given and, as of the date of this Prospectus, have not withdrawn their written consent to the inclusion of their respective names, addresses, logos and statements attributed to each of them in the context in which they appear in this Prospectus, and neither they, nor their employees (forming part of the engagement team serving the Company), or any of their employees' Relatives have any shareholding or interest of any kind in the Company or its Subsidiaries as of the date of this Prospectus which would impair their independence.

Receiving Agents

ANB Capital Company

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ANB Capital Company Building 3851
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Alinma Capital Company

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Saudi Fransi Capital Company

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Kingdom of Saudi Arabia
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Fax: +966 (11) 282 6823
Website: www.bsfcapital.sa
E-mail: IPO_BSFC@bsfcapital.sa



Al Rajhi Capital Company

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Fax: +966 (11) 460 0625
Website: www.alrajhi-capital.com
Email: arcipo@alrajhibank.com.sa



Riyad Capital Company

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Fax: +966 (11) 486 5908
Website: www.riyadcapital.com
Email: ask@riyadcapital.com



Al Bilad Investment Company

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Fax: +966 (11) 290 6299
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Al Jazira Capital Company

King Fahd Street, Al Rahmaniya
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Website: www.aljziracapital.com.sa
Email: IPO-RB@aljziracapital.com.sa



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Fax: +966 (11) 489 6253
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Derayah Financial Company

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SNB Capital

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Yaqeen Capital Company

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Fax: +966 (11) 205 4827
Website: www.yaqeen.sa
Email: addingvalue@yaqeen.sa



Al Khabeer Capital Company

Madinah Road, Al Nuzhah District
P.O. Box 128289
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Kingdom of Saudi Arabia
Tel: 800 124 7555
Fax: +966 (12) 658 6663
Website: www.alkhabeer.com
Email: info@alkhabeer.com



Al-Awwl Investment Company (SAB Invest)

King Fahad Road, Al Yasmin District, Building 7383
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Riyadh 11431
Kingdom of Saudi Arabia
Tel: 800 124 2442
Fax: +966 (12) 216 9102
Website: www.sabinvest.com
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Sahm Capital Financial Company

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GIB Capital Company

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Musharaka Capital

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Awaed Alosool Capital

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Kingdom of Saudi Arabia
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Website: www.awaed.capital
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Dinar Investment Company

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Offering Summary

This Offering Summary is intended to provide a brief overview of the information contained in this Prospectus. As such, it does not contain all of the information that may be important to prospective investors. Accordingly, this summary must be read as an introduction to this Prospectus, and prospective investors should read this entire Prospectus in full. Any decision to invest in the Offer Shares by prospective investors should be based on a consideration of this Prospectus as a whole and not be based solely on this summary.

In particular, it is important to carefully consider the “Important Notice” section on page (i) and Section 2 (*Risk Factors*) prior to making any investment decision with respect to the Offer Shares.

Company Name, Description and Establishment Information

Saleh Abdulaziz Al Rashed & Sons Company is a Saudi closed joint stock company registered in the Commercial Register under Unified No. 7001683254, dated 12 Rajab 1395H (corresponding to 22 July 1975G) issued in Riyadh, Kingdom of Saudi Arabia. The Company's headquarters is located at 19 Ibn Qasim Road, Al-Aziziya District, P.O. Box 4293, Riyadh 11491, Kingdom of Saudi Arabia. As of the date of this Prospectus, the Company's share capital is one hundred eighty-six million Saudi Arabian Riyals (SAR 186,000,000), divided into eighteen million six hundred thousand (18,600,000) shares, with a nominal value of ten Saudi Arabian Riyals (SAR 10) per Share.

The Company was established on 12 Rajab 1395H (corresponding to 22 July 1975G) as a sole proprietorship owned by Saleh Abdulaziz Abdulrahman Al Rashed under the name Saleh Abdulaziz Al Rashed Trading Establishment with a share capital of one hundred thousand Saudi Arabian Riyals (SAR 100,000) and was registered under Commercial Registration No. 1010008417 dated 12 Rajab 1395H (corresponding to 22 July 1975G) issued in Riyadh, Kingdom of Saudi Arabia. On 23 Muharram 1432H (corresponding to 29 December 2010G), the Company was converted from a sole proprietorship into a limited liability company under the name Saleh Abdulaziz Al Rashed & Sons trading Company with a capital of five hundred thousand Saudi Arabian Riyals (SAR 500,000), divided into fifty thousand (50,000) fully paid-in in-kind shares, with a fully paid nominal value of ten Saudi Arabian Riyals (SAR 10) per share, representing 100.0 per cent. of the Company's share capital. The capital was increased by evaluating the net assets of the Company and inclusion of the following shareholders: (i) Saleh Abdulaziz Abdulrahman Al Rashed acquired twenty-seven thousand five hundred (27,500) in-kind shares with a total value of two hundred seventy-five thousand Saudi Arabian Riyals (SAR 275,000), representing 55.0 per cent. of the share capital; (ii) Abdulaziz Saleh Abdulaziz Al Rashed acquired seven thousand five hundred (7,500) in-kind shares with a total value of seventy-five thousand Saudi Arabian Riyals (SAR 75,000), representing 15.0 per cent. of the share capital; (iii) Saad Saleh Abdulaziz Al Rashed acquired seven thousand five hundred (7,500) in-kind shares with a total value of seventy-five thousand Saudi Arabian Riyals (SAR 75,000), representing 15.0 per cent. of the share capital; and (iv) Abdullah Saleh Abdulaziz Al Rashed acquired seven thousand five hundred (7,500) in-kind shares with a total value of seventy-five thousand Saudi Arabian Riyals (SAR 75,000), representing 15.0 per cent. of the share capital. On 20 Jumada al-Ula 1432H (corresponding to 24 April 2011G) the Company name was changed from Saleh Abdulaziz Al-Rashed Trading Company to Saleh Abdulaziz Al-Rashed & Sons Company. On 21 Rabi' al-Thani 1436H (corresponding to 10 February 2015G), the shareholder Saad Saleh Abdulaziz Al Rashed passed away, and his heirs were identified pursuant to Inheritance Deed No. (3674956) issued by the Personal Status Court. The heirs were as follows: (i) Saleh Abdulaziz Abdulrahman Al Rashed; (ii) Maryam Saad Abdulrahman Al Rashed; (iii) Areej Saud Hamoud Al Dhaban; (iv) Abdulaziz Saad Saleh Al Rashed; (v) Saud Saad Saleh Al Rashed; (vi) Lulwa Saad Saleh Al Rashed; (vii) Norah Saad Saleh Al Rashed; and (viii) Danah Saad Saleh Al Rashed. Collectively, they inherited seven thousand five hundred (7,500) in-kind shares, with a total value of seventy-five thousand Saudi Arabian Riyals (SAR 75,000), representing 15.0 per cent. of the share capital. Subsequently, Maryam Saad Abdulrahman Al Rashed renounced her rights to the inherited shares, totalling one thousand two hundred fifty (1,250) shares, with a total value of twelve thousand five hundred Saudi Arabian Riyals (SAR 12,500), in favour of the following heirs: (i) Areej Saud Hamoud Al Dhaban; (ii) Abdulaziz Saad Saleh Al Rashed; (iii) Saud Saad Saleh Al Rashed; (iv) Lulwa Saad Saleh Al Rashed; (v) Norah Saad Saleh Al Rashed; and (vi) Danah Saad Saleh Al Rashed. The ownership structure was updated following the passing of Saad Saleh Abdulaziz Al Rashed and Maryam Saad Abdulrahman Al Rashed renouncing the rights to her inheritance, with the heirs agreeing to retain their ownership in the Company based on the shares allocated to them. On 12 Sha'ban 1437H (corresponding to 19 May 2016G), the shareholder Saleh Abdulaziz Abdulrahman Al Rashed passed away, and his heirs were identified pursuant to Inheritance Deed No. (37266488) issued by the Personal Status Court. The heirs were as follows: (i) Abdulaziz Saleh Abdulaziz Al Rashed; (ii) Abdullah Saleh Abdulaziz Al Rashed; (iii) Maryam Saad Abdulrahman Al Rashed; (iv) Norah Saleh Abdulaziz Al Rashed; and (v) Sara Saleh Abdulaziz Al Rashed. All heirs expressed their desire to retain their ownership in the Company in accordance with their allocated shares, collectively owning twenty-eight thousand seven hundred fifty (28,750) in-kind shares, with a total value of two hundred eighty-seven thousand five hundred Saudi Arabian Riyals (SAR 287,500). Accordingly, the Company's capital was determined to be five hundred thousand Saudi Arabian Riyals (SAR 500,000), divided into fifty thousand (50,000) shares, with a fully paid nominal value of ten Saudi Arabian Riyals (SAR 10) per share. The shares were distributed among the shareholders as follows: (i) Abdulaziz Saleh Abdulaziz Al Rashed acquired twenty thousand four hundred seventeen shares (20,417), with a total value of two hundred four thousand one hundred seventy Saudi Arabian Riyals (204,170), representing 40.8 per cent. of the share capital; (ii) Abdullah Saleh Abdulaziz Al Rashed acquired ten thousand four hundred seventeen (10,417) shares, with a total value of one hundred four thousand one hundred seventy Saudi Arabian Riyals (SAR 104,170),

Company Name, Description and Establishment Information	representing 20.8 per cent. of the share capital; (iii) Abdulaziz Saad Saleh Al Rashed and (iv) Saud Saad Saleh Al Rashed each acquired three thousand seven hundred fifty (3,750) shares, with a total value of thirty-seven thousand five hundred Saudi Arabian Riyals (SAR 37,500), representing 7.5 per cent. of the share capital each; (v) Areej Saud Hamoud Al Dhaban; (vi) Lulwa Saad Saleh Al Rashed; (vii) Danah Saad Saleh Al Rashed and (viii) Norah Saad Saleh Al Rashed each acquired one thousand eight hundred seventy-five (1,875) shares, with a total value of eighteen thousand seven hundred fifty Saudi Arabian Riyals (SAR 18,750), representing 3.7 per cent. of the share capital; (ix) Norah Saleh Abdulaziz Al Rashed acquired one thousand four hundred fifty-eight (1,458) shares, with a total value of fourteen thousand five hundred eighty Saudi Arabian Riyals (SAR 14,580), representing 2.9 per cent. of the share capital; (x) Sara Saleh Abdulaziz Al Rashed acquired one thousand four hundred fifty-eight (1,458) shares, with a total value of fourteen thousand five hundred eighty Saudi Arabian Riyals (SAR 14,580), representing 2.9 per cent. of the share capital; and (xi) Maryam Saad Abdulrahman Al Rashed acquired one thousand two hundred fifty (1,250) shares, with a total value of twelve thousand five hundred Saudi Arabian Riyals (SAR 12,500), representing 2.5 per cent. of the share capital. On 27 Thul-Qi'dah 1443H (corresponding to 26 June 2022G), Abdulaziz Saleh Abdulaziz Al Rashed transferred a portion of his shares, totalling two thousand five hundred two (2,502) shares, with a total value of twenty-five thousand twenty Saudi Arabian Riyals (SAR 25,020) to: (i) Norah Saleh Abdulaziz Al Rashed and (ii) Sara Saleh Abdulaziz Al Rashed. As a result, each of them now holds two thousand seven hundred nine (2,709) shares, with a total value of twenty-seven thousand ninety Saudi Arabian Riyals (SAR 27,090), representing 5.4 per cent. of the share capital. Pursuant to shareholder's Resolution No. (3) dated 23 Rabi' al-Thani 1444H (corresponding to 17 November 2022G), approval was obtained to increase the Company's share capital from five hundred thousand Saudi Arabian Riyals (SAR 500,000) to one hundred eighty-six million Saudi Arabian Riyals (SAR 186,000,000), divided into eighteen million six hundred thousand (18,600,000) shares, with a fully paid nominal value of ten Saudi Arabian Riyals (SAR 10) per share. The capital increase has been executed entirely through the shareholder's current account balances and a portion of retained earnings. The increase was financed as follows: 50.1 per cent. from the shareholder's current account and 49.9 per cent. from the retained earnings, distributed among the shareholders based on their shareholding. Pursuant to shareholder's Resolution No. (1), dated 29 Jumada al-Akhirah 1444H (corresponding to 22 January 2023G), the Company has been converted from a limited liability company to a closed joint-stock company. For further details, see Section 4.11 (<i>Evolution of Capital</i>).
Company's Activities	The Company's main and ancillary activities, as stipulated in its Bylaws are as follows: • quarrying for the extraction of stones, sand, and clay; • manufacturing of structural metal products; • metal forming by forging, pressing, casting, and rolling, powder metallurgy; • treatment and plating of machined metals; • manufacturing machinery for mining, quarrying, and construction operations; • repair of machinery; • repair of transportation equipment excluding motor vehicles; • repair of other equipment; • steam fuel delivery and air conditioning; • sanitation; • building construction; • construction of roads and railways; • site preparation; • other structural installations; • wholesale trade on a fee or agreement basis; • land freight transport; • storage; • activities of services related to land transport; • catering services for events; • other food service activities; • other communication activities; • real estate activities on a fee or agreement basis; • other professional, scientific, and technical activities not classified elsewhere; • rental of other machinery, equipment, and tangible goods; • activities of tour operators; • educational support activities; • social work activities without accommodation for the elderly and disabled; • other amusement and recreation activities not classified elsewhere; and • other personal service activities not classified elsewhere. According to its main commercial register, the Company's activities are as follows: • operation of quarries; and • operation of sand or gravel mines, including crushers.

Company's Activities

The Company's main activities consist of the following main business segments:

- **Sales of Construction Materials:** The Group supplies a wide range of high-quality construction materials used in road construction, infrastructure projects, industrial developments, and real estate projects throughout the Kingdom. Leveraging a vertically integrated and comprehensive supply chain, the Group controls all stages of production, from raw material extraction and processing to quality control, inventory management and end-to-end logistics, ensuring reliability, consistency and timely delivery. The Group offers a diversified portfolio of aggregates in various sizes tailored for different construction applications, including 1-inch sub-base materials, 3/4-inch and 3/8-inch aggregates for concrete and asphalt mixes, and fine-grade materials such as 0.05 mm fine aggregates and coarse washed sand for masonry, plastering and block manufacturing and other construction uses. Its asphalt products include standard and modified formulations such as Marshall-type, Superpave and Bituminous Base Coarse (BBC), suitable for public roads, airport runways, and industrial and residential projects. These operations are supported by a network of strategically located production facilities and transport infrastructure that enable the Group to meet high-volume demand with consistency and efficiency. The consistent performance of this segment reflects the Group's strategic alignment with ongoing construction and infrastructure investment under Vision 2030; and
- **Sales of Spare Parts:** The Group supplies a comprehensive range of spare parts, crushers, heavy machinery and industrial equipment to clients in the mining, construction and infrastructure sectors. This segment includes the import and distribution of high-performance industrial components necessary for aggregate production and equipment maintenance. This segment is comprised of the following subcomponents:
 - **Spare Parts:** The Group maintains a large inventory of durable spare parts precisely designed to withstand harsh operational conditions, high abrasion, and continuous processing. Its product portfolio includes jaw, cone and impact crusher parts, conveyor belts, vibrating screen mesh, sand washers, in addition to other spare parts such as bearings, rollers, drive shafts, hydraulic cylinders, and wear-resistant liners. Modern inventory management systems enable the rapid and efficient delivery of spare parts, helping reduce equipment downtime for clients through maintaining a comprehensive inventory and a seamless distribution network;
 - **Crushers and Heavy Machinery:** The Group is the exclusive distributor for several globally certified brands, including ASTEC (crushing and screening equipment), SPECO (asphalt mixing plants), Wolf (drilling equipment), Henkel Loctite (industrial adhesives and sealants) and MEKA (concrete batching plants). These distribution agreements enable the Group to offer a wide range of high-efficiency machinery, supported by expert technical consultation and after-sales services, leveraging exclusive distribution agreements with globally certified manufacturers to ensure consistent quality, availability and competitive pricing; and
 - **Internal Installation, Assembly and Technical Support:** This non-revenue-generating sector supports the operational readiness of the Group's assets through in-house maintenance, assembly, and repair services. Activities include the assembly of fuel and water tanks, on-site assembly of support structures, trailers, mobile homes, as well as the assembly of handling equipment and simple structural components. These services are conducted onsite to improve turnaround times, reduce reliance on third-party service providers and ensure cost-effective support for remote quarry and production plant operations.

(For more details, see Section 4.6 (Overview of the Group's Business)).

The following table sets out the names of the Substantial Shareholders and the Shareholder Acting in Concert and the number of their Shares in the Company Pre- and Post-Offering:

Table 2: Substantial Shareholders, Shareholder Acting in Concert and the Number of their Shares in the Company Pre- and Post-Offering

Shareholder	Pre-Offering			Post-Offering		
	Number of Shares	Shareholding (%) ⁽¹⁾	Overall Nominal Value (SAR)	Number of Shares	Shareholding (%) ⁽¹⁾	Overall Nominal Value (SAR)
Abdulaziz Saleh Abdulaziz Al Rashed	6,664,380	35.8%	66,643,800	4,665,066	25.1%	46,650,660
Abdullah Saleh Abdulaziz Al Rashed	3,875,124	20.8%	38,751,240	2,712,587	14.6%	27,125,868
Abdulaziz Saad Saleh Al Rashed	1,395,000	7.5%	13,950,000	976,500	5.3%	9,765,000
Saud Saad Saleh Al Rashed ⁽²⁾	1,395,000	7.5%	13,950,000	976,500	5.3%	9,765,000
Nourah Saleh Abdulaziz Al Rashed	1,007,748	5.4%	10,077,480	705,424	3.8%	7,054,236
Sara Saleh Abdulaziz Al Rashed	1,007,748	5.4%	10,077,480	705,424	3.8%	7,054,236
Shareholder Acting in Concert ⁽³⁾	2,029,500	11.3%	20,925,000	1,464,750	7.9%	14,647,500
Total	17,437,500	93.7%	174,375,000	12,206,251	65.8%	122,062,500

Source: The Company.

(1) The ownership percentages are rounded to the nearest decimal place.

(2) Saud Saad Saleh Al Rashed is a Substantial Shareholder and the minor son of Areej Saud Hamoud Al Dhaban, the Shareholder Acting in Concert, as described in paragraph below. The number, value and percentage of shares owned by Saud Saad Saleh Al Rashed were counted only once in the calculation of the final total number, in order to avoid calculating them more than once within the total.

(3) The Shareholder Acting in Concert: Areej Saud Hamoud Al Dhaban holds 697,500 shares, representing 3.8 per cent. of the Company's Shares prior to the Offering. She is the mother of Saud Saad Saleh Al Rashed (holding 7.5 per cent. of the Company's Shares, prior to the Offering) Norah Saad Saleh Al Rashed (holding 3.8 per cent. of the Company's Shares, prior to the Offering) and Danah Saad Saleh Al Rashed (holding 3.8 per cent. of the Company's Shares, prior to the Offering). As the legal guardian of the above shareholders, Areej Saud Hamoud Al Dhaban disposes of their shares by agreement.

Company's Share Capital	One hundred eighty-six million Saudi Arabian Riyals (SAR 186,000,000).
Total Number of Issued Shares	Eighteen million six hundred thousand (18,600,000) ordinary Shares.
Nominal Value per Share	Ten Saudi Arabian Riyals (SAR 10) per Share.
Offering	The initial public offering of the Company's Shares will consist of five million five hundred eighty thousand (5,580,000) ordinary Shares with a fully paid nominal value of ten Saudi Arabian Riyals (SAR 10) per Share, representing thirty per cent. (30%) of the Company's capital at an Offer Price of [●] Saudi Arabian Riyals (SAR [●]) per Offer Share.
Total Number of Offer Shares	Five million five hundred eighty thousand (5,580,000) ordinary Shares.
Percentage of Offer Shares to the Total	The Offer Shares represent thirty per cent. (30%) of the Company's share capital.
Number of Issued Shares	
Offer Price	SAR [●] per Offer Share.
Total Value of Offer Shares	SAR [●].
Use of Proceeds	The Net Offering Proceeds amounting to approximately [●] (SAR [●]) (after deducting the Offering expenses estimated at approximately twenty million Saudi Arabian Riyals (SAR 20,000,000)) will be paid to the Selling Shareholders. The Company will not receive any part of the Offering Proceeds (for further details, see Section 8 (<i>Use of Proceeds</i>)). For further details regarding the ownership structure of the selling shareholders after post-offering, see Table 5 (<i>Details of the Ownership Structure of the Subsidiaries as of the Date of this Prospectus</i>).
Total Number of Shares Underwritten	Five million five hundred eighty thousand (5,580,000) ordinary Shares.
Total Offering Amount Underwritten	[●] Saudi Arabian Riyals (SAR [●])
Categories of Targeted Investors	Subscription to the Offer Shares is restricted to two groups of Investors, namely: • Tranche (A) Participating Parties: Participating Parties: This tranche includes parties entitled to participate in the book-building process in accordance with the Book-Building Instructions, including investment funds, companies, GCC and foreign companies (for further details, see Section 1 (<i>Definitions and Abbreviations</i>)); and • Tranche (B) Individual Subscribers: Individual Subscribers: This tranche includes Saudi Arabian natural persons (including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi person who can subscribe for her own benefit or in the names of her minor children, on the condition that she proves that she is a divorcee or widow and the mother of her minor Saudi Arabian children), GCC natural persons, foreign natural persons either residing or not residing in the Kingdom. A subscription for Offer Shares made by a person in the name of his divorced wife shall be deemed invalid and the applicant shall be subject to the sanctions prescribed by law. If a duplicate subscription is made, the second subscription will be considered void and only the first subscription will be accepted.
The Total Number of Shares Offered for Each Category of Targeted Investors	
The Number of Shares Offered for the Participating Parties	Five million five hundred eighty thousand (5,580,000) ordinary Shares, representing one hundred per cent. (100%) of the Offer Shares. If there is sufficient demand from Individual Subscribers and the Participating Entities subscribe to all of the Offer Shares allocated to them, the Financial Advisor in coordination with the Company, have the right to reduce the number of Shares allocated to the Participating Entities to three million nine hundred and six thousand (3,906,000) Offer Shares, representing seventy per cent. (70%) of the Offer Shares. Initially, one million six hundred and seventy-four thousand (1,674,000) shares will be allocated to public funds, representing thirty per cent. (30%) of the total number of Offer Shares, provided there is sufficient demand from public funds. If there is sufficient demand by Individual Subscribers to subscribe to the Offer Shares, the Financial Advisor may reduce the number of Offer Shares allocated to public funds to one million one hundred seventy-one thousand eight hundred (1,171,800) Offer Shares as a minimum, representing twenty-one per cent. (21%) of the total number of Offer Shares, after the completion of the Individual Subscribers' subscription process.
Number of Offer Shares Available to Individual Subscribers	A maximum of one million six hundred and seventy-four thousand (1,674,000) ordinary Offer Shares, representing thirty per cent. (30%) of the total Offer Shares.
Subscription Method for Each of the Targeted Investors' Categories	
Subscription Method for Participating Parties	The Participating Entities as identified in Section 1 (<i>Definitions and Abbreviations</i>) may apply for participation in the book-building process by completing a Bidding Participation Application that will be provided by the Bookrunner for the Participating Entities during the book-building process period. After the provisional allocation, the Participating Entities shall complete the Subscription Application Forms that will be made available to them by the Bookrunner in accordance with the instructions mentioned in Section 16 (<i>Subscription Terms and Conditions</i>).
Subscription Method for Individual Subscribers	Subscription Application Forms will be provided during the Offering Period by the Receiving Agents. Subscription Application Forms shall be completed in accordance with the instructions set out in Section 16 (<i>Subscription Terms and Conditions</i>). Individual Subscribers can also subscribe through the websites and platforms of the Receiving Agents that offer any or all such services to Individual Subscribers, provided that: (a) the Individual Subscriber has an investment account and an active portfolio with one of the Receiving Agents which offers such services; and (b) there have been no changes in the personal information of the Individual Subscriber since their subscription in a recent initial public offering.

Minimum Number of Offer Shares to be Applied for by Each of the Targeted Investors' Categories	
Minimum Number of Offer Shares to be Applied for by Participating Entities	One hundred thousand (100,000) Shares.
Minimum Number of Offer Shares to be Applied for by Individual Subscribers	Ten (10) Shares.
Minimum Subscription Amount for Each of the Targeted Investors' Categories	
Minimum Subscription Amount for Participating Entities	[●] Saudi Arabian Riyals (SAR [●]).
Minimum Subscription Amount for Individual Subscribers	[●] Saudi Arabian Riyals (SAR [●]).
Maximum Number of Offer Shares to be Applied for by Each of the Targeted Investors' Categories	
Maximum Number of Offer Shares to be Applied for by Participating Entities	Nine hundred twenty-nine thousand nine hundred ninety-nine (929,999) Offer Shares, and in respect of public funds, no more than the maximum number of Offer Shares to be calculated for each participating public fund pursuant to the Book-Building Instructions.
Maximum Number of Offer Shares to be Applied for by Individual Subscribers	Two hundred fifty thousand (250,000) Offer Shares.
Maximum Subscription Amount for Each of the Targeted Investors' Categories	
Maximum Subscription Amount for Participating Entities	[●] Saudi Arabian Riyals (SAR [●]).
Maximum Subscription Amount for Individual Subscribers	SAR [●].
Allocation and Refund of Excess Subscription Monies Method for Each of the Targeted Investors' Categories	
Allocation of Offer Shares to Participating Entities	The initial allocation of the Offer Shares will be made as the Financial Advisor deems appropriate, in coordination with the Company, using the discretionary share allocation mechanism. It is possible that certain Participating Parties will not be allocated any shares, as deemed appropriate by the Company and the Financial Advisor. The number of Offer Shares to be provisionally allocated to Participating Entities is five million five hundred eighty thousand (5,580,000) ordinary Shares, representing one hundred per cent. (100%) of the Offer Shares. If there is sufficient demand by Individual Subscribers for the Offer Shares, the Financial Advisor, in coordination with the Company, shall have the right to reduce the number of Offer Shares allocated to Participating Entities to three million nine hundred and six thousand (3,906,000) Offer Shares, representing seventy per cent. (70%) of the total Offer Shares. Initially, one million six hundred and seventy-four thousand (1,674,000) Shares will be allocated to public funds, representing thirty per cent. (30%) of the total number of Offer Shares, provided there is sufficient demand from public funds. If there is sufficient demand by Individual Subscribers to subscribe to the Offer Shares, the Lead Manager may reduce the number of shares allocated to public funds to one million one hundred seventy-one thousand eight hundred (1,171,800) Offer Shares as a minimum, representing twenty-one per cent. (21%) of the total number of Offer Shares, after the completion of the Individual Subscribers' subscription process.
Allocation of Offer Shares to Individual Subscribers	The financial advisor may allocate a maximum of one million six hundred and seventy-four thousand (1,674,000) Ordinary Shares, representing thirty per cent. (30%) of the total Offer Shares to Individual Subscribers. The allocation of the Offer Shares to Individual Subscribers is expected to be completed no later than Tuesday, 7 Ramadan 1447H (corresponding to 24 February 2026G). The minimum allocation per Individual Subscriber is ten (10) Ordinary Shares, and the maximum allocation per Individual Subscriber is two hundred fifty thousand (250,000) Ordinary Shares, with the remaining Offer Shares, if any, being allocated on a pro rata basis of the number of Offer Shares applied for by that Individual Subscriber to the total Offer Shares. If the number of Individual Subscribers exceeds one hundred sixty-seven thousand four hundred (167,400) Individual Subscribers, the Company will not guarantee the minimum allocation of ten (10) Offer Shares per Individual Subscriber. In this case, the Offer Shares will be allocated at the discretion of the Financial Advisor in coordination with the Company. (For further details, see Section 16.4.2 (Allocation of Offer Shares to Individual Subscribers)).

Refund of Excess Subscription Monies	Excess subscription monies, if any, will be refunded to the Individual Subscribers without withholding any charge or commission by the Lead Manager or the Receiving Agents, as applicable. The announcement of the final allocation and refund of excess (if any) will be made no later than on Tuesday, 7 Ramadan 1447H (corresponding to 24 February 2026G) and refund of excess subscription monies, if any, will be made no later than Thursday, 9 Ramadan 1447H (corresponding to 26 February 2026G). (For further details, see “ <i>Key Dates and Subscription Procedures</i> ” on page (xix) and Section 16 (<i>Subscription Terms and Conditions</i>)).
Entitlement to Dividends	The Offer Shares will entitle their holders to receive any dividends declared by the Company starting from the date of this Prospectus and for the subsequent financial years (for further details, see Section 7 (<i>Dividend Distribution Policy</i>)).
Voting Rights	The Company has one class of Shares only. None of the Shares carries any preferential voting rights. Each Share entitles its holder to one vote and each Shareholder has the right to attend and vote at the meetings of the General Assembly. A Shareholder has the right to delegate another person, but not a Director of the Company, to attend the General Assembly meetings (for further details, see Section 11.13 (<i>Summary of Bylaws</i>) and Section 11.14 (<i>Share Description</i>)).
Restrictions on the Shares (Lock-up Period)	The Substantial Shareholders and the Shareholder Acting in Concert are subject to a Lock-up Period of six (6) months from the date on which trading of the Offer Shares on the Exchange commences. They may not dispose of any of their Shares during such period. Following the end of the Lock-up Period, the Substantial Shareholders and the Shareholder Acting in Concert may dispose of their Shares without the need to obtain prior approval from the authority. (For further details regarding Substantial Shareholders and the Shareholder Acting in Concert, see Table 2 (<i>Substantial Shareholders, Shareholder Acting in Concert and the Number of their Shares in the Company Pre- and Post-Offering</i>)).
Listing of Shares	Prior to the Offering, the Shares have not been listed in the Kingdom or elsewhere. An application has been made by the Company to the CMA for the registration and offer of the Shares in accordance with the Rules on the Offer of Securities and Continuing Obligations. The Company has also submitted an application to the Exchange for the listing of its Shares on the Exchange in accordance with the Listing Rules. All of the relevant approvals required to conduct the Offering have been granted, and all of the supporting documents requested by the CMA and Tadawul have been submitted. It is expected that the trading of the Shares on the Exchange will commence after the final allocation of the Offer Shares (for further details, see “ <i>Key Dates and Subscription Procedures</i> ” on page (xix)).
Risk Factors	There are certain risks related to the investment in the Offer Shares. These risks can be categorised into: (i) risks related to the activities and operations of the Company; (ii) risks related to the market, industry and regulatory environment; and (iii) risks related to the Offer Shares. These risks are described in Section 2 (<i>Risk Factors</i>) and should be considered carefully prior to making an investment decision with respect to the Offer Shares.
Offering Period	The Offering period will commence on Thursday, 24 Sha’ban 1447H (corresponding to 12 February 2026G), and will remain open for a period of four (4) business days up to and including the closing day on Tuesday, 29 Sha’ban 1447H (corresponding to 17 February 2026G). (For further details, see “ <i>Key Dates and Subscription Procedures</i> ” on page (xix)).
Offering Expenses	The expenses and costs associated with the Offering are estimated at approximately twenty million Saudi Arabian Riyals (SAR 20,000,000) and include the fees of the Financial Advisor, the Lead Manager, the Bookrunner, the Underwriter, the Legal Advisors, the Financial Due Diligence Advisor, the Receiving Agents and the Market Consultant, as well as marketing, printing and distribution fees and other costs and expenses related to the Offering. They will be deducted from the Offering Proceeds.
Underwriter	ANB Capital Company King Faisal Street, Al Murabba District, ANB Capital Company Building 3851 P.O. Box 220009 Riyadh 11311 Kingdom of Saudi Arabia Tel: + 966 (11) 4062500 Fax: +966 (11) 4062548 Website: www.anbcapital.com.sa E-mail: investment.banking@anbcapital.com.sa

Note: The “*Important Notice*” section on page (i) and Section 2 (*Risk Factors*) should be read thoroughly prior to making an investment decision with respect to the Offer Shares under this Prospectus.

Key Dates and Subscription Procedures

Table 3: Expected Offering Timetable

Event	Date
Bidding and Book-Building Period for Participating Entities	A period of five business days commencing on Sunday, 13 Sha'ban 1447H (corresponding to 1 February 2026G), until the end of Thursday, 17 Sha'ban 1447H (corresponding to 5 February 2026G).
Deadline for Submission of Subscription Application Forms Based on the Number of the Offer Shares Provisionally Allocated for the Participating Entities	Wednesday, 23 Sha'ban 1447H (corresponding to 11 February 2026G).
Subscription Period for Individual Subscribers	A period of four business days commencing on Thursday, 24 Sha'ban 1447H (corresponding to 12 February 2026G) until the end of Tuesday, 29 Sha'ban 1447H (corresponding to 17 February 2026G).
Deadline for Payment of the Subscription Amount by Participating Entities Based on their Provisionally Allocated Offer Shares	Sunday, 27 Sha'ban 1447H (corresponding to 15 February 2026G)
Deadline for Submission of Subscription Application Forms and Payment of the Subscription Amount by Individual Subscribers	Tuesday, 29 Sha'ban 1447H (corresponding to 17 February 2026G).
Announcement of the Final Allocation of the Offer Shares	No later than Tuesday, 7 Ramadan 1447H (corresponding to 24 February 2026G).
Refund of Excess Subscription Monies (if any)	No later than Thursday, 9 Ramadan 1447H (corresponding to 26 February 2026G).
Expected Commencement Date for Trading the Shares on the Exchange	Trading of the Company's Shares on the Exchange is expected to commence after the completion of all of the relevant legal requirements and procedures. The trading commencement date of the Shares will be announced in local newspapers and Tadawul's website (www.saudiexchange.sa).

Note: The above timetable and dates therein are indicative and subject to change. Actual dates will be communicated on the websites of Tadawul (www.saudiexchange.sa), the Financial Advisor (www.anbcapital.com.sa) and the Company (www.salrashed.com.sa).

How to Apply for the Offer Shares

Subscription to the Offer Shares is restricted to the following two groups of Investors:

- **Tranche (A): Participating Parties:** comprising the parties entitled to participate in the book-building process as specified under the Book-Building Instructions, including investment funds, companies, GCC and foreign companies (for further details, see Section 1 (*Definitions and Abbreviations*) and Section 16 (*Subscription Terms and Conditions*)); and
- **Tranche (B): Individual Subscribers:** comprising Saudi Arabian natural persons (including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi person who can subscribe for her own benefit or in the names of her minor children, on the condition that she proves that she is a divorcee or widow and the mother of her minor Saudi Arabian children), GCC natural persons, foreign natural persons either residing or not residing in the Kingdom. A subscription for Offer Shares made by a person in the name of his divorced wife shall be deemed invalid and the applicant shall be subject to the sanctions prescribed by law. If a duplicate subscription is made, the second subscription will be considered void and only the first subscription will be accepted.

A. Participating Parties

Participating Parties may apply for participation in the book-building process by completing the Bidding Participation Application that will be provided by the Bookrunner during the book-building process period and obtain the Subscription Application Forms from the Bookrunner after provisional allocation. The Bookrunner shall, after the approval of the CMA, offer the Offer Shares to the Participating Parties only during the book building period. Subscriptions by the Participating Entities shall commence during the Offering Period, which also includes the Individual Subscribers, according to the terms and conditions detailed in the Subscription Application Forms. A signed Subscription Application Form must be submitted to the Bookrunner representing a legally binding agreement between the Company and the relevant Participating Entity submitting the same.

B. Individual Subscribers

Subscription Application Forms for Individual Subscribers will be provided during the Offering Period by the Receiving Agents. Individual Subscribers can also subscribe through the websites and platforms of the Receiving Agents that provide some or all of these channels to Individual Subscribers or any of the Receiving Agent's branches that offer any or all such services to their clients, provided that:

- the Individual Subscribers have an investment account and an active portfolio with one of the Receiving Agents which offers such services; and
- there have been no changes in the personal information or data of the Individual Subscriber since their subscription in a recent initial public offering.

Subscription Application Forms must be filled out by each applicant according to the instructions mentioned in Section 16 (*Subscription Terms and Conditions*). An applicant must complete all of the relevant sections in the Subscription Application Form. The Company reserves the right to reject any Subscription Application Form, in part or in whole, if any of the subscription terms and conditions is not met. After being submitted, the Subscription Application Form cannot be amended or withdrawn. If the Subscription Application Form is submitted twice, the second submission shall be considered null and void, and only the first submission shall be considered. Upon submission, the Subscription Application Form shall be considered to be a legally binding agreement by the relevant Subscriber and the Company (for further details, see Section 16 (*Subscription Terms and Conditions*)).

Excess subscription monies, if any, will be refunded to the Individual Subscriber's investment account with the Receiving Agent from which the subscription amount has been debited in the first place, without withholding any charge or commission. Excess subscription monies will not be refunded in cash or to third party accounts. (For further details regarding subscription by Individual Subscribers and the Participating Entities, see Section 16 (*Subscription Terms and Conditions*)).

Summary of Key Information

This summary of key information is intended to give an overview of the information contained in this Prospectus. However, it does not contain all of the information that may be important to prospective investors. Therefore, a subscriber's decision should not be based solely on this summary. It must be treated as an introduction to this Prospectus, and persons wishing to subscribe for the Offer Shares are advised to read the entire Prospectus in full to ensure that any decision to invest in the Offer Shares by prospective investors is based on the consideration of this Prospectus as a whole. In particular, it is important for an investor to carefully consider the “*Important Notice*” Section on page (i) and Section 2 (*Risk Factors*) prior to making an investment decision with respect to the Offer Shares and should not base his/her decision solely on this summary.

Overview of the Company

Saleh Abdulaziz Al Rashed & Sons Company is a Saudi closed joint stock company registered in the Commercial Register under Unified No. 7001683254, dated 12 Rajab 1395H (corresponding to 22 July 1975G) issued in Riyadh, Kingdom of Saudi Arabia. The Company's headquarters is located at 19 Ibn Qasim Road, Al-Aziziya District, P.O. Box 4293, Riyadh 11491, Kingdom of Saudi Arabia. As of the date of this Prospectus, the Company's share capital is one hundred eighty-six million Saudi Arabian Riyals (SAR 186,000,000), divided into eighteen million six hundred thousand (18,600,000) shares with a nominal value of ten Saudi Arabian Riyals (SAR 10) per Share.

The Company was established on 12 Rajab 1395H (corresponding to 22 July 1975G) as a sole proprietorship owned by Saleh Abdulaziz Abdulrahman Al Rashed under the name Saleh Abdulaziz Al Rashed Trading Establishment with a share capital of one hundred thousand Saudi Arabian Riyals (SAR 100,000) and was registered under Commercial Registration No. 1010008417, dated 12 Rajab 1395H (corresponding to 22 July 1975G) issued in Riyadh, Kingdom of Saudi Arabia. On 23 Muharram 1432H (corresponding to 29 December 2010G), the Company was converted from a sole proprietorship into a limited liability company under the name Saleh Abdulaziz Al Rashed & Sons Trading Company with a capital of five hundred thousand Saudi Arabian Riyals (SAR 500,000), divided into fifty thousand (50,000) fully paid-in in-kind shares, with a value of ten Saudi Arabian Riyals (SAR 10) per share. The capital was increased by evaluating the net assets of the Company and inclusion of the following shareholders: (i) Saleh Abdulaziz Abdulrahman Al Rashed acquired twenty-seven thousand five hundred (27,500) in-kind shares with a total value of two hundred seventy-five thousand Saudi Arabian Riyals (SAR 275,000), representing 55.0 per cent. of the share capital; (ii) Abdulaziz Saleh Abdulaziz Al Rashed acquired seven thousand five hundred (7,500) in-kind shares with a total value of seventy-five thousand Saudi Arabian Riyals (SAR 75,000), representing 15.0 per cent. of the share capital; (iii) Saad Saleh Abdulaziz Al Rashed acquired seven thousand five hundred (7,500) in-kind shares with a total value of seventy-five thousand Saudi Arabian Riyals (SAR 75,000), representing 15.0 per cent. of the share capital; and (iv) Abdullah Saleh Abdulaziz Al Rashed acquired seven thousand five hundred (7,500) in-kind shares with a total value of seventy-five thousand Saudi Arabian Riyals (SAR 75,000), representing 15.0 per cent. of the share capital. On 20 Jumada al-Ula 1432H (corresponding to 25 April 2011G) the Company name was changed from Saleh Abdulaziz Al-Rashed & Sons Trading Company to Saleh Abdulaziz Al-Rashed & Sons Company. On 21 Rabi' al-Thani 1436H (corresponding to 10 February 2015G), the shareholder Saad Saleh Abdulaziz Al Rashed passed away, and his heirs were identified pursuant to Inheritance Deed No. 3674956 issued by the Personal Status Court. The heirs were as follows: (i) Saleh Abdulaziz Abdulrahman Al Rashed; (ii) Maryam Saad Abdulrahman Al Rashed; (iii) Areej Saud Hamoud Al Dhaban; (iv) Abdulaziz Saad Saleh Al Rashed; (v) Saud Saad Saleh Al Rashed; (vi) Lulwa Saad Saleh Al Rashed; (vii) Norah Saad Saleh Al Rashed; and (viii) Danah Saad Saleh Al Rashed. Collectively, they inherited seven thousand five hundred (7,500) in-kind shares, with a total value of seventy-five thousand Saudi Arabian Riyals (SAR 75,000), representing 15.0 per cent. of the share capital. Subsequently, Maryam Saad Abdulrahman Al Rashed renounced her rights to the inherited shares, totalling one thousand two hundred fifty (1,250) cash shares, with a total value of twelve thousand five hundred Saudi Arabian Riyals (SAR 12,500), in favour of the following heirs: (i) Areej Saud Hamoud Al Dhaban; (ii) Abdulaziz Saad Saleh Al Rashed; (iii) Saud Saad Saleh Al Rashed; (iv) Lulwa Saad Saleh Al Rashed; (v) Norah Saad Saleh Al Rashed; and (vi) Danah Saad Saleh Al Rashed. The ownership structure was updated following the passing of Saad Saleh Abdulaziz Al Rashed and Maryam Saad Abdulrahman Al Rashed renouncing the rights to her inheritance, with the heirs agreeing to retain their ownership in the Company based on the shares allocated to them. On 12 Sha'ban 1437H (corresponding to 19 May 2016G), the shareholder Saleh Abdulaziz Abdulrahman Al Rashed passed away, and his heirs were identified pursuant to Inheritance Deed No. 37266488 issued by the Personal Status Court. The heirs were as follows: (i) Abdulaziz Saleh Abdulaziz Al Rashed acquired twenty thousand four hundred seventeen (20,417) cash shares, with a total value of two hundred four thousand one hundred seventy Saudi Arabian Riyals (204,170), representing 40.8 per cent. of the share capital; (ii) Abdullah Saleh Abdulaziz Al Rashed acquired ten thousand four hundred seventeen (10,417) cash shares, with a total value of one hundred four thousand one hundred seventy Saudi Arabian Riyals (SAR 104,170), representing 20.8 per cent. of the share capital; (iii) Abdulaziz Saad Saleh Al Rashed and (iv) Saud Saad Saleh Al Rashed each acquired three thousand seven hundred fifty (3,750) cash shares, with a total value of thirty-seven thousand five hundred Saudi Arabian Riyals (SAR 37,500), representing 7.5 per cent. of the share capital each; (v) Areej Saud Hamoud Al Dhaban; (vi) Lulwa Saad Saleh Al Rashed; (vii) Danah Saad Saleh Al Rashed, and; (viii) Norah Saad Saleh Al Rashed each acquired one thousand eight hundred seventy-five (1,875) cash shares, with a total value of eighteen thousand seven hundred fifty Saudi Arabian Riyals (SAR 18,750), representing 3.8 per cent. of the share capital; (ix) Norah Saleh Abdulaziz Al Rashed acquired one thousand four hundred fifty-eight (1,458) cash shares, with a total value of fourteen thousand five hundred eighty Saudi Arabian Riyals (SAR 14,580), representing 2.9 per cent. of the share capital; (x) Sara Saleh Abdulaziz Al Rashed acquired one thousand four hundred fifty-eight (1,458) cash shares, with a total value of fourteen thousand five hundred eighty Saudi Arabian Riyals (SAR 14,580), representing 2.9 per cent. of the share capital; and (xi) Maryam Saad Abdulrahman Al Rashed acquired one thousand two hundred fifty (1,250) cash shares, with a total value of twelve thousand five hundred Saudi Arabian Riyals (SAR 12,500), representing 2.5 per cent. of the share capital. On 27 Thul-Qi'dah 1443H (corresponding to 26 June 2022G), Abdulaziz Saleh Abdulaziz Al Rashed transferred a portion of his shares, totalling two thousand five hundred two (2,502) cash shares, with a total value of twenty-five thousand twenty Saudi Arabian Riyals (SAR 25,020) to: (i) Norah Saleh Abdulaziz Al Rashed and (ii) Sara Saleh Abdulaziz Al Rashed. As a result, each of them now holds two thousand seven hundred nine (2,709) cash shares, with a total value of twenty-seven thousand ninety Saudi Arabian Riyals (SAR 27,090), representing 5.4 per cent. of

the share capital. Pursuant to shareholder's Resolution No. 3 dated 23 Rabi' al-Thani 1444H (corresponding to 17 November 2022G), approval was obtained to increase the Company's share capital from five hundred thousand Saudi Arabian Riyals (SAR 500,000) to one hundred eighty-six million Saudi Arabian Riyals (SAR 186,000,000), divided into eighteen million six hundred thousand (18,600,000) cash shares with an equal value of ten Saudi Arabian Riyals (SAR 10) per Share. The capital increase has been executed entirely through the shareholder's current account balances and a portion of retained earnings. The increase was financed as follows: 50.1 per cent. from the shareholder's current account and 49.9 per cent. from the retained earnings, distributed among the shareholders based on their shareholding. Pursuant to shareholder's Resolution No. 1, dated 29 Jumada al-Akhirah 1444H (corresponding to 22 January 2023G), the Company has been converted from a limited liability company to a closed joint-stock company.

The Company's Main Activities

The core activities of the Group are comprised of the following main business segments (for more details, see Section 4.6 (*Overview of the Group's Business*)):

- **Sales of Construction Materials:** This segment is the Group's principal revenue generator. As of 31 March 2025G, the Group's annual aggregate extraction capacity stood at 21.3 million tonnes per year. In the financial years ended 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G, revenue from the Sales of Construction Materials represented 77.4 per cent., 76.9 per cent., 82.0 per cent. and 83.1 per cent., respectively, of the Group's total revenue. The Group supplies a wide range of high-quality construction materials used in road construction, infrastructure projects, industrial developments, and real estate projects throughout the Kingdom. Leveraging a vertically integrated and comprehensive supply chain, the Group controls all stages of production, from raw material extraction and processing to quality control, inventory management and end-to-end logistics, ensuring reliability, consistency and timely delivery. The Group offers a diversified portfolio of aggregates in various sizes tailored for different construction applications, including 1-inch sub-base materials, 3/4-inch and 3/8-inch aggregates for concrete and asphalt mixes, and fine-grade materials such as 0.05 mm fine aggregates and coarse washed sand for masonry, plastering and block manufacturing and other construction uses. Its asphalt products include standard and modified formulations such as Marshall-type, Superpave and Bituminous Base Coarse (BBC), suitable for public roads, airport runways, and industrial and residential projects. These operations are supported by a network of strategically located production facilities and transport infrastructure that enable the Group to meet high-volume demand with consistency and efficiency. The consistent performance of this segment reflects the Group's strategic alignment with ongoing construction and infrastructure investment under Vision 2030; and
- **Sales of Spare Parts:** In the financial years ended 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G, revenue from the Sales of Spare Parts represented 22.6 per cent., 23.1 per cent., 18.0 per cent. and 16.9 per cent., respectively, of the Group's total revenue for the same periods. The Group supplies a comprehensive range of spare parts, crushers, heavy machinery and industrial equipment to clients in the mining, construction and infrastructure sectors. This segment includes the import and distribution of high-performance industrial components necessary for aggregate production and equipment maintenance. As of 31 March 2025G, the Group operated seven spare parts retail branches across the Kingdom, providing comprehensive national coverage and enhancing service efficiency to clients. These branches function as distribution centres, ensuring quick response times, reducing spare parts delivery waiting times, improving after-sales support services, and enhancing the quality of services provided to clients. The segment is comprised of the following subcomponents:
 - **Spare Parts:** The Group maintains a large inventory of durable spare parts precisely designed to withstand harsh operational conditions, high abrasion, and continuous processing. Its product portfolio includes jaw, cone and impact crusher parts, conveyor belts, vibrating screen mesh, sand washers, in addition to other spare parts such as bearings, rollers, drive shafts, hydraulic cylinders, and wear-resistant liners. Modern inventory management systems enable real-time tracking and the rapid and efficient delivery of spare parts, helping reduce equipment downtime and smoothly supporting field operations through maintaining a comprehensive inventory and a seamless distribution network;
 - **Crushers/Heavy Machinery:** The Group is the exclusive distributor for several globally certified brands, including ASTEC (crushing and screening equipment), SPECO (asphalt mixing plants), Wolf (drilling equipment), Henkel Loctite (industrial adhesives and sealants) and MEKA (concrete batching plants). These distribution agreements enable the Group to offer a wide range of high-efficiency machinery, supported by expert technical consultation and after-sales services, leveraging exclusive distribution agreements with globally certified manufacturers to ensure consistent quality, availability and competitive pricing; and
 - **Internal installation, Assembly and Technical Support:** This non-revenue-generating sector supports the operational readiness of the Group's assets through in-house maintenance, assembly, and repair services. Activities include the assembly of fuel and water tanks, on-site assembly of support structures, trailers, mobile homes, as well as the assembly of handling equipment and simple structural components. These services are conducted onsite to improve turnaround times, reduce reliance on third-party service providers and ensure cost-effective support for remote quarry and production plant operations.

By operating across these core segments, the Group supports a wide range of infrastructure and construction development needs across the Kingdom, ensuring high service reliability, technical excellence and sustained contribution to the national construction ecosystem.

The Group has established itself as one of the leading integrated providers of construction materials, spare parts, crushers and heavy machinery solutions in the Kingdom, underpinned by a vertically integrated business model that enables control over the entire value chain—from extraction and production to distribution and after-sales support. With over 50 years of operational experience, technical innovation and project execution for the private sector, the Group plays a critical role in supporting infrastructure development, expansion and economic diversification initiatives in alignment with Vision 2030. The Group's track record in serving private sector entities reinforces its position as a trusted supplier for mission-critical construction projects across the Kingdom.

As of 31 March 2025G, the Group operated seven quarry sites (which included 13 crushers), four asphalt mixing plants and a fleet comprising approximately 563 trucks and approximately 700 heavy machinery units. This infrastructure is supported by automated batching, real-time diagnostics and a network of four wholesale points for the sale of the Group's products across the Kingdom. This integrated asset base ensures operational resilience, reliable delivery and cost-efficient service execution. The Group's quarry-to-site control minimises third-party dependencies, while its predictive maintenance, SAP-based analytics and energy-efficient machinery enhance uptime, performance and sustainability outcomes.

The Group holds long-term mining licences and regulatory approvals that provide continuity across its quarrying operations, including in key locations such as Riyadh, Eastern Province and the Madinah region. Its quarries hold reserves sufficient to support 15 to 20 years of extraction activities based on current extraction rates and market demand. As of the date of this Prospectus, the Group has already secured two Category B exploration licences for silica sand and submitted extraction licence applications of the same category, aligning with the Group's expansion into materials used in water purification, paints, coatings, construction materials, glass manufacturing, foundries, and high-tech construction applications. These developments complement the Group's broader range of raw materials, aggregates, and spare parts, contributing to long-term revenue diversification.

The Group's growth strategy is built around capacity expansion, product diversification, geographic growth and digital transformation, with a strong alignment to Vision 2030. Strategic initiatives include deployment of high-efficiency crushers, expansion into polymer-modified and hot mix asphalt and adoption of SAP-based periodic analytics for tracking, inventory management and procurement planning. The Group is also advancing vertical integration by expanding into silica sand mining to support high-growth sectors such as glass, solar and electronics. The Group aims to strengthen its presence in neighbouring GCC countries and emerging regional economies, diversifying the client base to include industrial and manufacturing players and strengthening relationships with mega-project developers through long-term supply contracts. These initiatives are supported by operational enhancements including real-time monitoring, lean workflow redesign and KPI-driven performance reviews, all reinforcing the Group's position as a strategic supplier to the Kingdom's infrastructure ecosystem.

The Group is committed to updating its operations in line with environmental, social and corporate governance (ESG) standards to support long-term sustainability and regulatory compliance. Key initiatives include expanding the adoption of renewable energy across quarry operations and water management systems, implementing dust filtration across crushers, and making additional investments in reforestation and land rehabilitation. The Group is also increasing use of recycled aggregates and energy-efficient machinery, while maintaining compliance with ISO 9001:2015 (Quality Management), ISO 14001:2015 (Environmental Management), and ISO 45001:2018 (Occupational Health and Safety) standards and securing all necessary environmental permits. These efforts reflect the Group's commitment to environmental standards, sustainability, and its role in supporting economic diversification under Vision 2030. (For further details on segment definitions, see Section 1 (*Definitions and Abbreviations*)).

Ownership Structure

As of the date of this Prospectus, the Company's share capital is one hundred eighty-six million Saudi Arabian Riyals (SAR 186,000,000) with a fully paid nominal value of ten Saudi Arabian Riyals (SAR 10) per Share.

The following table sets out the direct ownership structure of the Company pre- and post-Offering:

Table 4: Details of the Ownership Structure of the Company Pre- and Post- Offering

Shareholder	Pre-Offering			Post-Offering		
	Number of Shares	Ownership (%) ⁽¹⁾	Overall Nominal Value (SAR)	Number of Shares	Ownership (%) ⁽¹⁾	Overall Nominal Value (SAR)
Abdulaziz Saleh Abdulaziz Al Rashed	6,664,380	35.8%	66,643,800	4,665,066	25.1%	46,650,660
Abdullah Saleh Abdulaziz Al Rashed	3,875,124	20.8%	38,751,240	2,712,587	14.6%	27,125,868
Abdulaziz Saad Saleh Al Rashed	1,395,000	7.5%	13,950,000	976,500	5.3%	9,765,000
Saud Saad Saleh Al Rashed	1,395,000	7.5%	13,950,000	976,500	5.3%	9,765,000
Norah Saleh Abdulaziz Al Rashed	1,007,748	5.4%	10,077,480	705,424	3.8%	7,054,236
Sara Saleh Abdulaziz Al Rashed	1,007,748	5.4%	6,975,000	705,424	3.8%	7,054,236
Norah Saad Saleh Al Rashed	697,500	3.8%	6,975,000	488,250	2.6%	4,882,500
Lulwa Saad Saleh Al Rashed	697,500	3.8%	6,975,000	488,250	2.6%	4,882,500
Areej Saud Hamoud Al Dhaban ⁽²⁾	697,500	3.8%	6,975,000	488,250	2.6%	4,882,500
Danah Saad Saleh Al Rashed	697,500	3.8%	6,975,000	488,250	2.6%	4,882,500
Maryam Saad Abdulrahman Al Rashed	465,000	2.5%	4,650,000	325,500	1.8%	3,255,000
	-	-	-	5,580,000	30.0%	55,800,000
Total	18,600,000	100.00%	186,000,000	18,600,000	100.0%	186,000,000

Source: The Company.

(1) The ownership percentages are rounded to the nearest decimal place.

(2) Areej Saud Hamoud Al Dhaban holds 697,500 shares, representing 3.8 per cent. of the Company's Shares, prior to the Offering. She is the mother of Saud Saad Saleh Al Rashed (holding 7.5 per cent. of the Company's Shares, prior to the Offering), Norah Saad Saleh Al Rashed (holding 3.8 per cent. of the Company's Shares, prior to the Offering) and Danah Saad Saleh Al Rashed (holding 3.8 per cent. of the Company's Shares, prior to the Offering). As the legal guardian of the above shareholders, Areej Saud Hamoud Al Dhaban disposes of their shares by agreement.

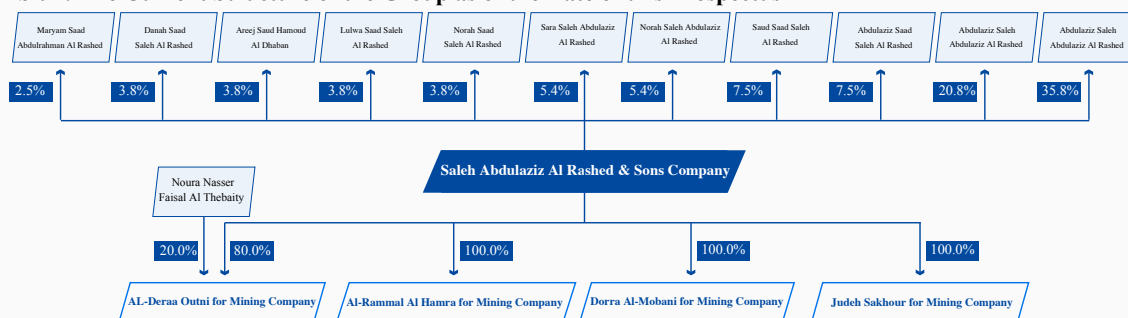
Overview of the Subsidiaries

The Company directly owns Judeh Sakhour for Mining Company, Al-Deraa Outni for Mining Company, Al-Rammal Al-Hamra for Mining Company and Dorra Al-Mobani for Mining Company. The following chart illustrates the ownership structure of the Company as of the date of this Prospectus:

Structure of the Group

The following chart illustrates the current structure of the Group as of the date of this Prospectus:

Exhibit 1: The Current Structure of the Group as of the Date of this Prospectus



Source: The Company.

The following table sets out the ownership structure of the Subsidiaries as of the date of this Prospectus:

Table 5: Details of the Ownership Structure of the Subsidiaries as of the Date of this Prospectus

Name of Subsidiary	Country of Incorporation	Direct Ownership (%)	Indirect Ownership (%)	Remaining Ownership
Judeh Sakhour for Mining Company	Kingdom of Saudi Arabia	100.0%	-	-
Dorra Al-Mobani for Mining Company	Kingdom of Saudi Arabia	100.0%	-	-
Al-Rammal Al-Hamra for Mining Company	Kingdom of Saudi Arabia	100.0%	-	-
Al-Deraa Outni for Mining Company	Kingdom of Saudi Arabia	80.0%	20.0%	20.0% owned by Noura Nasser Faisal Al Thebaity

Source: The Company.

Set out below is an overview of the Subsidiaries:

- Judeh Sakhour for Mining Company is a one-person limited liability company registered in the Commercial Register under Unified No. 7031169332 dated 10 Rabi' al-Awwal 1444H (corresponding to 6 October 2022G) in Al-Ahsa, Kingdom of Saudi Arabia. Judeh Sakhour for Mining Company's registered head office is located at Ath Thagr District, Old Makkah Road, P.O. Box 6106, Jeddah 22338, Kingdom of Saudi Arabia. As of the date of this Prospectus, Judeh Sakhour for Mining Company's current capital is one hundred thousand Saudi Arabian Riyals (SAR 100,000) divided into one hundred (100) shares, with a fully paid nominal value of one thousand Saudi Arabian Riyals (SAR 1,000) per share. Its activities according to its Article of Association include land freight transport of goods, quarrying of stones, sand, and clay, as well as other business support activities for mining and quarrying. The ownership of Judeh Sakhour for Mining Company was transferred to the Company on 2 Ramadan 1444H (corresponding to 3 April 2023G). The total revenue of Judeh Sakhour for Mining Company represented 1.3 per cent., 1.2 per cent. and 0.7 per cent. of the Group's total revenue as of 31 December 2023G, 2024G, and the three-month period ended 31 March 2025G and it did not generate any revenues contributing to the Group's total revenue as of 31 December 2022G.
- Dorra Al-Mobani for Mining Company is a one-person limited liability company registered in the Commercial Register under Unified No. 7030158591 dated 7 Muharram 1444H (corresponding to 5 August 2022G) in Riyadh, Kingdom of Saudi Arabia. Dorra Al-Mobani for Mining Company's registered head office is located at Al Olaya District, King Fahd Road, P.O. Box 12333, Riyadh 3817, Kingdom of Saudi Arabia. As of the date of this Prospectus, Dorra Al-Mobani for Mining Company's current capital is one hundred thousand Saudi Arabian Riyals (SAR 100,000) divided into one (1) share, with a fully paid nominal value of one hundred thousand Saudi Arabian Riyals (SAR 100,000) per share. Its activities according to its Article of Association include quarrying of stones, sand, and clay; manufacturing of refined petroleum products; construction of roads and railways; site preparation; and wholesale trading of various types of solid, liquid, and gaseous fuels and related products. The ownership of Dorra Al-Mobani for Mining Company was transferred to the Company on 30 Rabi' al-Awwal 1446H (corresponding to 3 October 2024G). No revenues were generated by Dorra Al-Mobani for Mining Company that contributed to the Group's total revenue as of 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G.
- Al-Rammal Al Hamra for Mining Company is a one-person limited liability company registered in the Commercial Register under Unified No. 7032432408 dated 9 Jumada al-Ula 1444H (corresponding to 3 December 2022G) in Riyadh, Kingdom of Saudi Arabia. Al-Rammal Al-Hamra for Mining Company's registered head office is located at Bahr Al Arab, Al-Khaleej District, P.O. Box 13224, Al-Riyadh 3400, Kingdom of Saudi Arabia. As of the date of this Prospectus, Al-Rammal Al Hamra for Mining Company's current capital is one hundred thousand Saudi Arabian Riyals (SAR 100,000) divided into two (2) shares, with a fully paid nominal value of fifty thousand Saudi Arabian Riyals (SAR 50,000) per share. Its activities according to its Article of Association include quarrying of stones, sand, and clay. The ownership of Al-Rammal Al Hamra for Mining Company was transferred to the Company on 1 Rabi' al-Thani 1446H (corresponding to 4 October 2024G). Al-Rammal Al Hamra for Mining Company did not generate any revenue contributing to the Group's total revenue as of 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G.
- AL-Deraa Outni for Mining Company is a limited liability company registered in the Commercial Register under Unified No. 7042613542 dated 18 Jumada al-Ula 1446H (corresponding to 20 November 2024G) in Riyadh, Kingdom of Saudi Arabia. Deraa Outni for Mining Company's registered head office is located at Al-Aziziyah District, 19 Ibn Qasim Road, P.O. Box 14511, Riyadh 7941, Kingdom of Saudi Arabia. As of the date of this Prospectus, AL-Deraa Outni for Mining Company's current capital is one hundred thousand Saudi Arabian Riyals (SAR100,000) divided into one hundred (100) shares, with a fully paid nominal value of one thousand Saudi Arabian Riyals (SAR 1,000) per share. Its activities according to its Article of Association include the mining of other non-ferrous metal ores; quarrying of stones, sand, and clay; other mining and quarrying activities not elsewhere classified; other business support activities for mining and quarrying; the manufacturing of cement, lime, and plaster; and the manufacturing of concrete, cement, and plaster products. AL-Deraa Outni for Mining did not generate any revenue contributing to the Group's total revenue as of 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G.

Vision, Mission, and Strategy

Vision

To be the national strategic partner in mining and construction sector solutions within the Kingdom.

Mission

To build strategic partnerships with clients and provide mining and construction solutions through qualified national talent in a sustainable environment that meets shareholder aspirations.

Values

To promote sustainability and quality in products and services, striving for performance excellence and customer satisfaction, and fostering team spirit through collaboration, mutual support, and shared goals.

Strategy

The Group's strategy is centred on strengthening its market position, expanding and diversifying its product portfolio, enhancing operational efficiencies with cost optimisation and aligning with Kingdom's Vision 2030. The Group continuously refines its strategic plan to optimise growth opportunities, improve financial performance and implement sustainability-driven initiatives.

Strategic Planning Initiatives

The Group has established a strategic framework for sustainable growth, operational efficiency and long-term market leadership. Key elements of the Group's continuous improvement strategy include:

- regular updates to the strategic plan to align with market, regulatory and competitive dynamics;
- technology integration and implementation of data-driven decision-making processes to guide long-term investment and operational decisions;
- establishment of structured review mechanisms to monitor strategic execution and performance;
- integrated operational improvement initiatives;
- operational excellence through implementing performance visibility systems and identifying improvements;
- resource management through investing in recycling technologies and alternative extraction techniques; and
- employee development through building skills via training and supporting innovation.

Through these initiatives, the Group maintains a forward-looking strategic posture, positioned to capture growth opportunities in the Kingdom's evolving construction, spare parts and crushers ecosystem. The strategic planning process remains integral to the Group's ambition to strengthen its market position and contribute to Vision 2030.

Market Growth and Business Expansion

The Group is actively pursuing market growth and business expansion strategies by expanding its sales network, diversifying its product portfolio and enhancing its logistics and distribution capabilities. Government infrastructure spending, expected to gradually exceed SAR 3.8 billion over the coming years, continues to drive demand.

Expansion of Sales and Market Share

To drive revenue growth, the Group is:

- strengthening relationships with infrastructure developers and industrial contractors to secure long-term contracts;
- increasing penetration into new geographic markets within and beyond the Kingdom; and
- leveraging digital marketing, trade fairs and strategic partnerships to enhance brand visibility and sales growth.

Expansion of Mining Licences and Activities

The Group seeks to expand its mining operations and capacity while ensuring compliance with regulatory and environmental requirements:

- securing additional mining licences for Category C aggregate materials, asphalt production and other industrial minerals;
- increasing aggregate production capacity by exploring new quarry sites and enhancing existing mining operations; and
- enhancing regulatory compliance and ensuring adherence to environmental sustainability measures in extraction processes.

Diversification of Product Offerings and New Sector Entry

The Group is expanding offerings to meet market demand and trends:

- planning to enter the silica sand mining sector to support high-growth industrial sectors;
- introducing new construction materials and industrial spare parts tailored for emerging market needs through R&D supporting new aggregates, asphalt formulations and high-performance crushers;
- expanding asphalt product lines, including polymer-modified asphalt (PMA) and hot mix asphalt (HMA), to align with sustainability requirements; and
- evaluating opportunities in complementary industries, such as renewable energy and smart infrastructure materials.

Strengthening Distribution and Logistics Capabilities

The Group is enhancing logistics and supply chain operations:

- investing in strengthening a large fleet, to ensure reliable transportation of construction materials and spare parts;
- enhancing quarrying capacity through investment in heavy machinery;
- optimising supply chain efficiencies by integrating advanced digital demand forecasting and real-time inventory management using SAP;
- expanding geographical warehouse footprint to support mining operations and spare parts distribution; and
- establishing additional regional distribution hubs to enhance delivery speed and reduce logistics costs.

By expanding market reach, diversifying product offerings and strengthening its logistics infrastructure, the Group remains well-positioned to capitalise on growth opportunities in the Kingdom's construction, infrastructure and industrial sectors while ensuring long-term business sustainability and competitive market positioning.

Operational Efficiency and Performance Enhancement

The Group continuously seeks to enhance operational efficiency and optimise performance across its production, logistics and supply chain operations. Initiatives focus on cost reduction, resource management, and the integration of advanced digital systems to ensure sustainable growth and improved service delivery.

Cost Optimisation and Process Development

To maintain cost leadership and operational efficiency, the Group is pursuing the following initiatives:

- enhancing preventive maintenance and asset management systems to reduce machinery downtime; and
- utilising data analytics for continuous operational improvements and production efficiency gains.

Advancements in Digital Transformation and Automation

As part of its digital transformation strategy, the Group is investing in modern technologies to enhance business intelligence, operational visibility and process automation:

- enhancing the implementation of ERP, CRM systems and advanced digital analytics to improve business insights and optimise processes; and
- upgrading quarrying technologies with advanced equipment that enhances real-time monitoring and operational efficiency.

By implementing cost optimisation strategies and advancing digital transformation, the Group ensures sustained operational excellence, enhanced productivity and long-term profitability in its core business operations.

Talent Development and Workforce Optimisation

The Group prioritises workforce development by investing in recruitment, training, employee engagement and digital HR systems, in line with Vision 2030 objectives.

Attraction and Retention of Qualified National Talent

To ensure a strong pipeline of local talent, the Group is undertaking the following efforts:

- expanding recruitment initiatives to attract highly skilled Saudi professionals, supporting localisation goals under Vision 2030;
- investing in employee training and professional development programmes, including technical certification and leadership coaching; and
- enhancing workforce productivity through performance-based incentives and structured career advancement programmes.

Strengthening Employee Engagement and Workplace Culture

To encourage a high-performance, safety-driven and inclusive work environment, the Group is focused on the following:

- promoting a safety-first culture across all operations and ensuring compliance with occupational health and safety regulations;
- enhancing employee engagement through corporate wellness initiatives and workplace inclusivity programmes by providing mental health services, diversity initiatives and feedback channels; and
- implementing digital HR tools to improve talent retention, workforce planning and employee performance tracking.

By investing in local talent, enhancing workplace engagement and integrating digital workforce management solutions, the Group ensures a resilient, highly skilled and motivated workforce, positioning itself as an employer of choice within the Kingdom's industrial, construction and infrastructure sectors.

Sustainability, ESG Leadership and Corporate Social Responsibility

The Group is committed to embedding sustainability, environmental responsibility and strong corporate governance across its operations. By aligning with Vision 2030's sustainability objectives and global ESG standards, it ensures long-term stewardship, community engagement and responsible corporate governance.

Strengthening Sustainability and Environmental Initiatives

The Group actively committed to sustainability strategies to reduce environmental impact and comply with regulations. These strategies include:

- expanding renewable energy adoption across quarrying operations to reduce carbon emissions;
- water management through closed-loop systems and filtration to reduce consumption and contamination of local water resources;
- land reclamation by restoring ecosystems and repurposing sites post-extraction;
- waste reduction and recycling, including for batteries and industrial materials;
- biodiversity conservation to support ecological balance;
- sustainable extraction techniques like in-situ recovery and bioleaching;
- energy-efficient equipment, including electric vehicles;
- recycled aggregates to support sustainable construction;
- community engagement through local employment and procurement;
- regulatory compliance with environmental laws and standards;
- increasing investments in dust emission reduction and environmental protection, including filters, tree planting, and waste disposal upgrades; and
- ensuring compliance with ISO 14001:2015 Environmental Management System and other sustainability certifications, supported by licences, carbon tracking, and expanded reporting.

Enhancing Social Responsibility and Community Engagement

The Group actively invests in community development, workforce education and supplier empowerment through:

- strengthening community investment programmes, including educational, healthcare and infrastructure development initiatives;
- partnering with local universities and vocational institutions to provide internship and apprenticeship opportunities to develop technical skills aligned with Vision 2030; and
- striving to develop and support local products through initiatives aimed at enhancing economic participation within the Kingdom.

Governance and Compliance Enhancements

To uphold corporate governance, risk management and regulatory compliance, ensuring transparency, accountability and ethical business practices, the Group is:

- strengthening corporate governance frameworks to align with best practices and regulatory compliance standards;
- enhancing risk management protocols, cybersecurity protections and anti-corruption measures; and
- improving ESG disclosures and sustainability reporting, ensuring greater transparency and accountability.

By integrating sustainability, social responsibility and governance, the Group ensures long-term resilience and positive contributions to the Kingdom's economy and society.

Strengths and Competitive Advantages

The Group's strengths and competitive advantages stem from its extensive industry experience, integrated business model, diversified product portfolio and strong client relationships. It has built a reputation for excellence in construction building materials, mining operations and trading. This integrated approach enables participation across multiple value chain segments and, by leveraging technology, quality and sustainability, enhances the Group's competitive edge. The following factors highlight the key strengths that differentiate the Group within the industry.

Extensive Industry Experience as One of the Market Leaders

The Group's long-standing presence in the Saudi Arabian construction materials, mining and industrial sectors has positioned it as one of the leaders in aggregate materials and a leading supplier of crushing machinery, particularly crusher spare parts. Strategic expansion, technological innovation and strong client relationships have established a solid foundation for sustained growth.

Established Market Presence and Industry Recognition

With over 50 years of experience, the Group has established a strong brand recognised for reliability, product quality and large-scale infrastructure delivery. Its investment in innovation, deep industry knowledge and ability to adapt to market trends and regulatory changes ensures sustainability and preferred supplier status.

Integrated Business Model Across Mining, Construction Materials and Sale of Spare Parts

The Group's vertically integrated business model covers quarrying, aggregates and asphalt, optimising cost, quality and supply chain control. Horizontally, it operates in spare parts trading, mineral processing and construction material (aggregates and asphalt) distribution, generating diverse revenue streams and reinforcing pricing advantage, scalability and delivery reliability. This integration supports long-term growth and market leadership.

Exclusive Supplier Agreements and Reliable Procurement Channels

The Group has secured exclusive distribution agreements with global brands, ensuring access to premium materials, stable pricing and supply chain efficiency. Its integrated operations and procurement strategies support quality, reduce reliance on third-party suppliers, and enable internal material sharing between the Group's different business units.

Diversified Product Portfolio and Revenue Streams

The Group's extensive product offerings across multiple industries support market share growth and mitigate sector-specific demand risks.

Comprehensive Range of Construction Materials and Spare Parts

The Group supplies aggregates, asphalt and mineral products for infrastructure and industrial use. The spare parts division supplies critical components and after-sales services, creating additional revenue streams beyond initial product sales.

Expansion into New Product Segments and Emerging Markets

The Group is expanding into silica sand, polymer-modified asphalt and hot mix asphalt, and evaluating complementary sectors, such as silica and calcium carbonate mining, supporting portfolio diversification and long-term growth strategy and ability to capitalise on evolving market trends.

Financial Strength and Asset Ownership

The Group's strong financial position, asset ownership and investment in infrastructure provide a solid foundation for sustained growth and operational resilience.

Strong Financial Position and Investment Capacity

The Group maintains stable revenues and disciplined financial management, enabling reinvestment in capacity expansion, technology upgrades and workforce development. Its financial strength supports favourable terms with suppliers and access to funding for expansion projects and efficiency-enhancing initiatives.

Ownership of a High-Capacity Fleet and Equipment

As of 31 March 2025G, the Group owned approximately 563 trucks and approximately 700 heavy machinery units, along with specialised assets across quarrying and production. This supports operational scalability, reliable delivery and compliance. A workforce of over 1,744 employees and workers as of 31 March 2025G reinforces execution capabilities across the Kingdom.

Commitment to Quality, Compliance and Client Satisfaction

The Group's reputation is built on consistently delivering high-quality products and services while adhering to strict regulatory and environmental standards. Its client-centric approach, quality control and compliance frameworks, strengthen its competitive position.

Adherence to National and International Standards

The Group complies with all applicable laws and holds ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certifications. It applies strict quality control and environmental management systems across operations, supported by all required environmental permits. These practices ensure sustainable mining and regulatory alignment.

Client-Centric Business Approach

The Group provides tailored solutions, technical support, responsive after-sales services, while real-time digital systems to improve delivery and transparency. Expansion into silica sand supports growing demand from key industries, reinforcing its reliable service offering.

Robust Sales, Distribution and Market Reach

The Group's expansive distribution network, long-standing client relationships and strategic market positioning provide a strong competitive advantage in the Kingdom's construction materials and industrial supply sectors.

Extensive Geographic Coverage and Market Presence

As of 31 March 2025G, the Group maintained an extensive nationwide presence through over eleven construction building materials points of sale and seven spare parts retail branches, supported by a large, owned fleet and multiple operational sites. These are integrated into a cohesive logistics network ensuring efficient delivery, lead time reduction and supply reliability. The Group is also expanding into the GCC region.

Strong Client Relationships and Repeat Business

The Group has cultivated long-term partnerships across key sectors. Its ability to deliver customised solutions, consistent product quality and after-sales support results in a high rate of repeat business and revenue stability.

Competitive Pricing and Cost Leadership

The Group's efficient cost structure, economies of scale and strategic procurement strategies support competitive pricing while maintaining high product quality.

Economies of Scale and Cost-Efficient Production

Through vertical integration, bulk procurement and optimised production processes, the Group achieves significant cost advantages in material sourcing and logistics. Ownership of quarries, asphalt plants and workshops, combined with predictive maintenance and lean operations, ensures cost stability and price competitiveness.

Strategic Procurement and Supply Chain Optimisation

The Group leverages its strong supplier relationships and exclusive distribution agreements for competitive raw material pricing. SAP-based ERP systems, demand forecasting and real-time inventory management enhance procurement efficiency. A high-capacity fleet and strategic distribution hubs optimise logistics costs, reinforcing the Group's ability to offer cost-effective client solutions.

Technological Advancements and Digital Transformation

The Group invests in SAP-based ERP systems, real-time financial reporting, CRM software and digital analytics to improve efficiency, automate processes and support sales optimisation and client engagement through data-driven decisions.

Commitment to Sustainability and ESG Best Practices

The Group integrates ESG principles across its operations in line with Vision 2030, focusing on responsible resource use, environmental protection, workforce development and community engagement.

Environmental Responsibility and Green Energy Initiatives

The Group holds all necessary environmental permits and complies with ISO 14001:2015. Key initiatives include afforestation, dust filtration, water recycling, energy-efficient machinery and solar integration, supporting decarbonisation and environmental sustainability.

Social Responsibility and Workforce Localisation

The Group maintains ISO 45001:2018 compliance, enforces safety protocols and has recorded no workplace fatalities. Saudisation programmes focus on recruitment and training, while broader efforts promote community development, workforce well-being and inclusive practices.

Compliance, Governance and Risk Management

The Group maintains a comprehensive governance, compliance and risk management framework, ensuring operational transparency, regulatory adherence and long-term business sustainability. Its alignment with Saudi Arabian legal frameworks, international standards and industry best practices allows effective risk mitigation and high corporate governance.

Full Compliance with Legal and Regulatory Frameworks

The Group fully complies with mining, environmental, logistics and safety regulations. As of 31 March 2025G, it held 17 Building Materials Quarry Licences and six Rock Cutting with Explosives Licences. It adheres to ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018. Internal compliance assessments and regulatory audits ensure alignment with evolving regulatory and environmental standards.

Institutional Governance and Risk Management Practices

The Group applies strong governance policies and risk frameworks, including financial risk assessments, cybersecurity and supply chain risk mitigation. SAP ERP and CRM systems enhance financial control, data security and enterprise-wide resource allocation, supported by internal controls to ensure governance compliance and operational stability.

Experienced Leadership and Skilled Workforce

The Group's success is driven by experienced leadership and a highly skilled workforce across its core business lines.

Leadership with Proven Industry Experience

The Group's Executive Management team brings deep sector experience, driving strategy, innovation and continuous improvement. Their leadership supports market adaptation and stakeholder confidence.

Skilled Workforce with Strong Technical Capabilities

The Group invests in technical training and Saudisation programmes to support operational excellence and align with Vision 2030. This commitment enhances employee retention and long-term sustainability.

The Group's integrated business model, financial strength, ESG adherence and human capital position it for long-term growth aligned with the Kingdom's infrastructure and development goals.

Market Overview

The Kingdom's diversification efforts have contributed to the non-oil economy growth supporting the Vision 2030 goals through significant investment in large scale infrastructure construction development

The Kingdom maintains its status as the GCC region's largest economy in 2024G. The Kingdom recorded a GDP of SAR 4.1 trillion in 2024G, increasing from SAR 4.0 trillion in 2023G, due to a rise in non-oil sector revenue driven by diversification strategies. The Kingdom's total GDP recorded a 10.3 per cent. CAGR over the 2020G to 2024G period. The Government continues to implement fiscal policies to drive economic stability that supports fiscal sustainability. The Kingdom has increased its efforts to move the economy away from oil output dependence by expanding non-oil sectors and diversifying its economic activities through Vision 2030. The Saudi Government's gross fixed capital formation (GFCF) spending increased from SAR 664 billion in 2020G to SAR 1,225 billion in 2024G, a 16.6 per cent. CAGR over this period. The Kingdom's inflation and interest rates remained steady and relatively low. The Saudi Government's commitment to economic diversification under Vision 2030 has fuelled significant investment in large-scale construction projects. The Saudi Vision 2030 includes various planned future mega-projects, which will drive up demand in the construction sector. In 2024G, the Kingdom's future project construction pipeline is currently the largest in the MENA region, estimated at around SAR 5.7 trillion, which constitutes 39 per cent. of the entire MENA region's future construction project pipeline. The Government has allocated substantial resources to mega-projects such as NEOM, Qiddiya, Red Sea Global and Diriyah Gate. High capital expenditure and the bundle of infrastructure development mega-projects are expected to support greater demand for the mining, construction and building materials industries to 2030G.

The population in the Kingdom reached 35.3 million in 2024G, increasing from 31.5 million in 2020G and exhibiting a 2.8 per cent. CAGR during that period. Population growth is predicted to remain on an upward trajectory, reaching 37.5 million in 2030G, with a 1.0 per cent. CAGR over the 2025G to 2030G period. Population growth is targeted in the Saudi Vision 2030 plan through urbanisation and infrastructure development. Riyadh, in the Riyadh Province, is the Kingdom's largest city by total population, with 7.5 million people in 2024G, followed by Jeddah, Dammam, Makkah and Madinah.

The below summary shows the key infrastructure development projects in the city of Riyadh, Jeddah & Dammam Province

- **Riyadh and other regions**, with a population of 7.5 million, invests with major projects worth over SAR 2.2 trillion include NEOM (SAR 1,875 billion), King Salman Park (SAR 86.5 billion), Riyadh Art Project (SAR 86 billion), New Murabba (SAR 75 billion), and Qiddiya (SAR 30 billion). Additional developments include the King Abdullah Financial District (KAFFD), National Exhibition Centre, and Sports Track Project and other mega projects such as King Salman Airport and others.
- **Jeddah**, with a population of 3.8 million, invests with SAR 273 billion in projects including the KAIA Expansion (SAR 115 billion), Red Sea Project (SAR 75 billion), Jeddah Central Project (SAR 75 billion), and Kingdom Tower (SAR 7.2 billion) and other mega projects such as the Makkah Route Initiative and others.
- **Dammam**, with 3.0 million residents, invests with SAR 168.2 billion in investments including KFIA Expansion (SAR 100 billion), Seven Entertainment (SAR 50 billion), Spark (SAR 11.2 billion), and Port Expansion (SAR 7 billion), along with urban development projects like Adel District and Al Hamra Corniche and other mega projects. The construction materials sector is rapidly expanding. Investments reached SAR 336 billion in 2023G, spurred by infrastructure demands.

The aggregate materials market value has experienced robust growth over the historic period driven by increased infrastructure development

The construction building materials sector in the Kingdom experienced growth in 2023G, with total investments reaching SAR 336 billion, a 0.9 per cent. rise from the previous year. The expansion of the Saudi construction industry, along with the Government prioritising infrastructure development, including large-scale urban development and transport networks (e.g. Saudi Railway Master Plan), has significantly boosted demand for building materials, such as aggregate materials and asphalt, during the period 2020G to 2024G, marking an increase from SAR 4.5 billion in 2020G to SAR 8.5 billion in 2024G (CAGR 17.1 per cent.). Growth is expected to continue at 8.7 per cent. CAGR, reaching SAR 14 billion in 2030G, with demand volume for 2030G rising to 352 million tonnes from an estimated 262 million tonnes in 2024G, a CAGR of 5.0 per cent. The market benefits from public investment in infrastructure and increased mining activity. The Group holds a 6.2 per cent. from the market share in 2024G all over the Kingdom while having 28 per cent. from the market share of Riyadh Province and leads in crushed rock supply and technical services like drilling and blasting.

Asphalt remains a key building construction material product used across a wide variety of applications

Asphalt is a key product used in the infrastructure industry. Asphalt is a dark, sticky substance that is used for surfacing roads, pavements, flooring, roofs and other surfaces (e.g. airport runways). The Kingdom's asphalt sector was valued at SAR 14.5 billion in 2024G, up from SAR 5.5 billion in 2020G, growing at a robust CAGR of 27.1 per cent. during this period. Several key infrastructure projects under Saudi Vision 2030 are significantly driving demand for asphalt, particularly due to large-scale urban development, transportation expansion and industrial construction, including road expansion and upgrades. The Kingdom's asphalt market is poised for steady growth over 2025G to 2030G, with an anticipated CAGR of 5.5 reaching a total of SAR 19.9 billion by 2030G. The Government's continued investment in road construction, smart cities initiatives and development infrastructure, with several upcoming mega-projects, including hosting the Winter Games in 2029G, World Expo 2030 and the FIFA World Cup in 2034G, coupled with urbanisation and economic expansion, will sustain demand for asphalt products.

The Group holds a 1 per cent. production from the market share in 2024G all over the Kingdom.

The Kingdom's sale of spare parts market is fragmented with a mix of local and international players operating various distribution business models

The sale of spare parts market reached SAR 805 million in 2024G, up from SAR 626 million in 2020G (CAGR 6.5 per cent.). It is expected to reach SAR 989 million by 2030G. The market is fragmented, with most parts imported. The sale of spare parts market in the Kingdom is fragmented, characterised by a competitive mix of domestic and international players. The Group is a leading provider of crusher/heavy machinery and in particular crusher spare parts, operating in the Kingdom for over 50 years. The Group has a 13.1 per cent. value market share based on its 2024G spare parts and crushers/heavy machinery revenue in the Kingdom. Key advantages for the Group over other crusher spare parts distributors include its deep and long-standing market penetration, strong retail distribution network in key cities throughout the Kingdom and on-hand spare parts inventory. By being able to provide spare parts in a short space of time reduces operational downtime and speeds up equipment maintenance time for clients.

Strong supply volume growth for silica minerals will be driven by the Kingdom's demand from various local end user industries to 2030G

Lastly, the silica market—used in electronics, solar panels, construction, and more—is experiencing growth. Saudi Arabia's silica production increased to 1.8 million tonnes in 2024G from 1.4 million in 2020G (CAGR 7 per cent.). The Group has recently entered this sector as part of its five-year expansion strategy, leveraging its technical experience from aggregate and asphalt operations to establish a solid position in silica production, and the Group currently holds exploration licences for silica sand.

Summary of Financial Information and Key Performance Indicators

The financial information of the Group as presented below has been extracted from the Company's audited special purpose financial statements for the financial year ended 31 December 2022G, and the Group's audited consolidated financial statements for the financial year ended 31 December 2024G, which include the comparative financial information for the financial year ended 31 December 2023G, and the unaudited consolidated financial statements of the Group for the three-month period ended 31 March 2025G.

The audited special purpose financial statements of the Company for the financial year 31 December 2022G, and the audited consolidated financial statements of the Group for the financial year ended 31 December 2024G, including the comparative financial information for the financial year ended 31 December 2023G, have been prepared in accordance with IFRS as endorsed in the Kingdom, as well as the standards and pronouncements issued by SOCPA. The unaudited consolidated financial statements of the Group for the three-month period ended 31 March 2025G, which include the financial statements for the three-month period ended 31 March 2024G, have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as endorsed in the Kingdom and other standards and pronouncements that are issued by SOCPA.

The Group's selected financial information and key performance indicators set out below should be read together with the information set out in Section 2 (*Risk Factors*), Section 6 (*Management's Discussion and Analysis of Financial Position and Results of Operations*), Section 19 (*Financial Statements and the Auditor's Report*), as well as the financial information set out in other parts of this Prospectus.

Table 6: Summary of the Comprehensive Income Statement for the Financial Years Ended 31 December 2022G, 2023G and 2024G, and the Three-Month Periods Ended 31 March 2024G, and 2025G

Currency: SAR'000	Financial Year Ended 31 December			Three-Month Period Ended 31 March	
	2022G Audited	2023G Audited	2024G Audited	2024G Unaudited	2025G Unaudited
Profit or Loss and Other Comprehensive Income					
Revenue	429,461	498,693	599,584	133,492	170,701
Cost of Revenue.	(308,286)	(401,344)	(492,890)	(109,585)	(130,734)
Gross Profit	121,175	97,349	106,694	23,907	39,967
General and Administrative Expenses	(46,070)	(40,733)	(41,352)	(9,959)	(17,316)
Sales and Marketing Expenses	(2,912)	(2,240)	(2,137)	(859)	(665)
Operating Profit	72,193	54,376	63,205	13,089	21,985
Finance Costs	(338)	(2,669)	(4,655)	(1,186)	(966)
Net Profit (Loss)	899	558	5,438	1,410	3,120
Profit Before Zakat	72,754	51,149	63,988	13,313	24,140
Zakat	(1,965)	(4,090)	(4,300)	(1,023)	(987)
Net Profit for the Year/Period	70,789	47,058	59,688	12,290	23,153
Net Profit for the Year/Period Attributable to:					
Shareholders of the Company	70,789	47,058	59,688	12,290	23,157
Non-controlling Interests	-	-	(1)	-	(4)
Net Profit for the Year/Period	70,789	47,058	59,688	12,290	23,153
Other Comprehensive Income:					
(Loss) Gain on Remeasurement of Defined Benefit Obligations	2,262	1,658	(1,684)	-	-
Total Comprehensive Income for the Year/Period	73,052	48,716	58,003	12,290	23,153
Earnings per Share (in SAR):					
Basic and Diluted Earnings per Share from Net Income Attributable to the Shareholders of the Company	1.42	3.53	3.21	0.66	1.24

Source: The Financial Statements.

Table 7: Summary of the Statement of Financial Position for the Financial Years Ended 31 December 2022G, 2023G and 2024G, and the Three-Month Period Ended 31 March 2025G

Currency: SAR'000	Financial Year Ended 31 December			Three-Month Period Ended 31 March
	2022G Audited	2023G Audited	2024G Audited	2025G Unaudited
Assets				
Non-Current Assets				
Property, Plant and Equipment.	128,498	193,200	205,742	201,381
Right-of-Use Assets	-	6,474	4,382	4,218
Intangible Assets	-	226	8,640	8,322
Total Non-Current Liabilities	128,498	199,900	218,764	213,921
Current Assets				
Inventories	82,584	122,230	129,408	120,197
Trade Receivables and Notes Receivable	30,860	46,167	54,942	82,896
Prepayments and Other Current Assets	44,758	22,931	23,240	33,366
Amounts Due from Related Parties	33,942	20,471	49,934	39,888
Investments in Financial Instruments at Fair Value Through Profit or Loss	2,843	5,341	4,477	11,109
Cash and Cash Equivalents	18,339	11,550	25,914	20,617
Total Current Assets	213,326	228,691	287,915	308,072
Total Assets	341,824	428,591	506,679	521,993
Equity and Liabilities				
Equity				
Share Capital	500	186,000	186,000	186,000
Additional Paid-in Capital	185,500	-	-	-
Reserves	150	150	150	150
Retained Earnings	68,602	121,741	170,444	184,301
Total Equity Attributable to Shareholders of the Company	254,752	307,891	356,594	370,451
Non-controlling Interests	-	-	19	15
Total Equity	254,752	307,891	356,614	370,467
Liabilities				
Non-current Liabilities				
Lease Liabilities – Non-current Portion	-	3,495	1,560	1,307
Murabaha Financing – Non-current Portion	-	-	10,667	17,975
Employees' Defined Benefit Obligations	9,382	8,214	11,454	11,914
Total Non-current Liabilities	9,382	11,710	23,680	31,195
Trade Payables	29,633	39,684	44,652	33,712
Amounts Due to Related Parties	4,058	400	-	-
Dividends Payable	-	-	-	9,300
Accrued Expenses and Other Current Liabilities	42,009	26,037	40,808	34,684

Currency: SAR'000	Financial Year Ended 31 December			Three-Month Period Ended 31 March
	2022G Audited	2023G Audited	2024G Audited	2025G Unaudited
Murabaha Financing – Current Portion	-	35,824	34,467	39,567
Lease Liabilities – Current Portion	-	2,928	2,130	1,887
Zakat Provision	1,990	4,118	4,328	1,182
Total Current Liabilities	77,691	108,990	126,386	120,331
Total Liabilities	87,072	120,700	150,066	151,527
Total liabilities and equity	341,824	428,591	506,679	521,993

Source: The Financial Statements.

Table 8: Summary of the Statement of Cash Flows for the Financial Years Ended 31 December 2022G, 2023G and 2024G, and the Three-Month Periods Ended 31 March 2024G, and 2025G

Currency: SAR'000	Financial Year Ended 31 December			Three-Month Period Ended 31 March	
	2022G Audited	2023G Audited	2024G Audited	2024G Unaudited	2025G Unaudited
Net Cash from Operating Activities	62,420	56,765	87,856	(2,743)	(3,315)
Net Cash Used in Investing Activities	(81,776)	(97,755)	(70,242)	1,155	(13,452)
Net Cash from (Used in) Financing Activities	(11,236)	34,200	(3,250)	(2,130)	11,469
Cash and Cash Equivalents at Beginning of the Year	48,931	18,339	11,550	11,550	25,914
Cash and Cash Equivalents at End of the Year	18,339	11,550	25,914	7,833	20,617

Source: The Financial Statements.

Table 9: The Key Performance Indicators for the Financial Years Ended 31 December 2022G, 2023G and 2024G, and the Three-Month Periods Ended 31 March 2024G, and 2025G

	Financial Year Ended 31 December			Three-Month Period Ended 31 March	
	2022G	2023G	2024G	2024G	2025G
Revenue Growth Rate (%)	N/A	16.1%	20.2%	N/A	27.9%
Gross Profit Margin (%) ⁽¹⁾	28.2%	19.5%	17.8%	17.9%	23.4%
Net Profit Margin (%) ⁽²⁾	16.5%	9.4%	10.0%	9.2%	13.6%
Aggregate Sales Volume (in Tonnes)	10,688,715	11,134,895	11,761,450	2,674,059	3,567,728
Asphalt Sales Volume (in Tonnes)	772,293	866,861	1,002,820	229,128	223,289
Average Selling Price for Aggregate per Tonne (in SAR) ⁽³⁾	24	23	28	29	29
Average Selling Price for Asphalt per Tonne (in SAR) ⁽⁴⁾	98	146	157	139	168
Number of Mining Sites	3	7	8	7	7
Number of Asphalt Mixing Plants	2	4	4	4	4
Number of Crushers	8	11	13	11	13
Number of Transport Trucks	149	315	576	315	563
Total Loans to Total Equity Ratio ⁽⁵⁾	N/A	0.1	0.1	N/A	0.2

	Financial Year Ended 31 December			Three-Month Period Ended 31 March	
	2022G	2023G	2024G	2024G	2025G
Average Return on Assets (%) ⁽⁶⁾	23.2%	12.2%	12.8%	N/A	13.7%
Average Return on Shareholders' Equity (%) ⁽⁷⁾	38.9%	16.7%	18.0%	N/A	19.4%
Average Collection Days for Trade Receivables ⁽⁸⁾	52	48	52	N/A	65
Average Inventory Turnover Days ⁽⁹⁾	85	93	93	N/A	89
Average Trade Payables Days ⁽¹⁰⁾	27	32	31	N/A	28

Source: The Financial Statements.

- (1) The gross margin was calculated by dividing the gross for the year by the revenue for the year.
- (2) Net profit margin was calculated as net profit for the year divided by revenue for the year.
- (3) The average selling price of aggregates in tonnes was calculated as aggregate revenue for the year divided by aggregate sales volume for the year.
- (4) The average selling price of asphalt in tonnes was calculated as asphalt revenue for the year divided by asphalt sales volume for the year.
- (5) The total loans to total equity ratio (or leverage ratio) was calculated as the total Murabaha financing (current and non-current) divided by total equity as of 31 December 2022G, 2023G, 2024G, and three-month period ended 31 March 2025G.
- (6) Average return on assets as of 31 December 2022G, 2023G, and 2024G was calculated as net profit for the year divided by average total assets (calculated as the sum of the ending balances for the previous and current year, divided by two). The average return on assets ratio as of 31 March 2025G was calculated using the net profit for the twelve-month period ended 31 March 2025G divided by the average total assets as of 31 December 2024G, and 31 March 2025G.
- (7) Average return on shareholders' equity as of 31 December 2022G, 2023G, and 2024G was calculated as net profit for the year divided by average total equity (calculated as the sum of the ending balances for the previous and current year, divided by two). The average return on shareholders' equity as of 31 March 2025G was calculated using the net profit for the twelve-month period ended 31 March 2025G divided by the average total shareholders' equity as of 31 December 2024G, and 31 March 2025G.
- (8) Average collection days was calculated as the average accounts receivable balance (for the previous and current year) divided by total revenue for the year, multiplied by 365 days, for the financial years ended 31 December 2022G, 2023G, and 2024G. The average collection days for accounts receivable was calculated using the average total accounts receivable balance of the previous and current periods, divided by the total revenue for the twelve-month period ended 31 March 2025G, and multiplied by 365 days, for the financial period ended 31 March 2025G.
- (9) Average inventory turnover days was calculated as the average inventory balance (for the previous and current year) divided by total cost of revenue for the year, multiplied by 365 days, for the financial years ended 31 December 2022G, 2023G, and 2024G. The average inventory turnover days was calculated using the average total inventory balance of the previous and current periods, divided by the total cost of revenue for the twelve-month period ended 31 March 2025G, and multiplied by 365 days, for the financial period ended 31 March 2025G.
- (10) Average accounts payable days was calculated as the average accounts payable balance (for the previous and current year) divided by total cost of revenue for the year, multiplied by 365 days, for the financial years ended 31 December 2022G, 2023G, and 2024G. The average accounts payable days was calculated using the average total accounts payable balance of the previous and current periods, divided by the total cost of revenue for the twelve-month period ended 31 March 2025G, and multiplied by 365 days, for the financial period ended 31 March 2025G.

Summary of Risk Factors

Prior to making an investment decision with respect to the Offer Shares, prospective investors should carefully consider all the information contained in this Prospectus, particularly the risks stated below, which are described in detail in Section 2 (*Risk Factors*).

Risks Related to the Activities and Operations of the Group

- Risks Related to the Group's Ability to Secure Quality Construction Materials Aggregate Reserves in Strategically Located Areas, Extract Them Economically and Obtain Relevant Permits
- Risks Related to the Actual Volume of Reserves Available to the Group
- Risks Related to Short Supplies and High Costs of Fuel, Energy and Raw Materials
- Risks Related to Unexpected Equipment Failures, Catastrophic Events and Scheduled Maintenance Leading to Operational Disruptions
- Risks Related to Delays or Interruptions in Transporting the Group's Products to Clients and Transporting Raw Materials to the Group's Activities
- Risks Related to Potential Claims that the Group's Products Do Not Meet Regulatory Requirements or Contractual Specifications
- Risks Related to Price and Margin Pressure
- Risks Related to Absence of a Formal Hedging Policy for Managing the Risk of Price Volatility
- Risks Related to Highly Depreciated Property, Machinery and Equipment
- Risks Related to Client Concentration
- Risks Related to Concentration of Revenue by Actual Activities and Main Products in the Sales of Construction Materials, Spare Parts and Machinery
- Risks Related to Geographic Concentration of Revenue
- Risks Related to Inability to Win New Contracts
- Risks Related to Real Estate
- Risks Related to Dependence on Third-Party Suppliers and Contractors
- Risks Related to Local and International Supplier Concentration and Material and Product Import
- Risks Related to Foreign Suppliers and Equipment and Spare Parts Import
- Risks Related to the Group's Challenges in Implementing its Growth and Expansion Strategy in the Future
- Risks Related to Protection of Intellectual Property Rights
- Risks Related to Receivables
- Risks Related to Accounts Payable
- Risks Related to Infectious Diseases
- Risks Related to Related Party Transactions and Agreements
- Risks Related to the Engagement of Board or Senior Executives in Businesses Competing with the Group's Business
- Risks Related to Failure to Adequately Maintain the Confidentiality and Integrity of Client's and Employee Data
- Risks Related to Financing
- Risks Related to Adverse Changes in Interest Rate
- Risks Related to Bonds Provided to the Ministry of Industry and Minerals
- Risks Related to Reliance on Senior Executives and Key Personnel
- Risks Related to Hiring and Retaining Qualified Technicians For Certain Segments
- Risks Related to Employee Misconduct or Errors
- Risks Related to Reliance on Information Technology Infrastructure
- Risks Related to the Adequacy and Availability of Insurance Coverage
- Risks Related to Health, Safety and Environment

- Risks Related to Litigation
- Risks Related to Potential Zakat and Tax Liabilities
- Risks Related to Newly Adopted Corporate Governance Manual
- Risks Related to Failure by the Audit Committee and the Nomination and Remuneration Committee to Perform their Duties as Required
- Risks Related to Lack of Experience of Senior Executives in Managing a Publicly Listed Company
- Risks Related to the Company's Implementation of International Accounting Standards
- Risks Related to Prepayments and Other Current Assets
- Risks Related to Inventory Management and Provisioning
- Risks Related to the Use of Accounting Assumptions, Estimates and Judgments

Risks Related to the Market, Industry and Regulatory Environment

- Risks Related to the General Economic Conditions and Dependence on the Construction Industry
- Risks Related to Geopolitical Instability and Security Concerns in the Middle East Region
- Risks Related to Competition and Market Share of the Group
- Risks Related to Saudisation, Non-Saudi Employees and Other Labour Law Requirements
- Risks Related to the Increase in Government Fees Applicable to Non-Saudi Employees
- Risks Related to Exchange Rates
- Risks Related to Force Majeure, Natural Disasters and Climate Change
- Risks Related to Changes in the Regulatory Environment
- Risks Related to Licences and Approvals
- Risks Related to Current Lack of Clarity with Respect to the Application of the New Mining Investment Law to the Company's Licences
- Risks Related to the Absence of Implementing Regulations for the Environmental Law
- Risks Related to the Company Being Unable to Comply with the Implementing Regulations of the Law of Explosives and Fireworks

Risks Related to Offer Shares

- Risks Related to Post-Offering Effective Control by the Current Shareholders
- Risks Related to the Absence of a Prior Market for the Shares
- Risks Related to Selling a Large Number of Shares on the Exchange
- Risks Related to Issuance of New Shares Post-Offering
- Risks Related to Fluctuation in the Market Price of the Shares
- Risks Related to Distribution of Dividends and Restrictions Imposed on Distribution of Dividends by Lenders

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1

Definitions and Abbreviations

1. Definitions and Abbreviations

Admission	Admission of the Shares to full listing on the Exchange in accordance with the Listing Rules and, where the context requires, an application to the Exchange for listing of securities.
Advisors	The Advisors of the Company in relation to the Offering, whose names appear on pages (viii) and (ix) of this Prospectus.
Affiliate	A person who controls another person, or is controlled by that other person, or who is under common control with that person by a third person. In any of the preceding, control could be direct or indirect.
Application Form	The form used by Participating Entities to submit their applications to the Institutional Bookrunner for the Offer Shares during the book-building period and submitted to the Institutional Bookrunner no later than the final day of the book-building period. This term shall, where applicable, include the supplementary application form in the event of a change in the price range.
Audit Committee	The Audit Committee of the Company.
Auditor	Maham Professional Services Company.
Bankruptcy Law	The Bankruptcy Law issued pursuant to Royal Decree No. M/50 dated 28 Jumada al-Ula 1439H (corresponding to 14 February 2018G), and any amendments that may be made to it.
Bidding Participation Application	The application submitted by the Participating Entities to the Bookrunner for participation in the book-building process, to be submitted no later than the last day of the book-building process period. This term includes, when applicable, the appended applications when the price range is changed.
Board of Directors or Board	The Board of Directors of the Company.
Book-Building Instructions	The Instructions for Book-Building Process and Allocation Method in Initial Public Offerings, issued pursuant to CMA Board Resolution No. 2-94-2016 dated 15 Shawwal 1437H (corresponding to 20 July 2016G), as amended by CMA Board Resolution No. 1-103-2022 dated 2 Rabi al-Awwal 1444H (corresponding to 28 September 2022G).
Bookrunner	ANB Capital Company.
Business Day	Any day (other than Fridays, Saturdays and official holidays) on which the Receiving Agents are open for business in the Kingdom.
Bylaws	The Bylaws of the Company, which are summarised in Section 11.13 (<i>Summary of Bylaws</i>).
Capital Market Institution	A Person authorised by the CMA to practice securities business.
Chairman	The Chairman of the Board of Directors.
Chief Executive Officer	The Chief Executive Officer of the Company.
Chief Financial Officer	The Chief Financial Officer of the Company.
CMA	The Capital Market Authority of the Kingdom.
CML	The Capital Market Law issued pursuant to Royal Decree M/30 dated 2 Jumada Al-Akhirah 1424H (corresponding to 31 July 2003G), as amended.
Committees	The Audit Committee and the Nomination and Remuneration Committee.
Companies Law	The Companies Law issued pursuant to Royal Decree No. M/132 dated 1 Thul-Hijjah 1443H (corresponding to 30 June 2022G), as amended.
Company or Issuer	Saleh Abdulaziz Al Rashed & Sons Company.
Control	The ability to, directly or indirectly, influence the acts or decisions of another person, individually or collectively with a relative or Affiliate, through any of the following: (i) holding thirty per cent. or more of the voting rights in the Company; or (ii) the right to appoint thirty per cent. or more of the administrative staff. The word "controller" shall be construed accordingly.
Corporate Governance Regulations	The Corporate Governance Regulations, issued pursuant to CMA Board Resolution No. 8-16-2017 dated 16 Jumada al-Ula 1438H (corresponding to 13 February 2017G), and amended pursuant to CMA Board Resolution No. 8-5-2023 dated 25 Jumada al-Akhirah 1444H (corresponding to 18 January 2023G), based on the Companies Law issued by Royal Decree No. M/132 dated 1 Thul-Hijjah 1443H (corresponding to 30 June 2022G), and its amendments.
Directors (and each a Director)	Members of the Company's Board of Directors appointed by the General Assembly and whose names appear in Section 5.2.1 (<i>Composition of the Board of Directors</i>).
Exchange or Tadawul	The Saudi Exchange (Tadawul).
Executive Management	Senior Executives of the Company.
Extraordinary General Assembly	An Extraordinary General Assembly of the Company's Shareholders convened in accordance with the Bylaws.
Financial Advisor	ANB Capital Company.

Financial Due Diligence Advisor	PricewaterhouseCoopers Public Accountants.
Financial Statements	The Company's audited special purpose financial statements for the financial year ended 31 December 2022G, and the audited consolidated financial statements of the Group for the financial year ended 31 December 2024G, which include the comparative financial information of the Group for the financial year ended 31 December 2023G, that have been prepared in accordance with IFRS and the standards and pronouncements issued by SOCPA and audited by the Auditor in accordance with the relevant audit report. These financial statements are set out in Section 19 (<i>Financial Statements and the Auditor's Report</i>). The unaudited consolidated financial statements for the three-month period ended 31 March 2025G, which include the financial statements for the three-month period ended 31 March 2024G, prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as endorsed in the Kingdom and other standards and pronouncements that are issued by SOCPA and reviewed by the Auditor. These financial statements are set out in Section 19 (<i>Financial Statements and the Auditor's Report</i>).
Financial Year	The Company's financial year starting from 1 January to 31 December of each calendar year.
Foreign Strategic Investors	A foreign legal person aiming to acquire a direct interest in the share of a listed company for a period of no less than two years for the purpose of contributing to enhancing the financial or operational performance of such listed company.
G	The Gregorian calendar.
GASTAT	The General Authority for Statistics, a Government agency in the Kingdom responsible for the implementation of statistical works, including conducting national surveys.
GCC	The Cooperation Council for the Arab States of the Gulf, consisting of the Kingdom of Bahrain, the State of Kuwait, the Sultanate of Oman, the State of Qatar, the Kingdom of Saudi Arabia and the United Arab Emirates.
GCC Corporate Investors	Any company with the majority of its share capital being owned by GCC natural persons or governments and having the nationality of a GCC State according to the definition mentioned in the Resolution of the Supreme Council of GCC issued in the 15th session and approved by the Council of Ministers' Resolution No. 16 dated 20 Muharram 1418H (corresponding to 26 May 1997G), as well as GCC funds with the majority of its capital being owned by GCC citizens or governments.
GCC Countries	The Gulf Cooperation Council countries.
GDP	Gross Domestic Product (the broadest quantitative measure of a nation's total economic activity, which represents the monetary value of all goods and services produced within a nation's geographical borders over a specified period of time).
GDP per Capita	GDP per capita is a measure of average income per person in a country (it divides the GDP by the population).
General Assembly	An Extraordinary General Assembly and/or an Ordinary General Assembly of the Company's Shareholders.
GOSI	The General Organisation for Social Insurance in the Kingdom.
Government	The Government of the Kingdom (and "Governmental" shall be interpreted accordingly).
Group	The Company and its Subsidiaries.
H	The Hijri calendar.
IASB	The International Accounting Standards Board.
IFRS	The International Financial Reporting Standards (IFRS) issued by IASB, as endorsed in the Kingdom of Saudi Arabia, and the other standards and pronouncements issued by SOCPA, which include standards and technical publications related to issues not covered by IFRS, such as Zakat.
Implementing Regulation of the Companies Law	The Implementing Regulation of the Companies Law for Listed Joint Stock Companies issued by CMA Board Resolution No 8-127-2016 dated 16 Muharram 1438H (corresponding to 17 October 2016G) pursuant to the Companies Law issued by Royal Decree M/132 dated 1 Thul-Hijjah 1443H (corresponding to 30 June 2022G), as amended by CMA Board Resolution 1-2-2026 dated 16 Rajab 1447H (corresponding to 05 January 2026G).
Individual Subscribers	Saudi Arabian natural persons (including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi person who can subscribe for her own benefit or in the names of her minor children, on the condition that she proves that she is a divorcee or widow and the mother of her minor Saudi Arabian children), GCC natural persons, foreign natural persons either residing or not residing in the Kingdom.
Investment Funds Regulations	The Investment Funds Regulations issued pursuant to CMA Board Resolution No. 1-219-2006 dated 3 Thul-Hijjah 1427H (corresponding to 24 December 2006G), based on the Capital Market Law promulgated by Royal Decree No. M/30 dated 2 Jumada al-Akhirah 1424H (corresponding to 31 July 2003G), as amended by CMA Board Resolution No. 2-22-2021 on 12 Rajab 1442H (corresponding to 24 February 2021G).
Kingdom	The Kingdom of Saudi Arabia.
Labour Law	The Labour Law issued pursuant to Royal Decree No. M/51 dated 23 Sha'ban 1426H (corresponding to 27 September 2005G), as amended.
Lead Manager	ANB Capital Company.
Legal Advisor	STAT Law Firm.
Legal Advisors	STAT Law Firm and The Law Firm of Latham & Watkins.

Listing Rules	The Listing Rules approved by CMA Board Resolution No. 3-123-2017 dated 9 Rabi' al-Thani 1439H (corresponding to 27 December 2017G), as amended by CMA Board Resolution No. 2-135-2025 dated 3 Jumada al-Akhirah 1447H (corresponding to 24 November 2025G), as may be further amended from time to time.
Lock-up Period	The six-month period from the date on which trading of the Shares commences on the Exchange during which the Substantial Shareholders and the Shareholder Acting in Concert may not dispose of any of their Shares.
Main Market	The market in which the registered and offered shares are traded under Part IV of the Rules on the Offer of Securities and Continuing Obligations.
Market Consultant	Euromonitor International Limited.
Market Report	Market research report exclusively prepared for the Company by the Market Consultant.
MHRSD	The Saudi Arabian Ministry of Human Resources and Social Development.
Mining Investment Law	The Mining Investment Law issued pursuant to Royal Decree No. M/140 dated 19 Shawwal 1441H (corresponding to 11 June 2020G), as amended.
MoC	The Saudi Arabian Ministry of Commerce.
National Transformation Programme	A programme designed to assist in achieving "Saudi Arabia Vision 2030" and to identify the challenges faced by Government entities in the economic and developmental sectors.
Net Offering Proceeds	The Offering Proceeds net of expenses related to the Offering.
Nominal Value	Ten Saudi Arabian Riyals (SAR 10) per Share.
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of the Company emanating from the Board of Directors.
Offer Price	SAR [●] per Share.
Offer Shares	Five million five hundred eighty thousand (SAR 5,580,000) ordinary Shares, representing thirty per cent. (30%) of the Company's share capital.
Offering	The initial public offering of five million five hundred eighty thousand (5,580,000) ordinary Shares with a value of ten Saudi Arabian Riyals per Share, representing thirty per cent. (30%) of the Company's share capital at an Offer Price of SAR [●] per Share.
Offering Period	The period of (4) four business days commencing on Thursday, 24 Sha'ban 1447H (corresponding to 12 February 2026G) until the end of Tuesday, 29 Sha'ban 1447H (corresponding to 17 February 2026G).
Offering Proceeds	The total value of the Shares subscribed for in the Offering.
Ordinary General Assembly	An Ordinary General Assembly of the Company's Shareholders convened in accordance with the Bylaws.
Participating Entities	Entities involved in the book-building process from amongst the Participating Parties.
Participating Parties	In accordance with the Book-Building Instructions, parties entitled to participate in the Book-Building Process, as follows: 1. public and private funds that invest in securities listed on the Exchange, if permissible under the terms and conditions of such funds, in compliance with the provisions and restrictions set forth in the Investment Funds Regulations and the Book-Building Instructions; 2. Capital Market Institutions authorised by the CMA to trade in securities as principals, in compliance with the provisions of the Prudential Rules upon the submission of a Subscription Application Form; 3. clients of a Capital Market Institution authorised by the CMA to conduct management activities in accordance with the provisions and restrictions set forth in the Book-Building Instructions; 4. legal persons allowed to open an investment account in the Kingdom, and an account with the Securities Depository Centre, including foreign legal persons who are allowed to invest on the Exchange, in accordance with the Controls on Investment by Listed Companies in Exchange-Listed Securities set forth in CMA Circular No. 6/05158 dated 11 Sha'ban 1435H (corresponding to 9 June 2014G), issued pursuant to CMA Board Resolution No. 9-28-2014 dated 20 Rajab 1435H (corresponding to 19 May 2014G); 5. Governmental entities, any supranational authority recognised by the CMA, the Exchange, or any other stock exchange recognised by the CMA or the Securities Depository Centre; 6. Government-owned companies, whether investing directly or through a portfolio manager; and 7. GCC companies, and GCC funds if permissible under the terms and conditions of such funds.
Person	A natural or a legal person under the laws of the Kingdom.
Prospectus	This document prepared by the Company in relation to the Offering.
Prudential Rules	The Prudential Rules issued pursuant to CMA Board Resolution No. 1-40-2012 dated 17 Safar 1434H (corresponding to 30 December 2012G) in accordance with the Capital Market Law promulgated by Royal Decree No. M/30 dated 2 Jumada al-Akhirah 1424H (corresponding to 31 July 2003G), as amended by CMA Board Resolution No. 1-129-2022 dated 4 Jumada Al-Akhirah 1444H (corresponding to 28 December 2022G), as may be further amended from time to time.

Public	Persons other than the following: 1. Affiliates of the Issuer; 2. Substantial Shareholders of the Issuer; 3. Directors and Senior Executives of the Issuer; 4. directors and senior executives of the Issuer's Affiliates; 5. directors and senior executives of the Issuer's Substantial Shareholders; 6. any Relatives of the persons referred to in paragraphs 1, 2, 3, 4, or 5 above; 7. any company controlled by any person referred to in paragraphs 1, 2, 3, 4, 5 or 6 above; or 8. Persons acting in concert, with a collective shareholding of five per cent. or more of the class of shares to be listed.
Receiving Agents	The entities listed on pages (x), (xi) and (xii) of this Prospectus, which are authorised by the CMA to practice securities business pursuant to the Capital Market Institutions Regulations issued pursuant to CMA Board Resolution No. 1-83-2005 dated 21 Jumada al-Ula 1426H (corresponding to 28 June 2005G), as amended by CMA Board Resolution No. 2-57-2025 dated 28 Thul-Qi'dah 1446H (corresponding to 26 May 2025G), and as may be further amended from time to time.
Related Party	As defined in the Glossary of Defined Terms Used in the Regulations and Rules of the CMA issued by CMA Board Resolution No. 4-11-2004 dated 20 Sha'ban 1425H (corresponding to 4 October 2004G), as amended by CMA Board Resolution No. 1-2-2026 dated 16 Rajab 1447H (corresponding to 05 January 2026G) to include: 1. Affiliates of the Issuer except for wholly owned companies; 2. Substantial Shareholders of the Issuer; 3. Directors and Senior Executives of the Issuer; 4. directors of an Affiliate of the Issuer; 5. directors and senior executives of the Issuer's Substantial Shareholders; 6. any Relatives of the persons described in paragraphs (1), (2), (3) or (5) above; or 7. any company controlled by any person described in paragraphs (1), (2), (3), (5) or (6) above.
Relatives	Husbands, wives and minor children. For the purposes of the Corporate Governance Regulations: 1. fathers, mothers, grandfathers and grandmothers (and their ancestors); 2. children and grandchildren and their descendants; 3. siblings, maternal and paternal half-siblings; and 4. husbands and wives.
Risk Factors	A group of potential risks that should be understood and considered prior to making an investment decision in relation to the Offer Shares.
Rules for Foreign Investment in Securities	The Rules for Foreign Investment in Securities issued pursuant to CMA Board Resolution No. 2-26-2023 dated 5 Ramadan 1444H (corresponding to 27 March 2023G), as amended by the CMA Board Resolution No. 1-2-2026 dated 16 Rajab 1447H (corresponding to 05 January 2026G), and as may be further amended from time to time.
Rules on the Offer of Securities and Continuing Obligations	The Rules on the Offer of Securities and Continuing Obligations issued by CMA Board Resolution No. 3-123-2017 dated 9 Rabi' al-Thani 1439H (corresponding to 27 December 2017G) in accordance with the Capital Market Law promulgated by Royal Decree No. M/30 dated 2 Jumada al-Akhirah 1424H (corresponding to 2 July 2003G), as amended by the CMA Board Resolution 1-135-2025 dated 3 Jumada al-Akhirah 1447H (corresponding to 24 November 2025G), and as may be further amended from time to time.
Sales of Construction Materials	The final materials sold post-extraction and processing, used in building, road construction and infrastructure projects, producing aggregates and asphalt.
Sales of Spare Parts	The parts supplied by the Group as a comprehensive range of spare parts and crushers to its clients in the mining, infrastructure and construction sectors. This segment includes the import and distribution of high-performance spare parts and crushers necessary for aggregate production and equipment maintenance. This segment is comprised of the following subcomponents: • spare parts; • crushers and heavy equipment; and • internal installation, assembly and technical support.
SAR	The Saudi Arabian Riyal, which is the lawful currency of the Kingdom.
Saudi Central Bank (SAMA)	The Saudi Central Bank.
Kingdom's Vision 2030	The National Strategic Economic Programme aims to reduce dependence on oil and petrochemical industries, diversify the Saudi economy, and develop public services. It was announced by the Government in 2016G.
Saudisation	Nationalisation requirements applicable in the Kingdom in relation to the labour market.
Secretary	The Secretary of the Board of Directors.
Senior Executives	The members of the Company's senior management whose names appear in Section 5.4.2 (<i>Senior Executives of the Company</i>).
Shareholder	Any holder of Shares in the Company.

Shareholder Acting in Concert	Areej Saud Hamoud Al Dhaban holds 697,500 shares, representing 3.8 per cent. of the Company's Shares, prior to the Offering. She is the mother of Saud Saad Saleh Al Rashed (holding 7.5 per cent. of the Company's Shares, prior to the Offering), Norah Saad Saleh Al Rashed (holding 3.8 per cent. of the Company's Shares, prior to the Offering) and Danah Saad Saleh Al Rashed (holding 3.8 per cent. of the Company's Shares, prior to the Offering). As the legal guardian of the above shareholders, Areej Saud Hamoud Al Dhaban disposes of their shares by agreement.
Shares	Ordinary shares of the Company with a fully paid nominal value of ten Saudi Arabian Riyals per share in the Company's capital issued from time to time.
SOCPA	The Saudi Organisation for Chartered and Professional Accountants.
Subscribers	The Participating Entities and Individual Subscribers participating in the Offering.
Subscription Application Form	The subscription application form to be used by Participating Entities and Individual Subscribers (as the case may be) to subscribe for the Offer Shares.
Subsidiaries	• Judeh Sakhour for Mining Company; • Dorra Al-Mobani for Mining Company; • Al-Rammal Al-Hamra for Mining Company; and • Al-Deraa Outni for Mining Company.
Substantial Shareholder	Each Shareholder who individually owns five per cent. (5%) or more of the Issuer's shares, their names appear in Table 2 (<i>Substantial Shareholders, Shareholder Acting in Concert and the Number of their Shares in the Company Pre- and Post-Offering</i>).
Underwriter	ANB Capital Company.
Underwriting Agreement	The underwriting agreement entered into between the Company, the Selling Shareholders and the Underwriter in connection with the Offering.
Value Added Tax (VAT)	The Council of Ministers of the Kingdom resolved on 2 Jumada Al-Ula 1438H (corresponding to 30 January 2017G) to approve the Unified GCC Value Added Tax Agreement, which came into effect on 1 January 2018G, as a new tax to be added to the system of taxes and other duties to be applied by specific sectors in the Kingdom and in the other GCC Countries. The amount of this tax was initially five per cent. and a number of products (such as basic food, health care and education services) are exempted from such tax. As of 1 July 2020G, VAT was further increased to fifteen per cent. by the Ministry of Finance of the Kingdom.
ZATCA	The Zakat, Tax and Customs Authority in the Kingdom.



شركة صالح عبد العزيز الراشد وأولاده
Saleh Abdulaziz Al Rashed & Sons Co.

The background of the slide features a grayscale photograph of an industrial facility, likely a water treatment plant. In the foreground, a large, dark, cylindrical component, possibly a filter or part of a pump, is visible. Behind it, a complex system of pipes, valves, and structural supports is shown. The image is partially obscured by a large, light gray, semi-transparent number '2' on the right side. A thin blue diagonal line runs from the top left towards the bottom right, passing behind the number '2'.

2

Risk Factors

2. Risk Factors

Prior to making an investment decision with respect to the Offer Shares, all prospective investors should carefully consider the following risk factors and other information contained in this Prospectus. The risks and uncertainties described below are those that the Company currently believes could affect the Group and any investment in the Offer Shares. However, they do not necessarily comprise all of the risks affecting the Group or associated with an investment in the Offer Shares. There may be additional risks and uncertainties that the Company is currently not aware of or that the Company currently believes are immaterial. The occurrence of any such risks and uncertainties may materially and adversely affect the Group's business, financial condition, results of operations and/or prospects. As a result, the price of the Company's Shares may decline, the Company's ability to pay dividends could be impaired and/or investors may lose all or part of their investments.

The Company's Directors also confirm that, to the best of their knowledge and belief, aside from those mentioned in this Section, there are no other material risks as of the date of this Prospectus that may affect investors' decisions to invest in the Offer Shares. All prospective investors considering investing in the Offer Shares should assess the risks related to the Offer Shares and the Offering, as well as in general and the economic and regulatory environment in which the Group operates.

An investment in the Offer Shares is only suitable for investors who are able to evaluate the risks and the benefits of such investment and who have sufficient resources to bear any loss resulting from such investment. Prospective investors who have doubts about which actions to take should refer to a financial adviser duly licensed by the CMA for advice about investing in the Offer Shares.

The risks described below are not presented in any assumed order of priority that might reflect their expected impact on the Group.

2.1 Risks Related to the Activities and Operations of the Group

2.1.1 Risks Related to the Group's Ability to Secure Quality Construction Materials Aggregate Reserves in Strategically Located Areas, Extract Them Economically and Obtain Relevant Permits

The Group's ability to maintain and expand its operations in the construction materials aggregate sector is highly dependent on securing commercially viable reserves of quality aggregates in strategically located areas, ensuring cost-effective extraction and transportation and obtaining all necessary regulatory permits in a timely and efficient manner. These factors are critical to sustaining long-term operational capacity and market competitiveness in the Kingdom's construction materials sector.

Dependence on Strategic Quarry Locations and Transportation Costs

The construction materials aggregate market in the Kingdom is inherently localised, as high transportation costs often exceed the cost of the materials themselves. Given the weight-to-price ratio of aggregate, long-haul transport is generally not economically viable except where cost-efficient infrastructure, such as rail or port access, is available. The Group primarily serves its clients through road transport from quarry sites, making proximity to major urban centres and infrastructure projects a critical factor in operational efficiency.

Securing new quarry sites that are optimally located near growing markets or long-haul transportation corridors requires long-term strategic planning, as quarry development often takes several months. Additionally, limited availability of high-quality reserves within economically viable distances of major metropolitan areas in the Kingdom increases the risk of supply constraints and price volatility.

Challenges in Obtaining Regulatory Approvals for Mining Operations

The mining and quarrying industry in the Kingdom is subject to extensive regulatory oversight, particularly concerning land use, environmental compliance and operational safety. The Group must secure multiple permits and licences, including but not limited to:

- mining-related licences issued by the Ministry of Industry and Mineral Resources in accordance with Article 14 of the Mining Investment Law, including exploration licences, mining licences, small mine licences, building materials quarry licences and general purpose licences;

- environmental impact assessments required under the Saudi National Environmental Regulations;
- land use and zoning approvals, particularly for sites near urban expansion zones; and
- health and safety compliance certifications mandated for all quarrying and extraction operations.

Delays in obtaining these approvals may hinder the Group's ability to open new sites or expand existing operations, leading to potential production shortfalls and missed business opportunities. Regulatory tightening, including stricter environmental restrictions, could further impact the feasibility of certain quarry locations, requiring the Group to explore alternative reserves at higher operational costs. See also Section 2.2.9 (*Risks Related to Licences and Approvals*), Section 2.2.10 (*Risks Related to Current Lack of Clarity with Respect to the Application of the New Mining Investment Law to the Company's Licences*), Section 2.2.11 (*Risks Related to the Absence of Implementing Regulations for the Environmental Law*) and Section 2.2.12 (*Risks Related to the Company Being Unable to Comply with the Implementing Regulations of the Law of Explosives and Fireworks*) for further discussion regarding risks relating to licensing and permitting.

Community and Environmental Opposition to New Quarry Developments

The establishment and expansion of quarry sites in the Kingdom have increasingly faced resistance from local communities and environmental advocacy groups, particularly in regions undergoing urban expansion. The primary concerns raised include dust, noise and vibration pollution affecting residential areas, as well as landscape disruption leading to restrictions on land use in environmentally sensitive zones.

As a result, securing new mining sites in key regions is becoming more complex, requiring extensive public consultations, impact mitigation strategies and long-term rehabilitation plans to gain necessary approvals. In some cases, opposition from local municipalities and environmental authorities could result in permit denials, delays or restrictions that materially impact the Group's ability to maintain its reserve base.

A notable example of such opposition occurred in AIUla, where quarry developments by another company (unrelated to the Group) required comprehensive Environmental and Social Impact Assessments (ESIAs). The Royal Commission for AIUla implemented stakeholder engagement plans and conducted public consultations to address community concerns regarding potential environmental damage and landscape disruption. These efforts included surveys and non-technical summaries to ensure transparency and alignment with the Kingdom's sustainability goals. This case illustrates the increasing scrutiny on quarry developments, particularly in areas of cultural and environmental significance and highlights the growing role of regulatory and community engagement requirements.

Competition for Mining Licences and Potential Market Constraints

The Saudi construction materials market is witnessing increased competition for high-quality aggregate reserves, driven by large-scale infrastructure projects under Kingdom's Vision 2030. The Kingdom's focus on urban development, transportation networks and industrial zones has led to greater demand for aggregates and raw materials, intensifying competition for mining licences.

Additionally, Government policies aimed at localising mining operations have led to regulatory incentives favouring new entrants and smaller competitors, potentially impacting the Group's ability to secure long-term quarrying rights in prime locations. Any failure to obtain or renew these rights on favourable terms could result in reduced production capacity and higher costs associated with sourcing aggregates from third-party suppliers.

Impact of Regulatory Changes on the Group's Mining Operations

Recent amendments to Saudi mining laws and environmental regulations have increased compliance requirements for sustainable resource management, waste disposal and site rehabilitation. Future changes in quarrying regulations, environmental levies or stricter land-use policies could impose additional operational costs, affect the Group's ability to expand its mining footprint or necessitate costly adjustments to existing operations. For further details on regulatory changes risks, see Section 2.2.8 (*Risks Related to Changes in the Regulatory Environment*).

If the Group is unable to secure sufficient high-quality aggregate reserves at competitive costs, obtain necessary permits or effectively manage environmental and community challenges, this would have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

2.1.2 Risks Related to the Actual Volume of Reserves Available to the Group

The Group's operations in aggregates production and quarrying depend on the availability, quality and economic viability of reserves within its leased quarry sites. The estimation of reserves involves inherent uncertainties, as it relies on geological assessments, drilling data and economic assumptions that may be subject to significant variations over time. Factors such as market conditions, extraction costs and resource quality directly impact the Group's ability to maintain a stable supply of raw materials for its operations.

While the exploration and licensing processes are conducted under Government regulations, the accuracy of reserve estimates remains dependent on technical evaluations and environmental considerations. Any overestimation of reserves or unexpected depletion could lead to operational disruptions, increased extraction costs or the necessity to secure new quarry sites at potentially higher costs. Additionally, if the Group is unable to identify and secure new reserves before existing resources are exhausted, it may face interruptions in supply, adversely impacting its production capacity, contractual obligations and financial performance.

Furthermore, regulatory or environmental restrictions affecting quarrying activities in the Kingdom could impose limitations on extraction volumes, land use or permitting processes, which may restrict access to reserves or require additional compliance measures. Any failure to accurately assess, replenish or maintain sufficient reserves could have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

2.1.3 Risks Related to Short Supplies and High Costs of Fuel, Energy and Raw Materials

The Group's operations are highly dependent on diesel fuel, which is essential for powering its heavy machinery, transportation fleet and quarrying equipment. The availability and cost of diesel fuel are subject to market fluctuations, regulatory policies and geopolitical factors, all of which can significantly impact the Group's operational expenses. Any sharp increase in diesel prices or disruptions in supply could materially affect production costs, transportation logistics and overall profitability.

As part of the Fiscal Balance Programme Plan, the Ministry of Energy introduced monthly adjustments to energy prices, which have resulted in significant increases in diesel prices over the past two years. Effective 1 January 2025G, Saudi Aramco raised the retail price of diesel from SAR 1.15 per litre to SAR 1.66 per litre and, effective 1 January 2026G, diesel increased to SAR 1.79 per litre, representing 7.9 per cent. increase from the beginning of 2025G. This follows an earlier 53.0 per cent. increase on 1 January 2024G, when diesel prices rose from SAR 0.75 to SAR 1.15 per litre. These adjustments reflect the fourth pricing review under Saudi Aramco's mechanism implemented in 2022G and future increases remain uncertain. Given the energy-intensive nature of the Group's operations, any further diesel price increases could lead to higher operational costs, affecting both quarrying and transportation activities. Such increased energy costs may not be fully passed on to clients, thereby putting pressure on profit margins.

Additionally, the Group relies on bitumen as a key raw material for asphalt production. The price and availability of bitumen are influenced by global crude oil markets, refinery production levels and Government regulations. Since a significant portion of bitumen supply is imported or sourced from domestic refineries, the Group is exposed to potential supply chain disruptions, currency fluctuations and pricing volatility. Shortages or price increases in bitumen could lead to higher production costs, delayed project execution or the need to source alternative materials at a premium, all of which would adversely impact the Group's asphalt and paving operations. Fluctuations in the cost and availability of these raw materials can disrupt project timelines, reduce profit margins and hinder growth plans. The occurrence of any of these factors could have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

2.1.4 Risks Related to Unexpected Equipment Failures, Catastrophic Events and Scheduled Maintenance Leading to Operational Disruptions

The Group's operational continuity and production capacity are highly dependent on the availability and functionality of critical equipment and infrastructure. The Group's facilities rely in particular on crushers, milling units, blending systems, dryers and bulk loading equipment, which may be subject to unplanned breakdowns, scheduled maintenance and operational disruptions due to mechanical failures, ageing infrastructure or supply chain constraints affecting spare parts availability.

In addition to equipment failures, the Group's facilities in the Kingdom are also exposed to the risk of catastrophic loss resulting from unanticipated events, such as industrial fires, explosions, electrical failures, hazardous material incidents and adverse weather conditions (including extreme heat, dust storms and flooding). Any such incident may cause temporary or extended operational shutdowns, leading to revenue losses, increased maintenance costs, regulatory penalties or contractual liabilities arising from supply chain disruptions.

While the Group undertakes scheduled maintenance that covers all aspects of operations, in the event of an incident resulting in an unexpected shutdown of the Group's facilities, it may take up to 12 hours per incident or 12 days per year to resume normal operations. As of 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G, the Group incurred shutdown costs of approximately SAR 2.31 million, SAR 2.96 million, SAR 2.68 million and SAR 650 thousand, respectively, representing 0.8 per cent., 0.7 per cent., 0.5 per cent. and 0.5 per cent., respectively, of the cost of revenue for the same periods.

Any significant interruption in production capacity may require substantial capital expenditures for repairs or replacement of damaged equipment and could negatively impact the Group's ability to meet contractual obligations, fulfil client orders and maintain revenue stability.

Furthermore, prolonged or repeated shutdowns—whether due to unexpected failures, external incidents or regulatory enforcement actions—could result in increased production costs and reputational damage. While the Group maintains maintenance protocols, operational redundancies and business continuity plans, there can be no assurance that such measures will fully mitigate the financial or operational impact of a major disruption. Any material adverse effect arising from equipment failures, catastrophic incidents or prolonged maintenance shutdowns could negatively impact the Group's business, financial position, results of operations and/or prospects.

2.1.5 Risks Related to Delays or Interruptions in Transporting the Group's Products to Clients and Transporting Raw Materials to the Group's Activities

The Group's operations within the Kingdom rely heavily on efficient and uninterrupted transportation logistics to supply products to clients and receive essential raw materials at its facilities. The Group primarily utilises road networks for the distribution of construction materials, such as aggregates and asphalt, to various project sites across the Kingdom. As of 31 March 2025G, the Group depended on its own transportation fleet for more than 45.0 per cent. of its deliveries, operating a fleet of approximately 563 trucks, with expansion plans to further increase its owned fleet. The Group also relies on third-party transportation providers for the delivery of certain products to clients and its continued dependence on such external service providers exposes it to potential risks of availability, service delays and cost fluctuations.

Any significant delays, disruptions or unavailability within this transportation framework could negatively impact the Group's operations, leading to supply chain bottlenecks, increased costs and potential contract penalties.

Transportation activities are subject to several risks, including capacity constraints and high fuel costs, which could affect operational margins and logistics planning; mechanical failures and traffic congestion, which could delay product deliveries and impact project timelines; extreme weather conditions, such as dust storms, flooding and extreme heat, which may disrupt transport schedules and damage cargo; regulatory changes or road access restrictions, which may impose additional compliance costs or delay the movement of goods; and third-party logistics failures, including workforce shortages, strikes or insolvency of transport providers, which could affect the Group's ability to meet its contractual obligations.

While the Group implements contingency planning, route optimisation strategies and fleet management improvements, there can be no assurance that these measures will fully mitigate the financial or operational risks associated with transport delays or supply chain disruptions. Any material adverse effect arising from transportation delays, supply chain disruptions or unexpected increases in logistics costs could negatively impact the Group's business, financial position, results of operations and/or prospects.

2.1.6 Risks Related to Potential Claims that the Group's Products Do Not Meet Regulatory Requirements or Contractual Specifications

The Group's operations involve supplying products that must comply with the Saudi Building Code, municipal and ministerial regulations and other applicable industry standards. Additionally, the Group's products must meet contractual specifications related to durability, stress-level capacity, weight-bearing capacity, fire resistance and other performance characteristics, particularly in large-scale infrastructure and construction projects.

The Group's asphalt and aggregate products are subject to inspection by relevant Government authorities, and samples are typically reviewed and approved prior to use. For mega projects aligned with Vision 2030, additional layers of technical validation and Governmental approvals are required, and the Group's materials must meet heightened performance and compliance thresholds. Furthermore, imported spare parts used in the production process are subject to inspection by customs and regulatory authorities before entry into the Kingdom, adding another layer of regulatory oversight.

Failure to meet applicable regulatory requirements or contractual specifications may result in product liability claims, regulatory enforcement actions, contractual disputes and financial penalties. Such claims may arise from alleged defects in materials, non-conformance with project requirements or deviations from approved engineering and safety standards. In the event that any of the Group's products are found to be non-compliant, the Group may be required to recall, replace or modify affected products, undertake corrective actions or provide compensation to clients, all of which could result in substantial costs, operational disruptions and reputational damage.

Although there are no previous or currently known claims or investigations in relation to product compliance, the Group may face such claims in the future, particularly as regulatory enforcement mechanisms continue to develop across the Kingdom. In some cases, potential claims may exceed the Group's product liability insurance coverage, requiring the Group to bear the financial impact directly. Furthermore, repeated product-related claims or enforcement actions could result in the loss of key client contracts, increased insurance premiums and heightened regulatory scrutiny, which may adversely affect the Group's ability to expand its operations or secure new business opportunities.

While the Group maintains strict quality control procedures, compliance monitoring systems and third-party certification processes, there can be no assurance that such measures will completely eliminate the risk of product liability claims or regulatory non-compliance. Any material adverse effect arising from product liability claims, regulatory enforcement actions or non-compliance with contractual specifications could negatively impact the Group's business, financial position, results of operations and/or prospects.

2.1.7 Risks Related to Price and Margin Pressure

The Group's financial performance is significantly influenced by the pricing of its services and products, which is subject to various external factors, including macroeconomic conditions, regulatory changes and market competition. Throughout the historical period, the gross margin of aggregates demonstrated a downward trend, declining from 37.4 per cent. in the financial year ended 31 December 2022G to 23.2 per cent. in the financial year ended 31 December 2023G and further declining to 20.4 per cent. in the financial year ended 31 December 2024G. This decline was partly attributable to two main factors: (i) a rise in diesel prices, increasing from SAR 0.63 per litre in January 2022G to SAR 0.75 per litre in January 2023G and to SAR 1.15 in January 2024G; and (ii) the introduction of regulations by the Ministry of Transportation that reduced the maximum weight a truck could carry from 50 tonnes per shipment in the financial year ended 31 December 2022G to 28 tonnes per shipment in the financial year ended 31 December 2023G, resulting in higher transportation costs. The downward trend in the gross profit margin of aggregates began to reverse during the financial year 2025G, increasing from 18.6 per cent. in the three-month period ended 31 March 2024G to 27.5 per cent. in the three-month period ended 31 March 2025G. This was primarily due to the absorption of increased diesel costs, from SAR 1.15 per litre in January 2024G to SAR 1.66 per litre in January 2025G and, effective 1 January 2026G, diesel increased to SAR 1.79 per litre (an increase of approximately 7.9 per cent.), as well as an increase in aggregate sales volume (from 2.7 million tonnes in the three-month period ended 31 March 2024G to 3.6 million tonnes in the three-month period ended 31 March 2025G, an increase of approximately 33 per cent.) and a reduction in external transportation and maintenance expenses. However, it remains to be seen whether this trend will persist throughout the full financial year 2025G.

The Group also noted that while the price of bitumen, set by market suppliers, increased significantly during the financial years 2022G to 2023G, this was offset by adjustments in the market selling price of asphalt, thereby insulating the gross margin to some extent. Nevertheless, the Group has limited control over the raw materials it procures. As such, its profitability margins remain highly susceptible to external factors such as fluctuations in energy prices, changes in market regulations and competitive pressures.

Further, the Group's services often involve contractual arrangements that include periodic renegotiation of pricing terms. Should challenging macroeconomic conditions, increased competition or rising costs outpace its ability to renegotiate pricing terms or improve operational efficiencies, the Group's profitability may be adversely affected. For example, critical cost items such as diesel, bitumen and labour constitute a significant proportion of the Group's expenses and are particularly exposed to price fluctuations.

Additionally, the implementation of inflationary measures, scarcity of resources or geopolitical factors influencing supply chains may result in price increases for raw materials or delays in procurement, further challenging the Group's ability to maintain competitive pricing. Any inability to manage or mitigate these risks could have a material adverse effect on the Group's business, financial position, results of operations and/or prospects.

2.1.8 Risks Related to Absence of a Formal Hedging Policy for Managing the Risk of Price Volatility

The Group does not currently have a formal hedging policy or long-term procurement strategy in place to mitigate price volatility risks related to its key raw materials as the price of certain key inputs such as diesel and bitumen are set by Saudi Aramco and not subject to hedging or commercial negotiation. Procurement is typically conducted on a purchase order basis, with pricing determined by prevailing market conditions, supplier availability and volume requirements. As such, the Group remains exposed to short-term fluctuations in input costs that may not be recoverable through pricing adjustments.

Due to the price volatility of key raw materials (such as diesel and bitumen), any sudden increase in input costs that cannot be passed on to clients could expose the Group to financial losses. The Group seeks to minimise exposure to such fluctuations by: (i) utilising strategic raw materials available in its inventory; (ii) exercising a degree of discretion in optimally determining procurement timing and quantities; and (iii) selecting suppliers without compromising quality as much as possible. There can be no assurance that these measures will be sufficient to mitigate all risks associated with price fluctuations.

Further, the Group aims to increase its inventory of key raw materials when prices decline by using advance payments received from customers (i.e. cash sales). The Group's sales model relies on a combination of advance payments from customers and BNPL sales. However, the availability of advance payments and the ability to effectively manage inventory may vary and may not be sufficient to offset the impact of adverse price movements. Any failure to effectively manage these procurement and price risks could have a material adverse effect on the Group's business, financial position, results of operations and/or prospects.

The above-mentioned practices do not provide full protection against sudden cost escalations or supply chain disruptions. In particular, the Group does not utilise financial instruments or other hedging tools to hedge against raw material price increases.

The absence of structured risk mitigation mechanisms may result in higher procurement costs during periods of market volatility. This could adversely affect the Group's gross margins, cash flow management and pricing competitiveness, particularly in segments where product prices are market-driven and cannot be easily adjusted in the short term. Any inability to effectively manage raw material price volatility may have a material adverse effect on the Group's business, financial position, results of operations and/or prospects.

2.1.9 Risks Related to Highly Depreciated Property, Machinery and Equipment

As of 31 March 2025G, a significant portion of the Group's property, machinery and equipment was highly depreciated, particularly in key asset categories critical to its operations. Notably, the accumulated depreciation as a percentage of cost was 66.6 per cent. for furniture and fixtures, 68.8 per cent. for machinery and equipment, 66.6 per cent. for electrical devices, 62.3 per cent. for leasehold improvements, 38.1 per cent. for transportation vehicles and 32.5 per cent. for buildings and caravans.

The high depreciation rates reflect the intensive nature of equipment usage in alignment with the Group's operational requirements and mining site conditions. The Company's net investment amounted to approximately SAR 75 million, SAR 107 million, SAR 67 million and 9.6 into acquiring new equipment as well as transfers from inventory in the financial years ended 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G, representing 58.4 per cent., 55.4 per cent., 32.6 per cent. and 4.8 per cent. of net assets and property, during the same periods. Nonetheless, the high depreciation levels of machinery and equipment, which represent the Group's largest asset category, necessitates capital expenditure for asset enhancement or replacement. The age and condition of these assets could impact the Group's ability to maintain efficient production and service delivery, leading to higher maintenance costs and potential unplanned downtime. Any unexpected failures or inefficiencies in these assets could disrupt operations, affecting productivity, contractual obligations and financial performance.

Furthermore, the frequency and cost of planned maintenance cycles could impact operational efficiency and cash flow, particularly if machinery failures necessitate accelerated replacements or increased repair expenditures. Inadequate investment in asset renewal could result in reduced production capacity, increased operating expenses and heightened safety risks.

If the Group is unable to adequately plan for asset replacement, manage maintenance costs or mitigate operational risks associated with aging assets, this could have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

2.1.10 Risks Related to Client Concentration

The Group's revenue is heavily dependent on a limited number of key clients. In the financial years ended 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G, total revenue generated from the Group's top five clients: Najd Roads Contracting Company (a Related Party), Green Concrete Company, Al-Houssain & Al-Afaliq Co, Client 1 and Client 2 amounted to SAR 133.5 million, SAR 178.9 million, SAR 224.8 million and SAR 56.0 million, representing 31.1 per cent., 35.9 per cent., 37.5 per cent. and 32.8 per cent. of revenue, respectively, during the same periods.

While the Group maintains long-term relationships with these key clients, revenue concentration exposes the Group to significant risks. The loss of any major client or a reduction in business from these clients could result in a substantial decline in revenue and profitability. This risk is exacerbated by the fact that the Group's revenue is generated primarily from purchase orders, which represent ad hoc requests made at the client's discretion, rather than fixed-term, volume-guaranteed contracts. Although the Group has entered into written agreements with its largest clients to formalise terms of engagement, these agreements do not obligate clients to purchase specific quantities of products.

The Group's reliance on a limited number of clients could also influence pricing, as major clients may demand favourable terms, particularly in competitive market conditions. Prices are determined based on a combination of factors, including labour costs, raw material prices and competitive pressures. If the Group were to lose any of these major clients, it may lose a significant portion of its revenue without being able to offset the loss from other clients. Furthermore, such reliance could hinder the Group's negotiating position when attempting to secure favourable pricing terms or diversify its client base. The occurrence of any of these events would have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

2.1.11 Risks Related to Concentration of Revenue by Actual Activities and Main Products in the Sales of Construction Materials, Spare Parts and Machinery

The Company generates the majority of its revenue from: (i) sales of construction materials used in the construction sector, including road construction, infrastructure projects, industrial development and real estate projects throughout the Kingdom; and (ii) sales of spare parts, crushers, heavy machinery and industrial equipment to customers in the mining, construction and infrastructure sectors. During the financial years ended 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G, revenue from Sales of Construction Materials amounted to SAR 332.5 million, SAR 383.6 million, SAR 491.6 million and SAR 141.8 million, respectively, representing 77.4 per cent., 76.9 per cent., 82.0 per cent. and 83.1 per cent. of the Group's total revenue for the same periods, respectively. Revenue from Sales of Spare Parts during the same periods amounted to SAR 96.9 million, SAR 115.1 million, SAR 108.0 million and SAR 28.9 million, respectively, representing 22.6 per cent., 23.1 per cent., 18.0 per cent. and 16.9 per cent. of the Group's total revenue during the same periods, respectively.

The Group primarily supplies construction materials and machinery essential to the construction sector in the Kingdom. Consequently, the Group's performance is closely tied to the cyclical nature of the construction industry and the development of the real estate sector, which is influenced by economic conditions, interest rate changes, inflation, demographic shifts, employment levels, public infrastructure spending, urban development, mega-projects and Kingdom's Vision 2030. Additionally, competitive pricing pressures may intensify during economic downturns, as competitors respond by lowering prices and offering discounts, which could erode the Group's market share and profit margins. Prolonged periods of reduced construction activity could adversely affect the Group's ability to generate consistent revenues and maintain operational efficiency. See Section 2.2.1 (*Risks Related to the General Economic Conditions and Dependence on the Construction Industry*).

Moreover, the Group's revenue is highly dependent on a limited number of key clients in the infrastructure and road project and the ready-mix concrete production and supply sectors. While the Group maintains long-term relationships with these key clients, revenue concentration exposes the Group to significant risks. The loss of any major client or a reduction in business volume with these clients could result in a substantial decline in revenue and profitability. See Section 2.1.10 (*Risks Related to Client Concentration*).

Given the Group's reliance on Sales of Construction Materials and Spare Parts and its exposure to a limited number of clients in the construction, infrastructure and ready-mix concrete sectors, its revenue base is highly concentrated by segment and product. This concentration increases the Group's exposure to sector fluctuations, reduced public or private spending on construction projects and changes in the sourcing strategies of key clients. Any sustained decline in demand for construction materials or machinery or the loss or reduction of key client spending could have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

2.1.12 Risks Related to Geographic Concentration of Revenue

A significant portion of the Group's revenue is geographically concentrated in the Central, Western and Eastern Provinces of the Kingdom. During the financial years ended 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G, revenue generated from the Central Province amounted to SAR 1 million, SAR 249.1 million, SAR 255.3 million, SAR 346.0 million and SAR 107.4 million, respectively, representing 58.0 per cent., 51.0 per cent., 58.0 per cent. and 63.0 per cent. of total revenue during the same periods. During the financial years ended 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G, revenue generated from the Eastern Province amounted to SAR 94.6 million, SAR 108.5 million, SAR 116.5 million and SAR 37.1 million, respectively, representing 22.0 per cent., 22.0 per cent., 19.0 per cent. and 22.0 per cent. of total revenue during the same periods. During the financial years ended 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G, revenue generated from the Western Province amounted to SAR 63.7 million, SAR 112.8 million, SAR 112.8 million and SAR 20.3 million, respectively, representing 15.0 per cent., 23.0 per cent., 19.0 per cent. and 12.0 per cent. of total revenue during the same periods. These revenues were primarily generated from the extraction and sale of construction materials and the sale of spare parts and machinery. For details on the Company's locations and revenue distribution across different provinces, see Section 4.6.10 (*Geographic Locations and Operations*).

This geographic concentration exposes the Group to regionally specific risks, including local economic downturns, changes in regional business activity, infrastructure developments and regulatory changes that may disproportionately affect such regions. Any disruption, whether economic, political, regulatory or operational, in these key provinces could have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

2.1.13 Risks Related to Inability to Win New Contracts

The Group's ability to sustain and grow its operations is dependent on its ability to continuously secure new contracts, particularly within the Kingdom's aggregates and construction materials markets. A substantial portion of the Group's revenue is derived from contracts that are competitively awarded and its success in obtaining these contracts is influenced by factors such as price competitiveness, perceived quality, track record and the strength of its client relationships.

The Group often competes in bidding processes where potential clients assess multiple proposals. Preparing bids and participating in these processes can require significant time, resources and financial investment, without any guarantee of success. Even when new contracts are awarded, there is no assurance that they will meet the Group's financial or operational expectations.

The Kingdom's competitive landscape for aggregates and construction services also poses challenges. Competitors may offer lower prices or differentiated services, potentially eroding the Group's market share. Furthermore, regulatory changes or economic fluctuations could impact the volume and frequency of infrastructure projects, reducing opportunities for the Group to secure new contracts. The inability to consistently win new contracts, particularly those that are essential to maintaining or expanding the Group's operations, would have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

2.1.14 Risks Related to Real Estate

The Group leases worker accommodation and warehouses which are essential for its operations. As of 31 March 2025G, the Group's lease liabilities amounted to 1.9 million, reflecting its commitments under lease agreements for these facilities (for further details, see Section 11.8.2 (*Leases*)). The Group's ability to secure and retain these leased properties on commercially acceptable terms is critical to ensuring operational continuity and maintaining its logistics and production capacity.

Leases typically have terms ranging from one to 15 years, with renewal options subject to mutual agreement between the Group and the lessor. The Group may face challenges in renewing leases on favourable terms or at all. Any failure to renew or negotiate favourable lease terms could result in increased operational costs or disruptions in production and logistics, which may require the Group to relocate operations at significant expense.

Additionally, in accordance with Council of Ministers Resolution No. 292 dated 16 Jumada al-Ula 1438H (corresponding to 13 February 2017G) and a ministerial circular issued on 4 Jumada al-Ula 1440H (corresponding to 10 January 2019G), lease agreements that are not registered on the Ejar platform are deemed non-enforceable administratively and judicially. As of the date of this Prospectus, all of the Group's lease agreements have been registered on the Ejar platform.

Changes in lease terms due to rising market rents, regulatory amendments or lessor-imposed conditions could result in increased financial obligations, impacting the Group's cost structure. Failure to retain or renew critical leases on commercially acceptable terms or at all, could materially disrupt operations, reduce production capacity and adversely affect the Group's business, financial position, results of operations and future prospects.

2.1.15 Risks Related to Dependence on Third-Party Suppliers and Contractors

The Group imports raw materials, spare parts and heavy machinery which requires coordination with various third-party suppliers to ensure that its products meet the necessary technical specifications, quality standards and delivery timelines. This dependence spans key areas, including forecasting demand, supply planning, procurement, assembly production, warehousing and distribution.

The Group sources products both locally and internationally, with the decision to import or procure locally based on factors such as cost, quality, availability and lead times. Further, the Group relies on exclusive agreements with certain overseas manufacturers for the local distribution of their products. While such agreements support the Group's ability to meet client demands, they also expose the Group to risks associated with supplier reliability, performance disruptions, limited sourcing flexibility and potential delays in the event of non-compliance, contractual disputes or supply chain interruptions.

Any delays or failures by suppliers to deliver components or machinery on time or to the required quality standards, may disrupt the Group's ability to maintain optimal inventory levels and fulfil client orders. Additionally, challenges in aligning procurement and supply planning with forecasted demand may result in either excess inventory or stock shortages, leading to financial inefficiencies or missed sales opportunities.

Given the significant role of third-party suppliers and contractors in the Group's business model, any mismanagement or disruptions in these relationships would have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

2.1.16 Risks Related to Local and International Supplier Concentration and Material and Product Import

The Group relies heavily on a concentrated pool of key suppliers (both local and international) to meet its operational needs. Local purchases include essential operating materials such as petroleum derivatives and blasting materials required for mining purposes and daily operations, while imported purchases include crusher spare parts and equipment used for maintenance and sale to third parties, in addition to other specialised technical components. During the financial years ended 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G, the Group's top five suppliers collectively accounted for 23.7 per cent., 16.5 per cent., 31.3 per cent. and 35.6 per cent., respectively, of its total purchases.

This significant supplier concentration exposes the Group to operational and financial risks should any of these suppliers face disruptions or fail to meet the Group's requirements. The Group procures, among other things, bitumen, diesel fuel, industrial-grade lubricants, crusher components, spare parts, heavy machinery, asphalt mixing units, hydraulic systems, electrical control panels and mechanical assemblies essential for its operations and services. The reliance on a limited number of suppliers for these critical inputs makes the Group vulnerable to supply chain interruptions, such as delays in delivery, quality issues or capacity constraints at the supplier's end. Additionally, changes in supplier relationships, including price increases, contractual disagreements or the inability of a supplier to meet regulatory or operational standards, could disrupt the Group's ability to deliver its products and services effectively.

If any of the Group's key suppliers are unable to fulfil their obligations, the Group may face difficulties in sourcing alternative suppliers or entering into agreements with them on favourable terms or within the necessary timeframes. This could result in production delays, increased costs and an inability to meet client deadlines or quality expectations, adversely impacting the Group's reputation and business relationships.

Given the importance of maintaining an uninterrupted supply of critical components, the Group's operations are highly dependent on the timeliness, reliability and quality of its suppliers. Any significant disruption in the supply chain would have a material adverse effect on the Group's business, financial position, results of operations and/or prospects. For further details regarding the Group's suppliers, see Section 4.6.6 (*Suppliers*).

2.1.17 Risks Related to Foreign Suppliers and Equipment and Spare Parts Import

The Group relies on a number of foreign suppliers to procure technical and specialised equipment and spare parts, which are critical to ensuring the continuity of its operations and the periodic maintenance of its facilities. Dealing with this category of suppliers requires extensive international coordination and compliance with strict technical specifications and standards imposed by regulatory authorities in the suppliers' countries of origin or in countries through which shipments pass. Purchases imported from abroad require coordination with several suppliers in multiple jurisdictions to ensure compliance with the Group's technical specifications, quality standards and delivery schedules. During the financial years ended 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G, the value of imported materials and products amounted to SAR 60.2 million, SAR 84.1 million, SAR 62.2 million and SAR 16.2 million, representing approximately 20.1

per cent., 21.7 per cent., 14.7 per cent. and 13.1 per cent., respectively, of the Group's total purchases during the same periods. This reliance on imported materials and products exposes the Group to additional risks, including customs delays, import/export restrictions, exchange rate fluctuations and disruptions in global supply chains, which could have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects. See Section 2.1.15 (*Risks Related to Dependence on Third-Party Suppliers and Contractors*). The supply of this equipment often takes longer than local purchases due to the multiple parties involved. Reliance on suppliers in multiple jurisdictions increases the Group's exposure to a wide range of additional risks, including:

- customs delays and regulatory procedures related to import/export, which could delay the arrival of essential materials and disrupt the Group's work schedules;
- exchange rate fluctuations, which could affect the total cost of imported purchases, especially since a portion thereof is paid in foreign currencies;
- disruptions to global supply chains or the imposition of restrictions on the movement of goods, such as geopolitical crises, natural disasters or increased transportation and shipping costs; and
- risks related to the reliability of foreign suppliers, including their ability to adhere to the agreed-upon quality standards or meet delivery schedules.

Any disruption in the continuous supply of such equipment and technical spare parts, whether due to operational, logistical or regulatory issues, could disrupt the Group's maintenance and production operations, increase operational costs and result in an inability to meet its commitments to its customers on time. Such disruptions could have a material adverse effect on the Group's business, reputation, financial condition, results of operations and/or prospects.

2.1.18 Risks Related to the Group's Challenges in Implementing its Growth and Expansion Strategy in the Future

The Group regularly evaluates its expansion plans, including the strategies to enhance its service offerings and geographic reach. This growth involves significant risks that could influence the overall success and financial stability of the Group:

- **Financing and Liquidity:** The Group's ability to secure additional financing at favourable terms is crucial for supporting expansion. There is no guarantee that adequate funding will be available or that existing debt can be refinanced under acceptable conditions without impacting the Group's financial leverage;
- **Market Assessment and Economic Viability:** Expansion efforts depend on precise evaluation of market demand and economic conditions within new sectors or regions. Misjudgements in market size or economic feasibility could lead to unprofitable ventures and wasted resources;
- **Regulatory Compliance and Permits:** Acquiring necessary permits and approvals, especially in highly regulated industries or new jurisdictions, can be complex and time-consuming. Delays or failures in obtaining these permits could stall or halt expansion projects;
- **Client Acquisition and Service Integration:** Identifying and securing clients for new services poses challenges, particularly in competitive markets. Moreover, effectively integrating new services into the Group's existing operations requires seamless coordination and alignment with current business practices; and
- **Operational Management and Employee Training:** Efficiently managing expansion activities and ensuring that staff, especially key managers and new employees, are adequately trained and prepared for new roles are fundamental for maintaining service quality and operational efficiency.

These challenges, if not managed effectively, could limit the Group's ability to implement its growth strategy successfully. There is no assurance that the Group would be successful in the implementation of its future growth strategy or management of the expansion process. Failure to achieve the anticipated benefits from these expansions could have a material adverse effect on its business, financial condition, results of operations and/or prospects.

2.1.19 Risks Related to Protection of Intellectual Property Rights

The Group's intellectual property is limited to its registered trademark, "Saleh Abdulaziz Al Rashed & Sons Co.," which is integral to its brand recognition and market position. Despite holding this trademark, the Group may face challenges in preventing unauthorised use or imitation, which could dilute its brand value and harm its competitive advantage. Additionally, the Group must periodically renew its trademark registration to maintain protection and enforcement of intellectual property rights may involve costly and uncertain legal proceedings. Any inability to safeguard its intellectual property could adversely impact the Group's business, financial condition, results of operations and/or prospects.

2.1.20 Risks Related to Receivables

The Group may face difficulties in collecting receivables owing to it by its clients. The following table shows the aging of accounts receivable as of 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G (for further details about the aging of accounts receivable, see Section 6.8.2.7 (*Current Assets*)):

Table 2.1: Aging of Accounts Receivable as of 31 December 2022G, 2023G and 2024G, and the Three-Month Period Ended 31 March 2025G

Aging of Accounts Receivable – SAR (Thousand)/%	As of 31 December							Three-Month Period Ended 31 March 2025G
	Value	Ratio to Total Accounts Receivable (Excluding Allowance for Credit Losses)	Value	Ratio to Accounts Receivable (Excluding Allowance for Credit Losses)	Value	Ratio to Accounts Receivable (Excluding Allowance for Credit Losses)	Value	Ratio to Accounts Receivable (Excluding Allowance for Credit Losses)
	2022G		2023G		2024G		2025G	
Payment overdue from zero to 90 days	31,196	80.2%	44,214	84.7%	43,265	86.4%	67,419	86.4%
Payment overdue from 91 to 180 days	2,804	7.2%	4,300	8.2%	2,149	4.3%	2,147	4.3%
Payment overdue from 181 to 270 days	2,615	6.7%	1,658	3.2%	2,412	4.8%	858	4.8%
Payment overdue from 271 to 365 days	-	0.0%	405	0.8%	977	2.0%	673	2.0%
Payment overdue for more than 365 days	2,296	5.9%	1,603	3.1%	1,265	2.5%	1,966	2.5%
Total	38,911	-	52,181	-	50,068	-	73,063	-
Allowance for expected credit losses	8,051	20.7%	6,013	11.5%	4,415	8.8%	4,167	8.8%

Source: The Financial Statements.

While the Group has set aside provisions for losses on accounts receivables by an amount of SAR 8.1 million, SAR 6.0 million, SAR 4.4 million and 4.2 million for the financial years ended 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G, respectively, representing 20.7 per cent., 11.5 per cent., 8.8 per cent. and 8.8 per cent., respectively, of the accounts receivable balances during the same periods. There is no assurance that such provisions are sufficient. If any of the Group's debtors experience financial difficulties, they may fail to pay their debts to the Group when due. For account receivables whose due dates are in excess of 365 days, the Group appoints a specialised law firm to collect such account receivables from the client and carry out all necessary legal procedures for its collection. However, the Group cannot provide assurance that it will be able to collect such accounts receivable.

Additional complexities arise as finance costs and liquidity in the markets also impact the timeliness of receivables. Flexible and extended credit terms offered by competition can also affect the Group's cash flows adversely. A failure by the Group's clients to make payment when due, the bankruptcy or insolvency of its clients, especially its major clients or the inability to collect such debts for any reason could have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

2.1.21 Risks Related to Accounts Payable

The balance of accounts payable owing by the Group as of 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G accounted for 34.0 per cent., 32.9 per cent., 29.8 per cent. and 22.2 per cent. of total liabilities, respectively, which amounted to SAR 29.6 million, SAR 39.7 million, SAR 44.7 million and 33.7 per cent. as of those periods. The percentage of accounts payable owing to the Group's five largest suppliers accounted for 31.2 per cent., 35.0 per cent., 41.6 per cent. 52.9 per cent. of total accounts payable balance, respectively. Repayment period granted to the Group by its suppliers generally ranges from 30 to 120 days.

A reduction in payment terms by suppliers could significantly affect the liquidity position of the Group, which would in turn negatively affect its working capital. Such changes may impact the operating cycle and cash flow of the Group adversely. Moreover, if the Group is not able to pay in full its accounts payable or settle them during the agreed period, this may prevent the Group from obtaining advance purchase agreements on suitable terms in the future. This would have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

The following table sets out the aging of accounts payable as of 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G:

Table 2.2: Aging of Accounts Payable as of 31 December 2022G, 2023G and 2024G, and the Three-Month Period Ended 31 March 2025G

Aging of Accounts Payable	SAR million				Ratio to Aging Accounts Payable			
	2022G	2023G	2024G	Three-Month Period Ended 31 March 2025G	2022G	2023G	2024G	Three-Month Period Ended 31 March 2025G
Payment overdue from zero to 90 days	27,912,498.57	35,466,733.04	38,034,167.50	29,660,804.00	94.19%	89.37%	85.18%	87.98%
Payment overdue from 91 to 180 days	1,631,711.70	1,007,423.87	5,711,076.54	3,282,264.00	5.51%	2.54%	12.79%	9.74%
Payment overdue from 181 to 271 days	71,936.83	303,914.84	737,348.63	533,682.00	0.24%	0.77%	1.65%	1.58%
Payment overdue from 271 to 365 days	17,038.53	2,905,593.25	-	25,718.48	0.06%	7.32%	0.00%	0.08%
Payment overdue for more than 360 days	-	-	169,812.35	209,676.14	0.00%	0.00%	0.38%	0.62%
Total	29,633,185.63	39,683,665.00	44,652,405.02	33,712,144.62	100.00%	100.00%	100.00%	100.00%

Source: The Financial Statements.

2.1.22 Risks Related to Infectious Diseases

The spread of infectious diseases or significant public health threats could materially and adversely affect the Group's operations, financial performance and service delivery. For instance, the outbreak of COVID-19 in December 2019G led to unprecedented disruptions in global and domestic economies, including the construction materials production and transportation industries within the Kingdom. In response, measures implemented by the authorities, such as travel bans, curfews, inter-city movement restrictions and mandatory quarantines, disrupted business operations and required significant adjustments to workplace protocols.

The recurrence of such events could negatively impact the Group in various ways. This includes potential health risks to employees, affecting workforce productivity, supply chain disruptions, leading to delays in the availability of raw materials and spare parts and challenges in the transportation and distribution of products. Additionally, these events may affect client purchasing patterns and the fulfilment of purchase orders, which could result in reduced revenue.

Infectious disease outbreaks may also heighten the risk of delayed payments from clients, necessitate the renegotiation of contract terms and strain the Group's cash flows. Further, such public health emergencies could cause fluctuations in the pricing of raw materials and the costs associated with supply chain management. Should there be a resurgence of COVID-19 or the emergence of another significant infectious disease, similar or more severe restrictions could disrupt the Group's business operations, adversely impacting its business, financial condition, results of operations and/or prospects.

2.1.23 Risks Related to Related Party Transactions and Agreements

In the ordinary course of its business, the Group engages in Related Party transactions. The principal Related Party transaction involves a Sale Agreement for aggregate and asphalt materials with Najd Roads Contracting Company and a petroleum derivatives supply agreement, which is wholly owned by Abdulaziz Saleh Al Rashed & Sons Company. The Chairman of the Board and Shareholder, Abdulaziz Saleh Al Rashed, has an indirect interest in Najd Roads Contracting Company in his capacity as a shareholder of Abdulaziz Saleh Al Rashed & Sons Company. All these transactions were conducted on an arm's-length basis and in accordance with prevailing market conditions. The approval of the General Assembly was obtained for all transactions with Related Parties on 26 Ramadan 1446H (corresponding to 26 March 2025G) and 10 Thul-Qi'dah 1446H (corresponding to 8 May 2025G) (for further details about transactions and agreements with Related Parties, See Section 11.9 (*Related Party Contracts and Transactions*)).

Total revenue generated from transactions with Related Parties, namely Najd Roads Contracting Company, during the financial years ended 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G amounted to SAR 67.4 million, SAR 106.1 million, SAR 116.1 million and SAR 39.9 million, respectively, representing 15.7 per cent., 21.3 per cent., 19.5 per cent. and 12.7 per cent. of the Group's total revenue during the same periods.

Balances due from Related Parties during the financial years ended 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G amounted to SAR 33.9 million, SAR 20.5 million, SAR 49.9 million and SAR 39.9 million, respectively, representing 9.9 per cent., 4.8 per cent., 9.9 per cent. and 7.6 per cent. of the Company's total assets, respectively. The total amounts owed by the Company to Related Parties during the financial years ended 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G amounted to SAR 4.1 million, SAR 0.4 million, nil and nil, respectively, representing 4.7 per cent., 0.3 per cent., 0.0 per cent. and 0.0 per cent. of the total balances due from Related Parties for the same periods.

While the Group maintains agreements governing its Related Party transactions, the existence of such relationships exposes the Group to risks, including the potential for conflicts of interest, delays in receivables settlement or a perception of preferential terms. Any failure to ensure that such transactions are properly documented, conducted on arm's length terms and approved in accordance with applicable laws and regulations could result in financial or reputational harm. Such risks could have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

2.1.24 Risks Related to the Engagement of Board or Senior Executives in Businesses Competing with the Group's Business

Except as disclosed in Section 5.7 (*Conflicts of Interest*) and Section 11.9 (*Related Party Contracts and Transactions*), none of the Directors or Senior Executives participate in any activities that compete with the Group's activities. However, from time to time, some of the Group's Directors or Senior Executives may compete with the Group, either through their membership in other boards or through ownership in businesses that directly or indirectly compete with the Group's business. In the event of a conflict of interest between the business of the Group and the business of such Directors or Senior Executives, this would have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

Some Directors and Senior Executives can access internal information of the Group and may use that information for advancing their own interests or contrary to the Group's interests and objectives. If Directors and Senior Executives who have interests that conflict with the Group exert negative influence on the Group's decisions or if they use the information available to them about the Group in a way that harms its interests, this will have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

As of the date of this Prospectus, none of the Directors or Senior Executives is party to any agreement or arrangement that prevents them from competing with the Group or its business. To engage in a competing business, the Directors must obtain approval from the General Assembly in accordance with Article 44 of the Corporate Governance Regulations and Article 27 of the Companies Law.

2.1.25 Risks Related to Failure to Adequately Maintain the Confidentiality and Integrity of Client's and Employee Data

In its ordinary course of business, the Company collects, transfers and process client and employee information, such as client and employee data, identification card numbers, birth dates and other personal data maintained by the Company or the Company's service providers. Some of this data is private and may be a target of external parties, such as individual criminals organised criminal groups, "cyber hackers" and current or former disgruntled employees and others. The Company's inability to maintain the confidentiality and integrity of client and employee data would affect the Company's ability to retain its existing clients and attract new ones, which could have a material adverse effect on the Company's business, financial position, results of operations and/or future prospects.

The new Personal Data Protection Law promulgated under Royal Decree No M/19, dated 9 Safar 1443H (corresponding to 16 September 2021G) came into force on 29 Safar 1445H (corresponding to 14 September 2023G). This Law applies to any personal data processing by any means in the Kingdom, related to the data of a citizen or resident and includes a number of requirements to protect the rights of personal data owners. The Company has implemented procedures and processes to comply with this new Law but there is no assurance that such procedures and processes are sufficient given its recent implementation.

Furthermore, adherence to variable privacy and security laws may also lead to an increase in compliance costs due to the imposition of new restrictions or controls on the Company's business models and the development of new administrative processes. These laws and regulations may impose further restrictions on the Company's collection of identity data in one or more of its databases, as well as their disclosure and utilisation. Failure to adhere to the privacy laws, general requirements of the sector or any security breach that involves the theft, loss or disclosure of personal, sensitive or confidential data without permission may result in the imposition of fines, penalties and lawsuits against the Company, which could have a material adverse effect on the Company's business, financial position, results of operations and/or future prospects.

2.1.26 Risks Related to Financing

Certain of the Group's existing financing agreements contain covenants that impose operating and financial restrictions on the Group. These restrictions include, in the case of the financing agreement with Banque Fransi, a requirement to maintain a certain percentage of revenue as a financial covenant. Other financing facilities contain restrictions related to financial leverage and changes in ownership. Such covenants may affect the Group's flexibility in planning for and reacting to changes in its business or economic conditions and may limit its ability to undertake certain business activities without lender consent. For further details on the Group's financing agreements, see Section 11.6 (*Financing Agreements*). While the Group's leverage level was moderate, with total indebtedness not exceeding approximately 15.5 per cent. of its total equity as of 31 March 2025G, compliance with covenant requirements is subject to external factors and business performance and there can be no assurance that the Group will remain in compliance at all times.

As of 31 March 2025G, the Group entered into six financing agreements with four local banks: Banque Saudi Fransi, Arab National Bank, Riyadh Bank (through three separate financing agreements) and Saudi Awwal Bank. The total credit facility limits granted to the Group under these agreements amounted to approximately SAR 526 million, while the total amount utilised amounted to approximately SAR 67.95 million as of 31 of March 2025G. Although the Group finances the majority of its operations through internally generated cash flows, future growth and expansion initiatives may require reliance on additional credit facilities. The Group's ability to secure such financing depends on several factors, including its financial performance, prevailing interest rates, market liquidity and general macroeconomic conditions. Any inability to secure new facilities or refinance existing ones on favourable terms may require the Group to postpone or cancel planned investments or operations. This would have a material adverse effect on the Group's future strategy, business, financial condition, results of operations and/or prospects.

In addition, the Group's existing and potential future indebtedness could lead to other adverse consequences, including:

- **Allocation of Cash Flow:** Debt service obligations may reduce available cash flow for operational needs, capital investments or strategic initiatives;
- **Increased Borrowing Costs:** Future refinancing may result in higher interest rates and additional costs, particularly in a tightening credit environment;
- **Economic and Industry Vulnerability:** The Group may be more exposed to adverse market or economic conditions than less-leveraged peers;
- **Limited Flexibility in Business Operations:** Debt covenants and repayment obligations could restrict operational agility and responsiveness to market changes; and
- **Constraints on Growth and Expansion:** High debt levels could limit the Group's ability to pursue expansion or diversification opportunities.

Any of the above events would have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

2.1.27 Risks Related to Adverse Changes in Interest Rate

The Group's financing arrangements are affected by changes in interest rates, which are highly sensitive to a number of factors that are beyond the control of the Group, including Government actions, monetary and tax policies as well as domestic and international economic and political conditions. As the Group has not concluded any hedging agreements to reduce its higher interest rate exposure risks, an increase in interest rates and related financing costs may reduce the Group's profitability and cash flow, which would have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

2.1.28 Risks Related to Bonds Provided to the Ministry of Industry and Minerals

The Group provides bonds to the Ministry of Industry and Minerals in connection with its quarrying operations, as required under applicable regulatory frameworks. These bonds serve as a form of financial assurance to guarantee the Group's compliance with site requalification and rehabilitation obligations. As of 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G, the Group's outstanding bonds of this nature amounted to SAR 9.8 million, SAR 12.4 million, SAR 12.8 million and 13.7 million, respectively.

Failure by the Group to meet the requalification or rehabilitation requirements prescribed by the Ministry could result in a call on the bond, obliging the Group to pay the full bonded amount. Such an event would have a material adverse impact on the Group's liquidity, business, financial condition, results of operations and/or prospects.

2.1.29 Risks Related to Reliance on Senior Executives and Key Personnel

The Group's success depends upon the continued service and performance of its Senior Executives and other key personnel on whom the Group depends upon due to their extensive experience in construction materials production, including aggregates and asphalt production, transportation and logistics services and the sale of spare parts and crushers/heavy machinery. In particular, the Group relies on certain key individuals who have valuable experience in these industries and who have made substantial contributions to the development of the Group's operations. The Group may not be able to retain its key personnel that have the requisite skills, technical knowledge and experience necessary to the Group. The loss of the services of members of the Group's Senior Management or key employees could prevent or delay the implementation and completion of its strategic objectives, divert management's attention to seek certain qualified replacements or adversely affect its ability to manage its business effectively. Each member of the Senior Executive team or key employees may resign at any time. If the Group loses the ability to hire and retain key executives and employees with high levels of skills in the appropriate domains, it will have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

2.1.30 Risks Related to Hiring and Retaining Qualified Technicians for Certain Segments

The Group's ability to maintain efficient and high-quality operations across its business segments, including aggregates and asphalt production and sale of spare parts and crushers/heavy machinery, depends on attracting and retaining a skilled and technically competent workforce. In particular, qualified technicians are essential for operating and maintaining complex equipment such as crushers, asphalt plants, automated assembly lines and heavy transport vehicles, as well as for executing safety-compliant and time-sensitive production and logistics operations.

Given the technical demands of these roles, the Group faces increasing challenges in sourcing personnel with the required expertise, especially in remote or newly developed quarry sites. Labour market conditions in the Kingdom are highly competitive and economic expansion in the infrastructure and construction sectors continues to drive demand for skilled technicians, operators and mechanical specialists. This competition raises recruitment costs and wage pressures, which may impact the Group's operating margins and pricing flexibility.

High turnover among technicians also disrupts operational continuity. New hires require extensive onboarding, safety training and practical experience to reach full productivity. Any delay in building technical capacity can result in delayed project timelines, increased operational costs and diminished client satisfaction. Additionally, periods of economic expansion often intensify competition for skilled labour, driving up salary demands and pressuring the Group's ability to maintain competitive pricing and safeguard profit margins.

In cases where the supply of skilled technicians is insufficient to meet demand, the Group may need to rely more heavily on outsourced services, increasing variability in service quality and dependency on third-party providers. Such reliance introduces risks of misalignment with the Group's operational standards, which could negatively impact service delivery, client relationships and the Group's reputation.

If the Group is unable to attract and retain the required technical talent in a timely manner or if workforce disruptions persist, it may face operational inefficiencies, rising costs, delayed deliveries and weakened competitiveness. These challenges would have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

2.1.31 Risks Related to Employee Misconduct or Errors

The Group's operations in the Kingdom are exposed to risks arising from employee misconduct or errors, which could result in legal, financial and operational repercussions. Instances of misconduct may include violations of applicable laws and regulations, breaches of health and safety protocols, mishandling of confidential data and non-compliance with the Group's internal controls and reporting requirements. Errors by employees, particularly in areas requiring technical precision or regulatory compliance, may disrupt operations and lead to financial losses or contractual disputes.

Specific risks include unauthorised disclosure of sensitive client or business information, dissemination of inaccurate or misleading data and failure to adhere to documented procedures for approvals and record-keeping. Such incidents could result in penalties from authorities, reputational harm, compensation claims for damages and, in severe cases, the termination of client contracts.

Given the complexity of the Group's activities, particularly in sectors such as construction materials production, transportation and sale of crushers/heavy machinery, any lapses in operational execution or employee compliance could severely impact the Group's ability to meet its contractual obligations. These occurrences could lead to regulatory investigations, financial strain and diminished stakeholder confidence, undermining the Group's market position. Should risks associated with employee misconduct or errors materialise, they would have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

2.1.32 Risks Related to Reliance on Information Technology Infrastructure

The Group relies heavily on advanced information technology systems to support its operations, including enterprise resource planning (ERP) systems, client relationship management, asset tracking, billing and financial reporting. These systems are essential for managing the Group's activities in construction materials production, transportation and sale of spare parts and crushers/heavy machinery across the Kingdom.

However, the Group's information technology infrastructure is exposed to risks that could disrupt operations or compromise sensitive data. These risks include malware, hardware or software malfunctions, hacker attacks, cyberterrorism, power outages and natural disasters. The frequency and sophistication of cyberattacks are increasing, often targeting corporations to exploit vulnerabilities, extort money or disrupt business operations.

A cybersecurity breach could result in the loss, theft or destruction of confidential or proprietary information, potentially affecting the Group's relationships with clients, suppliers, banks and professional advisors. Such incidents may lead to legal liability, financial losses and reputational harm, as well as operational disruptions.

The Group's ability to safeguard its systems against evolving threats is critical to maintaining operational continuity and stakeholder confidence. Any failure to adequately protect its information systems, respond to cyber incidents promptly or adapt to emerging risks could lead to material adverse effects on the Group's business, financial condition, results of operations and/or prospects.

2.1.33 Risks Related to the Adequacy and Availability of Insurance Coverage

The Group secures its operations, assets and equipment with various insurance policies, to mitigate operational risks associated with its activities in construction materials production, transportation and the sale of spare parts and crushers/heavy machinery. While these policies aim to provide protection against a broad range of risks, certain losses, damages or liabilities may not be insured or may exceed the limits of the Group's current insurance coverage.

Moreover, equipment related to crushers and asphalt mixer plants at mining sites is not insured, as these assets are located in remote areas where the perceived likelihood of significant damage is considered low. Additionally, the logistical challenges and costs associated with conducting inspections in such locations make it impractical for insurers to offer coverage, further contributing to the absence of insurance for these assets.

Standard insurance exclusions, such as losses arising from deliberate misconduct or uninsurable events, could leave the Group exposed to financial liability. Additionally, the Group's reliance on specialised equipment and transportation assets increases the risk of operational disruptions if significant damage or loss occurs and is not adequately covered.

Evolving risks specific to the Group's industries, including natural disasters, cyber threats and machinery malfunctions, may not always be fully anticipated by available insurance products. This creates potential gaps in coverage, leading to financial losses, operational disruptions and unforeseen liabilities. Furthermore, if the Group fails to renew its existing insurance policies on commercially acceptable terms or at all or if premiums become prohibitively expensive, the Group may face increased exposure to uninsured risks.

The absence of insurance coverage for critical operational assets, particularly at remote mining sites, could expose the Group to significant financial losses, property damage and operational disruptions in the event of unexpected incidents. The inability to maintain adequate insurance coverage against all operational risks could lead to financial strain, business disruptions and reputational damage, which would have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects. For further details on the Group's insurance policies and coverage limitations, see Section 11.7 (*Insurance Policies*).

2.1.34 Risks Related to Health, Safety and Environment

The Group's operations, primarily in construction materials production, transportation and sale of spare parts and crushers/heavy machinery, are subject to stringent health, safety and environmental regulations within the Kingdom. These regulations encompass areas such as air emissions, noise and dust control, waste management, water discharges and zoning and land use restrictions, as well as compliance requirements for handling and storing potentially hazardous materials. The Group is required to adopt and implement practices that ensure workplace safety while minimising environmental impacts.

The nature of the Group's operations exposes it to operational risks, including fires, equipment malfunctions, transportation accidents and workplace incidents such as exposure to dust and mechanical failures. Certain activities also involve the use of substances classified as toxic or hazardous under applicable laws and regulations, increasing the Group's liability exposure. Despite ongoing compliance efforts, the inherent risks associated with such operations could result in material costs, fines, claims for personal injuries or damages to property.

Future developments, such as changes to existing laws, enforcement policies or the identification of additional health hazards, may impose further compliance costs or operational restrictions on the Group. Additionally, delays in obtaining permits or approvals required to comply with evolving environmental and safety standards could impact the Group's ability to execute its projects or maintain operational continuity.

The handling and transportation of raw materials, explosives and hazardous substances expose the Group to risks such as leaks, explosions and accidental releases, potentially leading to significant liabilities, including civil or criminal penalties, personal injury claims and environmental remediation expenses. For instance, the Group may, from time to time, investigate or remediate contamination resulting from its current or past operations or acquisitions, which could lead to legal actions by regulatory authorities or private parties.

Any failure to comply with applicable health, safety or environmental standards could result in regulatory actions, reputational damage, substantial claims for damages or fines. Evolving health and safety laws and environmental protection regulations may increase the Group's operational costs and restrict its activities, further compounding its legal and financial risks.

The inability to manage health, safety and environmental risks effectively could result in significant operational disruptions, financial liabilities and reputational damage, thereby having a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

2.1.35 Risks Related to Litigation

The Group may become involved in lawsuits and regulatory actions related to its business operations with multiple parties, including subcontractors, clients, employees or regulatory authorities. The Group may also be the claimant in such lawsuits or litigations.

As of the date of this Prospectus, the Group has initiated 18 cases against third parties for a total amount of around SAR 3.8 million and there are two cases initiated against the Group for a total amount of SAR 8,262.

In the event that the Group becomes involved in additional lawsuits or regulatory proceedings in the future, the Group may incur significant costs, regardless of the outcome. Defending against such claims may require the Group to allocate substantial resources and an unfavourable outcome in any such litigation or regulatory proceeding could have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

2.1.36 Risks Related to Potential Zakat and Tax Liabilities

The Group submitted all its Zakat returns, settled Zakat charges payable and obtained certificates from ZATCA for all years since its inception up to 2024G. The Group also received Zakat assessments from ZATCA since its inception to 2015G. No assessment has been received by the Group from ZATCA for 2016G to 2024G. Accordingly, the final Zakat amounts for 2016G to 2024G remain subject to assessment by ZATCA. Where the final Zakat outcome is different from the amounts that were initially recorded, such differences will impact the Zakat provision for the year in which such determinations are recorded. These could negatively affect the Group's projected net income and retained earnings.

Additionally, the Zakat treatment of the following: (i) additional capital injection by the Selling Shareholders; and (ii) dividend distribution by the Company in 2022G may be inconsistent with Zakat regulations. In the event of a challenge by ZATCA, this could result in up to an additional SAR 2.2 million Zakat liability for the Group.

The Selling Shareholders gave an undertaking dated 24 Shawwal 1446H (corresponding to 22 April 2025G) to bear any future additional amounts of Zakat imposed by ZATCA in relation to previous years and up to Admission (for further details, see Section 10 (*Declarations*)). Should ZATCA issue Zakat assessments on the Group and require it to pay additional Zakat amounts for the years in which the Group did not receive a final assessment and should the Selling Shareholders default on their undertaking to pay such additional amounts, it would have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

2.1.37 Risks Related to Newly Adopted Corporate Governance Manual

The Board of Directors has adopted a Corporate Governance Manual, effective from 26 Jumada Al-Thani 1446H (corresponding to 30 December 2024G), as an update to the policy that was effective from 14 Ramadan 1445H (corresponding to 5 April 2023G). Such manual includes, rules and procedures related to corporate governance derived from the Corporate Governance Regulations issued by the CMA, the Companies Law and their implementing regulations. The Company's success in proper implementation of corporate governance rules and procedures will depend on the extent of comprehension and understanding of these rules and proper execution of such rules and procedures by the Board of Directors, its Committees and Senior Executives, especially with regards to training related to the Board and its Committees, independence requirements, rules related to conflict of interests and Related Party transactions. Failure to comply with the provisions of the governance rules, particularly the

mandatory provisions of the Corporate Governance Regulations issued by the CMA, would subject the Company to regulatory penalties, which would have a material adverse effect on the Group's operations, financial condition, results of operations and/or prospects.

2.1.38 Risks Related to Failure by the Audit Committee and the Nomination and Remuneration Committee to Perform their Duties as Required

The Audit Committee was formed on 14 Jumada Al-Thani 1445H (corresponding to 27 December 2023G) and its current members were appointed by a Board of Directors' resolution dated 14 Jumada Al-Thani 1445H (corresponding to 27 December 2023G). The Nomination and Remuneration Committee was formed on 19 Thul-Qi'dah 1445H (corresponding to 27 May 2024G) and its members were appointed pursuant to the Board of Directors' resolution dated 19 Thul-Qi'dah 1445H (corresponding to 27 May 2024G). Their charters were adopted in their formation resolutions in accordance with the Corporate Governance Manual and the Corporate Governance Regulations (for further details, see Section 5.3 (*Board of Directors Committees*)). Any failure by members of these Committees to perform their duties and adopt a work approach that ensures protection of the interest of the Group and its Shareholders may affect corporate governance compliance, the continuous disclosure requirements issued by CMA and the Board of Directors' ability to monitor the Group's business through these Committees. Additionally, even with the best of intentions and capabilities, oversights are possible, which would inadvertently compromise compliance or operational oversight. Such failures, whether intentional or due to oversight, would have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

2.1.39 Risks Related to Lack of Experience of Senior Executives in Managing a Publicly Listed Company

The Senior Executives have limited or no experience in managing a publicly listed joint stock company and complying with the laws and regulations applicable to them. For instance, once listed on the Exchange, the Company will have to issue its annual financial statements within a period of no more than three months from the end of each financial year and its quarterly financial statements within 30 days from the end of each quarter. The Company's financial statements for the financial years ended 31 December 2023G were issued more than three months after the end of the Company's financial year. Therefore, if the Company fails to issue its annual consolidated financial statements within three months from the end of the Company's financial year or if it fails to comply in a timely manner with any of the other laws, regulations and disclosure requirements applicable to listed companies, this will subject the Company to regulatory penalties and fines, which would result in decreased investor confidence, thereby materially and adversely affecting the Company's business, financial condition, results of operations and/or prospects.

2.1.40 Risks Related to the Company's Implementation of International Accounting Standards

The Company's audited financial statements and the accompanying notes are prepared by the Company's Auditor in accordance with the International Financial Reporting Standards (IFRS) as endorsed in the Kingdom and other standards and pronouncements issued by the Saudi Organisation for Chartered and Professional Accountants (SOCPA). The Company adopted IFRS for the first time for the financial year starting on 1 January 2022G. Prior to this, the Company prepared its financial statements in accordance with the International Financial Reporting Standard for Small and Medium Enterprises (IFRS for SMEs) as endorsed in the Kingdom. The transition to IFRS introduces additional complexities and nuances in financial reporting.

The ongoing evolution of these standards, including significant amendments such as those to IFRS No. 1 and IFRS No. 8 concerning the definition of materiality effective from 1 January 2020G, introduces further complexities in financial reporting. Given that these standards are subject to interpretation and periodic updates, there is an inherent risk that changes in accounting policies or errors in the application of such standards may result in adjustments to the financial statements. Such discrepancies could affect the Group's reported financial condition and results of operations. If errors are significant or adjustments are material, this would lead to a loss of investor confidence and potentially attract regulatory scrutiny.

Moreover, the transition to a new accounting framework may uncover gaps in previous accounting practices and the need for adjustments, both retrospective and prospective. Any modifications in accounting assumptions or errors in their application under IFRS could have a negative and material impact on the Company's business, financial condition, results of operations and/or future prospects.

2.1.41 Risks Related to Prepayments and Other Current Assets

The Group's reliance on prepayments and other current assets, including advances to suppliers, prepaid expenses and deferred costs, exposes it to significant risks that could adversely affect its operations and financial condition. As of 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G, advances to suppliers amounted to SAR 31.9 million, SAR 11.7 million, SAR 10.9 and 24.6 million SAR, respectively, representing 9.3 per cent., 2.7 per cent., 2.2 per cent. and 4.7 per cent. of net assets, respectively, during the same periods. Delays or failures by suppliers to deliver critical raw materials, machinery or spare parts, such as the advances paid for transportation trucks and associated import duties and shipping costs, could disrupt production schedules, resulting in project delays and increased costs. Prepaid expenses, including iqama renewals, medical and car insurance, are also subject to cost escalations or delays due to regulatory or market changes, further straining operational efficiency and cash flow. Additionally, deferred costs related to truck boxes, tyres and other components, if not timely received, may lead to operational disruptions or increased expenditure. Any mismanagement of these prepayments or unexpected delays in receiving goods or services could lead to financial strain, operational inefficiencies and reputational damage, materially impacting the Group's business, financial condition, results of operations and/or prospects.

2.1.42 Risks Related to Inventory Management and Provisioning

The Group's inventory levels have significantly increased across the historical period due to the expansion of operations and heightened production activities, particularly in aggregates and spare parts. As of 31 March 2025G, the Group's inventory balance stood at SAR 120.2 million compared to SAR 129.4 million as of 31 December 2024G, SAR 122.2 million as of 31 December 2023G and SAR 82.6 million as of 31 December 2022G. This rise was mainly driven by increased finished goods, raw materials and spare parts to support the Group's operational expansion.

Finished goods, representing SAR 83.7 million as of 31 March 2025G, SAR 94.5 million as of 31 December 2024G, included aggregates, crushers, dump trucks and heavy machinery, among other items, sold externally. The sharp increase in finished goods inventory from SAR 59.1 million as of 31 December 2022G to SAR 90.2 million as of 31 December 2023G was driven by operational expansion from three mining sites in the financial year ended 31 December 2022G to seven mining sites in the financial year ended 31 December 2023G. This growth was further bolstered by additional heavy machinery and the ramp-up of newly launched sites in the financial year ended 31 December 2024G to reach eight sites.

Spare parts, used exclusively for the Group's operations, amounted to SAR 28.6 million as of 31 March 2025G and SAR 28.6 million as of 31 December 2024G. This represents a significant increase from SAR 16.2 million as of 31 December 2022G, and SAR 20.1 million as of 31 December 2023G, primarily attributed to the rise in safety stock of imported spare parts due to regional shipping delays and the increased operational demands from additional trucks and crushers.

The Group also reported an increase in raw materials inventory to SAR 11.9 million as of 31 March 2025G and SAR 9.3 million as of 31 December 2024G, largely driven by higher extraction and processing activities at mining sites. Approximately 13.7 per cent. of the Group's inventory as of 31 March 2025G consisted of aggregates, which is cycled every three months. The aggregates stock has been significantly increased to meet client demand and ensure continuity across the supply chain. Work-in-progress (WIP) inventory, however, declined to SAR 6.3 million as of 31 March 2025G, SAR 6.6 million as of 31 December 2024G from SAR 9.1 million as of 31 December 2023G, reflecting the completion of multiple projects and capitalisation of equipment to support site operations.

Despite the growth in inventory to support operational needs, risks related to inventory management remain significant. These include:

- **Stock Ageing and Provisioning:** The Group's provision for slow-moving inventories amounted to SAR 10.5 million as of 31 March 2025G. Stock aged between 361 to 720 days is provisioned at 25 per cent., between 721 to 1,080 days at 50 per cent. and beyond 1,080 days at 100 per cent. Mismanagement of ageing inventory could result in financial losses and increased write-offs;
- **Working Capital Impact:** The increase in Days Inventory Outstanding (DIO) from 85 days as of 31 December 2022G to 93 days as of 31 December 2024G, and 89 days as of 31 March 2025G indicates rising working capital requirements. Any inefficiencies in inventory turnover could strain the Group's liquidity and cash flow management;
- **Operational and Supply Chain Risks:** The Group's reliance on imported spare parts has led to higher safety stock levels due to geopolitical tensions causing shipping delays. Additionally, the absence of long-term supply contracts may expose the Group to price volatility and supply chain disruptions; and
- **Inventory Obsolescence:** As the Group's operations expand, there is a heightened risk of certain inventory categories, particularly spare parts and finished goods, becoming obsolete due to changes in operational demands or product specifications.

The inability to manage inventory efficiently could lead to financial strain, disruptions in production processes and adverse impacts on client relationships. These risks, if not mitigated, would have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

2.1.43 Risks Related to the Use of Accounting Assumptions, Estimates and Judgments

The Group's financial statements rely on various accounting assumptions, estimates and judgments, which significantly influence reported financial results. These estimates are based on historical data and expectations of future events, but actual outcomes may differ, leading to material adjustments in future periods. Key areas subject to these assumptions include:

- **Revenue Recognition:** The Group applies IFRS 15 to recognise revenue based on the five-step model, including contract identification, performance obligations, transaction price determination and revenue recognition when control is transferred to the client. Variations in contract terms, client behaviour or regulatory changes could lead to delays or restatements in revenue recognition, impacting financial results;
- **Lease Accounting:** The Group determines lease terms based on non-cancellable periods plus any renewal or termination options likely to be exercised. Lease liabilities and right-of-use assets amounted to SAR 1.9 million and SAR 4.2 million, respectively, as of 31 March 2025G. Changes in lease terms or discount rates could affect liability valuation and depreciation expense recognition;
- **Useful Lives of Property and Equipment:** The Group's property, plant and equipment amounted to SAR 201.4 million as of 31 March 2025G. Useful life estimates determine depreciation expenses and adjustments due to operational wear, technological advancements or economic conditions may result in unexpected asset write-downs or revisions to depreciation expenses;
- **Allowance for Expected Credit Losses (ECL) on Trade Receivables:** The Group applies International standards IFRS dedicated for ECL calculations, considering historical default rates, client segments and macroeconomic factors. As of 31 March 2025G, trade receivables totalled SAR 73.1 million, with an ECL provision of SAR 4.2 million. Any deterioration in economic conditions or client financial stability could require adjustments in expected credit losses, impacting profitability;
- **Impairment of Non-Financial Assets:** The Group assesses impairment when an asset's carrying value exceeds its recoverable amount, calculated as the higher of fair value less costs to sell or value in use. Any market downturns or adverse operational factors may necessitate asset impairments, affecting financial performance;
- **Employee End-of-Service Benefits:** Defined benefit liabilities depend on actuarial assumptions, including discount rates and salary growth rates. As of 31 March 2025G, the Group's employee benefits liability stood at SAR 11.9 million. Changes in economic conditions or employee turnover rates could require revisions to actuarial estimates, impacting liabilities and expenses;
- **Inventory Impairment:** The Group values inventories at cost or net realisable value, whichever is lower and assesses impairments based on historical sales trends and obsolescence. Inventory totalled SAR 120.2 million as of 31 March 2025G. Any misjudgement in impairment assumptions could lead to understatement of costs or write-offs affecting gross margins; and
- **Contingencies:** The assessment of contingencies involves significant judgments regarding future events that may affect the Group's financial position. Unexpected legal or regulatory liabilities could require additional provisions, impacting profitability and liquidity.

Given the complexity and subjectivity of these accounting estimates, there is an ongoing risk of significant financial adjustments in future periods. Misapplication or misjudgement of these estimates could lead to regulatory scrutiny, investor concerns and financial statement restatements. Any material inaccuracies in accounting assumptions or estimates could have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

2.2 Risks Related to the Market, Industry and Regulatory Environment

2.2.1 Risks Related to the General Economic Conditions and Dependence on the Construction Industry

The Group's operations and financial performance are significantly influenced by general economic conditions within the Kingdom, which remains heavily dependent on oil revenues and by broader international economic trends. A deterioration in global and/or domestic economic conditions, coupled with heightened financial uncertainty or reduced consumer and corporate spending, could adversely impact the demand for the Group's products and services. The Group primarily supplies construction materials products aggregate, asphalt products and plants, crushers, screening and recycling machinery and plants, which are essential to the construction sector in the Kingdom. Consequently, the Group's performance is closely tied to the cyclical nature of the construction industry, which is influenced by economic conditions, interest rate changes, inflation, demographic shifts, employment levels and public infrastructure spending.

The Kingdom's economy is particularly sensitive to oil price fluctuations, as sustained declines in oil prices could reduce Government spending on infrastructure projects, delay public sector investments and hinder private sector growth. Such conditions would negatively affect corporate and consumer confidence, reducing demand for the Group's products and services. The fiscal policies and economic priorities of the Government, influenced by oil price volatility, could further affect infrastructure projects critical to the Group's operations and client base, especially within the public sector and construction industry.

Additionally, competitive pricing pressures may intensify during economic downturns, as competitors respond by lowering prices and offering discounts, which could erode the Group's market share and profit margins. Prolonged periods of reduced construction activity could adversely affect the Group's ability to generate consistent revenues and maintain operational efficiency.

Moreover, such economic uncertainties may limit the Group's ability to secure favourable financing for future capital expenditures, delaying strategic projects and potentially hampering the Group's growth and market expansion. The combination of reduced infrastructure spending, shifts in demand patterns and financing constraints could materially and adversely impact the Group's business, financial condition, results of operations and/or future prospects.

2.2.2 Risks Related to Geopolitical Instability and Security Concerns in the Middle East Region

The Group's assets, operations and client base are located in the Kingdom. The wider Middle East Region is subject to several geopolitical and security risks that may impact the GCC Countries, including the Kingdom. These risks include regional conflicts, political instability and security concerns, which would disrupt infrastructure, delay projects and increase operational costs, potentially affecting the Group's operations and business environment.

The Middle East Region has experienced periods of heightened tensions due to regional conflicts, trade restrictions and sanctions on some of the neighbouring countries. While the Kingdom remains a stable hub within the region, broader geopolitical developments could influence economic conditions and supply chain reliability. For example, sanctions or transportation disruptions could affect the timely import of essential equipment necessary for the Group's operations. Any such delays could result in increased costs or project execution challenges.

Additionally, the Group's ability to attract and retain clients may be influenced by investor sentiment and business confidence in the region. Persistent geopolitical instability could deter foreign investments, impact client spending patterns and reduce the demand for the Group's products and services. Furthermore, sudden changes in regulatory policies or taxation frameworks in the Kingdom or neighbouring GCC Countries could increase the Group's compliance burden and operational expenses.

Any unexpected escalation of political or economic instability in the region could materially and adversely affect the Group's ability to maintain operations, attract clients or achieve its strategic objectives. These risks could have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

2.2.3 Risks Related to Competition and Market Share of the Group

The industry and sectors in which the Group operates, namely the construction building materials industry, the crushers/heavy machinery and spare parts trading sector, are highly competitive. The Group faces competition from both large national companies and smaller regional and local players within the Kingdom. The competition is particularly fierce in the aggregate materials sector. Increased competition could exert downward pressure on prices, compress profit margins and lead to a loss of market share, adversely affecting the Group's business, financial condition, results of operations and/or prospects.

Some of the Group's competitors may possess greater resources, a broader presence in the market or a wider geographical reach, allowing them to invest more significantly in research, development and marketing or to offer more competitive pricing. The ability of competitors to leverage economies of scale, technology and diversified service offerings may also position them more favourably in attracting and retaining clients.

The potential for consolidation among competitors could further exacerbate competitive pressures. Consolidated entities may achieve increased synergies, enhanced operational efficiencies and diversified service portfolios, enabling them to compete more effectively in price-sensitive and quality-conscious markets. Such changes in the competitive landscape could adversely impact the Group's ability to maintain its market position and financial performance.

To remain competitive, the Group must continuously demonstrate the quality and cost-effectiveness of its products and services to existing and prospective clients. The Group competes on various factors, including technical expertise, product pricing, service quality and reputation for reliability. Any failure to adequately address these competitive factors, effectively respond to evolving client preferences or differentiate its offerings from those of its competitors may lead to reduced demand for the Group's products and services.

In particular, if clients perceive that the Group's products or services do not provide adequate quality or value relative to its competitors, the Group may experience reduced client retention and acquisition, potentially leading to a material adverse effect on its business, financial condition, results of operations and/or future prospects.

2.2.4 Risks Related to Saudisation, Non-Saudi Employees and Other Labour Law Requirements

The Saudisation (Nitaqat) programme was adopted pursuant to Ministerial Resolution No. 4040 dated 12 Shawwal 1432H (corresponding to 10 September 2011G), under which the Ministry of Human Resources and Social Development ("MHRSD") requires private entities operating in the Kingdom, including the Company, to employ and maintain a certain ratio of Saudi personnel. The ratio of Saudi workers varies depending on a company's licensed activities and the number of employees. As of 31 March 2025G, the Company achieved a Saudisation rate of 11.7 per cent. and has been classified under the "High Green" category, thereby complying with current Saudisation requirements. This classification enables the Company to secure new work visas for hiring additional foreign nationals and transfer sponsorship of locally hired expatriate employees, among other benefits.

Moreover, in July 2016G, the MHRSD introduced the "Nitaqat Mawzon" (Balanced Nitaqat) amendment, which aims to improve market performance and eliminate non-productive Saudisation. Under this programme, points are calculated based on five key factors: (i) the Saudisation rate; (ii) the average wage for Saudi workers; (iii) the percentage of female Saudisation; (iv) job sustainability for Saudi nationals; and (v) the percentage of Saudi nationals with high wages. While the programme was initially scheduled for implementation on 12 Rabi al-Awwal 1438H (corresponding to 11 December 2016G), its enforcement has been postponed indefinitely. The Company has not taken measures to improve its Saudisation rating in anticipation of the programme's formal implementation. If a new implementation deadline is announced, the Company may be unable to promptly adjust its workforce to comply with the updated requirements, which would negatively affect its ability to maintain Saudisation compliance.

Under Saudi Labour Law, foreign employees are only permitted to work for the entity that sponsors them in the Kingdom or they must be engaged through a licensed manpower company or a valid services agreement and in both cases, they must be registered via the Ajeer system. As of the date of this Prospectus, all of the Company's employees are either under its sponsorship or are legally employed based on the needs of the businesses. Sponsorship transfers between companies incur fees depending on the employee's transfer history.

Non-compliance with laws governing non-Saudi employees could expose the Company to fines, penalties or restrictions, such as the suspension of recruitment systems or work visa services. For instance, the penalties for seconding employees under an entity's sponsorship without an Ajeer certificate include fines of up to SAR 25,000 per employee for first-time violations, with increased penalties for repeated infractions.

In addition, under Saudi Labour Law, foreign employees must perform the job functions stated on their Iqama (residency permit). While as of the date of this Prospectus, no Company's foreign employees carry out job functions different from those defined on their Iqama, if this was to occur in future, penalties for entities employing individuals in roles inconsistent with their Iqama include fines per employee for first-time violations, with escalating penalties for repeated breaches.

The Company's inability to comply with existing or amended Saudisation or Labour Law requirements could lead to sanctions from Government authorities, including fines, recruitment restrictions or the suspension of work visa issuances. Additionally, changes in minimum wage requirements or increased reliance on Saudi talent could raise the Company's labour costs. If the Company fails to recruit or retain the required number of Saudi nationals or foreign employees in line with legal requirements

or if it incurs significant penalties due to non-compliance, this will have a material adverse effect on the Company's business, results of operations, financial position and/or future prospects. For further details of the achieved Saudisation by the Company, see Section 5.9 (*Employees*).

2.2.5 Risks Related to the Increase in Government Fees Applicable to Non-Saudi Employees

The Government approved several resolutions intended to implement comprehensive reforms in the Saudi Arabian labour market, with additional fees being imposed on each non-Saudi employee working for Saudi entities and companies as of 14 Rabi al-Thani 1439H (corresponding to 1 January 2018G) and on increased fees for residence permit issuances and renewal fees of non-Saudi employee families which came into force as of 7 Sha'ban 1438H (corresponding to 1 July 2017G). Such fees have increased gradually from SAR 4,800 to up to SAR 9,600 annually for each employee during the year 2020G. As a result, the Government fees paid by the Group for its non-Saudi employees amounted to SAR 15.0 million, SAR 17.6 million, SAR 23.8 million and 6.6 for the financial years ended 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G, respectively, representing 4.2 per cent., 3.9 per cent., 4.4 per cent. and 4.4 per cent. of total expenses, respectively, during the same periods. As any further increase in residence permit issuance and renewal fees will increase the cost of living, non-Saudi employees may seek employment opportunities in other countries. In such cases, it may be difficult for the Company to retain its non-Saudi employees and if it is unable to replace them with properly qualified Saudi employees, the Company may be forced to incur additional Government fees related to the issuance and renewal of residence permits for non-Saudi employees and their family members. This could have a material adverse effect on the Company's business, financial position, results of operations and/or future prospects. For further details of the achieved Saudisation by the Company, see Section 5.9 (*Employees*). See also Section 2.1.30 (*Risks Related to Hiring and Retaining Qualified Technicians for Certain Segments*) for a discussion of certain risks related to employing and sponsoring non-Saudi employees.

2.2.6 Risks Related to Exchange Rates

The Group's results of operations may be affected by volatility in currency exchange rates. While approximately 95 per cent. of the Group's purchases are made in either Saudi Arabian Riyals or the U.S. Dollar as of the date of this Prospectus, if the Kingdom were to change its policy of pegging the Saudi Arabian Riyal to the U.S. Dollar in the future, the Group may experience a significant increase in the USD-denominated costs of its operations. As the Group continues to expand, its exposure to U.S. Dollar and other currencies may increase. Accordingly, adverse exchange rate movements could lead to a significant increase in the costs of the Group's operations. As the Group has not concluded any hedging agreements to reduce its currency risk exposure, changes in foreign exchange rates could have a material adverse effect on its business, financial condition, results of operations and/or prospects.

2.2.7 Risks Related to Force Majeure, Natural Disasters and Climate Change

The Group's operations in the Kingdom are exposed to force majeure events, natural disasters and climate change. Extreme weather conditions, including flooding, sandstorms and prolonged heatwaves, have the potential to disrupt the Group's operations, damage critical infrastructure, affect employee safety and productivity, reduce, delay or halt construction activity, which can reduce demand for the Group's products and services and adversely affect the Group's production schedules, shipments, costs, efficiencies and profitability. Key risks include:

- **Impacting Facilities and Operations:** Adverse weather conditions, including increased rainfall in the region, can damage the Group's infrastructure, disrupt operations and necessitate costly repairs, adversely affecting the Group's financial performance and operational continuity;
- **Necessitating Capital Expenditures:** The Group may be required to allocate substantial financial resources to repair damages caused by severe weather events, enhance infrastructure resilience or implement contingency measures to mitigate future risks. These expenditures could significantly impact the Group's capital allocation strategy and increase its capital expenditure requirements, potentially straining financial resources;
- **Affecting Employee Safety and Productivity:** Extreme weather conditions pose substantial risks to the safety and well-being of the Group's employees, which could lead to reduced productivity, temporary facility closures and increased operational costs to ensure employee safety;
- **Restricting Construction Activity and Transportation:** Severe weather conditions can reduce construction activity, directly affecting the demand for the Group's products and services. Moreover, such conditions can impede the Group's ability to efficiently transport materials, causing delays in fulfilling client orders and negatively impacting revenue and client satisfaction; and
- **Insurance Coverage Limitations:** While the Group maintains insurance coverage, it may not fully account for the financial costs associated with recovery from severe weather events. Additionally, these events could lead to increased

insurance premiums or difficulties in securing adequate coverage. For further discussion of the Group's insurance coverage and associated risks, see also Section 2.1.33 (*Risks Related to the Adequacy and Availability of Insurance Coverage*).

The occurrence of any of these factors, individually or in combination, would strain the Group's resources, disrupt its operations and affect its market position, thereby having a material adverse effect on its business, financial condition, results of operations and/or prospects.

2.2.8 Risks Related to Changes in the Regulatory Environment

The construction building materials industry and spare parts and crushers/heavy machinery sector in which the Group operates, are subject to extensive regulations in the Kingdom. These include, but are not limited to, environmental, health, safety, zoning and operational standards imposed by authorities and official regulatory centres such as the Ministry of Industry and Mineral Resources, the Ministry of Municipalities and Housing and the National Centre for Environmental Compliance, the National Centre for Vegetation Cover Development & Combating Desertification and National Centre Meteorology. Regulatory compliance is integral to the Group's operations and any changes or stricter enforcement of such laws may materially affect its business, increase costs or require significant adjustments in operations.

The Group is required to maintain compliance with evolving environmental regulations, particularly concerning emissions, waste management and the handling of hazardous materials. Non-compliance with these regulations could lead to penalties, suspensions or forced cessation of operations, as well as reputational harm that could negatively affect client relationships. For example, any violations identified during environmental audits or inspections conducted by regulatory authorities may result in substantial financial penalties or operational shutdowns.

Moreover, new legal frameworks or amendments to existing laws may impose additional compliance requirements, necessitating significant investments in new technologies, facilities upgrades or operational adjustments. These regulatory developments could restrict the Group's business activities, reduce its operational flexibility and place it at a competitive disadvantage compared to peers with broader geographic operations.

The Group's operations are also exposed to potential liabilities related to environmental contamination. For instance, any discovery of environmental damage on sites owned or operated by the Group or those formerly used for its operations, could result in significant remediation costs. The absence of comprehensive regulatory clarity around certain aspects of environmental liabilities may further compound this risk.

Furthermore, heightened regulatory scrutiny of emissions and waste disposal practices, particularly within the Kingdom's efforts to meet its Vision 2030 sustainability objectives, could impose additional compliance costs. This may include adopting stricter energy-efficient technologies or adhering to new environmental impact assessment requirements before launching certain projects.

Any failure to anticipate, comply with or adapt to changes in regulations could adversely affect the Group's competitive position, operational efficiency and ability to secure contracts with clients, particularly Government entities. The cumulative effect of these factors could have a material adverse impact on the Group's business, financial condition, results of operations and/or prospects.

2.2.9 Risks Related to Licences and Approvals

In order to carry out and/or expand its business, the Group is required to maintain or obtain a range of licences, certificates, permits and approvals from regulatory, administrative and Governmental authorities within the Kingdom. As of the date of this Prospectus, the Group is operating with several expired licences.

In particular, the Group has a total of two expired operational licences, comprising one expired building materials quarry licence and one exploration licence. The Subsidiary, Al-Rammal Al-Hamra for Mining Company, has one expired operational licence, namely an exploration licence. The remaining expired licences may lead to regulatory penalties or restrictions on business activities. Failure to renew such licences could subject the Group to enforcement measures, including fines or the forced suspension of activities at affected branches or sites.

The Group's ability to renew and maintain the expired licences is critical for its legal compliance and operational continuity. Any failure in this regard may expose the Group to regulatory penalties, reputational risks or operational disruptions, which could have a material adverse effect on its business, financial condition, results of operations and/or prospects. For further details on Government consents, licences and certificates, see Section 11.4 (*Government Consents, Licences and Certificates*).

2.2.10 Risks Related to Current Lack of Clarity with Respect to the Application of the New Mining Investment Law to the Company's Licences

The legal framework governing the mining sector in the Kingdom has undergone multiple changes over the past decades. The original legal basis for mining regulation was established under Royal Decree No. M/21 dated 20 Jumada al-Ula 1392H (corresponding to 2 July 1972G) (the “**Original Mining Law**”). This was later replaced by the Mining Investment Law issued under Royal Decree No. M/47 dated 20 Sha’ban 1425H (corresponding to 5 October 2004G) (the “**Old Mining Investment Law**”). The New Mining Investment Law, which came into effect on 21 Rabi’ al-Thani 1442H (corresponding to 6 December 2020G) pursuant to Royal Decree No. M/140 and its Implementing Regulations, now supersedes all prior mining legislation. The Company holds as of the date of this Prospectus several licences originally issued under the Old Mining Investment Law, including two building materials quarry licences, one disclosure licence for mining areas and one operating licence for crushers and mining sites. As of the date of this Prospectus, the Group is compliant with the licensing and regulatory requirements introduced under the New Mining Investment Law.

Any enforcement of compliance under the New Mining Investment Law could increase regulatory costs, delay operations and expose the Company to potential fines, licence suspensions or operational restrictions. Moreover, uncertainties regarding the interpretation and enforcement of the law could result in increased capital expenditures to meet new compliance obligations and potential suspensions of operations or delays in project development. Moreover, the legal framework for the mining sector may continue to evolve. Any of the above risks could have a material adverse effect on the Group’s business, financial condition, results of operations and/or prospects.

2.2.11 Risks Related to the Absence of Implementing Regulations for the Environmental Law

Environmental protection in the Kingdom is governed by the Environmental Law, which repealed and replaced in 2020G the former Public Environmental Law and its implementing regulations. Article 48 of the Environmental Law mandates the Ministry of Environment, Water and Agriculture (MEWA) to issue implementing regulations, including those governing environmental permitting and compliance obligations. However, as of the date of this Prospectus, several key implementing regulations remain unpublished, resulting in uncertainty regarding the full scope of environmental compliance required under the law.

The Company currently operates multiple crusher sites, quarries and asphalt plants, all of which require valid environmental permits. The Company has obtained Environmental Licences for Quarry Operations and construction materials aggregate from the National Centre for Environmental Compliance (NCEC), as well as submitted environmental impact assessments for several sites. However, the Company lacks two environmental licences relating to the maintenance of pollution control devices and technologies, and one licence for the sale of portable pollution control equipment, both of which fall under the regulatory authority of the General Authority for Meteorology and Environmental Protection.

In the absence of clear implementing regulations, the Company may be exposed to: (i) additional compliance costs due to uncertainty surrounding the criteria for permit renewals or new applications; (ii) potential retroactive application of new environmental standards, which could require reengineering or additional environmental studies; (iii) penalties or operational disruptions if the Company is deemed non-compliant with new or evolving requirements; and (iv) project delays where environmental permitting or renewal processes become more time-consuming or technically demanding.

Additionally, if environmental licences are deemed expired or incomplete under future regulations, the Company may be required to temporarily suspend operations at certain sites until compliance is achieved. As the Company expands into new mining areas and increases its fleet and site capacity, the scale and complexity of its environmental compliance obligations are likely to grow. Any material changes in environmental regulations or enforcement practices, particularly in the context of ongoing implementation of the Environmental Law, could have a material adverse effect on the Group’s business, financial condition, results of operations and/or prospects.

2.2.12 Risks Related to the Company Being Unable to Comply with the Implementing Regulations of the Law of Explosives and Fireworks

The Company holds three licences for rock cutting using explosives, issued by the Ministry of Interior, which are subject to the Implementing Regulations of the Law of Explosives and Fireworks (“**Law of Explosives**”), promulgated under Royal Decree No. 38 dated 28 Rabi’ al-Thani 1428H (corresponding to 15 May 2007G). These licences are essential for conducting blasting operations at several of the Group’s quarrying sites. Under Article 45, Part 1 of the Law of Explosives, licence holders are required to comply with stringent safety and operational regulations, including the secure storage, transportation, usage and documentation of explosives.

The Company's mining activities are significantly dependent on these licences, particularly in high-volume quarrying sites where blasting is a primary method of aggregate extraction. As such, non-compliance with the Law of Explosives could result in: (i) revocation, suspension or non-renewal of blasting licences, which would materially disrupt ongoing extraction operations and reduce production capacity; (ii) imposition of substantial administrative penalties or criminal sanctions, depending on the nature of the violation; (iii) increased scrutiny from the Ministry of Interior and the General Directorate of Civil Defence, which conduct periodic site inspections and enforce strict documentation, surveillance and physical storage standards; and (iv) seizure of explosive materials or forced cessation of activities until corrective actions are implemented.

Additionally, the risk of enhanced regulatory enforcement or amendments to the applicable laws may introduce more rigorous compliance obligations, such as increased requirements for digital monitoring, specialised training and re-certification of storage facilities. In such cases, the Group could be required to make unplanned capital investments to remain in compliance or face operational delays. Given the essential role that blasting operations play in maintaining the Group's aggregate production volumes and fulfilling contractual obligations, any failure to comply with the Law of Explosives and Fireworks, or delays in obtaining the necessary renewals and approvals, would have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

2.3 Risks Related to Offer Shares

2.3.1 Risks Related to Post-Offering Effective Control by the Current Shareholders

Following the Offering, the Current Shareholders will own 70.0 per cent. of the Company's Shares. As a result, they will have the ability to significantly influence the Company's business through the ability to control decisions and actions that require Shareholders' approval, including, without limitation, the election of Directors, significant corporate transactions, dividend distributions and capital adjustments. If circumstances were to arise where the interests of the current Shareholders conflict with the interests of the minority Shareholders (including the Subscribers), the minority Shareholders might be disadvantaged and the Substantial Shareholders and the Shareholder Acting in Concert might otherwise exercise their control over the Company in a manner that would have a material adverse effect on the Company's business, financial condition, results of operations and/or prospects.

2.3.2 Risks Related to the Absence of a Prior Market for the Shares

The Company's Shares were not previously offered or traded in a public stock market. There is currently no public market for the Company's Shares and there is no guarantee that an active and liquid market for the Shares will develop or be sustained after the Offering. If an active and liquid market is not developed or maintained, the trading price of the Shares will be adversely affected or this may lead to the loss of all or part of the Subscribers' investment in the Company, which would have a material adverse effect on the Subscribers' expected returns.

2.3.3 Risks Related to Selling a Large Number of Shares on the Exchange

Sales of a substantial number of the Shares on the Exchange following the completion of the Offering or the perception that these sales will occur, could adversely affect the market price of the Shares. Upon the successful completion of the Offering, the Substantial Shareholders (who will own 57.9 per cent. of the Shares following the Offering) and the Shareholder Acting in Concert (who will own 7.9 per cent. of the Shares following the Offering) will be subject to a Lock-up Period of six months, during which they may not dispose of any Shares. The sale of a substantial number of Shares by the Substantial Shareholders and the Shareholder Acting in Concert following the expiration of the Lock-up Period or the perception that such sales could occur, could have an adverse effect on the price of the Shares on the Exchange.

2.3.4 Risks Related to Issuance of New Shares Post-Offering

If the Company decides to raise additional capital by issuing new Shares, the newly issued Shares will adversely affect the share price in the market or will dilute the shareholder ownership percentage in the Company, if they do not subscribe to such newly issued Shares.

2.3.5 Risks Related to Fluctuation in the Market Price of the Shares

The Offer Price has been determined based on several factors, including the Group's historical performance, future business prospects, the prevailing conditions in the construction building materials industry and crushers/heavy machinery and spare parts trading sector, as well as the broader economic environment in the Kingdom. The Group derives a significant portion of its revenue from sales of aggregates and asphalt, which are closely tied to the cyclical performance of the construction and infrastructure sectors. As such, shifts in Government expenditure, project timelines or private sector demand could materially influence investor perception of the Group's growth outlook.

As a result, there is no guarantee that the Subscribers will be able to sell the Offer Shares at or above the Offer Price or that they will be able to sell them at all. The market price of the Shares may be subject to significant volatility due to a variety of factors, including but not limited to:

- variations in the Group's operational and financial performance or the superior performance of its competitors, particularly in the aggregates, asphalt production, spare parts and crushers distribution segments;
- actual or anticipated fluctuations in the Group's quarterly or annual results of operations, particularly in relation to gross margin volatility in aggregates or supply chain pressures for imported spare parts;
- the publication of unfavourable research reports by securities analysts regarding the Group, its competitors or the construction building materials industry or crushers/heavy machinery and spare parts trading sector;
- negative reactions from the public to the Group's press releases, financial disclosures or other announcements;
- the resignation or departure of key members of the Group's management or operational team, including Senior Executives responsible for aggregate operations, asphalt production and spare parts distribution segments;
- strategic decisions made by the Group or its competitors that are perceived negatively by investors or significant changes in the Group's business strategy, including in relation to its vertical integration or its retail expansion in spare parts;
- media coverage, regardless of accuracy, concerning the Group or its operations within the Kingdom or the GCC region;
- regulatory changes that affect the Group or its industry, including those related to environmental, operational or financial reporting standards;
- the introduction of new accounting rules or policies that impact the Group's financial reporting, such as those affecting asset depreciation or mining rights amortisation;
- fluctuations in the pegged exchange rate between the SAR and the USD, which could affect the cost of importing spare parts purchased in foreign currencies;
- the occurrence of significant geopolitical events, including terrorist attacks, acts of war or periods of political unrest, particularly those that affect cross-border trade or logistics routes relied upon by the Group;
- natural disasters, pandemics or other unforeseen calamities that disrupt operations or investor confidence; and
- deterioration in general economic conditions, including downturns in the construction sector, which is a primary driver of demand for the Group's products.

In addition, the stock market itself is subject to periodic fluctuations that can result in extreme volatility in share prices. This volatility may be exacerbated for the Shares if trading volumes are low, making the Shares particularly susceptible to price swings. Such market conditions could significantly diminish the value of the Shares and result in Subscribers losing part or all of their investment in the Offer Shares. The occurrence of any of these factors, individually or collectively, could lead to a decline in the market price of the Shares, adversely affecting investor confidence and the value of the Subscribers' investments.

2.3.6 Risks Related to Distribution of Dividends and Restrictions Imposed on Distribution of Dividends by Lenders

Future distribution of dividends depends on, amongst other things, several factors, including future earnings, financial condition, cash flows, working capital requirements, capital expenditures and distributable reserves of the Company. Moreover, the Company may not be able to distribute dividends to the Shareholders and the Board of Directors may not recommend or the Shareholders may not approve, the distribution of dividends. The Company may also incur expenses or liabilities that would reduce or lead to the absence of the cash available for the distribution of dividends. If the Company does not pay dividends to the Shareholders, the Shareholders will not receive any return on investment in the Shares unless they sell the Shares at a price higher than the price at the time of purchase, which would have a material adverse effect on expected returns for the Investors. For further details regarding the dividends policy of the Company, see Section 7 (*Dividend Distribution Policy*).



شركة صالح عبد العزيز الراشد وأولاده
Saleh Abdulaziz Al Rashed & Sons Co.

The background of the slide is a grayscale photograph of an industrial facility, likely a water treatment plant. It shows large cylindrical tanks, pipes, and mechanical components. A prominent diagonal blue line runs from the top left towards the bottom right, bisecting the image. In the upper right quadrant, a large, bold, dark gray number '3' is displayed. Below it, the text 'Market Overview' is written in a smaller, bold, blue font.

3

Market Overview

3. Market Overview

The information in this Section is based on the Market Report prepared by the Market Consultant (Euromonitor International Limited), exclusively for the Group in March 2025G. The Market Consultant is an independent third-party provider of consulting services and is headquartered in London, United Kingdom. For further details about the Market Consultant, visit its website (www.euromonitor.com).

The Market Consultant does not, nor does any of its subsidiaries, Affiliates, partners, shareholders, directors, managers or their relatives, own any shares or any interest of any kind in the Group. As of the date of this Prospectus, the Market Consultant has given, and not withdrawn, its written consent for the use of its name, logo, market information and data supplied by it to the Group in the form set out in this Prospectus.

The Board of Directors believes that the information and data from third party sources contained in this Prospectus, including those provided by the Market Consultant, are reliable. However, such information and data have not been independently verified by the Group, the Directors, the Advisors or the Selling Shareholders, and thus none of them bears any liability for the accuracy or completeness of such information or data. Moreover, industry and market data are subject to change and cannot always be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any survey of market size. External sources have been used for some of the information about competitors, who have not been contacted to verify the accuracy or the completeness of the information included herein. Market estimates and assumptions are based on varying levels of quantitative and qualitative analyses and actual results and future events could differ materially from such estimates, predictions or statements.

The Market Consultant has prepared this study in an independent and objective manner, and it has taken adequate care to ensure its accuracy and completeness. Research has been conducted with an “overall industry” perspective and it may not necessarily reflect the performance of individual companies in the industry. The Market Consultant shall not be liable for any loss suffered because of reliance on the information contained in this Prospectus.

3.1 Macroeconomic and Demographic Overview

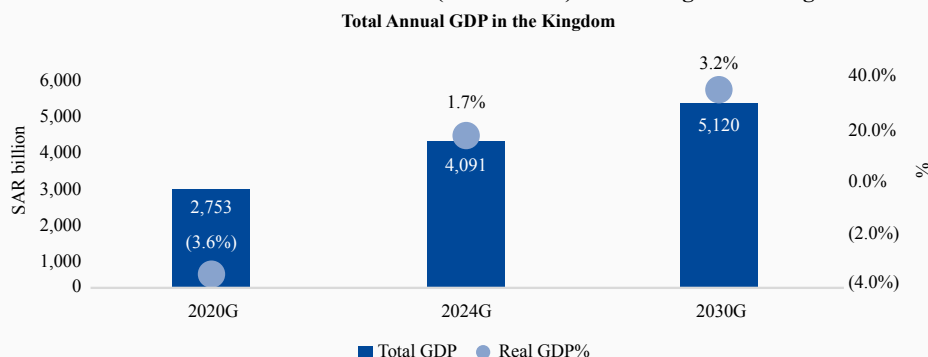
3.1.1 Macroeconomic Overview of the Kingdom

3.1.1.1 The Kingdom’s Diversification Efforts Have Contributed to the Non-Oil Economy, Despite the Recent Slowdown in Oil Production

The GCC economies experienced a 3.7 per cent. real gross domestic profit (GDP) growth in 2024G. This followed an increase of just 0.4 per cent. in 2023G, when the GCC region faced the impacts of tighter global monetary policies, and weakened financial markets and global trade (Euromonitor International (2025G). Passport’s Economies and Consumers database). These factors contributed to an extending of the effects of recent shocks, including the COVID-19 pandemic, geopolitical tensions and inflationary pressures. The Kingdom maintains its status as the GCC region’s largest economy in 2024G. The Kingdom recorded a GDP of SAR 4.1 trillion in 2024G, increasing from SAR 4.0 trillion in 2023G, due to a rise in non-oil sector revenue driven by diversification strategies. The Kingdom’s total GDP recorded a 10.3 per cent. CAGR over the 2020G to 2024G period (Euromonitor International (2025G). Passport’s Economies and Consumers database). The Government continues to implement fiscal policies to drive economic stability that supports fiscal sustainability.

The following exhibit shows the Total GDP value and Real GDP for the Kingdom between 2020G to 2030G:

Exhibit 3.1: Total Annual GDP Value and Real GDP % (SAR Billion) in the Kingdom during 2020G to 2030G⁽¹⁾



Source: Euromonitor International estimates from United Nations, World Bank, GASTAT (historic data) and Euromonitor's Economies and Consumers database (Edition 2025G).

(1) Data are at constant 2024G prices.

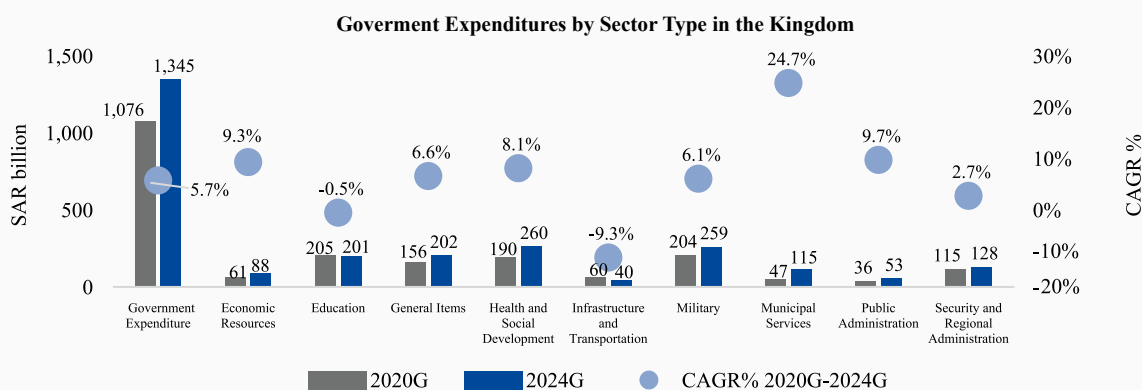
The contribution of oil activities to total GDP diminished from 38.9 per cent. in 2022G to 31.6 per cent. in 2023G, reflecting the instability and uncertainties in the global oil trade during 2023G. The Organisation of the Petroleum Exporting Countries and its allies (OPEC+) announced a voluntary oil production cut in 2023G, which extended into 2024G, and likely to continue into 2025G. Hence, real GDP contracted by 0.8 per cent. in 2023G and expected to reach 1.7 per cent. in 2024G, as the Kingdom's economy is still reliant on oil output (Euromonitor International (2025G). Passport's Economies and Consumers database). The growth of non-oil activities as a percentage of GDP grew from the beginning of 2024G through to the third quarter of 2024G, accounting for 50 per cent. The Kingdom has increased its efforts to move the economy away from oil output dependence by expanding non-oil sectors and diversifying its economic activities through Vision 2030.

3.1.1.2 Public Debt to Achieve Diversification is Manageable, as Investments in Diversification are Set to Boost the Mining, Construction and Building Materials Industries

The Kingdom's Government expenditure totalled SAR 1,345 billion in 2024G, having increased by 4.0 per cent. from SAR 1,293 billion in 2023G (Euromonitor International (2025G). Passport's Economies and Consumers database). Expenditure in 2024G focused on social support, spending on goods and services to diversify the economy, stimulating the investment environment, improving regional sector development and increasing the role of the private sector in the economy.

The following exhibit shows the actual Government expenditure by sector type between 2020G and 2024G in the Kingdom:

Exhibit 3.2: Government Expenditure by Sector Type (SAR Billion) in the Kingdom between 2020G and 2024G⁽¹⁾



Source: Euromonitor International estimates from United Nations, World Bank, GASTAT (historic data) and Euromonitor's Economies and Consumers database (Edition 2025G).

(1) Data are at constant 2024G prices.

Key sector Government sectorial expenditure areas in 2024G include municipal services, healthcare and security and regional administration. Public debt increased from SAR 853.6 billion (31 per cent. of GDP) in 2020G to SAR 1,199 billion (29.3 per cent. of GDP) in 2024G.

The Saudi Government's gross fixed capital formation (GFCF) spending increased from SAR 664 million in 2020G to SAR 1,225 million in 2024G, a 16.6 per cent. CAGR over this period (Euromonitor International (2025G). Passport's Economies and Consumers database). Gross fixed capital formation includes the construction of roads, railways, ports, airports, schools, offices, hospitals, and commercial and industrial buildings, as well as the purchase of plant, machinery and equipment. The Kingdom's economic vision is characterised by investment-heavy projects which are expected to account for investment of more than SAR 3.8 trillion by the Kingdom over the next several years (Euromonitor International (2025G). Passport's Economies and Consumers database). The cost of completing NEOM, the Kingdom's futuristic city project, is estimated to take up the bulk of the increasing costs at SAR 1.9 trillion in 2024G (Vision 2030 Saudi Arabia (2024G)). High capital expenditure and the bundle of infrastructure development mega-projects are expected to support greater demand for the mining, construction and building materials industries to 2030G.

3.1.1.3 The Public Investment Fund (PIF) Continues to Play a Pivotal Role in Facilitating Investments and Supporting the Saudi Vision 2030 Goals

The Saudi Government, through its Sovereign fund, the PIF, is committed to ensuring the protection of its mega-projects by having the necessary investment funds readily available. As one of the largest Sovereign Funds in the world, the PIF improved its asset value to SAR 3.5 trillion, as of October 2024G (PIF Saudi Arabia (2025G)). The PIF plays a significant role in supporting Vision 2030 objectives by focusing on four key pillars. These strategic objectives include maximising its assets, launching and focusing on key strategic sectors, localising latest knowledge and technology and stimulating strategic partnerships.

3.1.1.4 The Saudi Government Supports the Rise in Private Sector Activity Through Different Policies

In parallel with increased public spending, the Kingdom's strategies include increasing the private sector's involvement in the economy to 65 per cent. of GDP by 2030G, which will reduce pressure on the public budget in the long term. Private sector activities accounted for 44.6 per cent. of GDP in 2023G, a five percentage points increase from 39.6 per cent. in 2022G (Euromonitor International (2025G). Passport's Economies and Consumers database). National plans and programmes like the National Transformation Programme (NTP), the PIF and the Privatisation Programme support the Government's efforts to boost private sector activity in the economy. The Government is also taking measures to ensure a consistent economic landscape for both the private and public sectors to operate in.

3.1.1.5 The Kingdom's Inflation Rate Remains Well Below the Global Inflation Average

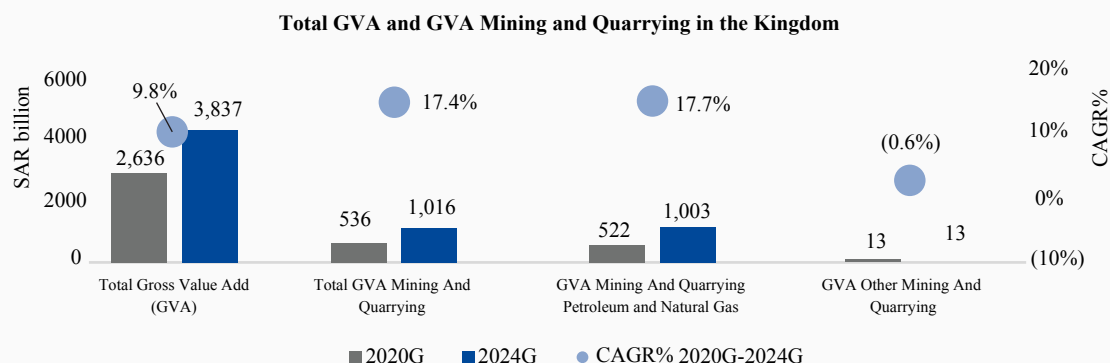
Despite high global inflation and interest rates during the 2023G to 2024G period in many countries, the Kingdom's inflation and interest rates remained steady and relatively low. Global inflation reached 6.7 per cent. in 2023G, which is estimated to reduce to 5.8 per cent. in 2024G; however, inflation in the Kingdom was well below the global average, at 1.7 per cent. in 2024G (Euromonitor International (2025G). Passport's Economies and Consumers database). Repo rates in the Kingdom currently remain at five per cent. The Saudi Central Bank (SAMA) plays a key role in maintaining economic stability by providing a controlled monetary environment. SAMA controls monetary balances in the economy, through stabilising currency flow, minimising economic uncertainties and maintaining the Saudi Arabian Riyal's peg to the US dollar. The peg balances the Kingdom's monetary condition with global conditions and provides investor confidence.

3.1.1.6 The Mining Sector is a Key Part of the Saudi Vision 2030 Diversification Strategy to Increase Non-Oil Production Activities

Mining is one of the target sectors under Vision 2030's goal of achieving economic diversification. Vision 2030 envisions increased mining activity within the economy, setting a goal to increase the mining sector's contribution to GDP from SAR 65 billion in 2019G to SAR 285 billion by 2030G. In 2021G, the Ministry of Industry and Mineral Resources (MIMR) committed SAR 15 billion in investment to transform and develop the mining sector and maximise the value of the Kingdom's mineral resources, which was estimated at that time at SAR 5 trillion and valued at nearly double that earlier estimate, at SAR 9.3 trillion in April 2024G. In addition, Ma'aden, the Saudi state-owned mining company, and the PIF are targeting mining investments amounting to SAR 760 billion by 2030G.

The following exhibit shows the Total Gross Value Added (“GVA”) by selected sectors in the Kingdom between 2020G and 2024G:

Exhibit 3.3: Total GVA⁽¹⁾ by Selected Sector Activities (SAR Billion) in the Kingdom between 2020G and 2024G⁽²⁾



Source: Euromonitor International estimates from United Nations, World Bank, GASTAT (historic data), and Euromonitor’s Economies and Consumers database (Edition 2025G).

(1) Gross value added is the value of output less the value of intermediate consumption. It is calculated without making deductions for depreciation of fabricated assets or depletion and degradation of natural resources. Mining and Quarrying includes the extraction of minerals occurring naturally as solids (coal and ores), liquids (petroleum) or gases (natural gas). Extraction can be achieved by underground or surface mining or well operation.

(2) Data are at constant 2024G prices.

The Kingdom has identified 1,273 sites containing precious metals and 1,171 sites with non-precious metals across its vast territory (LinkedIn (2024G). Mining and Metals: Saudi Vision 2030 Digging Deep). The Kingdom is home to some of the largest mineral reserves globally, including copper, zinc and gold, along with particularly substantial phosphate deposits. Additionally, the Kingdom boasts a wide variety of non-metallic minerals (particularly in the Central and Northern areas of the Kingdom), as its rocks contain a vast diversity of these resources, including deposits of phosphate, feldspar, silica, fluorite, limestone, claystone, gypsum, anhydrite, dolomite and magnesite. By the end of 2023G, the Kingdom had invested SAR 682.5 million in exploration incentives to accelerate the development of its mining sector (WamSaudi (2024G)). Number of factories in the Kingdom rises to 11,600 in 2023G). As of September 2024G, the total number of active mining licences in the Kingdom stood at 2,295 according to the Ministry of Industry and Mineral Resources. The Kingdom’s mining sector has three competitive advantages, namely geological endowment, strong local demand and factor cost advantage.

The Kingdom’s industrial diversification strategy also places significant emphasis on integrating mining with downstream processing to enhance the minerals-to-metals value chain. This approach aims to foster sustainable economic growth and establish the Kingdom as a key player in global markets.

3.1.1.7 Artificial Intelligence (AI) Boosts the Kingdom’s Mining, Mineral Exploration and Quarrying Operational Efficiency

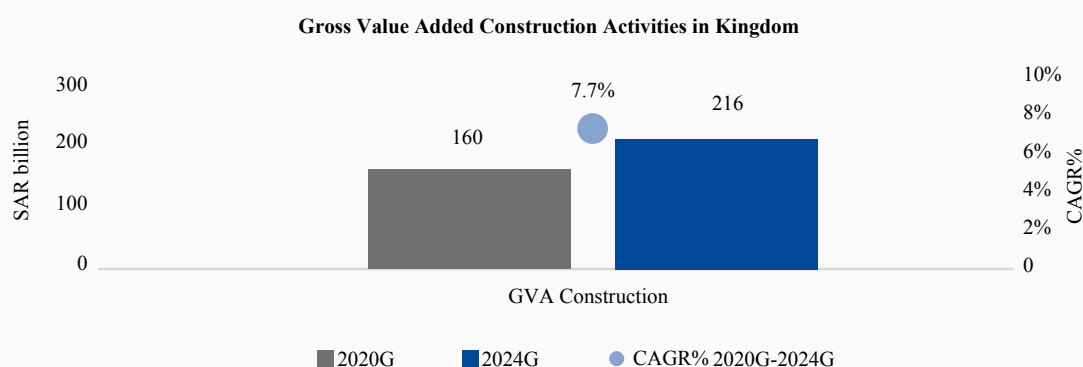
Traditionally, mining, mineral exploration and quarrying in the Kingdom have relied on conventional techniques, such as field surveys, geophysical studies and geological assessments. However, the sector is undergoing a significant transformation with the adoption of AI, which leverages big data to analyse vast geological and geophysical datasets, including satellite imagery and historical exploration records. This enables more accurate and eco-friendly exploration. This technology not only improves operational safety but also aligns with the Kingdom’s sustainability goals by reducing the environmental impact of mining.

The mining sector in the Kingdom is also increasingly adopting technology to tackle key sustainability challenges, with a focus on energy efficiency, reducing carbon emissions, conserving water and managing operational waste.

3.1.1.8 A Surge in Construction Activities and the Planned Saudi Vision 2030 Mega-Project Pipeline are Increasing Demand for Building Materials

The Saudi Vision 2030 includes various planned future mega-projects, which will drive up demand in the construction sector. In 2024G, the Kingdom's future project construction pipeline is currently the largest in the MENA region, estimated at around SAR 5.7 trillion, which constitutes 39 per cent. of the entire MENA region's future construction project pipeline (Arab News 2024G: Saudi Arabia leads global construction activity with \$ 1.5 trillion pipeline). The following exhibit shows the GVA from construction activities in the Kingdom between 2020G and 2024G:

Exhibit 3.4: GVA from Construction⁽¹⁾ Activities (SAR Billion) in the Kingdom during 2020G and 2024G⁽²⁾



Source: Euromonitor International estimates from United Nations, World Bank, GASTAT (historic data) and Euromonitor's Economies and Consumers database (Edition 2025G).

(1) GVA from Construction activities include general construction and special trade construction for buildings and civil engineering, building installation and building completion. It includes new work, repair, additions and alterations, the erection of prefabricated buildings or structures on the site and also construction of a temporary nature. Gross value added is the value of output less the value of intermediate consumption. It is calculated without making deductions for depreciation of fabricated assets or depletion and degradation of natural resources.

(2) Data are at constant 2024G prices.

Construction assets account for 62 per cent. of the country's future infrastructure project pipeline, amounting to SAR 3.6 trillion, while the remaining 38 per cent. is attributable to transportation and infrastructure among other utilities, amounting to SAR 2.2 trillion (Arab News 2024G: Saudi Arabia leads global construction activity with \$ 1.5 trillion pipeline). The Kingdom's construction sector witnessed the highest value of awarded projects in 2023G, totalling SAR 365 billion, a rise of SAR 140 billion from SAR 225 billion in 2022G (Arab News 2024G: Saudi Arabia leads global construction activity with \$ 1.5 trillion pipeline). The construction sector experienced a 7.7 per cent. CAGR over the 2020G to 2024G period, with a rise in GVA from SAR 160 billion to SAR 216 billion (Euromonitor International (2025G). Passport's Economies and Consumers database). The construction sector is forecast to continue growing over the next five years, as the infrastructure and construction sectors continue to receive large investments as key sectors in Vision 2030 (Euromonitor International (2025G). Passport's Economies and Consumers database).

The table below shows a summary analysis of the strengths, weaknesses, opportunities and threats (SWOT) across the construction building materials sector in the Kingdom in 2024G:

Table 3.1: SWOT Analysis of the Construction Building Materials Industry in the Kingdom in 2024G

Strengths	Weaknesses
• Government support: The Kingdom's Government is investing in infrastructure development as part of Vision 2030, boosting demand for construction building materials. • MIMR support: A large number of mining site licences are issued and allocated for private sector companies to begin operations by to meet the growing construction building materials demand. • Abundance of natural resources: Vast reserves of metals, minerals and raw materials, such as sand, rock and oil – which are essential for producing aggregate materials and asphalt for construction infrastructure building materials. • Strategic location: Proximity to major export markets in the Middle East and Africa, enabling easier distribution. • Established industries: Presence of major local and international players in the market, ensuring a well-developed supply chain. • Financial stability: Prudent fiscal monetary policies positively supports the overall Government financial position. • Financial support: Presence of direct funds from the Government "PIF, SIDF" and financial institutions for the companies working mining construction building materials • Robust industrial sector: The Kingdom's industrial sector is recognised as a promising area for growth, offering attractive employment opportunities for citizens.	• Dependence on oil: The broader economy's dependency on oil can make the sector vulnerable to fluctuations in oil prices and economic shifts. • High production costs: Oil and gas commodities price fluctuations can increase manufacturing processes and transport costs.
Opportunities	Threats
• Vision 2030 projects: Mega-projects like NEOM, The Red Sea Project, and other infrastructure developments create significant demand for aggregate materials and asphalt. • Expansion in urban areas: Rapid urbanisation and population growth drive the need for residential and road network development. • Export potential: Opportunities to expand exports to nearby markets in Africa and Asia for export of asphalt and silica. • Sustainability trends: Rise in local focus on eco-friendly building practices provides opportunities for eco-friendly material production and innovations in sustainability. • Government support: The Kingdom's Government has shown commitment to industrial development through financial support, such as the SIDF approving loans for the building materials and cement industry	• Economic volatility: Fluctuations in oil revenue impact Government spending on infrastructure and construction projects. • Environmental regulations: Stricter environmental standards may require additional investment in greener manufacturing processes. • Global economic conditions: Global supply chain disruptions and economic slowdowns can impact the cost and availability of imported materials, heavy duty machine and crusher and spare parts equipment. • Increase in energy prices: Increase in the energy, fuel, gas and electricity costs can increase production input costs. • Regional geopolitical tension: Tensions in the region can impact the business environment negatively, disrupt supply chains, and drive up costs of logistics. • Regulations changes and cost of adaptation: Increased financial burdens to comply with changes in legislation and regulations (transportation - Saudisation - environment). • Late payments commitment: - The construction sector relies heavily on private and public projects, which can negatively impact the sector if there are delays in invoice payments. This can significantly affect cash flow of all the Group's clients, hampering companies to meet payment deadlines. • Interest rate: High interest rates can slowdown growth within the residential housing sector.

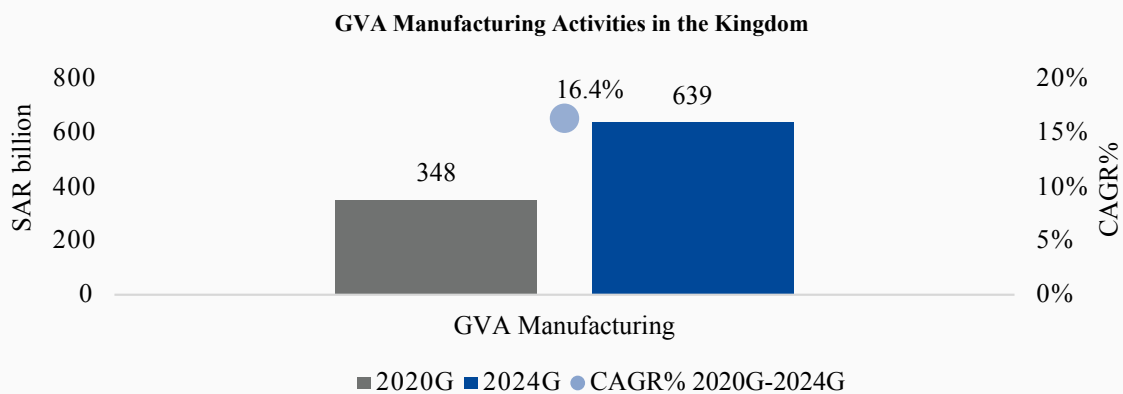
Source: Euromonitor International.

3.1.1.9 Manufacturing in the Kingdom is Part of the Kingdom's Industrial Sector Overhaul

Aligned with Vision 2030, the manufacturing sector plays a pivotal role in the Kingdom's economic diversification strategy, which focuses on enhancing the competitiveness of local products, improving productivity and ensuring high quality to maintain and expand market share. Key objectives under Vision 2030 include promoting growth in high-potential industries, such as food, building materials, pharmaceuticals, medical supplies and military equipment.

The following exhibit shows the GVA value from manufacturing activities in the Kingdom between 2020G and 2024G:

Exhibit 3.5: GVA Value from Manufacturing⁽¹⁾ Activities (SAR Billion) in the Kingdom during 2020G and 2024G⁽²⁾



Source: Euromonitor International estimates from United Nations, World Bank, GASTAT (historic data) and Euromonitor's Economies and Consumers database (Edition 2025G).

(1) GVA from manufacturing activities include manufacturing of food, beverages and tobacco; textile, wearing apparel and leather industries; manufacture of wood and wood products; manufacture of paper and paper products, printing and publishing; manufacture of chemicals and chemical petroleum, coal, rubber and plastic products; manufacture of non-metallic mineral products, except products of petroleum and coal; basic metal industries; manufacture of fabricated metal products; other manufacturing industries.

(2) Data are at constant 2024G prices.

The sector's growth is being driven by rising demand for manufactured goods, Government investment in infrastructure and the development of new industrial parks. Vision 2030's transformative goals have also acted as key drivers for industrial growth in the Kingdom. Since its inception in 2016G, the national plan has contributed to a 60 per cent. increase in industrial facilities. The strategic goals of the Kingdom's National Industrial Development and Logistics Programme (NIDLP) include infrastructure investment, policy reforms, investment in the use of more innovative technologies, and the creation of specialised logistic hubs and industrial zones. Advanced manufacturing, chemicals, and mining and quarrying-related industries are prioritised, particularly in new economic zones, such as Jubail, Yanbu and the King Salman Energy Park (SPARK). Vision 2030 aims to increase industrial GDP to SAR 895 billion and industrial exports to SAR 557 billion by 2030G, as well as double job opportunities in the sector to 2.1 million.

3.1.1.10 Transport Infrastructure Developments are Driving the Need for Aggregate Materials and Asphalt for Roads and Other Transport Infrastructure

The Kingdom has set a blueprint to enhance the transportation infrastructure across the Kingdom. The Kingdom's Government is advancing its efforts to improve the quality and operational efficiency of its road network. The Kingdom aims to abide and adhere to top technical specifications and safety standards. In 2024G, to meet these new technical standards, the "Saudi Road Code" was established to meet these goals, which aims to standardise and unify standards and specifications to improve the efficiency and sustainability of the Kingdom's road network. This strategy has positively strengthened the Kingdom's ranking on the Road Infrastructure Quality Index issued by the World Economic Forum (WEF) in 2023G, securing fourth place among G20 countries. The Kingdom Government's expenditure on infrastructure and transport was SAR 40 billion in 2024G, down from SAR 59.6 billion in 2020G, a decreasing CAGR of 9.3 per cent. over this period. During 2024G, the Government encouraged the use of regional and international partnerships to strengthen the sector, with the total value of contracts signed reaching over SAR 200 billion (Euromonitor International (2025G). Passport's Economies and Consumers database).

Road, rail, airport and port infrastructure development involves around 1,000 projects, with a combined budget value of SAR 608 billion (World Highways (2021G). The Kingdom planning major highway projects).

The table below shows the Kingdom's key macroeconomic indicators between 2020G and 2030G:

Table 3.2: Key Macroeconomic Indicators in the Kingdom between 2020G and 2030G

Category	Unit	2020G	2021G	2022G	2023G	2024G	2025G	2030G	CAGR 2020G - 2024G	CAGR 2025G - 2030G
GDP	SAR (bn)	2,754	3,278	4,157	4,003	4,091	4,352	5,121	10.3%	3.8%
Real GDP Growth	%	(3.6)	5.1	7.5	(0.8)	1.7	4.6	3.2	-	-
Inflation	%	3.4	3.1	2.5	2.3	1.7	1.9	2.0	-	-
Disposable Income	SAR (bn)	1,222	1,392	1,492	1,603	1,675	1,733	2,004	8.2%	3.0%
Disposable Income per capita	SAR	38,741	45,210	46,386	48,181	49,332	50,107	53,488	6.2%	1.4%
Oil Activities as a % of GDP	%	22.2	28.3	38.9	31.6	29%	-	-	-	-
Non-Oil Activities as a % of GDP	%	52.8	48.3	42.2	47.5	49.8	-	-	-	-
Public Debt as % of GDP	%	31.0	28.6	23.9	26.2	29.3	-	-	-	-

Source: Euromonitor International estimates from United Nations, World Bank, GASTAT (historic data), and Euromonitor's Economies and Consumers database (Edition 2025G) Note: Data are at constant (2024G) prices.

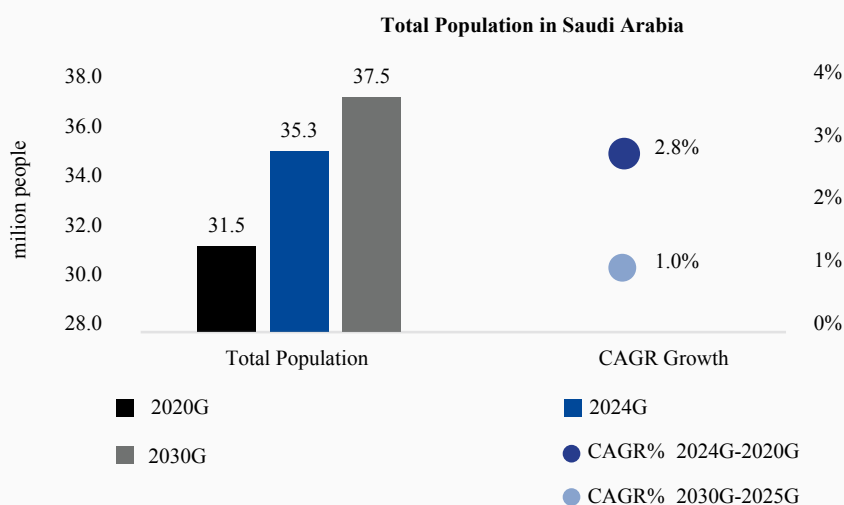
3.1.2 Demographic Overview

3.1.2.1 Urbanisation Efforts and Residential Projects are Driving Population Growth in the Kingdom

The population in the Kingdom reached 35.3 million in 2024G, increasing from 31.5 million in 2020G and exhibiting a 2.8 per cent. CAGR during that period (GASTAT (2025G)). Population growth is predicted to remain on an upward trajectory, reaching 37.5 million in 2030G, with a 1.0 per cent. CAGR over the 2025G to 2030G period. The population dynamic in the Kingdom is skewed towards the male population, who constituted 61 per cent. of the total population in 2024G. The female population thus made up 39 per cent. of the entire population in the same year. Both population segments are predicted to grow in line with the overall population's development during the forecast period, at CAGRs of 0.8 per cent. and 1.3 per cent., respectively (Euromonitor International (2025G). Passport's Economies and Consumers database).

The following exhibit shows the total population in the Kingdom during 2020G to 2030G:

Exhibit 3.6: Total Population Statistics in the Kingdom between 2020G and 2030G⁽¹⁾



Source: Euromonitor International estimates from United Nations, World Bank, GASTAT (historic data), and Euromonitor's Economies and Consumers database (Edition 2025G).

⁽¹⁾ Data are at constant (2024G) prices.

Population growth is targeted in the Saudi Vision 2030 plan through urbanisation and infrastructure development.

Riyadh, in the Riyadh Province, is the Kingdom's largest city by total population, with 7.5 million people in 2024G, followed by Jeddah, Dammam, Makkah and Madinah (Euromonitor International (2025G). Passport's Economies and Consumers database). With the rise in urbanisation and infrastructure development, Riyadh is a major target for Vision 2030's developmental plans, as the city's population is forecast to grow by a CAGR of 2.1 per cent. between 2025G and 2030G.

The table below shows a summary of key infrastructure development projects in the city of Riyadh, Riyadh Province:

Table 3.3: Selective Riyadh City and Surrounds Infrastructure Development Projects

Project Name	Brief Overview	Duration Date	Value Cost	Construction Type	Building material Product type demand
NEOM project	The NEOM project is part of Saudi Arabia's larger vision for futuristic urban development, known as NEOM. It is a planned \$500 billion mega-city as part of Saudi Arabia's Vision 2030. While NEOM itself is located in the northwestern part of the country, near the Red Sea, there are related initiatives in Riyadh and other regions that align with the goals of the NEOM project. NEOM is home to The Line (a linear smart city), Oxagon (a floating industrial city), Trojena (a sustainable mountain tourism city).	2019G-2030G	SAR 1,875 billion (initial cost)	Buildings, offices, roads, railway, offices, residential, tourism venues, parks	Asphalt, aggregate materials
Riyadh Urban City Development (King Salman Park)	King Salman Park upliftment, open green spaces covering more than 11.6 km2, one million trees, in addition to the Royal Arts Complex, the National Theatre, a 7.2 km pedestrian walkway (loop), and a "valley" area in the middle of the park surrounded with art and water features.	2019G-2030G	SAR 86.5 billion	Buildings, paving, and walkways	Aggregate materials and asphalt
Riyadh Art Project	The "Riyadh Art" project includes the implementation of more than 1,000 works and artistic landmarks created by local and international artists and displaying them to the public in various parts of Riyadh, within 10 programmes covering residential neighbourhoods, gardens and natural parks, squares and public squares.	2019G-2029G	SAR 86 billion	Art Squares, Art Gardens, Art Park, Transient Art, Art Valley Bridges, Art Squares, Art Stations, Tuwaiq Sculpture Forum	Aggregate materials and asphalt
Riyadh Urban City Development (New Murabba project)	New Murabba – This project aims to create a modern downtown area for Riyadh. The project includes building pedestrian paths, bridges, tunnels and creating open public spaces.	2023G-2030G	~SAR 75 billion	Pathways, commercial, residential, entertainment buildings, tunnels and bridges	Aggregate materials and asphalt
Qiddiya Project	Qiddiya is a planned entertainment and tourism mega-project in Riyadh. Major projects include Six Flags Qiddiya City, the Aquarabia waterpark, and the Formula One racetrack.	2019G-2027G	SAR 30 billion	Entertainment venues, waterparks and amusement centres	Asphalt, aggregate materials

Project Name	Brief Overview	Duration Date	Value Cost	Construction Type	Building material Product type demand
Southern Ring Road Development (Project 2)	Development of ring and main road axes. The length of the road is +-76 km total, extending from the new Al-Kharj Road in the east to the Jeddah Road in the west. Includes Al-Thumama Road Axis and Wadi Laban Bridge.	2024G-2028G	SAR 13 billion	Roads and bridges	Aggregate materials and asphalt
King Abdullah Financial District (KAJD)	King Abdullah Financial District (KAJD) is a large-scale development project in Riyadh. It's designed to position Riyadh as a major financial hub. Spanning approximately 1.6 million square metres, KAJD is located in the north of Riyadh. it includes over 900,000m2 of office spaces, and over 5,000 residential units.	2006G-2027G	~SAR 10-20 billion	Office buildings, residential areas, hotels, and entertainment facilities.	Asphalt, aggregate materials, concrete
National Exhibition and Convention Centre Project	The National Exhibition and Convention Centre (NECC) in Riyadh is a major project designed to expand the city's capabilities for hosting large-scale events, exhibitions, and conventions.	2022G-2027G	SAR 3.3 billion	Exhibition halls, auditoriums	Asphalt, aggregate materials
Riyadh Urban City Development	Aljazira Capital and Ajdan Real Estate Development establish a multi-use real estate project in the heart of Riyadh.	2024G-2028G	SAR 2 billion	Construction and development of residential towers, business offices and commercial spaces	Aggregate materials and asphalt
Sports Track Project	The Sports Track Project is one of the four major Riyadh projects launched by the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz.	2019G-2030G	SAR 2.5 billion	Sport facilities Environmental, Tourism, Entertainment, retail, commercial, Hotel.	Aggregate materials and asphalt
Roads General Authority Road infrastructure development/upgrade and maintenance	The region's total length of roads is approximately 15,000 km, new road projects and other maintenance projects in all governorates of the region. executed 23 road projects in the Riyadh region including 20 preventive maintenance projects spanning 215 km.	2024G-2030G	SAR 170 million	Roads	Aggregate materials and asphalt
Riyadh Green Project	Green Riyadh involves planting trees in open spaces around Riyadh to improve the quality of life. The project is planting trees in neighbourhood gardens, parks, mosques, schools, universities, healthcare facilities, and along streets and roads. By 2030G, 7.5 million trees will be growing throughout the city.	2019G-2030G	Approximately SAR 120 million	Planting of trees	Cement, concrete
Smart City Riyadh Project	The project is a programme that uses technology to improve the quality of life for its citizens. Uses smart communications and networks to improve the management of public facilities like transportation, sanitation, and electricity.	2020G-2030G	~SAR 90 million	Building of infrastructure	Asphalt, aggregate materials

Source: Euromonitor International, Royal Commission for Riyadh City, Ministry of Municipal and Rural Affairs and Housing, Saudi Vision 2030.

The second most populous city in the Kingdom, Jeddah, in Makkah Province, with a total population of 3.8 million people in 2024G, is forecast to see its population grow at a 0.9 per cent. (Euromonitor International (2025G). Passport's Economies and Consumers database). CAGR between 2025G and 2030G. Key municipality infrastructure development projects in Jeddah included below.

The table below shows a summary of key infrastructure development projects in the city of Jeddah, Makkah Province:

Table 3.4: Selective Jeddah City and Surrounds Infrastructure Development Projects

Project Name	Brief Overview	Duration Date	Value Cost	Construction Type	Building material Product type demand
King Abdulaziz International Airport Expansion	King Abdulaziz International Airport (KAIA) in Jeddah has been undergoing significant expansion projects to accommodate the growing number of passengers. The expansion includes: new terminal building, runway expansion and modernisation of facilities.	2023G-2030G	SAR 115 billion	Terminal building construction, runway surfacing	Aggregate materials, asphalt
Red Sea Project	The Red Sea Projects aims to create a tourist destination for visitors and locals on the coast of the Red Sea Coast. This includes construction of mixed use venues of hotels, residences and other entertainment feature. It will consist of 8,000 rooms in 50 hotels, and 1,000 residential properties and 90 km of new roads.	2017G-2030G	Approximately SAR 75 billion	Residential, mixed use buildings, hotels and entertainment venues	Aggregate materials, asphalt
Jeddah Central Project (Jeddah Financial District Project) (JCFC), includes Jeddah Downtown Project	The Jeddah Central Financial District project (JCFC) is a major development project aimed at transforming Jeddah into a global financial hub. Development and improvement of various building structures e.g. museum, a waterfront and marina, sports stadium and an opera house.	2023G-2030G	Approximately SAR 75 billion	Mixed use commercial buildings, residential (17,000) units and offices, hotels (2,700 rooms), entertainment venues and mixed retail use	Aggregate materials and asphalt
Kingdom Tower Jeddah (Jeddah Tower)	Re start of construction of mixed use tower building, (dubbed Jeddah Economic City), is 1,000m high with 168 floors.	2024G-2028G	SAR 7.2 billion	Office space, hotel rooms, residential apartments and retail space.	Aggregate materials and asphalt
Jeddah Waterfront Project	A project in the Al Shati district of Jeddah that will include residential units, recreational facilities, and sports facilities.	2024G-2030G	SAR 485 million	Residences, sports grounds and facilities and parking lots.	Aggregate materials, asphalt
Project Southern Obhur Beach Waterfront	The development project of the southern Obhur beach waterfront. The vibrant commercial district includes an exhibition centre and office buildings. A 2.5 km extension and 180 thousand square metres area.	2023G-2030G	SAR 288 million	Residential, Commercial and Retail mixed use	Aggregate materials and asphalt

Source: Euromonitor International, Jeddah Municipality, Ministry of Municipal and Rural Affairs and Housing, Saudi Vision 2030.

Dammam, a city located in the Eastern region, had a population of 3.0 million people in 2024G, and its population is forecast to grow at a 2.2 per cent. (Euromonitor International (2025G). Passport's Economics and Consumers database). CAGR between 2025G and 2030G. Key municipality infrastructure development projects in Dammam include:

The table below shows a summary of key infrastructure development projects in the city of Dammam, Eastern Province:

Table 3.5: Selective Dammam City and Surrounds Infrastructure Development Projects

Project Name	Brief Overview	Duration Date	Value Cost	Construction Type	Building material Product type demand
King Fahd International Airport Expansion	King Fahd International Airport (KFIA) in Dammam is undergoing expansion and modernisation projects to improve the passenger experience and increase capacity. The expansion includes new construction, rehabilitation, and upgrades to the airport's facilities.	2023G-2030G	Approximately SAR 100 billion	Construction of buildings and upgrades to airport's facilities	Aggregate materials and asphalt
Seven Entertainment	The entertainment destination in Dammam will cover an area of 330,000 sqm, the blueprint for nearby Khobar's entertainment destination covers around 360,000 sqm of area.	2019G-2030G	SAR 50 billion	Mixed use entertainment venues: cinema halls, a hotel, an indoor theatre, a water park, a skating rink, and various recreational parks	Aggregate materials and asphalt
King Salman Energy Park, "Spark" (Eastern Province)	Project Spark is part of the wider Eastern Province Industrial Hub Development strategy aimed at developing a hub for light industries and manufacturing facilities, including worker housing and support services. Project "Spark" aims to build a logistics and industrial hub zone and dry port. The zone will make use of clean green energy technologies. The project area is 50 km ² .	2018G-2035G	SAR 11.2 billion	Building of commercial buildings, dry ports, residential units	Aggregate materials and asphalt
Dammam Port Expansion	The port expansion is a project to increase the overall container capacity of King Abdulaziz Port in Dammam. The expansion will include the construction of two new box terminals at the port.	2023G-2030G	SAR 7 billion	Port terminal buildings and other structures	Aggregate materials and asphalt
Dammam Waterfront Development (Al Hamra Corniche)	The project aims to establish, develop, operate and invest in Al Hamra Corniche on the western shore of Dammam Corniche, which aims to enhance the urban landscape. located on an area of more than 125 thousand square metres.	2024G-2030G	Not available	Development of recreational, touristic, and sports activities, restaurants, cafes, a pedestrian track, and open spaces.	Aggregate materials and asphalt
Industrial City	This is a 2.4 million sqm model industrial city, which includes building infrastructure for the region's industrial zones.	2024G-2030G	Not available	Construction of buildings for residential, commercial mixed use and surrounding roads.	Aggregate materials and asphalt
Dammam "Adel District" urban development	This is a mixed use project which includes a residential building (Approximately 50,000 residents), area of 5.6 million sq m, retail space, office space, other public facilities and the construction of road networks.	2024G-2028G	Not available	Construction of buildings for residential retail and mixed use and building of roads and sidewalks	Aggregate materials and asphalt

Source: Euromonitor International, Dammam Municipality, Saudi Entertainment Ventures, Ministry of Municipal and Rural Affairs and Housing, Saudi Vision 2030.

The table below shows the Kingdom's key demographic indicators between 2020G and 2030G:

Table 3.6: Key Demographic Indicators in the Kingdom, 2020G to 2030G

Category	Unit	2020G	2021G	2022G	2023G	2024G	2025G	2030G	CAGR 2020G - 2024G	CAGR 2025G- 2030G
Total Population	'000	31,553	30,784	32,175	33,271	35,300	35,794	37,475	2.8%	1.0%
Female Population	'000	12,274	12,215	12,497	12,945	13,781	13,974	14,889	2.9%	1.3%
Male Population	'000	19,279	18,570	19,679	20,322	21,529	21,820	22,585	2.8%	0.8%
Foreign Citizens	'000	13,574	12,404	13,383	13,712	14,433	14,635	14,731	1.5%	0.3%
National Citizens	'000	17,979	18,380	18,792	19,559	20,867	21,159	22,744	3.8%	1.4%

Source: Euromonitor International estimates from United Nations, World Bank, GASTAT (historic data), and Euromonitor's Economies and Consumers database (Edition 2025G).

3.1.3 Labour and Workforce Overview

3.1.3.1 Different Projects and Programmes in Different Economic Sectors are Boosting the Kingdom's Workforce

Employment in the Kingdom has experienced growth under the economic diversification plan. In 2024G, 64.9 per cent. of the working age population were in employment, up from 59 per cent. in 2020G (Euromonitor International (2025G). Passport's Economies and Consumers database). Vision 2030's boost of the private sector's involvement in the economy has led to the employment of around 11.3 million workers. Furthermore, more than one million jobs are forecast to be created by 2030G in different sectors. The Kingdom is investing in empowering its local national workforce through its Saudisation criteria. The Ministry of Human Resources and Social Development (MHRSD), through the Nitaqat programme, classifies businesses based on their efforts to employ locally. The MHRSD is also committed to the creation of 33,000 new jobs exclusively for Saudi nationals across different sectors.

Women's involvement in the workforce is key to meeting Vision 2030's goals

Employment in the Kingdom is skewed towards males; however, female employment has been rising. Between 2020G and 2024G, the male employment rate rose from 78.3 to 83.5 per cent. in 2024G, while the female employment rose by eight percentage points, from 23.5 per cent. to 31.6 per cent. during the same period (Euromonitor International (2025G). Passport's Economies and Consumers database). Vision 2030's programme involves the support, empowerment and participation of women in the workforce.

The table below shows the Kingdom's key labour indicators between 2020G and 2030G:

Table 3.7: Key Labour Indicators in the Kingdom, 2020G to 2030G

Category	Unit	2020G	2021G	2022G	2023G	2024G	2025G	2030G	CAGR 2020G - 2024G	CAGR 2025G - 2030G
Employment rate	% of working age 15-64 population	59.0	61.8	63.3	64.2	64.9	-	-	-	-
Male Employment rate	% of working age 15-64 population	78.3	81.8	82.1	82.8	83.5	-	-	-	-
Female Employment rate	% of working age 15-64 population	23.5	26.3	28.9	30.6	31.6	-	-	-	-
Unemployment rate	% of economically active population	7.7	6.1	4.9	4.0	4.0	4.3	5.3	-	-
Economically active population	'000	14,758	14,850	15,778	16,477	16,997	17,506	19,605	3.6%	2.0%

Source: Euromonitor International estimates from United Nations, World Bank, GASTAT (historic data), and Euromonitor's Economies and Consumers database (Edition 2025G).

3.2 Mining and Building Materials Industry

3.2.1 Market Overview

3.2.1.1 The Construction Building Materials Sector Will Benefit from Increased Road, Rail, Residential and Other Infrastructure Development Projects Over the Period to 2030G

The Saudi Government's commitment to economic diversification under Vision 2030 has fuelled significant investment in large-scale construction projects, through the PIF's funding, valued at SAR 5.5 trillion (Bloomberg News (2024G). Saudi Arabia's nearly \$1 trillion Wealth Fund swings into profit). The Government has allocated substantial resources to mega-projects such as NEOM, Qiddiya, Red Sea Global and Diriyah Gate. The construction building materials sector in the Kingdom experienced growth in 2023G, with total investments reaching SAR 336 billion, a 0.9 per cent. rise from the previous year. According to the National Industrial and Mining Information Centre, the Ministry of Industry and Mineral Resources issued 183 new licences in 2023G, up from 132 in 2022G. The sector also saw a 5.6 per cent. increase in the number of operational factories, totalling 2,065 by the end of 2023G. The expansion of the Saudi construction industry, along with the Government prioritising infrastructure development, including large-scale urban development and transport networks (e.g. Saudi Railway Master Plan), has significantly boosted demand for building materials, such as aggregate materials and asphalt, during the period 2020G to 2024G.

Other key selective infrastructure developments driving growth include increased investment in residential real estate. Since 2016G, the Kingdom has initiated real estate and infrastructure projects valued at SAR 4.9 trillion, including more than one million residential units within mega-projects such as NEOM, Diriyah Gate and Qiddiya City (Vision Saudi Arabia 2030 (2025G)). During the same period, SAR 623 billion worth of real estate contracts have been awarded, including SAR 132 billion in Riyadh. In 2018G, the PIF established its own real estate development company, ROSHN, to oversee real estate development projects across major Saudi cities, with the aim to increase Saudi home ownership to 70 per cent. of households. ROSHN plans to develop more than 395,000 residential units in cities within Riyadh, Mecca and Asir. The Kingdom's capital remains an important target for real estate and construction investment, given that it is set to host World Expo in 2030G and the FIFA World Cup in 2034G. Riyadh is predicted to witness the addition of 29,000 hotel rooms, 340,000 residential homes and 4.6 million square metres of office space. During 2025G, the Saudi Government is also providing provision of housing support to more than 100,000 beneficiaries through a variety of housing products, along with providing 80,000 housing units and developments in partnership with real estate developers throughout the Kingdom (Vision Saudi Arabia 2030 (2025G)).

This surge in construction demand activity, particularly for materials for use in building foundations, road construction, and other infrastructure works, has spurred growth in the stone (rock) mining and quarrying sector. Moreover, the National Development Division of the PIF revealed in early 2024G that the Kingdom's construction sector is poised for further expansion, with SAR 8 trillion worth of projects planned over the next eight years. Of this, approximately SAR 3 trillion is designated for building projects led by the PIF, further emphasising the strong momentum and future potential of the construction and building materials sector in the Kingdom. As the Kingdom continues to invest heavily in infrastructure, demand for asphalt, aggregate materials, and crushers and spare-parts, remains strong, aligning with national efforts to support industrial, mining and construction sector growth.

3.2.2 Construction Building Materials – Aggregate Materials

3.2.2.1 The Aggregate Materials Market Value Has Experienced Robust Growth Over the Historic Period Driven by Increased Infrastructure Development

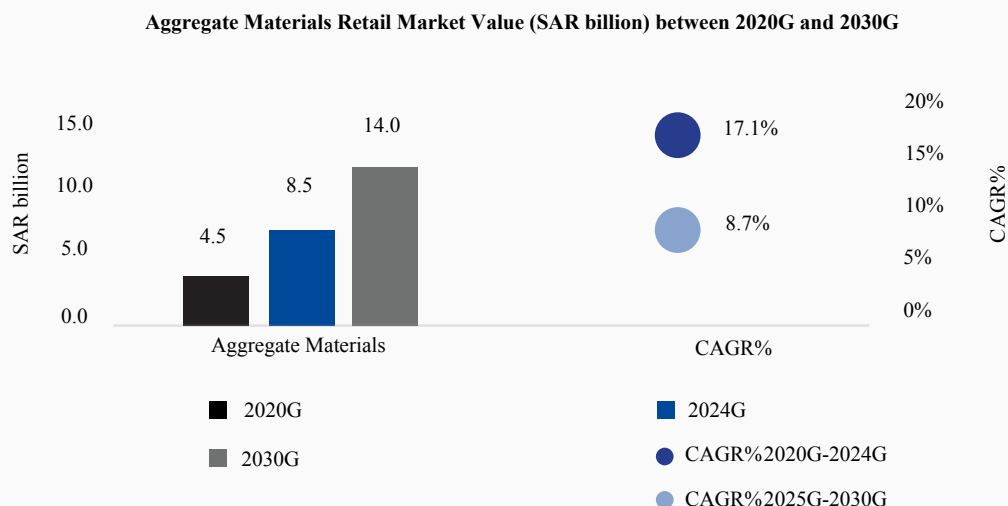
The aggregate materials market in the Kingdom reached SAR 8.5 billion in 2024G, marking an increase from SAR 4.5 billion in 2020G, and demonstrating a robust CAGR of 17.1 per cent. over the period (Euromonitor International (2025G)). Market growth was driven primarily by the Kingdom's dynamic construction sector, supported by sustained investment in infrastructure development, rapid urbanisation and a growing population.

Aggregate materials (or construction aggregate) is a broad category of coarse-to-medium grained raw materials that are produced from natural sources and extracted from open pits and quarries. This includes crushed rocks, aggregate, crushed stone, sand, slag, recycled concrete and geosynthetic aggregates.

The current volume demand of aggregate materials is 262.3 million tonnes in 2024G (Euromonitor International (2025G)). The forecasted demand to 2030G for aggregate materials is estimated to be 352.2 million tonnes, driven by increased road construction/maintenance from asphalt works, and infrastructure development construction activities linked to ongoing Vision 2030 mega-projects (Euromonitor International (2025G)).

The following exhibit shows the aggregate material retail market value in the Kingdom between 2020G to 2030G:

Exhibit 3.7: Aggregate Materials Retail Market Value (SAR Billion) between 2020G and 2030G



Source: Euromonitor International and Euromonitor estimates from desk research and trade interviews with leading industry players in the Kingdom. Note: Data for the historic 2020G-2024G period at current prices, and for the forecast 2025G-2030G period at constant (2024G) prices, at fixed exchange rates.

Aggregate materials are essential in various end user construction applications used in the Construction sector. End user construction applications include: construction of residential homes, shopping malls, roads/highways, commercial offices, pavements/walkways, dams, airport runways, and bridges. Aggregates materials provides benefits such as reduced void content, compact concrete mixes, low water usage, lower production costs, high mechanical strength and strong hydraulic conductivity. Aggregate materials are a key input component material for asphalt (used as a base material for roads, highways pavements/walkways) production and concrete mixes, which are used in the majority of construction end user applications.

Recognising the critical role of aggregate materials in infrastructure development, the Saudi Government has increased its investment in the mining sector to boost domestic production of these materials. With the prices of core building materials like sand, gravel, clinker and cement climbing due to high demand, recycled aggregate has become a valuable, cost-effective alternative. Recycling aggregates provides a more economical production process than sourcing virgin materials, and aligns with sustainability goals. Incorporating recycled aggregates into construction projects mitigates landfill pressure by diverting waste and reducing associated landfill taxes and tipping fees.

In support of this shift, the Kingdom has implemented legislation mandating that construction projects use 20 per cent. to 40 per cent. recycled aggregates in infrastructure developments, including commercial and residential builds. This policy encourages the diversion of construction waste from landfills, providing both environmental and economic benefits, while aligning with the Kingdom's sustainability objectives.

The aggregate materials market in the Kingdom faces several notable challenges, including:

- The ongoing demands of a rapidly growing construction sector. This expansion has put pressure on supply chains as the need for high-quality aggregate materials increases.
- Environmental, recycling requirements and tighter regulations around quarrying and mining operations production and processes further complicate access to necessary aggregate materials resources.
- The construction industry's dependency on oil prices means that fluctuations can indirectly affect aggregate materials demand, adding another layer of volatility.
- High transportation costs also impact the industry. The costs associated with moving aggregate material products, including loading, unloading and storage, are substantial, especially given the distances involved in the Kingdom's expansive geography. Fixed infrastructure expenses, variable operating costs, and logistical barriers contribute to these high transport costs, ultimately affecting the price of aggregate products in the market.

The locally manufactured aggregate materials supply is mainly distributed within the Kingdom, with very negligible imports and exports. Aggregate materials are produced via open quarry pits of varying production capacities all around the Kingdom. The aggregate material supply chain is made up of various sized wholesale aggregate suppliers that operate licensed open

quarry pits, crushing rock/stone to produce various thicknesses and grades of aggregate materials, and transport the materials to downstream contracted end user clients' project sites. Bigger building and construction contracting companies are responsible for the projects' construction and completion, and have contracts with medium-to-larger aggregate suppliers for the duration of the project to supply aggregate materials in bulk and in a short time. Temporary crusher machinery and aggregate material sites can also be erected close to projects sites by sub-contracted aggregate material providers to reduce transport costs.

Many smaller and medium aggregate materials suppliers also exist in the market, supplying private and public construction projects. Smaller operators purchase their aggregate materials directly from aggregate wholesale suppliers, while some make use of their own crusher machinery and equipment producing/crushing from locally sourced rocks and stones close to construction project sites. This reduces the time required to supply aggregate materials and transport costs.

The aggregate market's value in the Kingdom is predicted to grow at a CAGR of 8.7 per cent. over 2025G-2030G, reaching SAR 14.0 billion in 2030G (Euromonitor International (2025G)). The efficient continuous supply of aggregate raw materials benefits the Kingdom's construction sector, which has been supported by increased investment in mining infrastructure, exploration, geo-testing and extraction technologies. The adoption of recycling strategies, alternative resources and improved production techniques has improved operational efficiency, thus increasing the aggregate materials market's potential. The industry has considerable room to grow, due to the Kingdom's growing urbanisation and infrastructural development. The residential market in the Kingdom is continuously expanding, which will have a positive impact on growth in the Kingdom's aggregate materials market, owing to rising demand to meet the needs of the fast-growing urban population, which is a direct result of an inflow of Saudi nationals and expatriates who are relocating to Riyadh and other cities from other regions.

3.2.3 Competitive Landscape of Aggregate Materials Sector

3.2.3.1 The Aggregate Materials Market is Highly Fragmented with Various Types of Players Operating in the Kingdom

The Kingdom's construction aggregates materials industry is highly fragmented and fiercely competitive, with increasing demand for high-quality materials and technological innovation within the sector, attracting varied sized players to the market (Euromonitor International (2025G)). The market consists of varied models of operation by different players in the supply chain supplying aggregates for all types of construction activities and requirements.

Leading players for example can include aggregate material suppliers that supply building construction contracting companies that require aggregate materials to meet their construction clients project demand requirements. These companies also offer related building construction contracting, project management services, consulting mining services and trade in related building construction products. Many smaller to medium sized aggregate resellers operate small crusher plants, set up close to their project sites supplying aggregate of various sizes and thickness. Cement and ready concrete companies which are vertically integrated are also present, add to the market's competitiveness.

Leading local aggregate material wholesale supply companies in the sector include: the Group, Nassir Hazza & Bros, Saleh Al-Juhni and Sons Company, Haif Company and Mofarreh Al-Harbi & Partners.

The following table shows selected aggregate materials sector leading players in the Kingdom in 2024G:

Table 3.8: Selected Leading Aggregate Materials Sector Companies in the Kingdom in 2024G

	Company	Year Founded	Product/Service offering
1	The Company	1975G	Crushers and spare parts, aggregate and asphalt production
2	Nassir Hazza & Bros	1953G	Aggregates, asphalt and production. Transport services and plant hire of machinery and equipment. Real estate construction, travel and tourism services
3	Saleh Al-Juhni and Sons Company	1977G	Ready mix concrete and cement production, crushers plants, transportation services building and road construction contracting services
4	Haif Company	1976G	Ready mix concrete, block cement, asphalt production. Engineering services, building construction contracting services
5	Mofarreh Al-Harbi & Partners	1977G	Consulting mining services and construction contracting services. Procurement of aggregate, crushers, heavy duty machinery, drilling etc.

Source: Euromonitor estimates from desk research and trade interviews with leading players in the Kingdom. Note: Sales revenue is not disclosed publicly by private companies. And if available, is usually not market-specific and includes other products/services and could not be accurately validated. Subjective ranking based on product portfolio, the Group's history, product positioning and industry consensus from related trade opinion industry sources.

The Group with its 50-year history in the supply of construction building materials, is well positioned and one of the leading suppliers of crushed rocks, supplying aggregate materials to the construction building materials industry in the Kingdom. Based on its 2024G aggregate materials volume production, the Group has a 6.2 per cent. production market share of the total aggregate materials produced in the Kingdom. The Group specialises in delivering complex projects, particularly in mining and industrial sectors, providing reliable drilling, blasting, and crushing services. The Group operates an extensive licensed open quarry network, with the largest production capacities, strategically located in Rumah, Somman, Al Ula, Al Majmaah, and Dirab, Jeddah, Al Ha'er to serve the high market demand on aggregate in the Central, Western and Eastern regions. According to MIMR Tadeen Saudi mining complexes information platform which shows a regional breakdown of mining complexes, mining licences issued and mining complex production capacities, the top three producing aggregate regions by production volume in the Kingdom include Mecca, Riyadh and Medina. The Group has an estimated production market share in the Riyadh region of 28 per cent. in 2024G, based on its 2024G aggregate materials production volumes produced.

The following table shows the ranking by number of aggregate materials mining complexes by region in the Kingdom in 2024G:

Table 3.9: Number of Aggregate Materials Mining Complexes by Region in the Kingdom, 2024G

Rank	Region/Province	Number of Mining Complexes	% of Total Aggregates produced
1	Mecca	62	18.6%
2	Riyadh	50	15.0%
3	Medina	49	14.7%
4	Asir	29	8.7%
5	Eastern Province	24	7.2%
6	Najran	22	6.6%
7	Qassim	20	6.0%
8	Al-Jouf	19	5.7%
9	Al-Baha	17	5.1%
10	Hail	16	4.8%
11	Tabuk	14	4.2%
12	Jazan	8	2.4%
13	Northern Borders	4	1.2%
Total		334	100.0%

Source: Ministry of Industry and Mineral Resources the Kingdom.

Rocks are crushed, sorted and screened into various sizes and thicknesses for diverse end use applications. Part of the Group's services also includes an integrated truck fleet, with over 576 trucks including heavy low-bed trailers and pickup trucks, offering logistical support for onsite transportation of aggregates and other materials. Its own truck fleet, ensures efficient timely delivery of aggregate materials to project sites. The Group's key customer base is diverse which includes batching plants, block factories, asphalt plants, aggregate resellers and small to larger construction building contracting companies. The Group's key capabilities include its diverse service offering, its strategic locations of aggregate supply, technical know-how, its long history of its crusher equipment and spare parts division, strong client base, good reputation and long-standing supplier partnerships. The Group has the ability to supply high grade quality aggregate materials of all sizes and thicknesses to meet short or long-term volume requirements for small or large mega-projects in a short turnaround time at lower competitive rates per tonne.

The Group's key competitive advantages include:

- **Long established history in local market:** The Group has over 50 years of experience in supplying building materials, which gives it a strong reputation and positioning in the market in the Kingdom.
- **Proven track record and ability to handle large scale projects:** The Group can supply large-scale projects with high-quality aggregate materials in large volumes and at competitive prices. The Group contributes to mega projects worth SAR 8 billion and has been involved in the implementation of projects worth more than SAR 18 billion, reflecting its ability to manage high-value projects.
- **Diverse operations:** The Group offers a wide range of services including construction, equipment rental, transportation, aggregate and asphalt supply, and real estate, making it a multi-faceted and comprehensive service provider.
- **Wide range of services:** The Group's comprehensive services include construction, roadworks, rock blasting, electromechanical services, landscaping, and interior design, making it a versatile service provider.

3.2.4 Construction Building Materials – Asphalt

3.2.4.1 Asphalt Remains a Key Building Construction Material Product Used Across a Wide Variety of Applications

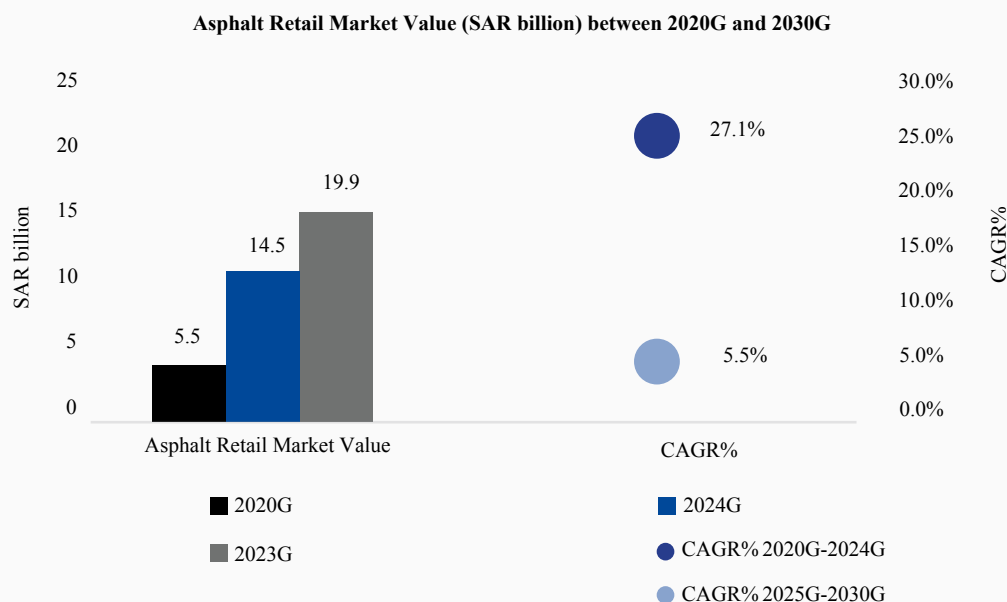
Asphalt is a key product used in the construction industry. Asphalt is a dark, sticky substance that is used for surfacing roads, pavements, flooring, roofs and other surfaces (e.g. airport runways) (Euromonitor International (2025G)). Other uses include industrial applications, like waterproofing and roofing. The main raw materials used in asphalt production include bitumen (a byproduct of petroleum production) and aggregate materials. The bitumen acts as a key binder in asphalt for binding the aggregate materials together. Bitumen must have a high softening point to withstand the intense heat. Asphalt product mix contains on average five per cent. to ten per cent. of bitumen to 90 per cent. to 95 per cent. aggregate materials, depending on its end use application.

Aramco is one of the leading bitumen suppliers for the asphalt industry in the Kingdom. Recognising the strategic importance of self-sufficiency, the Kingdom embarked on a strategy to increase its bitumen production capabilities, reduce dependency on imports and capitalise on its vast oil reserves. This pivot towards domestic production laid the foundations for a more robust and resilient asphalt industry, further accelerated under Vision 2030, which emphasises large-scale infrastructure projects and aims to diversify the Saudi economy away from oil dependence. Vision 2030 has spurred substantial investments in transport and infrastructure development, resulting in a surge in road and rail networks, urban areas and airports, substantially increasing demand for asphalt products over 2020G to 2023G. Road construction is currently the primary consumer of asphalt in the country, supported by ongoing and planned projects under this initiative. The current demand for asphalt material in 2024G is estimated at 94.6 million tonnes (Euromonitor International (2025G)).

In terms of market value, the Saudi asphalt sector was valued at SAR 14.5 billion in 2024G, up from SAR 5.5 billion in 2020G, growing at a robust CAGR of 27.1 per cent. during this period (Euromonitor International (2025G)).

The following exhibit shows the asphalt retail market value in the Kingdom between 2020G to 2030G:

Exhibit 3.8: Asphalt Retail Market Value (SAR Billion) between 2020G and 2030G



Source: Euromonitor International and Euromonitor estimates from desk research and trade interviews with leading industry players in the Kingdom. Note: Data for the historic 2020G-2024G period at current prices, and for the forecast 2025G-2030G period at constant (2024G) prices, at fixed exchange rates.

The asphalt market in the Kingdom is shaped by the need for materials that can withstand harsh weather and intense usage. One of the critical trends in the Saudi asphalt market is the adoption of polymer-modified bitumen (PMB), which improves durability under extreme temperatures, extending the lifespan of roads. This trend addresses the challenges posed by the Kingdom's hot climate, reducing the need for frequent road repairs. Additionally, the industry is seeing an increased focus on sustainability, with a rise in the use of recycled asphalt pavement (RAP) to reduce environmental impact. Eco-friendly production methods are also gaining traction, influenced by both environmental regulations and a commitment to reducing the carbon footprint associated with asphalt production.

Several key infrastructure projects under Saudi Vision 2030 are significantly driving demand for asphalt, particularly due to large-scale urban development, transportation expansion and industrial construction, including road expansion and upgrades. For example, Riyadh is set to receive a major infrastructure boost, with increased investment to upgrade its road network, marking the first phase of a comprehensive plan initiated in 2020G. In 2024G, the Royal Commission for Riyadh City (RCRC) awarded four contracts totalling SAR 13 billion to enhance the city's transportation system, constructing a 56 km second southern ring road, complete with ten major intersections and 32 bridges, as well as two additional bridges. Additionally, there will be a 6 km development on the western part and a 16 km extension of Taif Road, connecting it to the Qiddiya Project. Jeddah Central Project – a SAR 75 billion waterfront development in Jeddah – is transforming an area of 5.7 million square metres, with residential, entertainment and commercial facilities. Roads, access points and parking areas are being developed to support the project.

The asphalt industry faces several challenges. These include:

- Bitumen prices remain vulnerable to fluctuations in crude oil markets, creating an unpredictable cost environment for contractors and developers in the Kingdom, as asphalt production relies heavily on crude oil.
- A high reliance on Aramco's bitumen production, capabilities and exporting strategic goals could limit local supply. In 2023G, state-controlled Luberef, an Aramco subsidiary specialising in base oils, shipped its first bitumen cargo of approximately 5,000 tonnes from Yanbu. This shipment marks the beginning of an ambitious export strategy aiming to supply up to 500,000 tonnes per year from Aramco's Yasref refinery, a joint venture with China's Sinopec.
- The market has had to navigate the aftershocks of the COVID-19 pandemic, which temporarily stalled construction projects and disrupted supply chains.
- Environmental regulations are also tightening, as the Kingdom aligns with global sustainability standards. Although the push towards using reclaimed asphalt as a sustainable alternative helps companies manage costs while also adhering to sustainability goals, it adds complexity to the production process, demanding investment in new technologies and processes.

The Kingdom's asphalt market is poised for steady growth over 2025G to 2030G, with an anticipated CAGR of 5.5 per cent., reaching a total of SAR 19.9 billion by 2030G (Euromonitor International (2025G)). Over the forecast period to 2030G, the outlook for the Kingdom's asphalt industry remains robust. The future expected demand volume for asphalt is estimated at 114 million tonnes in 2030G (Euromonitor International (2025G)). The Government's continued investment in road construction, smart cities initiatives and development infrastructure, with several upcoming mega-projects, including hosting the Winter Games in 2029G, World Expo 2030 and the FIFA World Cup in 2034G, coupled with urbanisation and economic expansion, will sustain demand for asphalt products.

3.2.5 Competitive Landscape of Asphalt Sector

3.2.5.1 The Asphalt Competitive Landscape is Fragmented with Various Sized Players Offering Complementary Products and Diverse Related Services

The competitive landscape in the Kingdom's asphalt market is fragmented with multiple types of players producing or supplying asphalt to local small to larger industrial, public and commercial construction related projects (Euromonitor International (2025G)). Resellers exist that purchase asphalt from asphalt wholesalers and resell to end users for small-medium sized construction projects. General construction contracting players also exist that offer a diverse range of services which can include; production or asphalt supply, offer related construction services like specialised road repair, building construction materials or construction project management solution services.

Leading players include the Group, Haif Company, Mohammed Hadi Al-Rasheed Company, General Agencies and Contracting (GAC) and Azdah Contracting. Other key competitors adding to the asphalt industries competitiveness includes ready mix and concrete suppliers like Alflalah Ready Mix and Unibeton Ready Mix, as example.

The table below shows selected asphalt sector leading players in the Kingdom in 2024G:

Table 3.10: Selected Leading Asphalt Sector Companies in the Kingdom in 2024G

	Company	Year Founded	Product/Service offering
1	The Company	1975G	Crushers and spare parts, aggregate and asphalt production.
2	Haif Company	1976G	Ready mix concrete, block cement, asphalt production, engineering services, building construction contracting services.
3	Mohammed Hadi Al-Rasheed Company	2000G	Production of silica, granite marble stone, asphalt mix products, aggregates, and limestone. Construction and building contracting services
4	General Agencies and Contracting (GAC)	-	Ready mix concrete, cement asphalt, crusher plant production. Road development and maintenance services.
5	Azdah Contracting Company	2002G	Asphalt -aggregate mass production. Road construction and building contracting services.

Source: Euromonitor estimates from desk research and trade interviews with leading players in the Kingdom. Note: Sales revenue is not disclosed publicly by private companies. And if available, is usually not market-specific and includes other products/services and could not be accurately validated. Subjective ranking based on product portfolio, the Group's history, product positioning and industry consensus from related trade opinion industry sources.

The Group's penetration, good reputation and supply in the asphalt market continues to grow in the Kingdom. The Group is an up and coming asphalt player in Kingdom's asphalt market, having demonstrated strong growth and increased market penetration the past three years. With its long history and expertise in aggregate material production, the Group entered the asphalt production and supply in 2021G with a purchase of asphalt plant in Rumah. Based on its 2024G asphalt volume production, the Group has a 1 per cent. production market share of the total asphalt market in the Kingdom. The Group will be able to further enhance its asphalt position, gaining benefits from the expansion of the Group's asphalt production capacity, its aggregate materials expertise, capabilities and operational efficiencies.

In 2022G, the Group signed a distribution dealership deal with a leading asphalt plant equipment supplier, SPECO, to include the supply of asphalt batch plant equipment to the construction industry. The Group is able to set up various sized stationary, mobile or recycling asphalt plants on small to large construction project sites, thereby saving time and costs and reducing operational downtime. The Group's core ability is in its quality supply of hot asphalt, coloured asphalt, all types of Marshall type mixtures and asphalt Superpave. A new asphalt plant was established in 2023G in the Dirab area to meet the growing local demand. To complement its asphalt product offering the Group is also able to supply its MEKA branded concrete batching plant equipment to meet any related solution. A key advantage for the Group, is its established client and supplier partnerships across the private and public sectors. Going forward the Group is well positioned to remain a key player and increase its asphalt revenue driven by increased road and building construction projects to 2030G.

Key competitive advantages for the Group include the following:

- **Extensive local experience:** With over 50 years of experience in the construction and asphalt sector, the Group has established a strong reputation for reliability and quality in the Kingdom. The Group can cater to both local and regional asphalt demands, ensuring availability and timely delivery.
- **Strategic site locations:** The Group operates multiple licensed quarries sites across key regions (Central, Western, and Eastern), ensuring a steady and efficient supply of raw materials for asphalt production.
- **Comprehensive transport services:** In addition to asphalt production, it offers logistical services, including its own truck fleet (576 trucks) for transporting asphalt, providing a complete solution to construction projects.
- **Commitment to high-quality production:** The Group produces high-grade aggregate materials for asphalt, ensuring durability and performance quality in construction projects. In addition, the Group focuses on producing high-quality asphalt for both small and large construction projects, which helps it maintain a strong client base.
- **Proven track record and large scale project experience:** The Group has extensive experience in executing large-scale projects in diverse sectors, allowing it to tackle complex and high-profile ventures. Has a proven track record of handling mega-projects valued at SAR 8 billion, giving it the capability to handle both large-scale asphalt production and infrastructure projects.
- **Comprehensive service offering:** The Group provides a full range of services including project management, engineering, procurement, construction, and testing in various sectors such as mining, oil and gas, telecommunications, and real estate.
- **Modern heavy equipment fleet:** The Group owns a fleet of well-maintained heavy machinery, enabling it to deliver high-quality services in mining, crushing, and screening services (658 equipment).
- **Vertical integration:** The Group operates asphalt plants alongside concrete, crushers, and ready-mix factories, allowing it to provide an integrated approach to construction projects.

- **Diverse services range:** SAR offers a wide range of services, including specialised roadworks and large infrastructure projects, positioning itself as a versatile contractor in asphalt and construction.
- **Diverse product range:** The Group is involved in multiple sectors including asphalt production, construction materials, and project management, giving it the flexibility to adapt to various construction needs.
- **Tailored solutions:** The Group's ability to provide customised asphalt solutions to fit specific project requirements differentiates it from broader construction players.

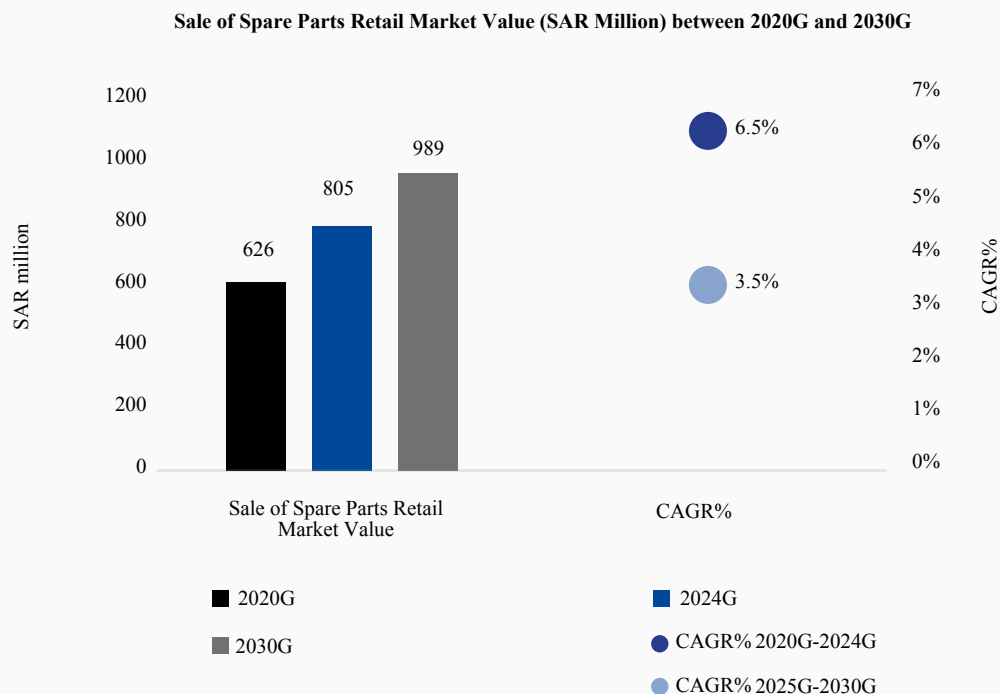
3.2.6 The Sale of Spare Parts Market

The Kingdom, with its vast wealth of natural resources and booming construction industry, has experienced a significant rise in demand for stone crusher equipment and related spare parts. Crusher spare parts are replacement components that can be bought separately to replace faulty, worn or damaged parts of crusher machinery or equipment. Stone crushers are crucial in the construction and mining sectors, used to crush stones and rocks into various sized aggregates for various end user applications. Since the launch of Saudi Vision 2030 and the initiation of related mega-projects, the market has witnessed accelerated growth, driven by rapid urbanisation, infrastructure development, regeneration projects and the expansion of mining activities. The sale of spare parts market in the Kingdom reached SAR 805 million in 2024G, up from SAR 626 million in 2020G, growing at a CAGR of 6.5 per cent. over this period (Euromonitor International (2025G)).

A key driver of the sale of spare parts market is the burgeoning construction sector, which is embarking on ambitious infrastructure projects, including the development of smart cities like NEOM and The Red Sea Project, as well as transportation networks and commercial complexes. These projects aim to diversify the Kingdom's economy and reduce its dependence on oil revenue, necessitating vast quantities of construction aggregate materials. In addition, the mining and quarrying sector has significantly boosted demand for crushers, which play a vital role in mining and mineral extraction. With the Kingdom's abundant gold, phosphate and bauxite deposits, the Government's diversification efforts have renewed focus on these valuable resources and the broader mining industry.

The following exhibit shows the sale of spare parts retail market value in the Kingdom between 2020G to 2030G:

Exhibit 3.9: The Sale Spare Parts Retail Market Value (SAR Million) between 2020G and 2030G⁽¹⁾



Source: Euromonitor International and Euromonitor estimates from desk research and trade interviews with leading industry players in the Kingdom.

⁽¹⁾ Data for the historic 2020G to 2024G period at current prices, and for the forecast 2025G to 2030G period at constant (2024G) prices, at fixed exchange rates.

The majority of crushers and spare parts are imported into the Kingdom, with very limited local production. Key source countries of crushing or grinding machines for solid mineral substances in 2023G, according to recorded trade data, included China, Austria, the UK and Germany. As for the crusher spare parts, key supplying countries in 2023G, according to trade data, included China, Germany, Italy and the US. The range of crushers imported into the Kingdom includes mobile crushers, jaw crushers (used for hard material), cone crushers (ideal for secondary and tertiary crushing stages), impact crushers (used for medium-hard stones and recycling applications) and hammer crushers (suitable for the production of fine material).

The Kingdom's regulatory framework has significantly influenced the crushers market. The Government enforces environmental regulations to reduce the ecological footprint of construction activities, including incorporating dust control systems to minimise emissions and enforce noise pollution limits, particularly in urban and residential zones. Additionally, safety standards mandate manufacturers and operators to implement robust safety measures, such as emergency stop functions and comprehensive operator training (Saudi Standards Metrology and Quality Organisation SASO (2023G). Laws and Regulations on mobile machinery and heavy-duty equipment). While these regulations are essential for safeguarding environmental and public health, they contribute to increased operational expenses for businesses in the industry.

In tandem, the Kingdom's sale of spare parts market faces the following challenges:

- Economic volatility, particularly fluctuations in oil prices, can impact Government spending on infrastructure projects, thereby affecting the demand for construction machinery.
- Fuel costs directly impact the industry in terms of transportation costs, necessitating the use of mobile crushers.
- Operational risks are also present, with dependence on global supply chains for critical components and spare parts exposing businesses to extended time delays and potential supply chain disruptions.
- Rapid technological advancements require companies to continuously invest in upgrading their machinery, a capital-intensive practice that can strain financial resources.
- The industry in the Kingdom also contends with a shortage of skilled technical labour, particularly for operating and maintaining heavy machinery at remote sites.
- The presence of a large number of unlicensed operators offering lower prices intensifies competition, creating a diverse landscape of business practices that can challenge licensed operators.

Advances in technology are transforming the Saudi crushers market. Automation and smart technologies have become integral to modern crusher design, with equipment now featuring real-time monitoring and data analytics to enhance performance and efficiency. Mobile and modular crushers are also gaining traction, offering flexible on-site processing solutions that lower transportation costs and reduce environmental impact.

The sale of spare parts market in the Kingdom presents good growth opportunities, with an anticipated CAGR of 3.5 per cent. over 2025G to 2030G, reaching a total market value of SAR 989 million by 2030G (Euromonitor International (2025G)). The Kingdom's ambitious mega-projects and mining industry plans, coupled with a growing focus on sustainability, are expected not only to drive market expansion but also to foster innovation in energy-efficient crushing technologies.

3.2.7 Competitive Landscape of Sale of Spare Parts Market

3.2.7.1 The Kingdom's Sale of Spare Parts Market is Fragmented with a Mix of Local and International Players Operating Various Distribution Business Models

The sale of spare parts market in the Kingdom is fragmented, characterised by a competitive mix of domestic and international players (Euromonitor International (2025G)). Local operators can own their own fleet of crusher machinery (imported), complimentary machinery, and related mining and drilling equipment and spare parts hired out to contracted clients. Complementary machinery includes sorters, screeners and feeders and mobile crusher units. Local manufacturers benefit from logistical advantages and a deeper understanding of regional demands, allowing quicker turnaround times and cost efficiency. Leading local crusher/heavy machinery and spare parts player like the Group, has a long, well-established presence in the market offers a diverse complementary product along with its technical expertise in the mining and production of aggregates and asphalt. The Group owns its own truck fleet and also supplies a wide range of exploration heavy duty machinery, to diversify their revenue base.

The local sale of spare parts market contains various types of distribution models. Distribution models include:

- standalone distribution of crusher machinery only;
- distribution of crusher machinery and crusher spare parts;
- distribution of crusher spare parts only; and

- distribution of crushers and spare parts, other construction heavy duty machinery and complementary construction contracting services for example.

Some key leading players in the sale of spare parts in the market include the Group, Bin Harkeel Company, Dar Al Manajim Company (DARMCO) and Al-Jusoor Al-Aktasadey Contracting Establishment (Euromonitor estimates based on primary and secondary research).

Popular international crusher brands are present in the market, for example from Jordan, Italy, Turkey, the USA, Finland and China. This includes for example Perkins, Parker, Baioni, ASTEC, METSO and Fabo. Partnerships and joint ventures between local firms and international players are also on the rise, facilitating technology transfer and enhancing market penetration. Recent developments in the industry include several collaborations, mainly in 2023G, China based Shibang Group (SBM) partnered with a subcontractor involved in a port project along the Red Sea coast within the NEOM Future City, supplying portable crusher plants to produce materials needed for the port's construction. In 2024G, the Group announced the completion of the construction of a rock cracker plant in NEOM, Qiyal area, which was approved by Emaar Line. Covering an area of 125,000 square metres, the project aims to produce high-quality aggregate stone, ensuring a continuous supply of basic building materials to support NEOM's extensive contracting and construction initiatives. Moreover, the Group entered into a strategic partnership with ASTEC Industries in 2023G with the aim to deliver an expanded portfolio of innovative and efficient crushing solutions in the Kingdom.

The following table shows selected crushers and spare parts leading players in the Kingdom in 2024G:

Table 3.11: Selected Leading Sale of Spare Parts Companies in the Kingdom in 2024G

	Company	Year Founded	Product/Service offering
1	The Company	1975G	Crushers and spare parts, aggregate and asphalt production
2	Bin Harkeel Company	1930G	Crushers and spare parts, heavy duty equipment, aggregate and asphalt production
3	Dar Al Manajim Company (DARMCO)	2007G	Crushers and spare parts, heavy duty equipment, aggregate and asphalt production and consulting mining services
4	Al-Jusoor Al-Aktasadey Contracting Establishment	-	Trades in crushers and spare parts. Provides transport services and mining services

Source: Euromonitor estimates from desk research and trade interviews with leading players in the Kingdom. Note: Sales revenue is not disclosed publicly by private companies. And if available, is usually not market-specific and includes other products/services and could not be accurately validated. Subjective ranking based on product portfolio, company history, product positioning and industry consensus from related trade opinion industry sources.

The Group is a leading provider of crushers/heavy machinery and in particularly crusher spare parts, operating in the Kingdom for over 40 years. The Group has a 13.1 per cent. value market share based on its 2024G spare parts and crushers/heavy machinery revenue in the Kingdom. Key advantages for the Group over other crusher spare parts distributors include its deep and long-standing market penetration, strong retail network in key cities throughout the Kingdom and on-hand spare parts inventory. By being able to provide spare parts in a short space of time reduces operational downtime and speeds up equipment maintenance time for clients. The Group offers jaw, cone and impact crushers. Mobile crusher plants can also be erected and installed at client project site in a short period of time, reducing operation downtime. The Group imports crushers and spare parts from China and is a key distributor of US based brand, ASTEC crushers and solutions. A key feature of the ASTEC distribution deal includes creating bespoke crusher solutions via their in-house engineering team to meet customer specific requirements to accommodate a variety of applications and materials with a high productivity. Other ASTEC products include: material handling equipment, rock breaking equipment and mobile screens and feeders. The Group will benefit from its established market penetration, in house mining and quarrying technical expertise, its vast on-demand spare parts inventory range, wide retail network to maintain its a leading position over the forecast period, thus driving up revenue for its crusher machinery and spare parts business line to 2030G.

The Group's key competitive advantages include:

- **Long-established market presence:** With decades of experience in the industry, the Group has a strong reputation for reliability and quality in crusher machinery and spare parts.
- **Diverse product offerings:** Offers a broad range of crusher equipment and complementary products, including heavy-duty machinery for exploration.
- **Logistical advantage:** Has its owns fleet of trucks, which ensures efficient distribution and a quicker turnaround for clients.
- **Technical expertise:** Technical proficiency in aggregate production and asphalt manufacturing further supports its crushers and spare parts offerings.

- **Strategic partnerships:** Formed strategic alliances, for example with ASTEC Industries, to enhance its product portfolio with innovative crushing solutions.
- **Local market understanding:** As a local operator, the Group has a strong understanding of regional demands and preferences, allowing it to tailor its offerings accordingly.
- **Diversified portfolio:** Provides both crushers and complementary machinery (sorters, feeders, and mobile crushers), offering a one-stop solution for clients.
- **Fleet availability:** It owns its own fleet of machinery, which allows the Group to offer timely and flexible services for clients.
- **Focus on quality:** Committed to providing high-quality crushers and spare parts, ensuring that its products meet the standards of the local construction and mining industries.
- **Wide product range:** Offers a full range of heavy-duty equipment, including crushers, loaders, bulldozers, and other construction machinery.
- **Strong partnerships with global brands:** Strong ties with top international brands such as Caterpillar, which gives them access to advanced machinery and technology.
- **Customer service and support:** Offers excellent after-sales services, including maintenance and spare parts supply, enhancing customer satisfaction.
- **Specialised in mining equipment:** Key player in the mining sector, offering crushers and spare parts tailored to the needs of the mining and quarrying industries.
- **Advanced machinery:** Has access to high-performance, durable machinery that is capable of handling large-scale projects.
- **Strong supplier relationships:** Maintains relationships with global equipment manufacturers, ensuring access to cutting-edge technology and machinery.
- **Expertise in mining and quarrying:** Strong experience and focus on the mining industry give it a competitive edge when it comes to providing crushers and related services for large-scale mining operations.

3.2.8 Mining – Silica

3.2.8.1 Strong Supply Volume Growth for Silica Minerals Will be Driven by the Kingdom’s Demand from Various Local End User Industries to 2030G

The Kingdom as part of its Vision 2030, to diversify its non-oil revenue, has earmarked the mining of various minerals and metals as an area of economic growth and diversification. “Silica” a vital mineral element used in all types of end user applications, is found in abundance across the Kingdom, due to its natural desert landscape. Silica or silicon, is a non-metallic element, found in a combined state in rocks and other minerals like sand. More than half the area of the Kingdom is made up of desert, making silica a rich natural resource for the Kingdom. The Kingdom has a lot of sand which contains silica that can be mined, processed to make silicon. Silicon is used to make alloys like iron silicon and aluminium silicon used in the production of transformer plates and machine tools. It is also used to make computer chips, microelectronics industry, in glass manufacturing and used in solar cells (a key renewable energy resource for use in solar panels). Other end user industries include; oil and gas (e.g. frac sand), automotive industry (e.g. rubber), beauty and personal care products, building materials (e.g. ceramics) and the paint and coatings industry among others. the Kingdom is in a good position to take advantage of this rich natural resource. During 2020G-2023G, silica sand production volume output in the Kingdom grew at a 7.0 per cent. CAGR reaching an estimated 1.8 million tonnes in 2024G, from 1.4 million tonnes in 2020G (Ministry of Energy Saudi Arabia (2024G)).

The following selective local end user industries will drive the demand for silica materials over the next five to ten years in the Kingdom:

1. **Glass manufacturing:** The glass manufacturing industry in the Kingdom has experienced a rise in demand over the past three years, fuelled by rapid urbanisation and large-scale infrastructure projects. This expansion is marked by the increasing use of tempered, laminated, and insulated glass, particularly in architectural applications. The Kingdom has cemented its position as the GCC regional leader in glass manufacturing, largely due to advancements in float glass production—currently the largest and most dynamic segment in the industry. The demand for energy-efficient and aesthetically advanced products, such as smart and coated glass, continues to grow, driven by applications across residential, commercial, and public infrastructure projects. At the same time, adherence to standards like the Leadership in Energy and Environmental Design (LEED) and the Saudi Building Code (SBC) has accelerated the adoption of energy-efficient glass solutions. Beyond construction, the automotive and industrial sectors represent key emerging markets, particularly for speciality glass, including safety and heat-resistant variants used in windshields, windows, and mirrors. The sector faces challenges such as the energy-intensive nature of manufacturing, fluctuating energy prices, and reliance on imported machinery and

expertise for advanced glass technologies. That being said, mega-projects like The Line, Oxagon, and Trojena are expected to boost demand for high-performance and sustainable glass products significantly. In parallel, the rising adoption of smart glass technologies and the anticipated growth in silica demand are set to drive the industry forward, solidifying its role as a cornerstone of the Kingdom's industrial landscape.

2. **Building materials – Ceramics:** The rapid expansion of the Kingdom's construction sector, fuelled by large-scale Government initiatives, has led to a substantial rise in demand for ceramics. This demand is particularly evident in residential developments, commercial hubs, and infrastructure developments' mega- projects across the Kingdom. Ceramic tiles are essential in these projects, valued for their durability, aesthetic appeal, and widespread use in flooring, wall coverings, and sanitaryware. The integration of silica in ceramics production aligns with the growing demand for sustainable and energy-efficient building materials. The industry's shift toward high-quality, low-emission ceramic tiles and sanitary products underscores its commitment to global sustainability standards, while the rise of smart city developments such as NEOM and The Red Sea Project is driving demand for advanced ceramics that excel in harsh environmental conditions. Demand for ceramics spans various sectors, including residential and commercial construction, healthcare facilities, and public infrastructure projects, while Vision 2030's emphasis on expanding the hospitality sector positions the Kingdom as a growing market for ceramic tiles and sanitary products.

Despite these opportunities, the ceramics sector faces some challenges, including high energy costs associated with production, reliance on imported machinery and technology, and fluctuating raw material prices, all compounded by competition from international manufacturers, particularly from China and Europe, which puts pressure on local producers to balance pricing and quality.

Over the forecast period, Vision 2030 presents a wealth of opportunities for growth in the construction materials sector, emphasising sustainable and green building practices will likely drive innovation in silica-based ceramics, with a particular focus on lightweight and eco-friendly products tailored to modern architectural demands.

3. **Renewable Energy Sector:** This sector a key Vision 2030 focused sector, in which the Saudi Government is focused on fostering growth and investment to grow the sector. Through the National Renewable Energy Programme (NREP), the Kingdom aims to maximise the value and capability within the Kingdom's renewable energy sector to increase the use of renewable energy resources locally. The NREP sets out the roadmap and initiatives to diversify local energy sources, reduce the reliance on fossil fuels, stimulate economic stability, establish the renewable energy industry and support its advancement to reduce carbon dioxide emissions. The NREP aims to position the Kingdom as a key renewable energy contributor in the GCC, sourcing 50 per cent. of its electricity from renewable energy sources. The NREP programme has set aside generating 58.7 gigawatts (with 40 gigawatts of this sourced from solar energy) from renewable energy resources by 2030G. The Kingdom plans to implement solar panels with a total capacity of five to seven gigawatts per year. The Kingdom has the knowhow in solar cell production, been the largest producer of solar cells in the GCC region.

Key solar power plant projects are planned or under construction with other solar power plants already operational around the Kingdom. Selected planned or under construction solar powered plants include the following:

- Al Masa'a's solar plant, located in Hail, has a planned capacity of 1,000 megawatts;
- AR Rass's solar park, located in Al-Qassim, has a planned capacity of 700 megawatts;
- Al-Sadawi solar plant in Al-Sadawi, capacity will be 2,000 megawatts; and
- Sudair solar plant, located in Riyadh, will have a capacity of 1,500 megawatts.

A significant portion of the renewable energy value chain generation will be localised, including research and development and manufacturing, among other stage. The Government has set aside incentives and newly reformed regulation to support the increase in public-private partnership in the renewable energy production sector to 2030G.

4. **Oil and Gas sector – Frac sand:** Silica, particularly frac sand, is a crucial component in the Kingdom's oil and gas industry, especially in hydraulic fracturing processes used to extract shale resources, and the demand for frac sand has steadily increased, driven by rising energy needs and the expanding exploration of shale gas and oil during 2023G. Hydraulic fracturing, a key extraction method, requires large volumes of frac sand as a proppant, and this need is further amplified by the region's growing population and rapid industrialisation, which together fuel greater energy consumption. Advances in drilling technologies, particularly the shift towards horizontal drilling, have further heightened the need for frac sand as these methods require larger quantities of proppants to optimise extraction efficiency, while the Kingdom's expanding construction sector and infrastructure projects also indirectly support this growing demand.

The sector faces challenges, including fluctuating energy prices and the environmental impact of sand mining, yet the Government is addressing these by focusing on localising frac sand production to reduce reliance on imports and strengthen the domestic supply chain, with initiatives through the National Strategy for Industry - 2022G (Global Trader Alert (2023G). The Kingdom's Government launches the National Strategy for Industry), such as funding for mining and processing

facilities to boost the production of high-quality silica sand.

5. **Paint and Ceramic Industries:** Silica sand is used in the paint industry as a filler to improve the texture and durability of paints, as well as to enhance the resistance to wear and tear. In the ceramic industry, silica sand is used to provide strength, improve the firing process, and enhance the quality of ceramic products, such as tiles and pottery.

Forecast output silica production demand due to infrastructure development linked to mega project construction activity and various end user industry demand growth will drive supply growth to 2030G.

Key local players in the silica sand supply chain in the Kingdom include among others; Hamad Adwan Chemical Industries Co, Alrasheed Co. and Hamad Aldrees and Partner Co. for Industry and Mining

During the past year, the Group has entered the silica production sector and is a key part of its strategic 5-year expansion plan to operate in the growing silica production sector in the Kingdom. The Group is set to benefit from diversifying its revenue and operational risk base, to add an additional revenue stream to its product portfolio. The Group's core capabilities include technical and in-house expertise from its aggregate materials and asphalt business operations, will lay a solid foundation for its future silica production operations.



شركة صالح عبد العزيز الراشد وأولاده
Saleh Abdulaziz Al Rashed & Sons Co.

4

Business Description



4. Business Description

4.1 Overview

Saleh Abdulaziz Al Rashed & Sons Company is a Saudi closed joint stock company registered in the Commercial Register under Unified No. 7001683254 dated 12 Rajab 1395H (corresponding to 22 July 1975G) issued in Riyadh, Kingdom of Saudi Arabia. The Company's current capital is one hundred eighty-six million Saudi Arabian Riyals (SAR 186,000,000), divided into eighteen million six hundred thousand (18,600,000) shares with a fully paid nominal value of ten Saudi Arabian Riyals (SAR 10) per Share. The Company's headquarters is located at Riyadh, 19 Ibn Qasim Road, Al-Aziziya District, P.O. Box 4293, Riyadh 11491, Kingdom of Saudi Arabia.

According to its Bylaws, the Company's main activities include quarrying for the extraction of stones, sand, and clay; manufacturing of structural metal products; metal forming by forging, pressing, casting, and rolling, powder metallurgy; treatment and plating of machined metals; manufacturing machinery for mining, quarrying, and construction operations; repair of machinery; repair of transportation equipment excluding motor vehicles; repair of other equipment; steam fuel delivery and air conditioning; sanitation; building construction; construction of roads and railways; site preparation; other structural installations; wholesale trade on a fee or agreement basis; land freight transport; storage; activities of services related to land transport; catering services for events; other food service activities; other communication activities; real estate activities on a fee or agreement basis; other professional, scientific, and technical activities not classified elsewhere; rental of other machinery, equipment, and tangible goods; activities of tour operators; educational support activities; social work activities without accommodation for the elderly and disabled; other amusement and recreation activities not classified elsewhere; and other personal service activities not classified elsewhere.

According to its main commercial registration certificate, the Company's main activities include operation of quarries and operation of sand or gravel mines, including crushers.

The Company's main activities consist of the following main business segments (for more details, see Section 4.6 (*Overview of the Group's Business*)):

- **Sales of Construction Materials:** This segment is the Group's principal revenue generator. As of 31 March 2025G, the Group's annual aggregate extraction capacity stood at 21.3 million tonnes per year. In the financial years ended 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G, revenue from the Sales of Construction Materials represented 77.4 per cent., 76.9 per cent., 82.0 per cent. and 83.1 per cent., respectively, of the Group's total revenue. The Group supplies a wide range of high-quality construction materials used in road construction, infrastructure projects, industrial developments, and real estate projects throughout the Kingdom. Leveraging a vertically integrated and comprehensive supply chain, the Group controls all stages of production, from raw material extraction and processing to quality control, inventory management and end-to-end logistics, ensuring reliability, consistency and timely delivery. The Group offers a diversified portfolio of aggregates in various sizes tailored for different construction applications, including 1-inch sub-base materials, 3/4-inch and 3/8-inch aggregates for concrete and asphalt mixes, and fine-grade materials such as 0.05 mm fine aggregates and coarse washed sand for masonry, plastering and block manufacturing and other construction uses. Its asphalt products include standard and modified formulations such as Marshall-type, Superpave and Bituminous Base Coarse (BBC), suitable for public roads, airport runways, and industrial and residential projects. These operations are supported by a network of strategically located production facilities and transport infrastructure that enable the Group to meet high-volume demand with consistency and efficiency. The consistent performance of this segment reflects the Group's strategic alignment with ongoing construction and infrastructure investment under Vision 2030; and
- **Sales of Spare Parts:** In the financial years ended 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G, revenue from the Sales of Spare Parts represented 22.6 per cent., 23.1 per cent., 18.0 per cent. and 16.9 per cent., respectively, of the Group's total revenue for the same periods. The Group supplies a comprehensive range of spare parts, crushers, heavy machinery and industrial equipment to clients in the mining, construction and infrastructure sectors. This segment includes the import and distribution of high-performance industrial components necessary for aggregate production and equipment maintenance. As of 31 March 2025G, the Group operated seven spare parts retail branches across the Kingdom, providing comprehensive national coverage and enhancing service efficiency to clients. These branches function as distribution centres, ensuring quick response times, reducing spare parts delivery waiting times, improving after-sales support services, and enhancing the quality of services provided to clients. The segment is comprised of the following subcomponents:
 - **Spare Parts:** The Group maintains a large inventory of durable spare parts precisely designed to withstand harsh operational conditions, high abrasion, and continuous processing. Its product portfolio includes jaw, cone and

impact crusher parts, conveyor belts, vibrating screen mesh, sand washers, in addition to other spare parts such as bearings, rollers, drive shafts, hydraulic cylinders, and wear-resistant liners. Modern inventory management systems enable real-time tracking and the rapid and efficient delivery of spare parts, helping reduce equipment downtime and smoothly supporting field operations through maintaining a comprehensive inventory and a seamless distribution network;

- **Crushers/Heavy Machinery:** The Group is the exclusive distributor for several globally certified brands, including ASTEC (crushing and screening equipment), SPECO (asphalt mixing plants), Wolf (drilling equipment), Henkel Loctite (industrial adhesives and sealants) and MEKA (concrete batching plants). These distribution agreements enable the Group to offer a wide range of high-efficiency machinery, supported by expert technical consultation and after-sales services, leveraging exclusive distribution agreements with globally certified manufacturers to ensure consistent quality, availability and competitive pricing; and
- **Internal installation, Assembly and Technical Support:** This non-revenue-generating sector supports the operational readiness of the Group's assets through in-house maintenance, assembly, and repair services. Activities include the assembly of fuel and water tanks, on-site assembly of support structures, trailers, mobile homes, as well as the assembly of handling equipment and simple structural components. These services are conducted onsite to improve turnaround times, reduce reliance on third-party service providers and ensure cost-effective support for remote quarry and production plant operations.

By operating across these core segments, the Group supports a wide range of infrastructure and construction development needs across the Kingdom, ensuring high service reliability, technical excellence and sustained contribution to the national construction ecosystem.

The Group has established itself as one of the leading integrated providers of construction materials, spare parts, crushers and heavy machinery solutions in the Kingdom, underpinned by a vertically integrated business model that enables control over the entire value chain—from extraction and production to distribution and after-sales support. With over 50 years of operational experience, technical innovation and project execution for the private sector, the Group plays a critical role in supporting infrastructure development, expansion and economic diversification initiatives in alignment with Vision 2030. The Group's track record in serving private sector entities reinforces its position as a trusted supplier for mission-critical construction projects across the Kingdom.

As of 31 March 2025G, the Group operated seven quarry sites (which included 13 crushers), four asphalt mixing plants and a fleet comprising approximately 563 trucks and approximately 700 heavy machinery units. This infrastructure is supported by automated batching, real-time diagnostics and a network of 17 wholesale points for the sale of the Group's products across the Kingdom. This integrated asset base ensures operational resilience, reliable delivery and cost-efficient service execution. The Group's quarry-to-site control minimises third-party dependencies, while its predictive maintenance, SAP-based analytics and energy-efficient machinery enhance uptime, performance and sustainability outcomes.

The Group holds long-term mining licences and regulatory approvals that provide continuity across its quarrying operations, including in key locations such as Riyadh, Eastern Province and the Madinah region. Its quarries hold reserves sufficient to support 15 to 20 years of extraction activities based on current extraction rates and market demand. As of the date of this Prospectus, the Group has already secured two Category B exploration licences for silica sand and submitted extraction licence applications of the same category, aligning with the Group's expansion into materials used in water purification, paints, coatings, construction materials, glass manufacturing, foundries, and high-tech construction applications. These developments complement the Group's broader range of raw materials, aggregates, and spare parts, contributing to long-term revenue diversification.

The Group's growth strategy is built around capacity expansion, product diversification, geographic growth and digital transformation, with a strong alignment to Vision 2030. Strategic initiatives include deployment of high-efficiency crushers, expansion into polymer-modified and hot mix asphalt and adoption of SAP-based periodic analytics for tracking, inventory management and procurement planning. The Group is also advancing vertical integration by expanding into silica sand mining to support high-growth sectors such as glass, solar and electronics. The Group aims to strengthen its presence in neighbouring GCC Countries and emerging regional economies, diversifying the client base to include industrial and manufacturing players and strengthening relationships with mega-project developers through long-term supply contracts. These initiatives are supported by operational enhancements including real-time monitoring, lean workflow redesign and KPI-driven performance reviews, all reinforcing the Group's position as a strategic supplier to the Kingdom's infrastructure ecosystem.

The Group is committed to updating its operations in line with environmental, social and corporate governance (ESG) standards to support long-term sustainability and regulatory compliance. Key initiatives include expanding the adoption of renewable energy across quarry operations and water management systems, implementing dust filtration across crushers, and making additional investments in reforestation and land rehabilitation. The Group is also increasing use of recycled aggregates and energy-efficient machinery, while maintaining compliance with ISO 9001:2015 (Quality Management),

ISO 14001:2015 (Environmental Management), and ISO 45001:2018 (Occupational Health and Safety) standards and securing all necessary environmental permits. These efforts reflect the Group's commitment to environmental standards, sustainability, and its role in supporting economic diversification under Vision 2030.

As of 31 March 2025G, the Group employed a total of 1,744 employees throughout the Kingdom. For further details, see Section 5.9 (*Employees*).

The Group generated revenues of SAR 429.5 million, SAR 498.7 million, SAR 599.6 million and SAR 170.7 million for the financial years ended 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G, respectively. Net income was SAR 73.1 million, SAR 48.7 million, SAR 58 million and SAR 23.2 million for the financial years ended 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G, respectively. The total value of the Group's assets was SAR 348.6 million, SAR 428.6 million, SAR 506.7 million and SAR 522 million for the financial years ended 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G, respectively. Total liabilities of the Group amounted to SAR 87.1 million, SAR 120.7 million, SAR 150.1 million and SAR 151.5 million for the financial years ended 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G, respectively. For further detailed discussions regarding the financial performance of the Group, see Section 6 (*Management's Discussion and Analysis of Financial Position and Results of Operations*).

4.2 Corporate History

The Company was established on 12 Rajab 1395H (corresponding to 22 July 1975G) as a sole proprietorship owned by Saleh Abdulaziz Abdulrahman Al Rashed under the name Saleh Abdulaziz Al Rashed Trading Establishment with a share capital of one hundred thousand Saudi Arabian Riyals (SAR 100,000) and was registered under Commercial Registration No. 1010008417, dated 12 Rajab 1395H (corresponding to 22 July 1975G) issued in Riyadh, Kingdom of Saudi Arabia. On 23 Muharram 1432H (corresponding to 29 December 2010G), the Company was converted from a sole proprietorship into a limited liability company under the name Saleh Abdulaziz Al Rashed & Sons trading Company with a capital of five hundred thousand Saudi Arabian Riyals (SAR 500,000), divided into fifty thousand (50,000) fully paid-in in-kind shares, with a value of ten Saudi Arabian Riyals (SAR 10) per share. The capital was increased by evaluating the net assets of the Company and inclusion of the following shareholders: (i) Saleh Abdulaziz Abdulrahman Al Rashed acquired twenty-seven thousand five hundred (27,500) in-kind shares with a total value of two hundred seventy-five thousand Saudi Arabian Riyals (SAR 275,000), representing 55.0 per cent. of the share capital; (ii) Abdulaziz Saleh Abdulaziz Al Rashed acquired seven thousand five hundred (7,500) in-kind shares with a total value of seventy-five thousand Saudi Arabian Riyals (SAR 75,000), representing 15.0 per cent. of the share capital; (iii) Saad Saleh Abdulaziz Al Rashed acquired seven thousand five hundred (7,500) in-kind shares with a total value of seventy-five thousand Saudi Arabian Riyals (SAR 75,000), representing 15.0 per cent. of the share capital; and (iv) Abdullah Saleh Abdulaziz Al Rashed acquired seven thousand five hundred (7,500) in-kind shares with a total value of seventy-five thousand Saudi Arabian Riyals (SAR 75,000), representing 15.0 per cent. of the share capital. On 20 Jumada al-Ula 1432H (corresponding to 25 April 2011G) the Company name was changed from Saleh Abdulaziz Al-Rashed & Sons Trading Company to Saleh Abdulaziz Al-Rashed & Sons Company. On 21 Rabi' al-Thani 1436H (corresponding to 10 February 2015G), the shareholder Saad Saleh Abdulaziz Al Rashed passed away, and his heirs were identified pursuant to Inheritance Deed No. (3674956) issued by the Personal Status Court. The heirs were as follows: (i) Saleh Abdulaziz Abdulrahman Al Rashed; (ii) Maryam Saad Abdulrahman Al Rashed; (iii) Areej Saud Hamoud Al Dhaban; (iv) Abdulaziz Saad Saleh Al Rashed; (v) Saud Saad Saleh Al Rashed; (vi) Lulwa Saad Saleh Al Rashed; (vii) Norah Saad Saleh Al Rashed; and (viii) Danah Saad Saleh Al Rashed. Collectively, they inherited seven thousand five hundred (7,500) in-kind shares, with a total value of seventy-five thousand Saudi Arabian Riyals (SAR 75,000), representing 15.0 per cent. of the share capital. Subsequently, Maryam Saad Abdulrahman Al Rashed renounced her rights to the inherited shares, totalling one thousand two hundred fifty (1,250) cash shares, with a total value of twelve thousand five hundred Saudi Arabian Riyals (SAR 12,500), in favour of the following heirs: (i) Areej Saud Hamoud Al Dhaban; (ii) Abdulaziz Saad Saleh Al Rashed; (iii) Saud Saad Saleh Al Rashed; (iv) Lulwa Saad Saleh Al Rashed; (v) Norah Saad Saleh Al Rashed; and (vi) Danah Saad Saleh Al Rashed. The ownership structure was updated following the passing of Saad Saleh Abdulaziz Al Rashed and Maryam Saad Abdulrahman Al Rashed renouncing the rights to her inheritance, with the heirs agreeing to retain their ownership in the Company based on the shares allocated to them. On 12 Sha'ban 1437H (corresponding to 19 May 2016G), the shareholder Saleh Abdulaziz Abdulrahman Al Rashed passed away, and his heirs were identified pursuant to Inheritance Deed No. 37266488 issued by the Personal Status Court. The heirs were as follows: (i) Abdulaziz Saleh Abdulaziz Al Rashed acquired twenty thousand four hundred seventeen (20,417) cash shares, with a total value of two hundred four thousand one hundred seventy Saudi Arabian Riyals (204,170), representing 40.8 per cent. of the share capital; (ii) Abdullah Saleh Abdulaziz Al Rashed acquired ten thousand four hundred seventeen (10,417) cash shares, with a total value of one hundred four thousand one hundred seventy Saudi Arabian Riyals (SAR 104,170), representing 20.8 per cent. of the share capital; (iii) Abdulaziz Saad Saleh Al Rashed and (iv) Saud Saad Saleh Al Rashed each acquired three thousand seven hundred fifty (3,750) cash shares, with a total value of thirty-seven thousand five hundred Saudi Arabian Riyals (SAR 37,500), representing 7.5 per cent. of the share capital each; (v) Areej Saud Hamoud Al Dhaban; (vi) Lulwa Saad Saleh Al Rashed; (vii) Danah Saad Saleh Al Rashed, and; (viii) Norah Saad Saleh Al Rashed each acquired one thousand eight

hundred seventy-five (1,875) cash shares, with a total value of eighteen thousand seven hundred fifty Saudi Arabian Riyals (SAR 18,750), representing 3.8 per cent. of the share capital; (ix) Norah Saleh Abdulaziz Al Rashed acquired one thousand four hundred fifty-eight (1,458) cash shares, with a total value of fourteen thousand five hundred eighty Saudi Arabian Riyals (SAR 14,580), representing 2.9 per cent. of the share capital; (x) Sara Saleh Abdulaziz Al Rashed acquired one thousand four hundred fifty-eight (1,458) cash shares, with a total value of fourteen thousand five hundred eighty Saudi Arabian Riyals (SAR 14,580), representing 2.9 per cent. of the share capital; and (xi) Maryam Saad Abdulrahman Al Rashed acquired one thousand two hundred fifty (1,250) cash shares, with a total value of twelve thousand five hundred Saudi Arabian Riyals (SAR 12,500), representing 2.5 per cent. of the share capital. On 27 Thul-Qi'dah 1443H (corresponding to 26 June 2022G), Abdulaziz Saleh Abdulaziz Al Rashed transferred a portion of his shares, totalling two thousand five hundred two (2,502) cash shares, with a total value of twenty-five thousand twenty Saudi Arabian Riyals (SAR 25,020) to: (i) Norah Saleh Abdulaziz Al Rashed and (ii) Sara Saleh Abdulaziz Al Rashed. As a result, each of them now holds two thousand seven hundred nine (2,709) cash shares, with a total value of twenty-seven thousand ninety Saudi Arabian Riyals (SAR 27,090), representing 5.4 per cent. of the share capital. Pursuant to shareholder's Resolution No. (3) dated 23 Rabi' al-Thani 1444H (corresponding to 17 November 2022G), approval was obtained to increase the Company's share capital from five hundred thousand Saudi Arabian Riyals (SAR 500,000) to one hundred eighty-six million Saudi Arabian Riyals (SAR 186,000,000), divided into eighteen million six hundred thousand (18,600,000) cash shares with an equal value of ten Saudi Arabian Riyals (SAR 10) per Share. The capital increase has been executed entirely through the shareholder's current account balances and a portion of retained earnings. The increase was financed as follows: 50.1 per cent. from the shareholder's current account and 49.9 per cent. from the retained earnings, distributed among the shareholders based on their shareholding. Pursuant to shareholder's Resolution No. 1, dated 29 Jumada al-Akhirah 1444H (corresponding to 22 January 2023G), the Company has been converted from a limited liability company to a closed joint-stock company.

A detailed timeline of these key historical changes and events is presented in the following table:

Table 4.1: Key Historical Changes and Events

Date	Change
1975G	The Company was established on 12 Rajab 1395H (corresponding to 22 July 1975G) as a sole proprietorship owned by Saleh Abdulaziz Abdulrahman Al Rashed under the name "Saleh Abdulaziz Al Rashed Trading Establishment" with a capital of one hundred thousand Saudi Arabian Riyals (SAR 100,000).
2010G	The Company was converted from a sole proprietorship into a limited liability company under the name "Saleh Abdulaziz Al-Rashed & Sons Trading Company" with a capital of five hundred thousand Saudi Arabian Riyals (SAR 500,000).
2011G	The Company name was changed from "Saleh Abdulaziz Al-Rashed Trading Company" to "Saleh Abdulaziz Al-Rashed & Sons Company".
2022G	The Company's capital was increased from five hundred thousand Saudi Arabian Riyals (SAR 500,000) to one hundred eighty-six million Saudi Arabian Riyals (186,000,000).
2023G	The Company converted from a limited liability company to a closed joint stock company.
2023G	The Company acquired 100% of the shares of Judeh Sakhour for Mining Company.
2024G	- The Company acquired 100% of the shares of Al-Rammal Al-Hamra for Mining Company. - The Company acquired 100% of the shares of Dorra Al-Mobani for Mining Company.
	The establishment of a subsidiary Al-Deraa Outni for Mining Company, with an 80 per cent. ownership stake.

Source: The Company.

4.3 Group Structure

4.3.1 Overview of Subsidiaries

The Company directly owns four Subsidiaries in the Kingdom.

The following table sets out the details of the Subsidiaries ownership as of the date of this Prospectus:

Table 4.2: Direct and Indirect Ownership Structure of the Subsidiaries as of the Date of this Prospectus

Name of Subsidiary	Country of Incorporation	Direct Ownership (%)	Indirect Ownership (%)	Remaining Ownership
Judeh Sakhour for Mining Company	Kingdom of Saudi Arabia	100.0%	-	-
Dorra Al-Mobani for Mining Company	Kingdom of Saudi Arabia	100.0%	-	-
Al-Rammal Al-Hamra for Mining Company	Kingdom of Saudi Arabia	100.0%	-	-
Al-Deraa Outni for Mining Company	Kingdom of Saudi Arabia	80.0%	20.0%	20.0% owned by Noura Nasser Faisal Al Thebaity

Source: The Company.

The following table sets out the details of the revenue of the Group and the breakdown of the Company's and each Subsidiaries' respective contributions to the total revenue of the Group:

Table 4.3: Details of the Revenue of the Group and the Breakdown of the Company's and Each Subsidiaries' Respective Contributions to the Total Revenue of the Group

Group	Total Revenue (SAR million)				Contribution (%)			
	Financial Year Ended 31 December		Financial Year Ended 31 December	Three-Month Period Ended 31 March	Financial Year Ended 31 December	Financial Year Ended 31 December		Three-Month Period Ended 31 March 2025G
	2022G	2023G	2024G	2025G	2022G	2023G	2024G	2025G
The Company	429,460,879	491,948,662	588,541,110	166,918,187	100.0%	98.7%	98.8%	99.3%
Judeh Sakhour for Mining Company	-	6,744,030	11,043,053	3,783,021	-	1.3%	1.2%	0.7%
Dorra Al-Mobani for Mining Company	-	-	-	-	-	-	-	-
Al-Rammal Al-Hamra for Mining Company	-	-	-	-	-	-	-	-
Al-Deraa Outni for Mining Company	-	-	-	-	-	-	-	-
Total	429,460,879	498,692,692	599,584,163	170,701,208	100.0%	100.0%	100.0%	100.0%

Source: The Company.

The following section sets out the details of the Subsidiaries:

4.3.1.1 Judeh Sakhour for Mining Company

Judeh Sakhour for Mining Company is a one-person limited liability company registered in the Commercial Register under Unified No. 7031169332 dated 10 Rabi' al-Awwal 1444H (corresponding to 6 October 2022G) in Al-Ahsa, Kingdom of Saudi Arabia. Judeh Sakhour for Mining Company's registered head office is located at Ath Thagr District, Old Makkah Road, P.O. Box 6106, Jeddah 22338, Kingdom of Saudi Arabia. As of the date of this Prospectus, Judeh Sakhour for Mining Company's current capital is one hundred thousand Saudi Arabian Riyals (SAR 100,000) divided into one hundred (100) shares, with a fully paid nominal value of one thousand Saudi Arabian Riyals (SAR 1,000) per share. Its activities according to its Article of Association include land freight transport of goods, quarrying of stones, sand, and clay, as well as other business support activities for mining and quarrying. The ownership of Judeh Sakhour for Mining Company was transferred to the Company on 2 Ramadan 1444H (corresponding to 3 April 2023G).

The following table sets out the ownership structure of Judeh Sakhour for Mining Company as of the date of this Prospectus:

Table 4.4: Ownership Structure of Judeh Sakhour for Mining Company as of the Date of this Prospectus

Shareholder	Number of Shares	Share Nominal Value (SAR)	Total Nominal Value (SAR)	Ownership Percentage
Saleh Abdulaziz Al Rashed & Sons Company	100	1,000	100,000	100.0%
Total	100	1,000	100,000	100.0%

Source: The Company.

4.3.1.2 Dorra Al-Mobani for Mining Company

Dorra Al-Mobani for Mining Company is a one-person limited liability company registered in the Commercial Register under Unified No. 7030158591 dated 7 Muharram 1444H (corresponding to 5 August 2022G) in Riyadh, Kingdom of Saudi Arabia. Dorra Al-Mobani for Mining Company's registered head office is located at Al Olaya District, King Fahd Road, P.O. Box 12333, Riyadh 3817, Kingdom of Saudi Arabia. As of the date of this Prospectus, Dorra Al-Mobani for Mining Company's current capital is one hundred thousand Saudi Arabian Riyals (SAR 100,000) divided into one (1) share, with a fully paid nominal value of one hundred thousand Saudi Arabian Riyals (SAR 100,000) per share. Its activities according to its Article of Association include quarrying of stones, sand, and clay; manufacturing of refined petroleum products; construction of roads and railways; site preparation; and wholesale trading of various types of solid, liquid, and gaseous fuels and related products. The ownership of Dorra Al-Mobani for Mining Company was transferred to the Company on 30 Rabi' al-Awwal 1446H (corresponding to 3 October 2024G).

The following table sets out the ownership structure of Dorra Al-Mobani for Mining Company as of the date of this Prospectus:

Table 4.5: Ownership Structure of Dorra Al-Mobani for Mining Company as of the Date of this Prospectus

Shareholder	Number of Shares	Share Nominal Value (SAR)	Total Nominal Value (SAR)	Ownership Percentage
Saleh Abdulaziz Al Rashed & Sons Company	1	100,000	100,000	100.0%
Total	1	100,000	100,000	100.0%

Source: The Company.

4.3.1.3 Al-Rammal Al-Hamra for Mining Company

Al-Rammal Al Hamra for Mining Company is a one-person limited liability company registered in the Commercial Register under Unified No. 7032432408 dated 9 Jumada al-Ula 1444H (corresponding to 3 December 2022G) in Riyadh, Kingdom of Saudi Arabia. Al-Rammal Al-Hamra for Mining Company's registered head office is located at Bahr Al Arab, Al-Khaleej District, P.O. Box 13224, Al-Riyadh 3400, Kingdom of Saudi Arabia. As of the date of this Prospectus, Al-Rammal Al Hamra for Mining Company's current capital is one hundred thousand Saudi Arabian Riyals (SAR 100,000) divided into two (2) shares, with a fully paid nominal value of fifty thousand Saudi Arabian Riyals (SAR 50,000) per share. Its activities according to its Article of Association include quarrying of stones, sand and clay. The ownership of Al-Rammal Al Hamra for Mining Company was transferred to the Company on 1 Rabi' al-Thani 1446H (corresponding to 4 October 2024G).

The following table sets out the direct ownership structure of Al-Rammal Al Hamra for Mining Company as of the date of this Prospectus:

Table 4.6: Ownership Structure of Al-Rammal Al-Hamra for Mining Company as of the Date of this Prospectus

Shareholder	Number of Shares	Share Nominal Value (SAR)	Total Nominal Value (SAR)	Ownership Percentage
Saleh Abdulaziz Al Rashed & Sons Co	2	50,000	100,000	100.0%
Total	2	50,000	100,000	100.0%

Source: The Company.

4.3.1.4 Al-Deraa Outni for Mining Company

AL-Deraa Outni for Mining Company is a limited liability company registered in the Commercial Register under Unified No. 2042613542 dated 18 Jumada al-Ula 1446H (corresponding to 20 November 2024G) in Riyadh, Kingdom of Saudi Arabia. Deraa Outni for Mining Company's registered head office is located at Al-Aziziyah District, 19 Ibn Qasim Road, P.O. Box 14511, Riyadh 7941, Kingdom of Saudi Arabia. As of the date of this Prospectus, AL-Deraa Outni for Mining Company's current capital is one hundred thousand Saudi Arabian Riyals (SAR100,000) divided into one hundred (100) shares, with a fully paid nominal value of one thousand Saudi Arabian Riyals (SAR 1,000) per share. Its activities according to its Article of Association include the mining of other non-ferrous metal ores; quarrying of stones, sand, and clay; other mining and quarrying activities not elsewhere classified; other business support activities for mining and quarrying; the manufacturing of cement, lime, and plaster; and the manufacturing of concrete, cement, and plaster products.

The following table sets out the direct ownership structure of Al-Deraa Outni for Mining Company as of the date of this Prospectus:

Table 4.7: Ownership Structure of Al-Deraa Outni for Mining Company as of the Date of this Prospectus

Shareholder	Number of Shares	Share Nominal Value (SAR)	Total Nominal Value (SAR)	Ownership Percentage
Saleh Abdulaziz Al Rashed & Sons Co	80	1,000	80,000	80.0%
Noura Nasser Faisal Althebaity	20	1,000	20,000	20.0%
Total	100	1,000	100,000	100.0%

Source: The Company.

4.3.2 Current Group Ownership Structure

As of the date of this Prospectus, the Company's current capital is one hundred eighty-six million Saudi Arabian Riyals (SAR 186,000,000), divided into eighteen million six hundred thousand (18,600,000) ordinary Shares with a fully paid nominal value of ten Saudi Arabian Riyals (SAR 10) per Share.

The following table sets out the direct ownership structure of the Company Pre- and Post-Offering:

Table 4.8: Direct Ownership Structure of the Company Pre- and Post-Offering

Shareholder	Pre-Offering			Post-Offering		
	Number of Shares	Ownership Percentage (%) ⁽¹⁾	Share Capital (SAR)	Number of Shares	Ownership Percentage (%) ⁽¹⁾	Share Capital (SAR)
Abdulaziz Saleh Abdulaziz Al Rashed	6,664,380	35.8%	66,643,800	4,665,066	25.1%	46,650,660
Abdullah Saleh Abdulaziz Al Rashed	3,875,124	20.8%	38,751,240	2,712,587	14.6%	27,125,868
Abdulaziz Saad Saleh Al Rashed	1,395,000	7.5%	13,950,000	976,500	5.3%	9,765,000
Saud Saad Saleh Al Rashed	1,395,000	7.5%	13,950,000	976,500	5.3%	9,765,000
Norah Saleh Abdulaziz Al Rashed	1,007,748	5.4%	10,077,480	705,424	3.8%	7,054,236
Sara Saleh Abdulaziz Al Rashed	1,007,748	5.4%	10,077,480	705,424	3.8%	7,054,236
Norah Saad Saleh Al Rashed	697,500	3.8%	6,975,000	488,250	2.6%	4,882,500
Lulwa Saad Saleh Al Rashed	697,500	3.8%	6,975,000	488,250	2.6%	4,882,500
Areej Saud Hamoud Al Dhaban ⁽²⁾	697,500	3.8%	6,975,000	488,250	2.6%	4,882,500
Danah Saad Saleh Al Rashed	697,500	3.8%	6,975,000	488,250	2.6%	4,882,500
Maryam Saad Abdulrahman Al Rashed	465,000	2.5%	4,650,000	325,500	1.8%	3,255,000
Public	-	-	-	5,580,000	30.0%	55,800,000
Total	18,600,000	100.0%	186,000,000	18,600,000	100.0%	186,000,000

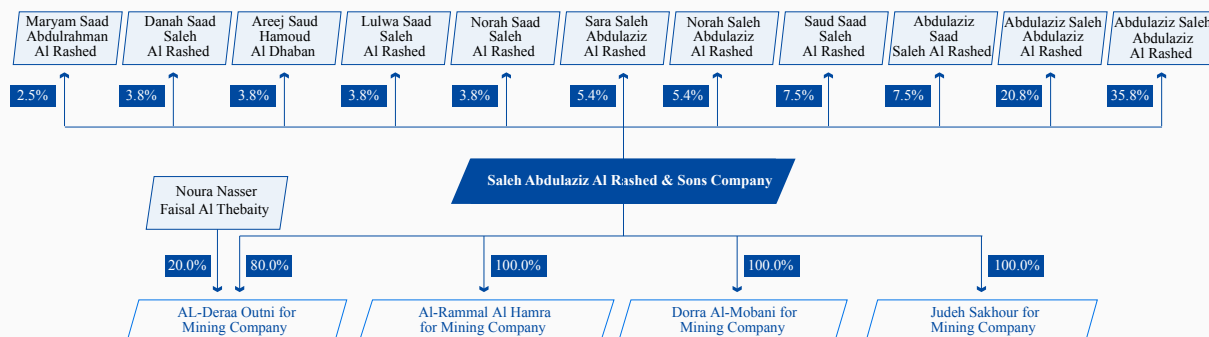
Source: The Company.

⁽¹⁾ The ownership percentages are rounded to the nearest decimal place.

⁽²⁾ Areej Saud Hamoud Al Dhaban holds 697,500 shares, representing 3.8 per cent. of the Company's Shares, prior to the Offering. She is the mother of Saud Saad Saleh Al Rashed (holding 7.5 per cent. of the Company's Shares, prior to the Offering), Norah Saad Saleh Al Rashed (holding 3.8 per cent. of the Company's Shares, prior to the Offering) and Danah Saad Saleh Al Rashed (holding 3.8 per cent. of the Company's Shares, prior to the Offering). As the legal guardian of the above shareholders, Areej Saud Hamoud Al Dhaban disposes of their shares by agreement.

The following chart sets out the Company's ownership structure as of the date of this Prospectus:

Exhibit 4.1: The Company's Ownership Structure as of the Date of this Prospectus



Source: The Company.

4.4 Vision, Mission and Strategy

4.4.1 Vision

To be the national strategic partner in mining and construction sector solutions in the Kingdom.

4.4.2 Mission

To build strategic partnerships with clients and provide mining and construction solutions through qualified national talent in a sustainable environment that meets shareholder aspirations.

4.4.3 Values

To promote sustainability and quality in products and services, striving for performance excellence and customer satisfaction, and fostering team spirit through collaboration, mutual support, and shared goals.

4.4.4 Strategy

The Group's strategy is centred on strengthening its market position, expanding and diversifying its product portfolio, enhancing operational efficiencies with cost optimisation and aligning with Kingdom's Vision 2030. The Group continuously refines its strategic plan to optimise growth opportunities, improve financial performance and implement sustainability-driven initiatives.

4.4.4.1 Strategic Planning Initiatives

The Group has established a strategic framework designed to ensure sustainable growth, operational efficiency and long-term market leadership. Through structured planning, continuous performance evaluations and regulatory compliance, the Group aims to strengthen its position as a key supplier of construction materials, industrial spare parts and crushers machinery in the Kingdom. To this end, the Group is committed to continuous improvement across its operations, with a focus on optimising productivity, enhancing operational efficiency and reducing costs. This commitment is implemented through a combination of strategic initiatives and technological integration aimed at delivering long-term value. Key elements of the Group's continuous improvement strategy include:

- **regular updates to the strategic plan to align with market, regulatory and competitive dynamics:** The Group continuously monitors national infrastructure initiatives, industry regulations and global trends affecting the construction, mining and industrial materials sectors. The strategic plan is updated to reflect shifts in demand for core products, including aggregates, asphalt, spare parts and crushers. Furthermore, the Group evaluates the viability of expansion into new verticals such as smart infrastructure materials, sustainable construction solutions and the silica sand segment, where growing demand has been observed across industries including solar panel manufacturing, glass, electronics and advanced materials;
- **technology integration and implementation of data-driven decision-making processes to guide long-term investment and operational decisions:** The Group leverages digitalisation and advanced process monitoring technologies to gain deeper operational insights, identify inefficiencies and unlock latent value within existing assets.

It also relies on integrated enterprise systems, including SAP and other business intelligence platforms, to collect and analyse operational, financial and market data. These insights inform strategic priorities by identifying patterns in customer demand, production bottlenecks and market performance. Predictive analytics are employed to support procurement planning, production optimisation and capital investment decisions;

- **establishment of structured review mechanisms to monitor strategic execution and performance:** The Group follows a structured review cycle comprising monthly operational tracking, quarterly executive meetings and key performance indicator (KPI) evaluations. These mechanisms enable continuous assessment of strategic goals such as market share expansion, product diversification, margin optimisation and regulatory compliance. Progress is benchmarked against both internal performance indicators and external market dynamics to ensure agility and responsiveness in strategic execution;
- **integrated operational improvement initiatives:** The Group continues to enhance operational efficiency from pit to port by identifying and addressing process bottlenecks. This includes initiatives to improve asset availability, increase throughput and maximise recovery rates. The Group also redesigns workflows, adopts lean principles and upgrade handling systems to increase efficiency. Real-time monitoring, digital dashboards and automated reporting tools are being introduced to improve visibility into production, energy use and maintenance needs. Structured operating systems support transparency, performance tracking and coordination across functions;
- **operational excellence:** The Group adopts manufacturing-inspired methodologies to drive operational excellence. This includes the implementation of effective management operating systems that enhance performance visibility and identify improvement opportunities;
- **resource management:** The Group explores site-specific, alternative extraction techniques and invests in equipment that supports the recycling of used aggregates. These efforts reduce environmental waste and also create potential ancillary revenue streams; and
- **employee development:** The Group recognises that human capital is integral to sustained improvement. It prioritises the development of employee skills and supports a culture of innovation. This is achieved through ongoing training programmes that build both individual and organisational capabilities and encourage employee engagement in continuous improvement efforts across all levels of the organisation.

Through these initiatives, the Group maintains a forward-looking and agile strategic posture, well-positioned to capture growth opportunities in the Kingdom's rapidly evolving construction, spare parts and crushers. The strategic planning process remains integral to the Group's long-term ambition to strengthen its market position, diversify its portfolio and contribute to national development objectives under Vision 2030.

4.4.4.2 Market Growth and Business Expansion

The Group is actively pursuing market growth and business expansion strategies to strengthen its position in the construction materials, spare parts and crushers. By expanding its sales network, diversifying its product portfolio and enhancing its logistics and distribution capabilities, the Group aims to increase market share, improve client reach and maintain a competitive edge in the Kingdom's rapidly growing infrastructure sector. Government spending continues to serve as a key driver of demand, particularly in relation to large-scale infrastructure, construction and road development projects. Total Government expenditure on such projects is expected to exceed SAR 3.8 trillion over the coming years. This includes significant initiatives led by the Public Investment Fund and Saudi Arabian Mining Company (Ma'aden), which is Government-owned, that have announced plans to invest approximately SAR 760 billion in mining-related projects by 2030G, aligning with broader national strategies to diversify the economy and promote industrial development.

(a) Expansion of Sales and Market Share

To drive revenue growth and strengthen its position in the Kingdom's construction and industrial sectors, the Group is implementing targeted sales and marketing initiatives:

- **strengthening relationships with infrastructure developers and industrial contractors to secure long-term contracts:** The Group actively engages with key infrastructure agencies and private sector developers to secure multi-year supply agreements for aggregates, asphalt, spare parts and crushers. Participation in mega-projects, including those linked to Vision 2030 initiatives, provides the Group with opportunities to expand its revenue base and build long-term strategic partnerships;
- **increasing penetration into new geographic markets within and beyond the Kingdom:** The Group is evaluating expansion opportunities in key urban centres, industrial zones and international markets, targeting areas with high infrastructure investment and construction demand. By leveraging its high-capacity production facilities and extensive logistics network, the Group aims to strengthen its presence in neighbouring GCC markets and emerging regional economies. Additionally, the Group seeks to actively participate in the development of infrastructure within the Kingdom and GCC Countries, offering innovative solutions that support major projects aligned with Vision 2030; and

- **leveraging digital marketing, trade fairs and strategic partnerships to enhance brand visibility and sales growth:** The Group actively promotes its products, services and technological innovations through targeted digital campaigns, industry exhibitions and trade fairs. This includes participation in national and international construction expos, supplier networking events and Government-led industrial forums, ensuring continued brand recognition and client acquisition.

(b) Expansion of Mining Licences and Activities

The Group seeks to expand its mining operations and mineral extraction capabilities by securing additional licences and increasing production capacity. The Group's strategy focuses on enhancing its aggregates, asphalt and silica production while maintaining compliance with regulatory and environmental requirements.

- **securing additional mining licences for Category C aggregate materials, asphalt production and other industrial minerals:** The Group is actively pursuing new mining licences to increase its reserves and expand production in high-demand regions. This includes acquiring rights for Category C aggregate materials, which include construction-related materials used in infrastructure projects. Expanding the licensing portfolio will enable the Group to strengthen its supply chain and mitigate risks related to resource depletion. See paragraph (c) (Diversification of Product Offerings and New Sector Entry) below for a discussion of the Group's plans relating to Category B mining licences;
- **increasing aggregate production capacity by exploring new quarry sites and enhancing existing mining operations:** The Group is evaluating new quarry locations to expand its annual extraction capacity and meet the growing demand for high-quality construction aggregates. Investments in high-efficiency crushers, automated screening plants and modern material handling systems will further improve productivity and ensure a consistent supply of materials for infrastructure and industrial clients; and
- **enhancing regulatory compliance and ensuring adherence to environmental sustainability measures in extraction processes:** The Group is committed to responsible mining practices by implementing stringent environmental impact assessments, dust suppression technologies and progressive land rehabilitation programmes. As part of the Group's commitment to environmental protection, it has installed filters to reduce dust emissions in all its equipment and implements tree planting and greening programmes at all its sites to enhance vegetation cover and reduce environmental impact. Additionally, the Group pays special attention to waste disposal processes in accordance with best environmental practices. Compliance with Saudi mining laws and international environmental standards is a core priority, ensuring sustainable growth and long-term operational viability.

By continuously refining its strategic plan, expanding mining operations and implementing data-driven decision-making, the Group ensures its sustained growth and competitiveness in the construction and industrial materials market. The Group remains committed to long-term value creation, operational excellence and environmental sustainability, aligning its future development strategies with the Kingdom's Vision 2030 economic diversification initiatives.

(c) Diversification of Product Offerings and New Sector Entry

The Group is expanding its product portfolio to cater to evolving market demands and align with new industry trends. Product diversification will strengthen the Group's ability to serve a broader range of clients, mitigate market risks and enhance revenue streams:

- **entry planning into silica and mining to support high-growth industrial sectors:** The Group intends to expand into silica sand mining as part of its broader diversification strategy. Having already obtained two Category B exploration licences for silica sand in 2023G and 2024G respectively, it has applied for Category B extraction licences for silica sand. This initiative will enable the Group to tap into growing demand from industries such as water filtration, paint and coating, building material, glass manufacturing, foundries and high-tech construction applications. By integrating silica sand into its product portfolio, the Group aims to offer a more comprehensive suite of raw materials while enhancing vertical integration, supply security and long-term revenue diversification;
- **introducing new construction materials and industrial spare parts tailored for emerging market needs:** The Group is investing in R&D and product development to introduce specialised aggregates, innovative asphalt formulations, high-performance spare parts and crushers, and providing high-quality and high-performance silica sand. These offerings cater to high-performance infrastructure projects, energy-efficient construction and next-generation industrial machinery;
- **expanding asphalt product lines, including polymer-modified asphalt (PMA) and hot mix asphalt (HMA), to align with sustainability requirements:** In response to regulatory mandates and industry-wide sustainability goals, the Group is developing low-emission asphalt technologies, such as PMA and HMA, which enhance pavement durability, reduce energy consumption and lower greenhouse gas emissions in road construction projects; and

- **evaluating opportunities in complementary industries, such as renewable energy and smart infrastructure materials:** The Group is assessing potential expansion into sustainable construction solutions, smart infrastructure technologies and renewable energy-related materials. This includes evaluating green building materials and smart road technologies that support eco-friendly construction and future-ready infrastructure projects.

(d) Strengthening Distribution and Logistics Capabilities

To support its market expansion, the Group is enhancing its transportation, warehousing and supply chain management capabilities. This ensures efficient material delivery, optimised logistics costs and reliable client service:

- **investing in the enhancement of a large fleet, ensuring reliable transportation of construction materials and spare parts:** The Group is expanding its fleet of trucks to ensure uninterrupted delivery of aggregates, asphalt and spare parts. As of 31 March 2025G, the Group owned approximately 563 trucks that assist with transportation and approximately 700 heavy machinery units, including bulldozers, loaders and others, supporting large-scale distribution across the Kingdom. For further details, see Section 4.6.2 (*Equipment*);
- **enhancing quarrying capacity through investment in heavy machinery:** The Group continues to strengthen its extraction capabilities by investing in a broad range of heavy machinery, including excavators, dumpsters, bulldozers and crushers. These assets are critical to the Group's ability to extract and process high volumes of raw materials efficiently across multiple quarry sites. For further details, see Section 4.6.2 (*Equipment*);
- **optimising supply chain efficiencies by integrating advanced digital demand forecasting and real-time inventory management using SAP:** The Group relies on predictive analytics, automated stock tracking and advanced digital demand planning through the SAP system, enabling real-time inventory monitoring and optimised raw material procurement. These advancements improve order accuracy, reduce excess inventory costs and enhance delivery timelines;
- **expanding geographical warehouse footprint to support mining operations and spare parts distribution:** The Group is increasing the number and strategic placement of its warehouses across key regions in the Kingdom to enhance logistical efficiency and ensure timely availability of critical spare parts and consumables. This expansion supports uninterrupted mining operations and strengthens after-sales service for crusher/heavy machinery clients; and
- **establishing additional regional distribution hubs to enhance delivery speed and reduce logistics costs:** The Group is expanding its network of regional warehouses and storage facilities, reducing transit times and ensuring faster, more cost-effective deliveries to high-demand construction zones, industrial sites and infrastructure projects. These hubs also support bulk material staging, just-in-time inventory replenishment and efficient order fulfilment, with the Group now operating 17 locations selling the Company's products (including seven spare parts outlets, seven aggregate sales outlets, and three asphalt sales outlets) as of 31 March 2025G.

By expanding market reach, diversifying product offerings and strengthening its logistics infrastructure, the Group remains well-positioned to capitalise on growth opportunities in the Kingdom's construction, infrastructure and industrial sectors while ensuring long-term business sustainability and competitive market positioning.

4.4.4.3 Operational Efficiency and Performance Enhancement

The Group continuously seeks to enhance operational efficiency and optimise performance across its production, logistics and supply chain operations. By implementing cost optimisation initiatives, integrating modern digital solutions and modernising its quarrying and production processes, the Group ensures sustainable growth, improved resource utilisation and enhanced service delivery.

(a) Cost Optimisation and Process Development

To maintain cost leadership and operational efficiency, the Group is implementing initiatives aimed at reducing production expenses, improving process workflows and enhancing overall resource management:

- **enhancing preventive maintenance and asset management systems to reduce machinery downtime:** The Group is implementing real-time asset monitoring systems that enable continuous condition tracking and support preventive maintenance scheduling for its heavy machinery, crushers, asphalt plants and transportation fleet. By minimising unexpected breakdowns and extending machinery lifespan, the Group ensures optimal production uptime and reduced maintenance costs (for further details, see Section 4.6.2 (*Equipment*)); and
- **utilising data analytics for continuous operational improvements and production efficiency gains:** The Group is leveraging data-driven decision-making and SAP Analytics Cloud (SAC) to analyse production patterns, equipment performance and supply chain logistics. These insights identify process bottlenecks, optimise production scheduling and enhance workforce productivity, ensuring higher output efficiency and improved cost control.

(b) Advancements in Digital Transformation and Automation

As part of its digital transformation strategy, the Group is investing in modern technologies to enhance business intelligence, operational visibility and process automation:

- **enhancing the implementation of ERP, CRM systems and advanced digital analytics to improve business insights and optimise processes:** The Group owns an integrated SAP system that includes ERP and CRM systems, providing real-time data access, analysis, streamlining workflows and enhancing customer engagement. advanced digital analytics also help improve demand forecasting, financial planning, and inventory management, ensuring data-driven, agile decision-making, which enhances operational efficiency and supports strategic objectives (for further details, see Section 4.6.8 (*Information Technology Systems*)); and
- **upgrading quarrying technologies with advanced equipment that enhances real-time monitoring and operational efficiency:** The Group is deploying smart quarrying solutions, advanced digital crushers and automated asphalt mixing plants, enabling real-time production tracking, automated equipment calibration and energy-efficient operations. These enhancements improve material yield, reduces manual intervention and enhance overall site safety and environmental compliance.

By implementing cost optimisation strategies and advancing digital transformation, the Group ensures sustained operational excellence, enhanced productivity and long-term profitability in its core business operations.

4.4.4.4 Talent Development and Workforce Optimisation

The Group is committed to attracting, developing and retaining a highly skilled workforce to support its long-term growth and operational excellence. By prioritising local talent development, employee engagement and digital workforce management, the Group ensures a sustainable and competitive workforce aligned with Vision 2030's localisation objectives and industry best practices.

(a) Attraction and Retention of Qualified National Talent

The Group is actively expanding its recruitment, training and career development programmes to attract and retain highly skilled Saudi professionals, ensuring a strong, sustainable workforce pipeline:

- **expanding recruitment initiatives to attract highly skilled Saudi professionals, supporting localisation goals under Vision 2030:** The Group is strengthening its Saudisation efforts by actively recruiting skilled local professionals across engineering, operations, finance and supply chain management roles. This includes collaborations with universities, vocational training institutes and Government employment programmes, ensuring a steady influx of qualified Saudi talent into the construction, quarrying and manufacturing sectors;
- **investing in employee training and professional development programmes, including technical certification and leadership coaching:** The Group prioritises continuous workforce development, offering structured technical training, leadership development courses and specialised certification programmes for employees in mining operations, asphalt production, logistics and digital transformation. These initiatives enhance workforce expertise, drive operational excellence and improve employee retention; and
- **enhancing workforce productivity through performance-based incentives and structured career advancement programmes:** To maintain high employee motivation and productivity, the Group is implementing structured career development plans, performance-linked compensation models and recognition programmes. These initiatives ensure that employees are rewarded for excellence, encouraged to pursue long-term careers within the Group and provided with clear growth pathways.

(b) Strengthening Employee Engagement and Workplace Culture

To encourage a high-performance, safety-driven and inclusive work environment, the Group is implementing initiatives focused on workplace well-being, safety compliance and employee engagement:

- **promoting a safety-first culture across all operations and ensuring compliance with occupational health and safety regulations:** The Group adheres to strict occupational health and safety (OHS) standards and is committed to safeguarding the well-being of its employees through established safety procedures at all sites. The company ensures that personal protective equipment is available at every work site and continuously conducts training sessions to raise safety awareness among employees. Additionally, all employees undergo regular safety training, compliance workshops and emergency preparedness drills. The Group also enforces rigorous equipment safety checks, on-site hazard assessments and compliance with ISO 45001:2018 Occupational Health and Safety Management Systems (for further details, see Section 4.6.4 (*Quality Control, Health, Safety and Environment*));

- **enhancing employee engagement through corporate wellness initiatives and workplace inclusivity programmes:** The Group is actively nurturing a supportive and inclusive work culture by introducing employee wellness programmes, workplace flexibility initiatives and diversity-focused policies. These include mental health support services, employee feedback mechanisms and initiatives to enhance gender diversity and inclusivity within the workforce; and
- **implementing digital HR tools to improve talent retention, workforce planning and employee performance tracking:** To modernise workforce management and optimise HR processes, the Group is leveraging advanced digital HR analytics, cloud-based employee management systems, digital learning platforms and the SAP system for HR management. The SAP system provides comprehensive tools for real-time performance tracking, automated workforce planning and employee data analysis, contributing to effective talent development based on data and ensuring efficient and proactive workforce optimisation.

By investing in local talent, enhancing workplace engagement and integrating digital workforce management solutions, the Group ensures a resilient, highly skilled and motivated workforce, positioning itself as an employer of choice within the Kingdom's industrial, construction and infrastructure sectors.

4.4.4.5 Sustainability, ESG Leadership and Corporate Social Responsibility

The Group is committed to embedding sustainability, environmental responsibility and strong corporate governance across all aspects of its operations. By aligning with Vision 2030's sustainability objectives and global ESG (Environmental, Social and Governance) standards, the Group ensures long-term environmental stewardship, community engagement and responsible corporate governance.

(a) Strengthening Sustainability and Environmental Initiatives

The Group actively implements sustainability-focused strategies to reduce its environmental footprint while ensuring compliance with international and national environmental regulations, such as:

- **expanding renewable energy adoption in quarrying operations to reduce carbon emissions:** The Group is exploring the integration of solar energy and other renewable energy solutions within its quarrying and transportation operations. By transitioning to cleaner energy sources, the Group aims to reduce reliance on fossil fuels and minimise greenhouse gas emissions;
- **water management:** The Group is implementing advanced filtration systems and closed-loop water circuits to reduce water consumption and prevent contamination of local water resources;
- **land reclamation:** Post-extraction, the Group is committed to rehabilitating mining sites through ecosystem restoration and repurposing land for agricultural or recreational use;
- **waste reduction and recycling:** Recycling initiatives have been introduced for batteries, electronic components and other industrial materials to support a circular economy;
- **biodiversity conservation:** The Group prioritises habitat restoration and biodiversity preservation in mined areas to support ecological balance and long-term sustainability;
- **sustainable extraction techniques:** The Group is adopting innovative methods such as in-situ recovery and bioleaching to reduce surface disruption and minimise environmental impact;
- **energy-efficient equipment:** The Group is investing in advanced, energy-efficient machinery to reduce fuel dependency and overall emissions;
- **recycled aggregates:** The Group promotes the use of recycled aggregates in its construction material offerings, supporting environmentally responsible infrastructure development;
- **community engagement:** The Group maintains open communication with local communities and contributes to local development by generating economic benefits through employment and procurement;
- **regulatory compliance:** The Group actively monitors and complies with all relevant environmental regulations, reinforcing its commitment to responsible, sustainable operations;
- **increasing investments in dust emission reduction and environmental protection:** The Group has installed filters across all crushing sites to reduce airborne particulate emissions. Additional investments have been made in reforestation and tree planting, alongside initiatives to lower greenhouse gas emissions. The Group is also advancing waste disposal practices to further reduce environmental impact and promote sustainable site management (for further details, see Section 4.6.4 (*Quality Control, Health, Safety and Environment*)); and
- **ensuring compliance with ISO 14001:2015 Environmental Management System and other sustainability certifications:** The Group adheres to international environmental management standards, ensuring that operations meet strict regulatory guidelines and align with industry best practices in sustainable resource utilisation. The Group

has also obtained several environmental licences, demonstrating its strong commitment to environmental preservation. The Group is actively expanding its sustainability reporting, tracking carbon emissions and monitoring environmental impact metrics to enhance accountability and transparency.

(b) Enhancing Social Responsibility and Community Engagement

The Group actively invests in community development, workforce education and supplier empowerment, contributing to the broader economic and social development of the Kingdom:

- **strengthening community investment programmes, including educational, healthcare and infrastructure development initiatives:** The Group supports local community projects, including scholarships, healthcare access initiatives and infrastructure development in underserved areas. These initiatives aim to enhance social well-being, create economic opportunities and develop long-term community partnerships;
- **partnering with local universities and vocational institutions to provide internship and apprenticeship opportunities:** To bridge the skills gap in the industrial and construction sectors, the Group collaborates with leading academic institutions to offer specialised training programmes, internships and apprenticeships. These programmes equip young professionals with hands-on experience and technical skills, aligning with the Kingdom's human capital development objectives under Vision 2030; and
- **striving to develop and support local products through initiatives aimed at enhancing economic participation within the Kingdom:** The Group is increasing procurement from Saudi-based suppliers and small-medium enterprises (SMEs), offering them opportunities by assigning various supply operations to them. It is also increasing the number of Saudi employees across different sectors, further enhancing local content contribution and supporting domestic industrial growth. This initiative strengthens national supply chains, boosts employment opportunities and promotes economic sustainability.

(c) Governance and Compliance Enhancements

The Group is committed to enhancing corporate governance, risk management and regulatory compliance, ensuring transparency, accountability and ethical business practices:

- **strengthening corporate governance frameworks to align with best practices and regulatory compliance standards:** The Group continuously enhances its governance structures, ensuring that management oversight, internal controls and decision-making processes align with Saudi and international corporate governance best practices;
- **enhancing risk management protocols, cybersecurity protections and anti-corruption measures:** The Group implements rigorous risk management frameworks, including cybersecurity enhancements, fraud prevention strategies and internal compliance audits, ensuring operational resilience and business continuity; and
- **improving ESG disclosures and sustainability reporting, ensuring greater transparency and accountability:** The Group prioritises enhanced ESG reporting by publishing sustainability reports, tracking key performance indicators (KPIs) related to environmental and social impact and ensuring compliance with ESG disclosure requirements set by regulatory bodies.

By integrating sustainable environmental practices, supporting social responsibility and reinforcing governance transparency, the Group maintains a responsible and forward-looking corporate strategy, ensuring long-term resilience and positive contributions to the Kingdom's economy and society.

4.5 Strengths and Competitive Advantages

The Group's strengths and competitive advantages stem from its extensive industry experience, integrated business model, diversified product portfolio and strong client relationships. Over the years, the Group has built a reputation for excellence in construction building materials (Grade C), mining operations (Grade B) and trading. This integrated approach enables the Group to offer a broad range of products and services, allowing it to participate across multiple segments of the value chain and reinforcing its leadership position in the Saudi Arabian market. By leveraging its horizontally and vertically integrated operations, technological advancements and commitment to quality and sustainability, the Group continues to enhance its competitive edge. The following factors highlight the key strengths that differentiate the Group within the industry.

4.5.1 Extensive Industry Experience as One of the Market Leaders

The Group's long-standing presence in the Saudi Arabian construction materials, mining and industrial sectors has positioned it as one of the leaders in the aggregate materials sector and a leading provider of crusher machinery, particularly crusher spare parts. Through decades of strategic expansion, technological innovation and strong client relationships, the Group has established a solid foundation for sustained growth. The following factors highlight the Group's industry leadership and competitive strengths:

4.5.1.1 Established Market Presence and Industry Recognition

The Group has over 50 years of experience in the Saudi Arabian construction materials, mining and industrial sectors, solidifying its reputation as a trusted market leader. Over the decades, the Group has established a strong brand presence, earning recognition for its reliability, product quality and ability to deliver large-scale infrastructure solutions. By continuously investing in innovation and technology, the Group has built an extensive portfolio of successful projects, playing a critical role in major Government infrastructure developments projects, roadworks and construction initiatives throughout working with the private sector. Its deep industry knowledge and forward-looking approach enable it to anticipate market trends, adapt to evolving client needs and navigate regulatory changes effectively. This adaptability ensures the Group's long-term sustainability and strengthens its position as a preferred supplier in the Kingdom's rapidly growing construction and industrial sectors.

4.5.1.2 Integrated Business Model Across Mining, Construction Materials and Sale of Spare Parts

The Group operates a vertically integrated business model encompassing quarrying, aggregates production and asphalt production. This comprehensive approach minimises reliance on third-party suppliers, providing greater control over costs, supply chain efficiency and production timelines. By managing the entire value chain, the Group ensures consistent product quality, optimises procurement and logistics and enhances overall operational resilience. The fully integrated business model also enables the Group to optimise overall product costs, which supports a competitive advantage in pricing and strengthens its ability to meet delivery commitments.

In addition to vertical integration, the Group has adopted a horizontal integration strategy, diversifying into crusher and spare parts trading, mineral processing and construction material distribution (aggregates and asphalt). This strategic expansion enables the Group to generate multiple revenue streams while capitalising on synergies between its different business segments. The ability to leverage cross-sector capabilities enhances operational flexibility, allowing the Group to scale efficiently, adapt to shifting market demands and optimise resource allocation across its core activities. This fully integrated model gives the Group a competitive pricing edge as it enables the Group to optimise overall costs across all its product offering and it reinforces the Group's ability to meet delivery timelines with reliability.

The Group's horizontal and vertical integration business model coupled with its established market presence provides a strong foundation for sustainable growth and market leadership.

4.5.2 Exclusive Supplier Agreements and Reliable Procurement Channels

The Group has secured exclusive distribution agreements with globally recognised brands in heavy machinery, industrial machinery and spare parts. These agreements provide the Group with direct access to premium-quality materials and components, ensuring competitive pricing, supply chain stability and product availability. By maintaining strong supplier relationships and minimises procurement risks and enhances operational efficiency.

In addition, the Group's well-established procurement strategies enable it to source high-quality raw materials, such as bitumen, at competitive rates. The Group's vertically integrated operations further reduce reliance on third-party suppliers for key inputs, strengthening its ability to maintain consistent product quality and pricing stability. The full integration of the Group's business operations also allows different business units to support one another with critical raw materials, such as supplying spare parts for mining operations and aggregates for asphalt production, thereby improving internal supply reliability and reducing lead times.

Its ability to maintain reliable supply chains and support strong business relationships has been instrumental in securing a dominant market position.

4.5.3 Diversified Product Portfolio and Revenue Streams

The Group's extensive product offerings across multiple industries provide a strong competitive advantage, enabling it to capture a wide market share and mitigate risks associated with demand fluctuations in any single sector.

4.5.3.1 Comprehensive Range of Construction Materials and Spare Parts

The Group offers a diverse range of construction materials, including aggregates, asphalt and mineral-based products, catering to the growing infrastructure and industrial development needs in the Kingdom. Its ability to supply high-quality raw materials for road construction, concrete production and industrial applications positions it as a one of the key players in the sector.

Additionally, the Group's spare parts division supplies critical components for crushers, asphalt plants and heavy machinery. By offering comprehensive after-sales services, including maintenance and technical support, the Group strengthens its client relationships and creates additional revenue streams beyond initial product sales.

4.5.3.2 Expansion into New Product Segments and Emerging Markets

The Group continuously evaluates opportunities to expand its product portfolio and enter new market segments. Recent initiatives include the expansion into silica sand mining (for which the Group already holds an exploration licence), introduction of modern asphalt formulations, such as polymer-modified asphalt (PMA) and hot mix asphalt (HMA), which align with sustainability and performance-enhancement requirements in road construction. The Group is also exploring expansion into complementary sectors, such as silica and calcium carbonate mining, broadening its revenue base while leveraging its existing expertise in industrial minerals. These initiatives reinforce the Group's long-term growth strategy and ability to capitalise on evolving market trends.

4.5.4 Financial Strength and Asset Ownership

The Group's strong financial position, asset ownership and investment in infrastructure provide a solid foundation for sustained growth and operational resilience. Its financial capabilities enable strategic expansion, technology adoption and market competitiveness.

4.5.4.1 Strong Financial Position and Investment Capacity

The Group maintains a robust financial standing, supported by stable revenue streams and disciplined financial management. Its ability to generate consistent cash flows allows for reinvestment in growth initiatives, including capacity expansion, technology upgrades and workforce development. By maintaining a prudent approach to capital allocation, the Group ensures long-term financial sustainability and resilience against economic fluctuations. Furthermore, the Group's financial strength provides a competitive advantage in securing favourable terms with suppliers, lenders and strategic partners. This enables the Group to negotiate better procurement terms, access funding for expansion projects and invest in innovative technologies that enhance operational efficiency.

4.5.4.2 Ownership of a High-Capacity Fleet and Equipment

As of 31 March 2025G, the Group owned a high-capacity fleet comprising approximately 563 trucks and approximately 700 heavy machinery units, including trucks, excavators, bulldozers, wheel loaders, backhoe loaders and graders. This extensive fleet supports the Group's ability to execute large-scale infrastructure, mining and construction projects without dependence on third-party transportation providers, resulting in optimised logistics, reduced operational costs and enhanced delivery reliability.

The Group also maintains a robust inventory of specialised equipment, including crushers, rock drills, asphalt mixing plants and screening units, which are deployed across its various quarrying and production sites. This equipment portfolio enables the Group to maintain uninterrupted production capacity and respond flexibly to fluctuating demand levels. In addition, the Group continuously upgrades and expands its fleet to support operational scalability, improve equipment availability and ensure compliance with environmental and safety standards.

Complementing its asset base, the Group employed a workforce of more than 1,744 employees and workers as of 31 March 2025G, covering technical, operational and administrative functions. This workforce capacity reinforces the Group's execution capabilities and underpins its ability to deliver complex and time-sensitive projects across the Kingdom.

4.5.5 Commitment to Quality, Compliance and Client Satisfaction

The Group has built a reputation for excellence by consistently delivering high-quality products and services while adhering to strict regulatory and environmental standards. Its client-centric approach, combined with rigorous quality control and compliance frameworks, strengthens its competitive position.

4.5.5.1 Adherence to National and International Standards

The Group ensures full compliance with all legal regulations governing mining and logistics in the Kingdom. It adheres to industry best practices in safety, environmental responsibility and product quality, ensuring compliance with ISO 9001:2015 (Quality Management), ISO 14001:2015 (Environmental Management) and ISO 45001:2018 (Occupational Health and Safety). By integrating strict quality control measures across all production processes, the Group maintains consistency in material specifications and performance. Furthermore, the Group has obtained all necessary environmental permits for its operational sites, reflecting its strong commitment to environmental standards and sustainability. This achievement highlights the Group's dedication to minimising the environmental impact of its operations and promoting sustainable mining practices in alignment with local and international environmental regulations. This commitment to compliance and regulatory adherence enhances its reputation as a reliable and responsible industry leader.

Furthermore, the Group has obtained all necessary environmental permits for its operational sites, reflecting its strong commitment to environmental standards and sustainability. This achievement highlights the Group's dedication to minimising

the environmental impact of its operations and promoting sustainable mining practices in alignment with local and international environmental regulations.

4.5.5.2 Client-Centric Business Approach

The Group places a strong focus on client satisfaction by offering tailored solutions, technical support and responsive after-sales services, meeting the needs of its clients in the construction, roadworks and industrial sectors. Additionally, the Group has implemented digital order management systems, real-time tracking and automated inventory solutions to enhance transparency, improve supply chain operations and ensure timely deliveries. In response to the growing demand for silica sand, the Group has strategically expanded its operations in this sector to better serve customer needs. This expansion strengthens the Group's capacity to supply high-quality silica sand to key industries such as glass manufacturing, solar panel production and construction materials, reflecting its commitment to delivering innovative and dependable solutions.

4.5.6 Robust Sales, Distribution and Market Reach

The Group's expansive distribution network, long-standing client relationships and strategic market positioning provide a strong competitive advantage in the Kingdom's construction materials and industrial supply sectors.

4.5.6.1 Extensive Geographic Coverage and Market Presence

As of 31 March 2025G, the Group maintained an extensive nationwide presence, supported by a large, owned fleet of trailers and heavy machinery, enabling efficient delivery of products and services across all regions of the Kingdom. The Group's physical footprint included as of 31 March 2025G more than seven construction building materials sales outlets attached to its quarries and seven spare parts retail branches, strategically located to serve key industrial zones, urban centres and infrastructure corridors. This decentralised retail network allows the Group to respond rapidly to project demands and customer requirements, ensuring consistent service delivery and supply chain efficiency.

In addition to its retail presence, the Group operates numerous operational sites across the Kingdom, including quarries and asphalt mixing plants. These sites are integrated into a cohesive logistics and distribution network that supports product availability, lead time reduction and service reliability. A dedicated sales force, supported by digital order management and real-time inventory tracking systems, ensures the Group maintains close engagement with its clients while fulfilling orders efficiently and accurately.

The Group is also focused on expanding its regional presence beyond the Kingdom, with ongoing efforts to participate in key development initiatives within the Gulf Cooperation Council (GCC) region. This reflects its commitment to supporting regional growth by offering high-quality construction materials and industrial solutions tailored to evolving market needs.

4.5.6.2 Strong Client Relationships and Repeat Business

The Group has cultivated long-term partnerships with construction firms, infrastructure developers and Ready-mix concrete plants, securing a diverse and loyal client base. Its ability to deliver customised solutions, reliable after-sales support and consistent product quality has resulted in a high rate of repeat business. Additionally, the Group's contractual relationships with major infrastructure developers provide revenue stability and growth opportunities. Its client-centric approach, backed by a strong service network, ensures sustained market leadership in the Kingdom's rapidly expanding contracting, construction and infrastructure sectors.

4.5.7 Competitive Pricing and Cost Leadership

The Group's efficient cost structure, economies of scale and strategic procurement strategies enable it to offer competitive pricing while maintaining high product quality.

4.5.7.1 Economies of Scale and Cost-Efficient Production

Through vertical integration, bulk procurement and optimised production processes, the Group achieves significant cost advantages in material sourcing and logistics. By owning its quarries, asphalt plants and workshops, the Group minimises reliance on third-party suppliers, ensuring cost stability and pricing competitiveness. Additionally, predictive maintenance and lean operational practices further reduce production costs while enhancing efficiency. These cost-saving initiatives allow the Group to remain competitive in price-sensitive markets.

4.5.7.2 Strategic Procurement and Supply Chain Optimisation

The Group leverages its strong supplier relationships and exclusive distribution agreements to secure competitive pricing on raw materials, spare parts and heavy machinery. By implementing advanced digital SAP-based enterprise resource planning (ERP) systems demand forecasting and real-time inventory management, it enhances procurement transparency, supplier

performance tracking and cost efficiency. Furthermore, the Group's high-capacity fleet and strategically located distribution hubs optimise logistics costs, ensuring timely deliveries at reduced transportation expenses. This supply chain efficiency reinforces the Group's ability to offer cost-effective solutions to clients without compromising on quality.

4.5.8 Technological Advancements and Digital Transformation

The Group continuously invests in modern technologies to improve operational efficiency, enhance product quality and streamline business processes. It has integrated SAP-based enterprise resource planning (ERP) systems across all business units, ensuring real-time financial reporting, inventory tracking and process automation. This digital transformation enhances decision-making, reduces inefficiencies and improves overall business agility. In addition, the Group utilises client relationship management (CRM) software, digital order tracking and advanced digital analytics to optimise sales processes and improve client engagement. These innovations provide a data-driven approach to market expansion and operational performance enhancement.

4.5.9 Commitment to Sustainability and ESG Best Practices

The Group prioritises environmental, social and governance (ESG) principles across its operations, integrating sustainability considerations into all aspects of its value chain. In line with the Kingdom's Vision 2030 and global sustainability frameworks, the Group is committed to responsible resource management, environmental protection, workforce development and community engagement. These efforts are designed to ensure that the Group's growth supports long-term economic, environmental and social development objectives in the Kingdom.

4.5.9.1 Environmental Responsibility and Green Energy Initiatives

The Group is committed to minimising its environmental impact and advancing environmental stewardship through targeted initiatives that support sustainability across its operations. As of 31 March 2025G, the Group had secured all necessary environmental permits for its operational sites, reflecting its strict adherence to regulatory requirements and alignment with the Kingdom's environmental protection frameworks.

The Group is committed to reducing its environmental impact through innovative strategies to ensure environmental sustainability. The Group focuses on afforestation initiatives at its sites to restore local vegetation and enhance the local environment. Additionally, it has installed filters in all crushers to reduce dust levels, demonstrating its commitment to improving air quality. The Group continues to strengthen its efforts in waste and residue management through sustainable practices and places significant importance on water quality by implementing effective water recycling and sustainable usage systems. Furthermore, the Group integrates solar energy and energy-efficient machinery to reduce carbon emissions at various stages of production.

To support national and global decarbonisation targets, the Group has integrated solar energy solutions and energy-efficient machinery across various stages of its production cycle. These investments contribute to reductions in greenhouse gas and carbon emissions and reinforce the Group support for the Kingdom's Green Initiative.

The Group has also adopted sustainable waste management systems, including recycling and proper disposal protocols for industrial residues. It continues to expand water reuse and closed-loop recycling systems to reduce consumption, preserve water quality and support environmental sustainability in water-stressed regions. The Group maintains full compliance with ISO 14001:2015 (Environmental Management Systems), ensuring that all environmental practices meet international standards and align with national regulatory expectations. These measures underscore the Group's long-term commitment to sustainable operations and responsible resource use.

4.5.9.2 Social Responsibility and Workforce Localisation

The Group upholds a strong commitment to occupational health and safety, workforce development and community-oriented employment practices. Over its more than 50-year history, the Group has maintained an outstanding safety record, an achievement that underscores its dedication to rigorous safety protocols and continuous risk management.

Comprehensive health and safety procedures are implemented at all sites, including regular training sessions, site-specific safety inspections and enforcement of PPE usage for all operational staff. The Group adheres to ISO 45001:2018 (Occupational Health and Safety Management Systems), ensuring alignment with best-in-class health and safety standards.

In line with Vision 2030 workforce localisation goals, the Group is increasing the percentage of Saudi nationals across its operations. As of 31 March 2025G, the Group had implemented structured Saudisation programmes, focusing on recruitment, technical training and career progression for Saudi employees. This approach supports talent retention, enhances workforce capabilities and contributes to the national objective of building a skilled and sustainable local workforce.

The Group's social responsibility efforts also extend to supporting the broader community through employee welfare initiatives, safe workplace practices and inclusive development policies. These initiatives promote employee well-being, strengthen organisational culture and reflect the Group's role as a socially responsible corporate citizen in the Kingdom.

4.5.10 Compliance, Governance and Risk Management

The Group maintains a comprehensive governance, compliance and risk management framework, ensuring operational transparency, regulatory adherence and long-term business sustainability. Through strict compliance with Saudi Arabian legal frameworks, international standards and industry best practices, the Group effectively mitigates risks while upholding high corporate governance standards.

4.5.10.1 Full Compliance with Legal and Regulatory Frameworks

Regulatory compliance is central to the Group's operations, ensuring business continuity and adherence to evolving industry standards. The Group strictly follows all laws related to mining, environmental protection, logistics and occupational health and safety. As of 31 March 2025G, it holds 17 Building Materials Quarry Licences and six Rock Cutting with Explosives Licences, issued by the Ministry of Industry and Mineral Resources and the Ministry of Interior (for further details, see Section 11.4 (*Government Consents, Licences and Certificates*)). The Group complies with ISO 9001:2015 for quality management, ISO 14001:2015 for environmental management and ISO 45001:2018 for occupational health and safety. Regular internal compliance assessments and regulatory audits ensure all operational practices meet updated legal and environmental requirements.

4.5.10.2 Institutional Governance and Risk Management Practices

The Group has implemented robust corporate governance policies and comprehensive risk management frameworks to protect business continuity, operational efficiency and financial stability. Key governance and risk management measures include:

- strong corporate governance policies and compliance protocols to reinforce ethical business practices, transparency and structured decision-making;
- modern risk management mechanisms, including financial risk assessments, cybersecurity protections and supply chain risk mitigation strategies to ensure long-term operational stability;
- the adoption of SAP enterprise resource planning (ERP) systems, along with SAP customer relationship management (CRM) systems, which enhance financial reporting accuracy, strengthen data security, streamline enterprise-wide resource allocation and improve customer interaction and relationship management; and
- internal control mechanisms to oversee corporate governance compliance, ensuring that risk mitigation strategies align with industry best practices and regulatory expectations.

By maintaining strict compliance, sound governance policies and comprehensive risk management frameworks, the Group reinforces operational resilience, regulatory alignment and long-term business sustainability. These frameworks enable the Group to navigate market uncertainties, protect shareholder value and maintain its position as a trusted industry leader in the Saudi Arabian construction materials, mining and industrial sectors.

4.5.11 Experienced Leadership and Skilled Workforce

The Group's success is driven by a leadership team with deep industry expertise and a highly skilled workforce that supports its operations across multiple business segments.

4.5.11.1 Leadership with Extensive Industry Experience

The Group's executive management team possesses extensive experience in the construction materials, mining and industrial sectors, guiding strategic decision-making and business growth. Their expertise in operational management, financial planning and regulatory compliance ensures that the Group remains well-positioned to capitalise on market opportunities. Through a forward-looking leadership approach, the Group continuously adapts to industry trends, invests in innovation and promotes a culture of continuous improvement. This leadership stability provides confidence to stakeholders, reinforcing the Group's reputation in the industry.

4.5.11.2 Skilled Workforce with Strong Technical Capabilities

The Group employs a highly trained workforce across its mining, logistics and administrative functions. It invests in ongoing training programmes, technical certifications and leadership development initiatives to enhance employee competencies and ensure operational excellence. Additionally, the Group prioritises Saudi workforce localisation, aligning with Vision 2030 objectives by creating employment opportunities for local talent. Its commitment to workforce development strengthens employee engagement, reduces turnover and ensures long-term business sustainability.

By leveraging its deep industry expertise, vertically integrated business model and strong supplier and client relationships, the Group has established itself as one of the leaders in the aggregate material sector and the leading provider of crusher machinery, particularly in crusher spare parts, in the Kingdom. The diversification of its revenue streams across quarrying, aggregate materials production, asphalt production, crusher machinery and spare parts trading enhances financial stability and operational resilience. With robust financial capabilities, the Group continuously reinvests in technological advancements, automation and infrastructure upgrades to optimise production efficiency and cost-effectiveness. Its commitment to quality, compliance and ESG best practices ensures adherence to international safety, environmental and governance standards while supporting long-term partnerships with key clients. The Group's strong market positioning is reinforced by its ownership of high-capacity equipment and transportation assets, enabling it to deliver construction materials and industrial solutions efficiently. Additionally, its commitment to workforce localisation, employee training and corporate social responsibility initiatives aligns with Vision 2030, supporting the Kingdom's broader economic and industrial objectives. As the Kingdom continues to expand its infrastructure, industrial and urban development projects, the Group remains well-positioned for growth, driven by strategic expansion plans, sustainable business practices and a forward-looking governance framework. By maintaining operational excellence, financial prudence and client-centric service, the Group will continue to play a pivotal role in shaping the future of the Kingdom's construction and industrial sectors.

4.6 Overview of the Group's Business

The Group operates a diversified business model across multiple industrial sectors, encompassing quarrying for mining aggregates, asphalt production, sale of spare parts and crusher/heavy machinery. By leveraging a vertically integrated structure, the Group ensures efficient resource utilisation, cost-effective operations and a stable supply chain. With a strong presence in the Kingdom's construction and infrastructure sectors, the Group plays a critical role in supporting national development initiatives, including large-scale infrastructure projects and industrial expansion.

4.6.1 Overview of Business Segments

The Group is a leading producer and supplier of essential aggregate materials, spare parts and crushers, serving critical sectors such as infrastructure, roadworks, real estate development and industrial projects. By leveraging a vertically integrated business model, the Group manages the full value chain, from raw material extraction, processing to distribution, ensuring high-quality products, operational efficiency and supply chain resilience.

With a strong market presence, the Group operates multiple business divisions, including aggregates production, asphalt production, spare parts trading, crushers and distribution and specialised industrial fabrication. The Group's modern facilities, advanced production techniques and extensive logistics network allow it to meet the evolving demands of large-scale infrastructure projects while ensuring compliance with national and international industry standards.

As of 31 March 2025G, the Group operated seven quarries (which included 13 crushers) and four asphalt mixing plants, streamlined logistics and reliable supply to clients across the contracting, construction and mining sectors. The Group also maintained a fleet of approximately 563 trucks, supporting seamless transportation of raw materials, processed aggregates, asphalt products and industrial components, ensuring timely deliveries and optimised logistics operations.

Through its commitment to sustainability, quality assurance and continuous innovation, the Group remains a key player in supporting the Kingdom's economic and infrastructural development goals.

The following table details the Group's revenues by business segment:

Table 4.9: Details of Group's Revenues by Business Segment

Business Segment	Total Revenues (SAR)				Contribution to Group Revenue (%)			
	Financial Year			Three-Month Period Ended 31 March	Financial Year			Three-Month Period Ended 31 March
	Ended 31 December				Ended 31 December			
	2022G	2023G	2024G	2025G	2022G	2023G	2024G	2025G
Construction Materials	332,520,527	383,599,606	491,623,633	141,835,854	77.4%	76.9%	82.0%	83.1%
Spare Parts	96,940,352	115,093,086	107,960,530	28,865,354	22.6%	23.1%	18.0%	16.9%
Total	429,460,879	498,692,692	599,584,163	170,701,208	100.0%	100.0%	100.0%	100.0%

Source: The Company.

The following table details the Group's revenues by construction materials segment:

Table 4.10: Details of Group's Revenues by Construction Materials Segment

Construction Materials	Total Revenues from Construction Materials Segment (SAR)				Contribution to Construction Materials Revenue (%)			
	Financial Year			Three-Month Period Ended 31 March	Financial Year			Three-Month Period Ended 31 March
	Ended 31 December				Ended 31 December			
	2022G	2023G	2024G	2025G	2022G	2023G	2024G	2025G
Asphalt	75,829,672	126,434,296	157,286,843	37,572,237	22.8%	33.0%	32.0%	26.5%
Aggregates	256,690,855	257,165,310	334,336,790	104,263,617	77.2%	67.0%	68.0%	73.5%
Total	332,520,527	383,599,606	491,623,633	141,835,854	100%	100%	100%	100%

Source: The Company.

The following table details the Group's revenues by Spare Parts Segment:

Table 4.11: Details of Group's Revenues by Spare Parts Segment

Spare Parts	Total Revenues from Spare Parts Segment (SAR)				Contribution to Spare Parts Revenue (%)			
	Financial Year			Three-Month Period Ended 31 March	Financial Year			Three-Month Period Ended 31 March
	Ended 31 December				Ended 31 December			
	2022G	2023G	2024G	2025G	2022G	2023G	2024G	2025G
Spare parts	80,656,658	89,754,948	79,816,809	23,821,725	83.2%	78.0%	73.9%	82.5%
Crushers/heavy machinery	16,283,694	25,338,138	28,143,721	5,043,629	16.8%	22.0%	26.1%	17.5%
Total	96,940,352	115,093,086	107,960,530	28,865,354	100.0%	100.0%	100.0%	100.0%

Source: The Company.

4.6.1.1 Sales of Construction Materials

The Group is a key supplier of construction materials, providing essential raw materials that support the Kingdom's large-scale infrastructure development, urban expansion and industrial growth. With a vertically integrated business model, the Group controls the entire supply chain, from quarrying and extraction to processing, quality control and distribution, ensuring a consistent and reliable supply of high-quality construction materials.

Through its modern facilities, strategically located extraction sites and modern material processing technologies, the Group supplies aggregates and asphalt products tailored to meet stringent industry specifications. The Group's commitment to sustainability, operational efficiency and regulatory compliance ensures that its products contribute to durable, long-lasting and high-performance infrastructure across the Kingdom.

As of 31 March 2025G, the Group operated seven quarries (which included 13 crushers) and four asphalt mixing plants, enabling efficient production and seamless supply to clients in construction, roadworks, infrastructure and industrial sectors. By maintaining modern logistics and inventory management systems, the Group minimises lead times, enhances supply chain reliability and ensures that clients receive materials suited to their specific project needs.

In the financial years ended 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G, revenue from the Sales of Construction Materials represented 77.4 per cent., 76.9 per cent., 82.0 per cent. and 83.1 per cent., respectively, of the Group's total revenue for the same periods.

(a) Aggregate

Aggregates form the backbone of the construction industry, serving as the essential raw material for a broad range of applications, including road building, concrete manufacturing and large-scale infrastructure projects. As a critical supplier in the Kingdom, the Group produces a variety of aggregate types, each specifically designed to meet the engineering and structural requirements of diverse projects. The Group's aggregate production process is backed by extensive reserves, modern processing facilities and a logistics network that ensures seamless supply across major urban centres and industrial zones. By maintaining strict quality control standards, optimising material grading and employing environmentally

responsible extraction and production techniques, the Group ensures that its aggregates consistently meet national and international industry specifications.

In the financial years ended 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G, revenue from the aggregate sales represented 59.8 per cent., 51.6 per cent., 55.8 per cent. and 61.1 per cent., respectively, of the Group's total revenue for the same periods.

(i) Aggregate Types Offered by the Group

Aggregates are fundamental materials in the construction industry. The Group produces a diverse range of aggregates, each varying in size and specific application, to meet the demands of various construction projects. Below is an overview of the different types of aggregates produced by the Group, their sizes and their typical uses:

Size: 1 inch (25 mm)

This aggregate consists of stones approximately 1 inch in diameter. Due to its substantial size, it is primarily used as a base material in construction projects. Its applications include forming the foundational layer for roads, highways and large-scale infrastructure, providing essential support and stability to the structures above. The larger particle size ensures excellent load-bearing capacity and facilitates proper drainage, reducing the risk of water accumulation and associated structural issues.

Size: 3/4 inch (19 mm)

Aggregates of this size are versatile and commonly used in various construction applications. They serve as a critical component in concrete production, contributing to the mixture's strength and durability. Additionally, 3/4 inch aggregates are utilised in asphalt production for road surfacing, ensuring a robust and long-lasting pavement. Their size allows for a balanced mix that supports structural integrity while providing a smooth finish. Additionally, the Group has the capability to provide this size up to 22 mm to meet the increasing demand in various engineering and construction applications.

Size: 3/8 inch (9.5 mm)

Aggregate with its small size and smooth texture. They are predominantly used in decorative applications, such as landscaping and garden pathways, offering aesthetic appeal. In construction, 3/8 inch aggregates are incorporated into concrete mixes where a finer finish is desired and they are also used in the production of precast concrete products. Their smaller size facilitates ease of handling and finishing in detailed work. Additionally, the Group offers this size up to 12 mm to meet the demand for specialised applications in construction and infrastructure.

Size: 3/16 inch (4.75 mm)

This size of aggregate is classified as fine gravel. It is extensively used in the production of concrete blocks and paving stones, where a smooth surface texture is essential. Additionally, 3/16 inch aggregates are employed in road construction as a component of the base layer, aiding in achieving the desired compaction and stability. Their fine size ensures a dense packing, which is crucial for the structural performance of the finished product. Additionally, the Company has enhanced the production of this size to offer it in a washed form, meeting the growing demand for cleaner and higher-quality materials in specific applications.

Size: 0.05 mm

Aggregates measuring 0.05 mm are considered fine and are primarily used in applications requiring a smooth and uniform finish. They are integral to the production of mortar for masonry work, providing the necessary consistency and workability. In plastering, 0.05 mm aggregates contribute to a fine-textured surface, essential for aesthetic finishes. Their fine granularity ensures ease of application and a high-quality finish in interior and exterior wall coatings.

The primary distinction among these aggregate sizes lies in their particle dimensions, which directly influence their suitability for specific applications:

- **Load-Bearing Capacity:** Larger aggregates offer superior load-bearing capabilities, making them ideal for foundational layers in heavy-duty construction;
- **Surface Finish:** Smaller aggregates, like the 3/8 (9.5 mm) inch, 3.8 inch, and 0.05 mm sizes, provide a smoother surface finish, which is desirable in decorative applications and detailed concrete work; and
- **Workability:** Finer aggregates enhance the workability of concrete and mortar mixes, allowing for easier handling and application in intricate construction tasks.

Wash Sand

The Group also produces wash sand, which is used extensively in concrete manufacturing, block works, plastering and other construction applications requiring clean and high-quality fine aggregates. The washing process removes impurities and clay particles, improving the performance of the final construction material.

Custom Aggregate Mixes and Extended Size Range

In addition, the Group has the capability to produce custom aggregate sizes tailored to specific client requirements. This flexibility allows the Group to meet project-specific technical specifications and ensures optimal compatibility with various engineering designs. By offering a broad range of aggregate sizes—including 1.5 inches, 2 inches, 3 inches and up to 5 inches—the Group is able to support a wide array of structural and aesthetic project goals across the construction sector.

(ii) Aggregates Applications

The Group's aggregates play a crucial role in various construction, infrastructure and industrial applications. By offering different sizes and types of aggregates, the Group ensures that its products meet the structural, durability and sustainability requirements of diverse projects. The primary applications include:

- **Asphalt Production:** Aggregates serve as a key component in asphalt mixtures, forming the structural backbone of highways, airport runways and urban roads. The use of well-graded aggregates ensures long-term durability, skid resistance and load-bearing capacity in asphalt pavements;
- **Concrete Manufacturing:** The Group's aggregates are integral to the production of ready-mix concrete, pre-cast elements and reinforced concrete structures. Coarse aggregates provide compressive strength, while finer aggregates enhance workability and finish. These materials are widely used in residential, commercial and industrial construction;
- **Marine and Coastal Infrastructure:** Aggregates play a vital role in breakwaters, seawalls and land reclamation projects, providing stability and resistance against tidal movements, erosion and wave action. The Group supplies specialised aggregates designed to withstand harsh marine environments;
- **Civil Engineering and Infrastructure Projects:** The Group's aggregates are used in highways, bridges, Metros, tunnels and urban infrastructure developments, ensuring stability, load distribution and durability. Their application extends to railway embankments, flood control structures and industrial foundations; and
- **Sub-Base Materials for Roads and Pavements:** Aggregates form the foundation layers of road networks, providing a stable base for highways, industrial zones, parking areas and logistics hubs. Properly graded sub-base materials enhance load-bearing capacity and drainage, preventing road deformation and extending lifespan.

By supplying high-quality aggregates tailored to meet engineering specifications, the Group contributes to the development of resilient, sustainable and high-performance infrastructure across the Kingdom.

(iii) Aggregates Quarries

Overview

As of 31 March 2025G, the Group operated seven active quarries (which included 13 crushers) strategically located in Rumah, Soman, Al Ula, Jeddah, Majmaah, Dirab and Al Ha'ir. These quarries serve as the primary source of high-quality aggregates, supplying materials to key sectors, including construction, infrastructure, roadworks and industrial developments. The geographic distribution of these quarries allows for efficient and cost-effective supply to major clients, including Government infrastructure projects, ready-mix concrete plants and road construction companies. By owning and operating its quarries, the Group ensures consistent quality, stable pricing and uninterrupted supply, reducing reliance on third-party suppliers:

- **Dedicated Extraction Zones:** Each quarry has well-defined excavation areas where raw materials are systematically extracted in planned phases. The extraction sequence is carefully designed to maximise resource utilisation while ensuring long-term sustainability. The Group's planning team continuously assesses geological formations to optimise resource extraction and minimise unnecessary disturbance to surrounding land;
- **Internal Road Networks:** The Group has developed well-maintained haul roads within each quarry to allow for the efficient movement of extracted materials to crushing and processing plants. These roads are designed to accommodate high-capacity haul trucks and loaders, ensuring smooth and uninterrupted transportation. Dust suppression systems, including water-spraying mechanisms, are implemented to minimise airborne particles and improve air quality within and around quarry operations;
- **Stockpile and Storage Areas:** Each quarry site features segregated stockpile areas, allowing aggregates to be sorted and stored based on size, composition and intended application. The Group has implemented real-time inventory tracking and management systems to monitor stock levels and prevent material cross-contamination. These measures ensure that clients receive aggregates that meet exact grading and quality specifications;

- **Weighbridge and Load-Out Stations:** On-site calibrated weighbridges are installed at each quarry to ensure accurate material measurement, efficient load management and transparent invoicing for clients. This enhances billing transparency and operational efficiency. High-capacity loading stations are also strategically placed to enable quick turnaround times for large orders, improving logistics and minimising transportation delays; and
- **Water Supply and Recycling Systems:** Each quarry is equipped with dedicated water management infrastructure, including water storage reservoirs and closed-loop recycling systems. Water is primarily used for dust suppression, cooling of machinery and processing activities. To promote sustainability and responsible resource management, the Group has implemented filtration and sedimentation systems that allow for the reuse of process water, significantly reducing reliance on freshwater sources.

Substantial Production Capacity

The Group possesses a substantial production capacity that enables it to serve a wide range of product requirements efficiently and reliably, reinforcing its position as one of the leading aggregate suppliers in the Kingdom. With its advanced infrastructure, including modern heavy machinery and efficient transportation systems, the Group ensures continuous production in line with high operational standards. The Group operates eight quarries, of which, six are long-term quarries and two are short-term quarries.

Long-Term Quarries

Long-term quarries are any site leased by the Group from the Government for the purpose of constructing and operating a crusher to carry out mining activities. These are long-term locations where the Group has rights to extract and produce building materials aggregate. The production capacity of each of the Group's long-term quarries as of 31 March 2025G is described below:

Rumah Quarry

The Rumah Quarry is a key source of high-quality aggregates supplying Riyadh and surrounding industrial zones. Its proximity to major infrastructure projects makes it a vital contributor to construction and road development initiatives in central parts of the Kingdom. The quarry is equipped with modern excavation and processing equipment to ensure efficient production and supply. The following are key details of the quarry:

- **Location:** The Rumah Quarry is located in Riyadh Province, situated northeast of Riyadh, with convenient access to major highways connecting to Riyadh's infrastructure and industrial zones.
- **Size:** 3.8 km².
- **Number of Mining Licences:** Five licences.
- **Number of Crushers:** Four production crushers are located at this site, in addition to two crushers dedicated to recycling.
- **Type of Extracted Material:** Aggregate.
- **Stockpile Ready for Sale:** 1.7 million tonnes.
- **Geological Reserve Capacity:** Approximately 75 million tonnes at the current site with an additional 80 million tonnes available at the adjacent site subject to application by the Group to the Ministry of Industry and Mineral Resources and its approval.
- **Current Capacity:** 9.6 million tonnes per year. Capacity has been increased by adding more production lines.
- **Capacity for the Financial Periods:** 7.2 million tonnes, 7.2 million tonnes, 7.2 million tonnes and 2.0 million tonnes as of 31 December 2022G, 2023G and 2024G, and 31 March 2025G.
- **Production for the Financial Periods:** 6.7 million tonnes, 6.5 million tonnes, 5.9 million tonnes and 1.9 million tonnes as of 31 December 2022G, 2023G and 2024G, and 31 March 2025G.
- **Ratio of Production to Total Capacity:** 93.1 per cent., 90.3 per cent., 81.9 per cent. and 95.0 per cent. as of 31 December 2022G, 2023G and 2024G, and 31 March 2025G.

Al Soman Quarry

Al Soman Quarry is strategically located in the Al-Summan Plateau, an area known for its rich geological formations and high-yield mineral deposits. It plays a significant role in meeting the demand for aggregates in large-scale infrastructure projects and serves as a reliable supplier for industrial developments across the Eastern and Central Regions. The following are key details of the quarry:

- **Location:** Al-Summan Plateau, Eastern Province, an area known for its rich geological formations, with access to major industrial developments and logistics hubs.
- **Size:** 3.1 km².
- **Number of Mining Licences:** Eight licences.
- **Number of Crushers:** Two production crushers are located at this site.
- **Type of Extracted Material:** Aggregate.
- **Stockpile Ready for Sale:** 1.8 million tonnes.
- **Geological Reserve Capacity:** Approximately 50 million tonnes at the current site with an additional 50 million tonnes available at the adjacent site subject to application by the Group to the Ministry of Industry and Mineral Resources and its approval.
- **Current Capacity:** 6 million tonnes per year, capacity has been increased by adding equipment and improving production lines.
- **Capacity for the Financial Periods:** 5.4 million tonnes, 5.4 million tonnes, 5.4 million tonnes and 1.5 million tonnes as of 31 December 2022G, 2023G and 2024G, and 31 March 2025G.
- **Production for the Financial Periods:** 4.0 million tonnes, 5.0 million tonnes, 4.8 million tonnes and 1.5 million tonnes as of 31 December 2022G, 2023G and 2024G, and 31 March 2025G.
- **Ratio of Production to Total Capacity:** 74.1 per cent., 92.6 per cent., 88.9 per cent. and 100.0 per cent. as of 31 December 2022G, 2023G and 2024G, and 31 March 2025G.

Al Ula Quarry

The Al Ula Quarry is a vital asset for infrastructure and urban development projects in northwestern part of the Kingdom. Located in a region known for its extensive rock formations, this quarry provides premium-quality aggregates for private sector construction initiatives. Its well-developed logistics connections allow for efficient distribution to key project sites. The following are key details of the quarry:

- **Location:** Al Ula Quarry is located in Madinah Province, a region with extensive rock formations, well-positioned to supply northwestern part of the Kingdom's construction and infrastructure projects.
- **Size:** 0.2 km².
- **Number of Mining Licences:** One licence.
- **Number of Crushers:** One production crusher is located at this site.
- **Type of Extracted Material:** Aggregate.
- **Stockpile Ready for Sale:** 0.26 million tonnes.
- **Geological Reserve Capacity:** Approximately 15 million tonnes at the current site with an additional 17 million tonnes available at the adjacent site subject to application by the Group to the Ministry of Industry and Mineral Resources and its approval.
- **Current Capacity:** 1.4 million tonnes per year.
- **Capacity for the Financial Periods:** 0.0 tonnes, 1.4 million tonnes, 1.4 million tonnes and 0.35 million tonnes as of 31 December 2022G, 2023G and 2024G, and 31 March 2025G.
- **Production for the Financial Periods:** 0.0 tonnes, 0.7 million tonnes, 0.8 million tonnes and 0 tonnes as of 31 December 2022G, 2023G and 2024G, and 31 March 2025G.
- **Ratio of Production to Total Capacity:** 0.0 per cent., 50.0 per cent., 57.1 per cent. and 0.0 per cent. as of 31 December 2022G, 2023G and 2024G, and 31 March 2025G.
- Al Ula Quarry commenced production in 2023G.

Majmaah Quarry

The Majmaah Quarry is located in a high-demand area for construction and roadwork projects. Its strategic position near key transport routes enables cost-effective aggregate distribution while supporting ongoing infrastructure expansion in central part of the Kingdom. The following are key details of the quarry:

- **Location:** Majmaah Quarry is in Riyadh Province, located northwest of Riyadh, strategically positioned to serve major construction and roadwork projects in central part of the Kingdom.
- **Size:** 0.4 km².
- **Number of Mining Licences:** One licence.
- **Number of Crushers:** One production crusher is located at this site.
- **Type of Extracted Material:** Aggregate.
- **Stockpile Ready for Sale:** 0.24 million tonnes.
- **Geological Reserve Capacity:** Approximately 101 million tonnes at the current site with an additional 80 million tonnes available at the adjacent site subject to application by the Group to the Ministry of Industry and Mineral Resources and its approval.
- **Current Capacity:** 1.4 million tonnes per year.
- **Capacity for the Financial Periods:** 0.0 tonnes, 1.4 million tonnes, 1.4 million tonnes and 0.35 million tonnes as of 31 December 2022G, 2023G and 2024G, and 31 March 2025G.
- **Production for the Financial Periods:** 0.0 tonnes, 0.2 million tonnes, 0.5 million tonnes and 0 tonnes as of 31 December 2022G, 2023G and 2024G, and 31 March 2025G. Sales are made from inventory, and the site is undergoing closure.
- **Ratio of Production to Total Capacity:** 0.0 per cent., 14.3 per cent., 35.7 per cent. and 0.0 per cent. as of 31 December 2022G, 2023G and 2024G, and 31 March 2025G.
- The Majmaah Quarry commenced production in 2023G. As of the date of this Prospectus, sales are being made from inventory, and the Group is in the process of closing the site.

Al Ha'ir Quarry

The Al Ha'ir Quarry is an essential production site for high-quality aggregates used in construction and infrastructure applications. Its close proximity to key industrial zones makes it a critical supplier for large-scale projects, ensuring reliable material availability for construction, roadworks and manufacturing sectors. The following are key details of the quarry:

- **Location:** Al Ha'ir, Al Ha'ir Province, with direct connectivity to key infrastructure and industrial developments.
- **Size:** 0.25 km².
- **Number of Mining Licences:** One licence.
- **Number of Crushers:** One production crusher is located at this site.
- **Type of Extracted Material:** Aggregate.
- **Stockpile Ready for Sale:** 0.75 million tonnes.
- **Geological Reserve Capacity:** Approximately nine million tonnes at the current site with an additional 45 million tonnes available at the adjacent site subject to application by the Group to the Ministry of Industry and Mineral Resources and its approval.
- **Current Capacity:** 1.5 million tonnes per year.
- **Capacity for the Financial Periods:** 1.5 million tonnes and 0.375 million tonnes as of 31 December 2024G, and 31 March 2025G.
- **Production for the Financial Periods:** 0.1 million tonnes and 0.3 million tonnes as of 31 December 2024G, and 31 March 2025G.
- **Ratio of Production to Total Capacity:** 6.7 per cent. and 80.0 per cent. as of 31 December 2024G, and 31 March 2025G.
- The Al Ha'ir Quarry commenced production in December 2024G.

Jeddah Quarry

Strategically located in the western region of the Kingdom, the Jeddah Quarry serves as a key production site supporting urban development and infrastructure projects in and around the city of Jeddah. Its close proximity to major transportation corridors, industrial zones and the Jeddah Islamic Port enables efficient distribution of materials across the western region. The following are key details of the quarry:

- **Location:** Western Region – Jeddah, approximately 40 km from the city centre and in close proximity to the Makkah-Jeddah Highway and Jeddah Islamic Port.
- **Size:** 0.25 km².
- **Number of Mining Licences:** One licence.
- **Number of Crushers:** One production crusher is located at this site.
- **Type of Extracted Material:** Aggregate.
- **Stockpile Ready for Sale:** 0.1 million tonnes.
- **Geological Reserve Capacity:** Approximately 25 million tonnes at the current site with an additional 60 million tonnes available at the adjacent site subject to application by the Group to the Ministry of Industry and Mineral Resources and its approval.
- **Current Capacity:** 1.4 million tonnes per year.
- As of the date of this Prospectus, the Jeddah Quarry is currently under development and has not yet commenced production.

Short-Term Quarries:

Short-term quarries are quarries where the Group is granted short-term operational access, typically for one to two years, without tenancy rights over the location. In such cases, the Government does not lease the land to any company but contracts the Group to operate on-site to extract aggregates from a specific area and supply materials for the project's needs. For those sites, the Group mobilises crusher units that can be easily relocated between sites. As of 31 March 2025G, the Group had one production crusher and one asphalt mixer at the project location (Dirab PSS asphalt plant) for the extraction of aggregate. The project concluded in June 2025G.

Total Production Capacity and Reserve Estimates

The Group's quarrying operations are designed to support high-volume aggregate production, with an annual extraction capacity of approximately 21.3 million tonnes. The production capacity is optimised through modern extraction techniques, high-efficiency crushing plants and automated storage management systems:

- **Annual Extraction Capacity:** The Group's quarry sites collectively produce an estimated 21.3 million tonnes per year, making it one of the largest aggregate suppliers in the Kingdom;
- **Long-Term Strategic Reserves Stock:** The Group's quarries (not including any extension to adjacent sites) as of the date of this Prospectus contain substantial long-term reserves, with an estimated lifespan of 15 to 20 years based on current extraction rates and market demand; and
- **Future Quarry Expansion:** The Group actively monitors opportunities for acquiring new quarry sites to expand production capacity and diversify aggregate offerings. Feasibility studies are ongoing for potential new sites in Riyadh, the Western Region and the Eastern Region, ensuring sustained growth and supply security.

Quarry Operations and Regulatory Compliance

The Group's quarrying activities are conducted in full compliance with the Kingdom's mining laws, environmental regulations and occupational safety standards. The Group holds multiple mining, environmental and operational licences, primarily issued by the Ministry of Industry and Mineral Resources and the Ministry of Interior, ensuring compliance with extraction limits, safety protocols and environmental management requirements. These licences allow the Group to operate its quarries efficiently while adhering to strict regulatory oversight (for further details on the licences, see Section 11.4 (*Government Consents, Licences and Certificates*)).

- **Summary of the Group's Mining Licences:** As of the date of this Prospectus, the Group holds 17 Building Materials Quarry Licences, issued by the Ministry of Industry and Mineral Resources, authorising the extraction of raw materials used in construction and infrastructure projects. In addition, the Group possesses six licences for rock cutting using explosives, issued by the Ministry of Interior. These licences enable the use of controlled blasting techniques for

efficient rock fragmentation. The Group previously held an exploration Licence for Mining Areas which expired in 2023G. The Group is currently seeking an Extraction Licence in respect of the same site. See further Section 11.4 (*Government Consents, Licences and Certificates*) for details of the Group's mining licences;

- **Safety and Environmental Standards:** The Group implements strict safety measures, including controlled blasting procedures, slope stabilisation techniques and air quality monitoring systems, to ensure safe quarrying operations. These measures reduce operational risks and ensure compliance with national safety guidelines. The Group also invests in modern dust suppression technology, such as spray systems and enclosed conveyor belts, to mitigate dust emissions and improve workplace conditions. It continues to maintain various industrial and environmental licences for pollution control and commercial activities;
- **Sustainable Quarrying Practices:** The Group follows a structured land rehabilitation programme, ensuring that depleted quarry sections are progressively restored through revegetation and soil stabilisation techniques. The Group actively collaborates with environmental agencies and regulatory bodies to implement best practices in land restoration and biodiversity conservation. The Group also incorporates water recycling systems and energy-efficient extraction methods to reduce environmental impact and promote resource sustainability; and
- **Regulatory Compliance and Reporting:** The Group conducts regular environmental impact assessments and operational audits to ensure full compliance with local and international regulatory frameworks. Continuous monitoring and reporting mechanisms allow for the proactive identification of potential environmental concerns, enabling timely corrective actions. The Group maintains detailed compliance records and submits periodic reports to relevant authorities to demonstrate adherence to all regulatory and environmental obligations.

By maintaining a robust licensing portfolio, adhering to rigorous safety protocols and implementing sustainable quarrying principles, the Group reinforces its position as a responsible industry leader, committed to safe and environmentally conscious aggregate production.

(iv) Aggregates Extraction Process

The Group employs a combination of controlled blasting, mechanical excavation and precision drilling techniques to ensure the efficient, safe and sustainable recovery of aggregates. These methods are designed to maximise resource utilisation, minimise environmental impact and comply with strict regulatory and safety standards. The extraction process follows a structured approach, beginning with geological assessments and moving through site preparation, extraction and material transport:

- **Geological Surveys and Site Identification:** Before extraction begins, detailed geological surveys and feasibility studies are conducted to assess the quality and quantity of aggregate reserves. Modern geophysical and geochemical analysis techniques are used to map the mineral composition, allowing for precise planning and resource optimisation;
- **Regulatory Compliance and Environmental Impact Assessments:** The Group issues all necessary mining permits and environmental approvals before commencing extraction. Comprehensive environmental impact assessments ensure that operations comply with Saudi mining laws and international best practices for sustainability and land rehabilitation;
- **Site Preparation and Mobilisation:** Extraction areas are carefully prepared by removing overburden materials, including soil, vegetation and non-usable rock. This ensures direct access to high-quality aggregates while preserving surrounding land. The removed materials are either used for progressive site rehabilitation or repurposed for other industrial applications;
- **Controlled Blasting and Fragmentation:** The Group uses precision-controlled blasting to fracture large rock formations safely and efficiently. This method ensures that blast-induced vibrations, noise levels and dust emissions are minimised. Blasting operations are carefully scheduled and monitored to comply with safety regulations and prevent disturbances to surrounding areas;
- **Mechanical Excavation and Material Handling:** Following blasting, aggregates are extracted using high-capacity hydraulic excavators, wheel loaders and heavy-duty haul trucks. These machines transport raw materials from extraction zones to primary crushing and processing facilities. The Group employs real-time fleet monitoring and GPS tracking systems to optimise material flow and reduce idle time; and
- **On-Site Transport and Stockpiling:** Once extracted, raw aggregates are transported via internal haul roads to designated processing and stockpile areas. The Group's dedicated transportation network, including belt conveyors and high-payload dump trucks, ensures efficient movement of materials while minimising environmental disruption. Stockpiling is carried out using automated material handling systems, which help maintain aggregate quality and prevent contamination.

The Group continuously evaluates its extraction processes, equipment and sustainability initiatives to enhance efficiency and reduce environmental impact. By employing modern technology and best-in-class operational standards, the Group ensures responsible aggregate extraction, reinforcing its position as a leading supplier in the Kingdom.

(v) Aggregates Processing

Following extraction, aggregates undergo a multi-stage processing sequence designed to refine raw materials into different grades and sizes suitable for commercial, industrial and infrastructure applications. As of 31 March 2025G, the Group operated 13 high-capacity crushers, ensuring efficient material refinement and consistent quality. The processing workflow is structured to optimise output efficiency, minimise waste and comply with national and international standards:

- **Primary Crushing and Initial Screening:** Extracted raw materials are first fed into primary jaw crushers, which break down large rock fragments into smaller, manageable sizes. This initial crushing stage removes oversized particles and impurities, ensuring uniformity in feedstock before further processing. The crushed materials are then passed through vibrating screens to classify aggregates by size, separating coarse materials from finer particles;
- **Secondary and Tertiary Crushing:** After primary crushing, materials are further refined using cone crushers, impact crushers and hammer mills, depending on the required end-product specifications. These secondary and tertiary crushers enhance the shape, texture and durability of aggregates, ensuring suitability for asphalt production, concrete manufacturing and specialised infrastructure projects. The Group employs automated crushing systems that adjust processing parameters in real-time to maintain consistency in particle size distribution;
- **Final Screening and Classification:** The processed aggregates are passed through high-frequency vibrating screens that classify materials into various standard sizes, including 1 inch, ¾ inch, 3/8 inch, 3/16 inch and 0.05 mm aggregates. This ensures that each batch meets the specific grading and application requirements for clients. Materials that do not meet the required specifications are re-circulated through the crushers for further refinement, ensuring minimal waste and optimal resource utilisation;
- **Fine Aggregate and Sand Processing:** To cater to masonry, plastering and finishing applications, finer aggregates undergo specialised washing and filtration processes. The Group integrates water recycling systems in sand processing operations, reducing freshwater consumption and aligning with sustainability best practices; and
- **Stockpiling and Loadout:** Once processing is complete, aggregates are stored in segregated stockpile areas, preventing contamination and maintaining material integrity. The Group has implemented automated stockpile management systems, ensuring precise inventory tracking and quick order fulfilment. Outbound materials are transported using dedicated conveyor systems, bulk loading stations and GPS-monitored transport fleets, ensuring efficient and timely deliveries to clients.

Throughout the processing phase, the Group adheres to strict quality control protocols, conducting regular material testing and certification. Laboratory tests assess particle size distribution, moisture content, load-bearing capacity and durability, ensuring compliance with Saudi regulatory standards and international construction codes. By maintaining a technologically modern and quality-driven processing operation, the Group ensures that its aggregates consistently meet the highest quality standards, reinforcing its reputation as a leading supplier in the Kingdom.

(vi) Aggregates Transportation

The Group has developed an efficient and integrated transportation network to ensure the timely and cost-effective delivery of aggregates to its diverse client base, including construction firms, ready-mix concrete plants, asphalt producers and Government infrastructure projects. By leveraging a combination of dedicated transport fleets, bulk-loading facilities and strategically located distribution hubs, the Group ensures that clients receive high-quality aggregates with minimal lead time, while maintaining logistical efficiency and supply chain reliability:

- **Fleet Operations and Logistics Management:** The Group operates a fleet of high-capacity trucks, bulk haulers and conveyor belt systems, allowing for the seamless transport of aggregates from processing facilities to client sites. These transport vehicles are equipped with global tracking systems, enabling real-time monitoring of deliveries, optimised route planning and reduced transit times. The Group's logistics team utilises digital fleet management software to coordinate shipments, track vehicle performance and ensure compliance with weight regulations and road safety standards;
- **Loading and Transportation Centres:** To expedite the loading process and improve dispatch efficiency, the Group has installed an automated weighbridge for large material trucks at each quarry and processing plant. These stations are equipped with calibrated weighbridges, ensuring that each shipment meets precise weight and volume specifications. The Group's real-time dispatch management system synchronises orders with available transport capacity, minimising delays and enhancing client satisfaction;
- **Distribution Hubs and Regional Access Points:** In addition to direct deliveries, the Group maintains strategic distribution hubs in key regions to serve clients operating in urban and remote locations. These hubs function as centralised storage and transshipment points, allowing the Group to consolidate shipments, optimise fleet utilisation and reduce transportation costs. The proximity of these hubs to major highways, industrial zones and construction corridors ensures uninterrupted supply and quick turnaround times for clients with large-scale requirements;

- **Specialised Handling for Large Infrastructure Projects:** The Group provides customised transportation solutions for mega infrastructure projects requiring high-volume aggregate deliveries. Dedicated on-site material staging areas are established at project locations, allowing for scheduled deliveries in coordination with construction timelines. For large-scale operations, the Group deploys temporary conveyor systems and mobile loading units to improve material handling efficiency and minimise road congestion near project sites; and
- **Sustainability in Transportation:** As part of its commitment to environmental sustainability, the Group has implemented measures to reduce fuel consumption, minimise emissions and optimise delivery routes. Fleet operators are trained in eco-driving techniques and the Group actively explores alternative fuel vehicles and low-emission transport technologies, as part of long-term sustainability initiatives.

By maintaining a well-coordinated transportation infrastructure, investing in modern logistics management systems and ensuring strict compliance with regulatory requirements, the Group continues to enhance its supply chain efficiency and deliver aggregates reliably and cost-effectively to clients across the Kingdom.

(b) Asphalt

The Group is an up-and-coming asphalt player, supplying high-quality materials for road construction, airport runways and large-scale infrastructure projects with four asphalt plants located in Rumah, Dirab PSS and Al Ula plants. The Group's asphalt products are designed to meet quality standards for durability, skid resistance and weather resilience, ensuring long-lasting performance in high-traffic and extreme climate conditions. By maintaining a vertically integrated supply chain, the Group ensures consistent quality and reliable supply, supporting private sector infrastructure initiatives across the Kingdom.

In the financial years ended 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G, revenue from the asphalt sales represented 17.7 per cent., 25.4 per cent. 26.2 per cent. and 22.0 per cent., respectively, of the Group's total revenue for the same periods.

(i) Asphalt Products Offered by the Group

The Group's asphalt division is a key supplier of high-performance asphalt mixtures, catering to residential, commercial and infrastructure projects across the Kingdom. The Group has collaborated with leading companies in the asphalt industry, enabling the adoption of modern production techniques and innovative formulations. With a production capacity of 223,289 tonnes per hour as of 31 March 2025G, the Group ensures high-volume output and reliable supply to meet the growing market demand for premium asphalt solutions. Asphalt is supplied directly from the mixing plant or delivered on-site to construction projects in Riyadh and surrounding areas, providing clients with flexible and efficient service options.

The Group offers a full range of asphalt products, including standard and modified asphalt mixtures, designed to meet specific performance requirements for all kinds of roads including (but not limited) to highways, airport runways, industrial developments and residential projects:

- **Marshall-Type Mixtures:** The Group produces Marshall-designed asphalt mixtures which are widely used as a foundational layer in road construction, urban streets and commercial pavements. These mixtures are popular in the Kingdom due to their optimised performance under harsh climatic and high-traffic conditions;
- **Bituminous Base Coarse (BBC) Products:** The Group produces BBC mixtures that serve as the foundational structural layer in flexible pavement design. These products are engineered to deliver superior load-bearing capacity, fatigue resistance and bonding strength with overlying asphalt layers. BBC is widely adopted across the Kingdom and remains in high demand due to its proven reliability in supporting long-term road performance under heavy traffic and extreme climate conditions;
- **Superpave Asphalt:** The Group offers Superpave asphalt mixtures, an improved, high-performance asphalt technology engineered to withstand heavy loads, extreme temperature variations and long-term wear. This type of asphalt is particularly suitable for highways, expressways and transportation corridors requiring enhanced durability and skid resistance;
- **Residential Asphalt Solutions:** The Group provides asphalt paving services for residential driveways, access roads and private developments. These surfaces are carefully designed for aesthetic appeal, smooth finish and long-lasting durability. The Group's commitment to neat, professional installation and high-quality workmanship ensures client satisfaction and superior project outcomes; and
- **On-Site Asphalt Delivery Services:** The Group offers flexible delivery options, supplying hot asphalt under the mixer at production plants or transporting ready-mixed asphalt directly to project sites. This ensures that contractors receive freshly mixed asphalt tailored to specific job requirements, reducing material waste and improving construction efficiency.

By maintaining a diverse range of asphalt products, utilising modern production technologies and offering reliable delivery services, the Group ensures that its asphalt solutions meet the highest industry standards for quality, performance and sustainability.

(ii) Asphalt Product Applications

The Group's high-performance asphalt mixtures are integral to major transportation, industrial and infrastructure projects across the Kingdom. With a diverse range of Marshall-type and Superpave asphalt formulations, the Group ensures that its products meet the load-bearing, durability and environmental performance requirements of modern construction. Each asphalt mixture is engineered to withstand extreme temperatures, heavy traffic loads and long-term wear, making the Group a trusted supplier for critical infrastructure projects:

- **Highway Construction:** The Group's high-specification asphalt formulations are designed for expressways, intercity roads and arterial highways, ensuring long-lasting pavement durability and thermal stability. These formulations provide skid resistance, reduced cracking and enhanced load distribution, contributing to smoother and safer road networks;
- **Airport Runways:** The Group's aviation-grade asphalt is manufactured to meet international aviation safety standards, making it suitable for runway surfacing, taxiways and aircraft aprons. These asphalt mixtures are resistant to high-pressure loads, fuel spills and extreme weather conditions, ensuring safe aircraft operations and extended pavement lifespan; and
- **Industrial and Urban Infrastructure:** The Group's custom-engineered asphalt is widely used in bridges, industrial zones, logistics hubs and port access roads, where load-bearing capacity and resilience are critical. It is also applied in parking lots, heavy-duty access roads and municipal development projects, providing a durable and cost-effective paving solution.

By offering specialised asphalt solutions tailored to the needs of modern infrastructure, the Group plays a pivotal role in enhancing transportation networks, aviation facilities and urban development, supporting the Kingdom's long-term economic and industrial growth.

(iii) Asphalt Production Facilities

As of 31 March 2025G, the Group operated four modern asphalt mixing plants, each strategically located to support major infrastructure projects across the Kingdom. These facilities are equipped with modern production technology, ensuring high-volume capacity, precise formulation and mix control and compliance with industry standards:

- **High-Capacity Mixing Plants:** Each plant is designed with high-output batch mixers capable of producing various asphalt grades, including hot mix asphalt (HMA) and polymer-modified asphalt (PMA). The plants operate with automated control systems, enabling precise regulation of temperature, mixing time and material composition;
- **Integrated Raw Material Supply:** The Group ensures a stable and uninterrupted supply of graded construction materials aggregate, sand and bitumen from its vertically integrated quarry operations, reducing supply chain risks and maintaining product consistency and cost efficiency;
- **Environmental and Emission Control Measures:** To meet strict regulatory and sustainability requirements, the Group has implemented modern air filtration and dust suppression systems across its asphalt plants. Energy-efficient burner systems further reduce fuel consumption and emissions, aligning with the Group's commitment to environmentally responsible operations;
- **Automated Quality Control Systems:** Each plant is equipped with real-time monitoring technology and fully automated quality control laboratories to ensure that every batch meets national and international construction standards. The quality control process involves viscosity analysis, aggregate gradation testing and stability assessments to maintain optimal performance; and
- **Dedicated Storage and Distribution Facilities:** The Group maintains temperature-controlled bitumen storage tanks and high-capacity aggregate silos, ensuring a continuous production cycle and efficient inventory management. The logistics team optimises real-time dispatching, ensuring timely asphalt delivery to construction sites, highway projects and industrial developments.

By maintaining modern asphalt production facilities, implementing sustainable practices and ensuring strict quality assurance, the Group continues to support the Kingdom's expanding infrastructure sector.

(iv) Asphalt Production

The Group follows a structured and technology-driven process for asphalt mix production, ensuring high-quality output, efficiency and sustainability. The asphalt production workflow consists of four key stages:

- **Aggregates Preparation:** High-quality graded aggregate and sand, sourced from the Group's vertically integrated quarry operations, are transported to the asphalt mixing plants. These raw materials undergo preliminary screening and drying in rotary dryers, where moisture is removed to improve binding efficiency and ensure a uniform mix;
- **Mixing Process:** The dried aggregates are blended with bitumen, a key component that provides adhesion and durability. This process is conducted in drum or batch mixers, where modifiers and additives, such as polymers or fibres, can be incorporated to enhance asphalt performance, skid resistance and weather durability. The Group produces various asphalt grades, including hot mix asphalt (HMA) and polymer-modified asphalt (PMA), tailored to specific project requirements;
- **Quality Control:** The asphalt mix undergoes stringent quality testing to ensure compliance with viscosity, composition and temperature standards. The Group employs real-time monitoring systems and automated quality control laboratories at each plant to conduct bitumen viscosity analysis, aggregate gradation testing and stability evaluations. Any necessary adjustments are made before final dispatch, ensuring that all products meet national and international construction standards; and
- **Transportation and Distribution:** Once the asphalt mix meets quality specifications, it is loaded into specialised trucks for delivery to client job sites. The Group's fleet management system optimises delivery routes, ensuring timely distribution and temperature consistency during transit. Asphalt can also be supplied under the mixer at production facilities, providing flexible supply options for clients.

By implementing modern asphalt production methods, automated quality control and efficient logistics management, the Group ensures the consistent supply of high-performance asphalt solutions, supporting the Kingdom's infrastructure expansion and urban development initiatives.

(v) Asphalt Transportation

The Group has established an integrated and efficient transportation network to facilitate the timely and reliable delivery of asphalt products to clients across the Kingdom. While the transportation of aggregates and asphalt share similarities in logistical planning and fleet management, asphalt transportation requires specialised handling due to temperature sensitivity, material composition and project-specific requirements. The Group ensures that its hot mix asphalt (HMA) and polymer-modified asphalt (PMA) are delivered at optimal temperatures and with minimal delays to maintain quality and workability.

The transportation of asphalt incorporates several elements, many of which align with the aggregate transportation processes detailed in Section 4.6.1.1(a)(vi) (*Aggregates Transportation*), but with key distinctions in material handling, storage and delivery conditions:

- **Specialised Fleet for Asphalt Transport:** Unlike aggregates, which can be transported using open-haul trucks, asphalt requires trucks and temperature-controlled transport vehicles to prevent premature cooling. The Group operates a fleet of specialised asphalt transport trucks equipped with thermal insulation and automated temperature monitoring systems, ensuring asphalt remains at the required temperature for proper application during transit;
- **On-Site Delivery and Just-in-Time Supply:** Asphalt must be delivered just in time for application, as its workability is highly dependent on temperature and mixing conditions. The Group synchronises its dispatch schedules with client project timelines, ensuring that asphalt arrives exactly when needed to avoid material waste and project delays. This differs from aggregate transportation, which allows for stockpiling and long-term storage;
- **Dedicated Bulk-Loading and Dispatch Centres:** Asphalt transport requires dedicated loading stations at the Group's four asphalt mixing plants, where the material is stored in heated silos before dispatch. These facilities include automated loading systems that measure precise quantities and maintain uniformity in temperature and composition, ensuring consistent quality from plant to site;
- **Project-Specific Transport Solutions:** While aggregates can be transported in bulk for various applications, asphalt deliveries are often customised for specific project conditions, such as highway paving, airport runways or industrial surfaces. The Group provides tailored transportation solutions, including multiple delivery phases for large-scale paving projects to ensure continuous material supply throughout the application process; and
- **Sustainability in Asphalt Transportation:** Similar to its aggregate transport strategy, the Group is committed to reducing carbon emissions, optimising fuel efficiency and incorporating eco-friendly transportation methods. However, the Group takes additional steps in asphalt logistics, such as using low-emission burner systems at storage sites, minimising fuel waste in heating processes and exploring alternative energy sources for asphalt heating during transport.

For general fleet operations, Loading management of construction materials (aggregates), distribution hubs and regional access points, the transportation framework of asphalt largely aligns with Section 4.6.1.1(a)(vi) (*Aggregates Transportation*). However, due to the unique handling and delivery requirements of asphalt, the Group implements additional temperature management measures, just-in-time logistics and customised transport solutions to maintain the quality and efficiency of asphalt supply.

4.6.1.2 Sales of Spare Parts

The Group is a leading supplier of high-quality spare parts for crushers, asphalt plants and heavy machinery, serving the mining, construction and infrastructure sectors with seven point of sale branches throughout the Kingdom. The business segment encompasses the import and distribution of industrial components, ensuring a comprehensive and integrated supply chain that minimises dependency on external sources while maintaining strict quality standards and competitive pricing.

By leveraging exclusive distribution agreements with globally recognised equipment manufacturers, the Group provides a complete range of spare parts and machinery components tailored to meet varied operational requirements. The Group's vertically integrated model, which includes local production, a robust inventory management system and an optimised logistics network, enables rapid delivery, reduced equipment downtime and enhanced cost efficiency for its clients.

As of 31 March 2025G, the Group operated seven spare parts branches, strategically located to ensure nationwide coverage and efficient client service. These branches serve as distribution hubs, allowing for quick response times, reduced lead times for spare part deliveries and enhanced after-sales support.

With a well-managed strategic inventory of critical spare parts, the Group ensures fast order fulfilment and continuous operational support, reinforcing its position as a reliable and strategic partner for industrial, mining and construction businesses. In the financial years ended 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G, revenue from the Sales of Spare Parts represented 22.6 per cent., 23.1 per cent., 18.0 per cent. and 16.9 per cent., respectively, of the Group's total revenue for the same periods.

(a) Spare Parts

The Group supplies high-performance spare parts essential for crushers, spare parts and operational flow, supporting the mining, construction and infrastructure sectors. By providing durable and precisely engineered components, the Group ensures optimal equipment efficiency, reduced downtime and extended machinery lifespan. The spare parts are designed to withstand extreme operational conditions, including high-impact crushing, abrasive wear and continuous material processing, making them integral to aggregate production and industrial applications. The Group maintains a large inventory of critical spare parts, ensuring quick response times and uninterrupted client operations.

In the financial years ended 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G, revenue from the Sales of Spare Parts represented 18.8 per cent., 18.0 per cent., 13.3 per cent. and 14.0 per cent., respectively, of the Group's total revenue for the same periods.

(i) Product Range

The Group provides a comprehensive selection of spare parts, designed to maintain peak operational efficiency, minimise equipment wear and extend machinery lifespan:

- **Jaw Crusher Parts:** The Group supplies replacement components for primary crushers, ensuring maximum efficiency in aggregate production. These parts include jaw plates, toggle plates, flywheels and eccentric shafts, all designed to enhance crushing performance and reduce wear-related downtime;
- **Cone Crusher Parts:** Designed for secondary and tertiary crushing operations, these components include mantles, concave liners, adjustment rings and eccentric bushings. They are engineered for precise material fragmentation, optimising output size, machine durability and energy efficiency;
- **Impact Crusher Parts:** The Group offers wear-resistant parts designed to withstand high-impact crushing conditions, ensuring longer service life and consistent performance. These include blow bars, impact plates (slabs), breaker liners and rotor components, all manufactured with reinforced materials for high-stress applications;
- **Conveyor Belts:** Essential for material transportation across mining and crushing sites, the Group supplies heat-resistant, oil-resistant and heavy-duty conveyor belts, tailored to withstand high loads and continuous operation. These belts are designed for seamless material flow between crushing stages, improving site efficiency and minimising material handling costs;
- **Vibrating Screen Mesh:** Used in screening operations to classify materials by size, the Group provides high-tensile wire mesh, polyurethane screens and perforated plates to accommodate various screening needs. These screens ensure efficient separation of aggregates, reducing waste and optimising material gradation;

- **Sand Washers:** The Group supplies sand washing equipment designed to remove impurities, fine particles and excess dust from aggregates. These systems include wheel washers, screw classifiers and hydro cyclones, ensuring that final aggregate products meet industry cleanliness standards; and
- **Other Spare Components:** In addition to primary crusher parts, the Group provides bearings, rollers, shafts, hydraulic cylinders and wear liners, all designed to maintain peak operational efficiency in heavy-duty crushing and material handling applications.

(ii) Inventory and Delivery

The Group ensures fast and efficient spare parts supply, minimising downtime for clients through an extensive inventory and streamlined distribution network:

- **Large Inventory for Quick Response:** The Group maintains a well-stocked inventory of critical crusher spare parts, ensuring immediate availability for urgent requirements and minimising production delays;
- **Minimised Downtime Through Efficient Supply Chain:** By leveraging modern inventory management systems, the Group provides fast order fulfilment, real-time stock tracking and optimised logistics, ensuring on-time delivery and seamless equipment maintenance; and
- **Flexible Delivery Options:** The Group offers customised delivery schedules, allowing clients to receive parts on-demand or through scheduled maintenance supply programmes, ensuring uninterrupted site operations.

By maintaining a comprehensive inventory of high-quality crusher spare parts, implementing efficient logistics and providing rapid response services, the Group reinforces its role as a trusted supplier in the mining, construction and infrastructure industries, ensuring continuous operations, reduced maintenance downtime and improved production efficiency.

(b) Crushers and Heavy Machinery

The Group holds exclusive distribution agreements with globally recognised brands, supplying heavy machinery, crushers, asphalt plants and industrial equipment to clients in the mining, construction and infrastructure sectors. Through these partnerships, the Group ensures access to industry-leading equipment, enabling efficient operations, increased productivity and reduced maintenance costs for its clients. The Group's trading division provides a wide range of machinery and components, ensuring consistent availability, competitive pricing and expert technical support.

In the financial years ended 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G, revenue from crushers/heavy machinery represented 3.8 per cent., 5.1 per cent., 4.7 per cent. and 3.0 per cent., respectively, of the Group's total revenue for the same periods.

(i) ASTEC Crusher Equipment

The Group is the official Saudi distributor for ASTEC's modern crushing, screening and recycling equipment, providing high-performance solutions for heavy-duty aggregate processing:

- **Product Range:** ASTEC's equipment portfolio includes crushers, screens, feeders, rock breakers and material handling solutions, designed to improve productivity, optimise material flow and minimise downtime;
- **Market Positioning:** ASTEC's equipment is engineered to reduce operating costs, enhance energy efficiency and improve material processing efficiency, making it an ideal choice for quarrying, mining and construction applications; and
- **Customised Crushing Solutions:** The Group supplies primary, secondary and tertiary crushers, tailored for various rock hardness levels and production requirements, ensuring optimal throughput and operational flexibility.

(ii) SPECO Asphalt Plants

As the official distributor of SPECO Asphalt Plants, the Group provides modern asphalt mixing solutions for highway construction, airport runways and large-scale infrastructure projects:

- **Product Range:** The Group offers stationary, mobile and recycling asphalt plants, designed for continuous high-capacity production and on-demand site flexibility;
- **Stationary Asphalt Plants:** These plants are fixed-location facilities, optimised for large-scale projects requiring consistent asphalt production. They include modern drying drums, mixers, silos and fully automated control systems to ensure precise asphalt formulations;
- **Mobile Asphalt Plants:** Designed for on-site production, these towed units allow for quick setup and deployment, reducing the need for asphalt transport and ensuring efficient project execution; and

- **Recycling Asphalt Plants:** The Group also offers reclaimed asphalt pavement (RAP) recycling plants, which reduce raw material consumption, minimise environmental impact and improve sustainability in asphalt production.

(iii) Wolf Drilling Equipment

The Group is the exclusive distributor in the Kingdom for Brazilian drilling equipment manufacturer Wolf, supplying precision-engineered drilling solutions for mining, construction and geotechnical exploration:

- **Product Range:** The Wolf equipment lineup includes hydraulic crawler drills, pneumatic drills and sonic drilling attachments, ensuring high penetration rates, durability and reliability;
- **Fox Hydraulic Crawler Drill:** Available in models 12-30, 8-20 and 8-30, these hydraulic drilling rigs are designed for quarrying, exploration and geotechnical applications, providing superior drilling depth and stability;
- **Sonic Hydraulic Drilling Attachments:** The 2000 and 3500 series attachments offer high-frequency drilling capabilities, ideal for soft and mixed ground formations, reducing drilling time and improving borehole quality; and
- **MW 5000 Pneumatic Crawler Drill:** A versatile pneumatic drilling unit engineered for high-efficiency drilling in hard rock and abrasive conditions, ensuring precise hole positioning and extended equipment lifespan.

(iv) Henkel Loctite Consumables

The Group distributes Henkel Loctite's industrial adhesives and sealants, which play a critical role in machinery maintenance, component bonding and wear resistance:

- **Industrial Bonding Solutions:** Henkel Loctite's high-strength adhesives and thread-locking compounds improve machinery performance, prevent loosening due to vibration and enhance equipment durability;
- **Anti-Wear Coatings:** Specialised coatings and protective sealants extend the lifespan of critical machine components, reducing unscheduled downtime and maintenance costs for industrial operators; and
- **Machinery Repair and Maintenance Products:** The Group supplies instant adhesives, structural bonding agents and protective lubricants, ensuring optimal maintenance of crushers, conveyor belts and asphalt plants.

(v) MEKA Products

The Group is a regional distributor of MEKA-branded concrete batching and mixing equipment, offering a comprehensive range of solutions tailored to the construction and infrastructure sectors:

- **Product Range:** The Group distributes stationary, mobile and compact concrete batching plants designed for diverse project requirements, offering flexibility in deployment and scalability for varying production capacities;
- **High-performance Mixing Solutions:** MEKA's concrete mixers, including twin-shaft and planetary types, are engineered to ensure homogeneous mixing, reduced cycle times and enhanced durability, supporting demanding construction schedules;
- **Recycling Systems:** The Group provides MEKA's concrete recycling units, enabling the recovery of residual concrete and wash water, thereby promoting sustainable site operations and reducing material wastage; and
- **Automation and Control Systems:** MEKA's automation platforms deliver real-time monitoring, automated batch control and seamless integration with digital project management tools, improving production efficiency, traceability and quality assurance.

By offering MEKA's technologically advanced equipment and sustainable solutions, the Group supports high-performance concrete production across residential, commercial and industrial construction segments, reinforcing its role as a strategic supplier of comprehensive infrastructure solutions in the Kingdom.

By offering premium machinery, equipment and consumables from globally recognised manufacturers, the Group ensures that clients receive modern solutions for material processing, road construction and industrial maintenance. The Group's trading division is committed to delivering high-quality equipment, expert technical support and reliable after-sales services, reinforcing its position as a leading supplier in the Kingdom's industrial sector.

(c) Internal Fabrication, Assembly and Technical Support

The Group conducts fabrication and assembly activities onsite for internal use to support the maintenance and operational readiness of the Group's equipment fleet and site infrastructure. By performing certain non-commercial fabrication and technical support services in-house, the Group reduces its reliance on external service providers, improves maintenance efficiency and ensures faster response times to operational needs.

(i) Internal Assembly of Crusher Spare Parts

As of 31 March 2025G, the Group carries out internal assembly and repair works onsite to maintain critical machinery—including crushers and material handling systems—at its quarries and asphalt plants.

These activities involve the integration of imported and locally sourced components, such as wear plates, screens and fasteners, into existing equipment. The objective is to reduce equipment downtime, extend machinery lifespan and maintain consistent operational performance.

(ii) Internal Assembly for Operational Support

The Group's internal assembly activities are non-commercial and are focused on supporting its own operations. These activities are carried out on site to enhance logistics efficiency, site readiness and self-sufficiency in remote areas.

The Group's internal capabilities are primarily directed at:

- **Assembly of Fuel and Water Tanks:** Steel tanks are assembled for diesel and water storage in support of quarry and asphalt operations;
- **On-Site Assembly of Support Structures:** The Group assembles flatbed trailers, mobile site caravans and other auxiliary units for internal logistics and workforce accommodation; and
- **Handling Equipment and Minor Structures:** Internal works include items such as bins, chutes and modular frames required for in-field operations.

This internal function enables the Group to maintain a higher degree of operational control, reduce external servicing costs and tailor site infrastructure to project-specific requirements.

4.6.2 Equipment

The Group operates a comprehensive fleet of heavy machinery, transport vehicles and specialised industrial equipment to support its aggregate production, asphalt production, spare parts distribution and construction material supply operations. By leveraging a modern and well-maintained equipment portfolio, the Group ensures operational efficiency, cost-effectiveness and uninterrupted service delivery across its business segments.

As of 31 March 2025G, the Group operated 563 trucks for the transportation of aggregates, asphalt, spare parts and crushers, alongside a diverse range of approximately 700 heavy machinery units. The Group continually invests in modern equipment, automation and predictive maintenance technologies to maximise productivity, minimise downtime and align with safety and environmental regulations.

4.6.2.1 Equipment Used in Aggregate Production and Quarry Operations

The Group's quarrying operations (for further details, see Section 4.6.1.1(a)(iii) (*Aggregates Quarries*)) rely on a fleet of heavy machinery and crushing systems designed for efficient extraction, processing and material handling. As of 31 March 2025G, the Group operated:

- **37 Excavators:** Used for aggregate extraction, overburden removal and loading materials into crushers;
- **97 Dumpers:** Facilitates efficient material transport within quarries and between processing facilities;
- **14 Bulldozers:** Assists in site clearing, land levelling and material handling;
- **22 Loaders:** Supports loading of aggregates, asphalt and raw materials for processing;
- **13 JCB Units:** Provides multi-purpose site operations, excavation and minor construction support;
- **20 Cranes:** Used for heavy lifting and equipment installation;
- **18 Rock Drills:** Supports drilling for controlled blasting and rock fragmentation;
- **27 Jaw Crushers:** Facilitates primary rock crushing for aggregate production;
- **41 Cone Crushers:** Ensures secondary and tertiary crushing operations;
- **54 Impact Crushers:** Supports high-impact material processing for refined aggregate production;
- **11 VSI Crushers:** Optimised for sand production and finely graded material processing;
- **2 Sand Washers:** Maintains clean and impurity-free aggregates for asphalt and concrete applications;
- **92 Vibrating Screens:** Enhances material classification, sorting and grading;
- **77 Gen Sets:** Provides backup power solutions for continuous plant operations;

- **18 Weighing System:** Used to accurately control and measure material quantities;
- **2 Rollers:** Used for compaction and levelling works in infrastructure projects;
- **67 Pumps:** Used for material pumping operations, whether in asphalt mixing or at various construction sites; and
- **110 Other Equipment.**

To ensure high equipment uptime, the Group implements predictive maintenance technologies, real-time equipment monitoring and spare parts inventory management (for further details, see Section 4.6.1.2(a) (*Spare Parts*)).

4.6.2.2 Equipment Used in Asphalt Production

The Group's asphalt mixing plants (for further details, see Section 4.6.1.1(b)(iii) (*Asphalt Production Facilities*)) are supported by a specialised range of asphalt production and material handling equipment. As of 31 March 2025G, the Group operated:

- **8 Graders:** Ensures accurate site grading for asphalt application and surface levelling;
- **10 Compactors:** Used for compacting asphalt layers to enhance durability and stability; and
- **29 Water Tanks and 12 Diesel Tankers:** Supports water spraying for dust control and fuel supply for continuous plant operations.

To further enhance efficiency, the Group integrates automated control systems and digital monitoring technologies, ensuring optimal production quality and regulatory compliance.

4.6.2.3 Heavy Machinery for Construction Material Transport and Logistics

The Group's logistics and transportation operations (for further details, see Section 4.6.1.1(a)(vi) (*Aggregates Transportation*)) rely on a dedicated fleet of high-capacity vehicles to facilitate the distribution of aggregates, asphalt, spare parts and crushers. As of 31 March 2025G, the Group operated:

- **563 Heavy-Duty Trucks:** that ensure large-scale transportation of aggregates, asphalt, spare parts and crushers.

The Group's transportation infrastructure is optimised through advanced digital fleet management, GPS tracking and digital dispatching systems, ensuring efficient route planning, reduced fuel consumption and timely deliveries (for further details, see Section 4.6.8 (*Information Technology Systems*)).

4.6.3 Workforce Management

The Group recognises that its workforce is a critical driver of operational excellence, innovation and long-term business success. By implementing structured workforce management strategies, the Group ensures efficient recruitment, comprehensive training, strong employee retention and compliance with labour laws and industry best practices. The Group's workforce policies emphasise employee well-being, skills development, occupational safety and diversity, supporting a productive and motivated workforce that supports its construction materials and spare parts operations.

4.6.3.1 Workforce Composition and Employment Policies

As of 31 March 2025G, the Group employed a diverse and skilled workforce across quarrying, asphalt production, spare parts distribution, logistics and corporate functions. The Group maintains strict adherence to Saudi labour laws, Saudisation policies and international employment standards, ensuring fair treatment, competitive remuneration and career growth opportunities for employees:

- **Diverse Workforce Composition:** The Group employs highly skilled professionals, engineers, technicians and operational staff, ensuring specialised expertise across all business segments. Workforce allocation is structured based on business requirements, with dedicated teams for quarry operations, asphalt production, spare parts distribution, sales, logistics and administration;
- **Compliance with Saudisation and Labour Laws:** The Group is fully compliant with the Kingdom's Saudisation (Nitaqat) programme, ensuring that a significant portion of its workforce comprises Saudi nationals. It adheres to Saudi labour laws, minimum wage requirements, social security contributions and employee rights regulations, promoting a fair and transparent employment environment; and
- **Competitive Compensation and Benefits:** The Group offers market-competitive salaries, allowances and performance-based incentives to attract and retain top talent. Employee benefits include medical insurance, annual leave entitlements, housing and transport allowances and end-of-service benefits, aligning with industry benchmarks.

By maintaining structured workforce policies, the Group ensures regulatory compliance, employee satisfaction and sustained operational efficiency. See also Section 5.9 (*Employees*) for further details on employees and Saudisation.

4.6.3.2 Employee Training and Development

The Group invests in comprehensive employee training programmes, equipping its workforce with technical expertise, operational skills and safety awareness. These programmes are designed to enhance productivity, maintain high safety standards and support career growth:

- **Technical Training for Operational Staff:** Employees working in quarries, asphalt plants and logistics undergo hands-on technical training to operate heavy machinery, production systems and automated equipment efficiently and safely;
- **Health, Safety and Environmental (HSE) Training:** The Group enforces mandatory HSE training sessions, covering emergency response procedures, occupational hazard prevention and compliance with industry safety standards. Employees receive training in controlled blasting procedures, handling of industrial chemicals and equipment safety to mitigate workplace risks (for further details, see Section 4.6.4.2 (*Health and Safety*));
- **Leadership and Professional Development Programmes:** The Group provides career development initiatives, leadership training and specialised workshops, aimed at enhancing managerial competencies, supporting innovation and preparing employees for senior roles; and
- **Digitalisation and Automation Training:** Employees receive continuous training on advanced digital monitoring systems, automated production lines and digital inventory management tools, ensuring operational efficiency and seamless integration of modern technology into day-to-day operations.

By prioritising workforce training and skill enhancement, the Group ensures a highly competent, safety-conscious and future-ready workforce.

4.6.3.3 Workplace Safety and Employee Welfare

The Group maintains a strong commitment to workplace safety, employee well-being and an inclusive working environment, ensuring that its workforce operates in a safe, supportive and high-performance culture:

- **Workplace Safety Compliance:** All work sites, including quarries, asphalt plants, spare parts warehouses and workshops, adhere to strict occupational safety measures, real-time monitoring systems and regulatory compliance protocols to prevent workplace accidents;
- **Employee Welfare and Well-Being Initiatives:** The Group provides on-site medical facilities, health insurance plans and wellness programmes to support employee well-being. Additionally, employee housing, transportation and meal provisions are available for field-based workers and operational teams; and
- **Diversity and Inclusion:** The Group promotes an inclusive and collaborative workplace, employing individuals from diverse backgrounds and professional disciplines. Policies promoting equal employment opportunities and career advancement ensure that all employees have access to growth opportunities and merit-based recognition.

By maintaining a safe, inclusive and well-supported work environment, the Group enhances employee retention, productivity and overall job satisfaction.

4.6.3.4 Recruitment and Retention Strategies

The Group implements structured recruitment, talent acquisition and employee retention strategies, ensuring that it attracts, hires and retains top talent across all business segments:

- **Strategic Workforce Planning:** The Group forecasts labour demands based on project requirements, market trends and business expansion initiatives, ensuring optimal workforce allocation across its operations;
- **Talent Acquisition and Recruitment Programmes:** The Group employs proactive recruitment strategies, career fairs, university partnerships and digital hiring platforms to attract high-calibre professionals, skilled technicians and specialised industrial workers; and
- **Employee Engagement and Retention:** To maintain high employee retention rates, the Group promotes internal career growth opportunities, mentorship programmes and performance-based recognition initiatives, ensuring long-term employee loyalty and satisfaction.

By aligning recruitment and retention strategies with business growth objectives, the Group secures a highly skilled, motivated and committed workforce, driving sustained success across its operations. Moreover, by implementing forward-thinking workforce development strategies, the Group remains at the forefront of talent management, innovation and long-term industry leadership:

4.6.4 Quality Control, Health, Safety and Environment

The Group is committed to maintaining the highest standards of quality control, health, safety and environmental (HSE) management across all its operations. By implementing rigorous quality assurance protocols, industry-leading safety measures and environmentally responsible practices, the Group ensures compliance with national and international regulatory requirements while enhancing operational efficiency and sustainability.

4.6.4.1 Quality Control

The Group enforces stringent quality control measures throughout its construction materials production and spare parts distribution. Each product undergoes rigorous testing, inspection and certification to ensure compliance with Saudi and international standards:

- **Aggregate and Asphalt Quality Control:** The Group conducts comprehensive material testing in on-site and third-party accredited laboratories, assessing gradation, durability, strength and moisture content to meet construction and infrastructure specifications. Asphalt production facilities integrate real-time monitoring systems to ensure temperature stability, bitumen content accuracy and optimal mix performance (for further details, see Sections 4.6.1.1(a) (*Aggregate*) and 4.6.1.1(b) (*Asphalt*));
- **Spare Parts and Equipment Testing:** All imported, manufactured and distributed spare parts undergo quality assurance checks to guarantee mechanical integrity, durability and compatibility with industrial machinery. The Group's workshops utilise CNC precision engineering and automated quality control systems to ensure consistency and high-performance output (for further details, see Section 4.6.1.2 (*Sales of Spare Parts*)); and
- **ISO-Certified Processes:** The Group operates in accordance with ISO-certified quality management systems, ensuring continuous improvement in product quality, process efficiency and client satisfaction. Certification coverage includes ISO 9001:2015 for Quality Management, alongside compliance with Saudi and GCC regulatory frameworks.

By implementing comprehensive quality control frameworks, the Group maintains consistency, reliability and high-performance standards across its product offerings and industrial operations:

4.6.4.2 Health and Safety

The Group prioritises workplace health and safety, ensuring compliance with Saudi labour laws, industry safety standards and international occupational health protocols. Its proactive safety culture is embedded across quarrying, transportation and construction material production activities:

- **Workforce Safety and Training:** The Group enforces mandatory safety training programmes, on-site risk assessments and personal protective equipment (PPE) policies. Employees and contractors undergo regular safety drills, hazard awareness programmes and compliance audits to minimise occupational risks;
- **On-Site Safety Measures:** Quarrying and production operations incorporate controlled blasting procedures, equipment safety protocols and real-time monitoring systems to mitigate risks associated with heavy machinery and industrial processes;
- **Fleet and Logistics Safety:** The Group's fleet of 576 trucks is equipped with GPS tracking, route optimisation software and driver safety monitoring systems to ensure accident prevention, regulatory compliance and cargo integrity during transportation (for further details, see Sections 4.6.1.1(a)(vi) (*Aggregates Transportation*) and 4.6.1.1(b)(v) (*Asphalt Transportation*)); and
- **Incident Prevention and Emergency Response:** The Group maintains detailed safety policies, emergency response procedures and on-site medical support systems, ensuring quick intervention and risk mitigation in case of accidents or hazardous situations.

By supporting a comprehensive health and safety culture, the Group ensures a secure working environment, reduced operational risks and full compliance with industry best practices.

4.6.4.3 Environmental Management

The Group integrates sustainable practices and environmental responsibility into its operations, product lifecycle and resource management strategies. It complies with environmental regulations set by Saudi authorities and international environmental protection frameworks, prioritising energy efficiency, emissions reduction and responsible resource utilisation:

- **Sustainable Quarrying and Land Rehabilitation:** The Group implements progressive land restoration programmes, including revegetation, erosion control and soil stabilisation, ensuring that extracted quarry sites are rehabilitated for long-term ecological balance (for further details, see Section 4.6.1.1(a)(iii) (*Aggregates Quarries*));

- **Water Recycling and Dust Suppression:** To minimise water consumption and environmental impact, the Group employs closed-loop water recycling systems, sedimentation controls and modern dust suppression technologies at its quarrying, crushing and asphalt mixing sites;
- **Emission Control and Energy Efficiency:** The Group integrates low-emission burner systems, energy-efficient asphalt production technologies and enclosed conveyor systems to reduce greenhouse gas emissions and improve energy conservation;
- **Sustainable Material Processing and Waste Management:** Asphalt production includes recycling of reclaimed asphalt pavement (RAP), reducing raw material dependency while contributing to sustainable road construction initiatives (for further details, see Section 4.6.1.1(b)(iv) (*Asphalt Production*)); and
- **Regulatory Compliance and Environmental Reporting:** The Group conducts regular environmental impact assessments, emissions monitoring and waste management audits, ensuring alignment with Saudi and international sustainability regulations.

By embedding environmental sustainability into its core operations, the Group actively supports the Kingdom's Vision 2030 goals for environmental protection, resource conservation and green infrastructure development.

4.6.4.4 Compliance and Continuous Improvement

The Group ensures continuous improvement in quality, safety and environmental performance by implementing data-driven monitoring, regulatory compliance audits and industry benchmarking practices:

- **Periodic Internal Audits and Compliance Inspections:** Regular quality control evaluations, safety audits and environmental compliance reviews ensure alignment with national and global standards;
- **Technology Integration for Performance Monitoring:** The Group utilises real-time digital monitoring, advanced digital equipment diagnostics and automated compliance tracking systems to enhance operational efficiency and risk mitigation; and
- **Stakeholder Engagement and Industry Collaboration:** The Group collaborates with industry associations and sustainability initiatives, ensuring that its HSE policies remain aligned with the latest regulatory developments and industry advancements.

By maintaining a comprehensive and proactive approach to quality control, health and safety and environmental management, the Group reinforces its commitment to operational excellence, regulatory compliance and long-term sustainability.

4.6.5 Corporate Social Responsibility

The Group is committed to corporate social responsibility (CSR), integrating sustainable business practices, community engagement initiatives and environmental stewardship into its core operations. By aligning its CSR strategy with the Kingdom's Vision 2030 goals, the Group ensures that its economic growth contributes positively to society, the environment and long-term national development.

The Group's CSR initiatives focus on four key pillars: environmental sustainability, community development, workforce empowerment and ethical governance, ensuring a balanced approach to business success and societal impact.

4.6.5.1 Environmental Sustainability Initiatives

As part of its commitment to sustainable development, the Group implements eco-friendly production techniques, minimises resource consumption and promotes responsible environmental management across all business segments:

- **Sustainable Quarrying and Land Rehabilitation:** The Group employs progressive land restoration techniques, including revegetation, soil stabilisation and post-extraction rehabilitation, ensuring that depleted quarry sites are transformed into ecologically viable landscapes (for further details, see Section 4.6.4.3 (*Environmental Management*));
- **Reduction of Carbon Footprint:** The Group integrates low-emission burner systems, energy-efficient asphalt production and advanced digital equipment optimisation, reducing carbon emissions across its operations. Additionally, it explores the use of alternative fuels and electrification of transport fleets to improve sustainability;
- **Water Conservation and Recycling:** The Group operates closed-loop water recycling systems in its production facilities, ensuring minimal water wastage and efficient reuse of industrial water supplies; and
- **Waste Management and Circular Economy:** The Group prioritises waste reduction, recycling initiatives and responsible disposal of industrial by-products, ensuring that operations remain aligned with Saudi environmental regulations and circular economy principles.

By embedding environmental responsibility into its business operations, the Group actively contributes to the Kingdom's sustainable development agenda.

4.6.5.2 Community Development and Social Engagement

The Group plays an active role in supporting local communities, supporting economic growth, job creation and social welfare initiatives that contribute to regional development and improved quality of life:

- **Local Employment and Workforce Development:** The Group prioritises hiring local talent, supporting the Kingdom's Saudisation objectives by providing job opportunities, training programmes and career development pathways (for further details, see Section 4.6.3 (*Workforce Management*));
- **Educational Partnerships and Vocational Training:** The Group collaborates with universities, technical institutes and Government workforce programmes, offering scholarships, internship opportunities and skills training workshops to equip young professionals with industry-relevant expertise;
- **Infrastructure Support for Local Communities:** The Group invests in community infrastructure, supporting local road developments, public facility enhancements and urban improvement projects, contributing to socioeconomic progress in regions where it operates; and
- **Charitable Contributions and Humanitarian Aid:** The Group actively supports charitable organisations, disaster relief efforts and community well-being programmes, providing financial assistance, essential supplies and volunteer support for those in need.

By engaging with communities and supporting local development, the Group strengthens its role as a socially responsible corporate leader, ensuring long-term value creation beyond commercial success.

4.6.5.3 Workforce Empowerment and Employee Well-Being

The Group prioritises employee welfare, inclusivity and professional growth, ensuring that its workforce operates in a fair, supportive and development-oriented environment:

- **Employee Health and Safety Programmes:** The Group maintains comprehensive workplace safety programmes, healthcare benefits and well-being initiatives, ensuring that employees have access to medical support, occupational health monitoring and workplace hazard prevention measures (for further details, see Section 4.6.4.2 (*Health and Safety*));
- **Diversity and Equal Opportunity:** The Group supports an inclusive work culture, implementing equal employment opportunity policies and ensuring career progression based on merit, skills and performance; and
- **Work-Life Balance and Employee Engagement:** The Group promotes work-life balance initiatives, family support programmes and internal engagement activities, ensuring a positive and productive work environment.

By investing in employee well-being and professional growth, the Group enhances workforce satisfaction, retention and long-term loyalty.

4.6.5.4 Ethical Business Practices and Governance

The Group upholds strong corporate governance, ethical business conduct and regulatory compliance, ensuring that its operations align with the highest standards of transparency and accountability:

- **Compliance with Legal and Ethical Standards:** The Group adheres to Saudi corporate laws, industry regulations and international business ethics, ensuring full compliance with labour rights, financial transparency and anti-corruption policies;
- **Supplier and Partner Responsibility:** The Group enforces strict supplier codes of conduct, ensuring that all business partners uphold ethical labour practices, environmental sustainability and fair trade policies; and
- **Transparent Stakeholder Engagement:** The Group maintains open communication with investors, industry partners and local communities, ensuring that its business decisions align with the interests of all stakeholders.

By integrating corporate governance and ethical responsibility into its business framework, the Group reinforces its reputation as a trusted and socially responsible organisation.

In sum, by continuously evolving its CSR strategy, the Group strengthens its commitment to long-term environmental, social and economic progress, ensuring that its business contributes to a sustainable and prosperous future for the Kingdom.

4.6.6 Suppliers

The Group maintains a diverse and strategically integrated supplier network, ensuring the continuous availability of high-quality raw materials, spare parts and industrial equipment across its construction materials and spare parts. By supporting long-term partnerships with leading domestic and international suppliers, the Group secures cost-efficient procurement, stable supply chains and compliance with industry standards.

The following table provides information on the Group's key suppliers accounting for more than five per cent. of the Group's purchases in the financial years ended 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G:

Table 4.12: Group's Key Suppliers Accounting for More Than Five Per Cent. of the Group's Purchases in the Financial Years Ended 31 December 2022G, 2023G and 2024G, and the Three-Month Period Ended 31 March 2025G

Supplier	Nature of the Transaction/ Relationship	Class	Description of Supplier	% of Total Cost of Revenue ⁽¹⁾				% of Total Purchases ⁽¹⁾				Value of Purchases (SAR Million)			
				Financial Years Ended 31 December			Three-Month Period Ended 31 March	Financial Years Ended 31 December			Three-Month Period Ended 31 March	Financial Years Ended 31 December			Three-Month Period Ended 31 March
				2022G	2023G	2024G	2025G	2022G	2023G	2024G	2025G	2022G	2023G	2024G	2025G
Supplier (1)	Contractual	Raw Material Supplier	Supplier of petroleum derivatives for equipment, transport fleet, and operational activities	6.7%	6.9%	15.2%	14.2%	6.9%	7.2%	17.7%	15.1%	20,656,160.9	27,751,565.6	75,021,489.1	18,507,936.0
OMA GLOBAL CO. LTD.	Contractual	Spare Parts Supplier	Supplier of specialised spare parts, mechanical components and industrial consumables	9.5%	3.8%	5.2%	3.0%	9.8%	3.9%	6.0%	3.2%	29,195,239	15,280,687	25,443,084	3,963,910
Saudi Chemical Company	Contractual	Industrial Chemicals Supplier	Supplier of industrial chemicals, including blasting materials	6.9%	5.2%	4.9%	6.0%	7.1%	5.4%	5.7%	6.3%	21,147,638	21,067,570	24,126,775	7,797,165
Najd Roads Contracting Company	Contractual (Related Party)	Raw Material Supplier	Petroleum Derivative Supplier.	-	-	-	7.0%	-	-	-	7.4%	-	-	-	9,105,204.5
Supplier (2)	Contractual	Services Provider	Transportation Service Provider.	-	-	1.6%	3.3%	-	-	1.8%	3.5%	-	-	7,727,092	4,350,732
Total				23.0%	16.0%	26.8%	33.4%	23.7%	16.5%	31.3%	35.6%	70,999,037.9	64,099,822.6	132,318,440	43,724,947.5

Source: The Company.

⁽¹⁾ The percentages are rounded to the nearest decimal place.

The Group's supplier strategy is aligned with its vertically integrated business model, ensuring supply chain resilience, cost efficiency and product quality assurance while adhering to strict ethical sourcing, environmental sustainability and regulatory compliance policies.

4.6.6.1 Raw Material Suppliers

The Group sources high-quality raw materials for its quarrying and asphalt production, ensuring consistency in product quality, durability and performance:

- **Bitumen and Asphalt Additives:** The Group procures premium-grade bitumen and chemical additives from trusted local suppliers, ensuring optimal asphalt performance, skid resistance and long-term durability (for further details, see Section 4.6.1.1(b)(iv) (*Asphalt Production*));
- **Industrial Lubricants and Fuel:** The Group collaborates with leading fuel and lubricant suppliers, ensuring efficient machinery operations, reduced wear and tear and extended equipment lifespan across its quarrying and transportation operations; and
- **Specialty Chemicals and Coatings:** The Group sources industrial adhesives, protective coatings and anti-wear compounds, supporting machinery maintenance, corrosion prevention and extended service life of equipment (for further details, see Section 4.6.1.2(b)(iv) (*Henkel Loctite Consumables*)).

By maintaining reliable sourcing agreements, the Group ensures consistent quality and efficient supply chain management for its core industrial and construction materials.

4.6.6.2 Spare Parts and Machinery Suppliers

The Group leverages exclusive distribution agreements with globally recognised brands, ensuring continuous availability of high-performance spare parts, crushers and industrial equipment:

- **ASTEC Crusher Equipment:** The Group is the official distributor of ASTEC crushing and screening equipment, sourcing crushers, feeders, rock breakers and material handling solutions directly from the manufacturer, ensuring optimised performance in mining and aggregate processing (for further details, see Section 4.6.1.2(b)(i) (*ASTEC Crusher Equipment*));
- **SPECO Asphalt Plants:** The Group sources stationary, mobile and recycling asphalt plants from SPECO, a global leader in asphalt plant technology, ensuring high-efficiency production, reduced environmental impact and compliance with international standards (for further details, see Section 4.6.1.2(b)(ii) (*SPECO Asphalt Plants*));
- **Wolf Drilling Equipment:** The Group imports hydraulic and pneumatic drilling equipment from Wolf, supporting high-precision drilling operations in quarrying, mining and infrastructure projects (for further details, see Section 4.6.1.2(b)(iii) (*Wolf Drilling Equipment*)); and
- **MEKA Equipment:** The Group is a regional distributor of MEKA-branded concrete batching and mixing equipment, offering a comprehensive range of solutions tailored to the construction and infrastructure sectors (for further details, see Section 4.6.1.2(b)(v) (*MEKA Products*)).

By establishing long-term partnerships with industry leaders, the Group secures technologically modern and high-performance equipment, ensuring efficiency and reliability across its operations.

4.6.6.3 Logistics and Supply Chain Partners

The Group collaborates with logistics providers, transportation companies and warehousing partners, ensuring seamless distribution of construction materials, spare parts and crushers:

- **Fleet and Transport Providers:** The Group operates its own fleet of 563 trucks and collaborates with external logistics firms, ensuring efficient material transportation, real-time delivery tracking and optimised distribution routes (for further details, see Sections 4.6.1.1(a)(vi) (*Aggregates Transportation*) and 4.6.1.1(b)(v) (*Asphalt Transportation*));
- **Warehouse and Inventory Suppliers:** The Group utilises modern warehousing solutions, sourcing automated storage systems, temperature-controlled bitumen silos and digital inventory management platforms, ensuring efficient supply chain operations; and
- **Bulk-Loading and Dispatch Equipment Suppliers:** The Group sources calibrated weighbridges, automated bulk-loading stations and real-time dispatch software, improving efficiency, transparency and logistics management across its facilities.

By integrating efficient logistics solutions, the Group enhances its supply chain resilience, reduces lead times and improves client service.

4.6.6.4 Ethical Sourcing and Supplier Compliance

Group upholds strict supplier governance, ethical sourcing policies and compliance monitoring, ensuring that all procurement activities align with corporate sustainability, quality and regulatory standards:

- **Supplier Code of Conduct:** The Group enforces strict ethical, environmental and labour compliance requirements for all suppliers, ensuring adherence to fair trade policies and responsible sourcing practices;
- **Regulatory Compliance Audits:** The Group conducts regular supplier evaluations, ensuring that all procurement partners comply with Saudi regulatory requirements, ISO certification standards and industry best practices; and
- **Sustainability in Procurement:** The Group prioritises eco-friendly suppliers, low-emission production technologies and green supply chain solutions, ensuring that its procurement strategies align with Vision 2030 sustainability initiatives.

By maintaining rigorous supplier selection and compliance frameworks, the Group ensures supply chain integrity, ethical business practices and long-term sustainability.

In sum, by continuously optimising its supplier relationships, the Group ensures sustained supply chain efficiency, cost competitiveness and operational excellence, reinforcing its position as a market leader in the aggregates material and crusher machinery sectors.

4.6.7 Clients

As of 31 March 2025G, the Group had served over 809 clients across the construction, infrastructure, roadworks and industrial manufacturing sectors, primarily comprising one-off and project-specific engagements. This reflects a broad and varied client base, underscoring the Group's ability to address diverse market needs across multiple segments. By leveraging its vertically integrated operations, modern logistics network and strategic supplier partnerships, the Group ensures cost-effective, reliable and timely delivery of high-quality construction materials, spare parts and industrial solutions to both domestic and international clients.

The Group focuses on long-term client relationships, strategic partnerships and client satisfaction, driving sustained business growth. By offering tailored aggregates, asphalt formulations and industrial spare parts, the Group delivers customised solutions aligned with the operational needs of its clients. In addition to product customisation, the Group provides technical assistance, maintenance services and after-sales support, ensuring strong client retention and repeat business. To further optimise service efficiency, the Group has integrated advanced digital order management, digital tracking systems and automated inventory solutions, enhancing transparency, streamlining supply chain operations and improving delivery timelines.

Despite serving a broad range of clients, the Group's revenue is heavily dependent on a limited number of key clients. In the financial years ended 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G, 26.9 per cent., 32.1 per cent., 33.6 per cent. and 28.8 per cent., respectively, of total revenue was generated from its top three clients: Najd Roads Contracting Company (a Related Party), Green Concrete Company and Al-Houssain & Al-Afaliq Co. On a broader scale, the Group's top five clients contributed 31.1 per cent., 35.9 per cent., 37.5 per cent. and 32.8 per cent., while its top ten clients accounted for 41.3 per cent., 43.0 per cent., 45.2 per cent. and 41.7 per cent. of total revenue during the same periods.

The Group's largest clients account for a significant portion of its revenues. The table below presents revenue contributions from the top five clients in the financial years ended 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G:

Table 4.13: The Group's Revenues from its Five Largest Clients in the Financial Years Ended 31 December 2022G, 2023G and 2024G, and the Three-Month Period Ended 31 March 2025G

Client	Nature of the Transaction/Relationship	Contribution to Revenue (%)				Revenue Value			
		31 December 2022G	31 December 2023G	31 December 2024G	31 March 2025G	31 December 2022G	31 December 2023G	31 December 2024G	31 March 2025G
Najd Roads Contracting Co.	Contractual (Related Party)	15.7%	21.3%	19.5%	12.7%	67,358,314	106,091,964	116,930,704	21,700,200
Green Concrete Company	Contractual	7.6%	7.1%	9.7%	11.8%	32,462,724	34,946,638	58,334,258	20,061,422
Al-Houssain & Al-Afaliq Co.	Contractual	3.7%	3.6%	4.4%	4.4%	15,678,996	17,843,825	26,489,788	7,473,566
Client 1	Contractual	2.9%	2.3%	2.2%	2.0%	12,595,297	11,403,109	12,934,174	3,333,873

Client	Nature of the Transaction/ Relationship	Contribution to Revenue (%)				Revenue Value			
		31 December 2022G	31 December 2023G	31 December 2024G	31 March 2025G	31 December 2022G	31 December 2023G	31 December 2024G	31 March 2025G
Client 2	Contractual	1.3%	1.7%	1.7%	2.0%	5,371,597	8,651,999	10,091,310	3,402,084
Others	-	68.9%	64.1%	62.5%	67.2%	295,993,951	319,755,158	374,803,928	114,730,063
Total	-	100.0%	100.0%	100.0%	100.0%	429,460,879	498,692,692	599,584,162	170,701,208

Source: The Company.

The Group's client portfolio includes leading construction firms, infrastructure developers, industrial manufacturers and private sector entities, reflecting its strong market positioning and reputation for excellence.

4.6.7.1 Construction and Infrastructure Clients

The Group plays a critical role in the construction and infrastructure development, supplying high-quality aggregates, asphalt and industrial solutions for large-scale projects, including highways, bridges, tunnels and urban developments:

- **Government Infrastructure Projects:** The Group supplies aggregates and asphalt materials for national infrastructure projects, including highway expansions, industrial zones and municipal road networks, supporting the Kingdom's Vision 2030 initiatives;
- **Real Estate and Urban Development:** The Group serves major real estate developers, providing construction materials for commercial, residential and mixed-use developments, ensuring durability, sustainability and cost-efficiency; and
- **Industrial and Logistics Hubs:** The Group's quarrying and asphalt operations support the development of logistics hubs, industrial parks and port infrastructure, ensuring high-performance construction materials tailored for heavy-duty applications.

By supplying critical construction materials and infrastructure solutions, the Group reinforces its position in the Kingdom's industrial and real estate sectors.

4.6.7.2 Ready-Mix Concrete and Asphalt Producers

The Group supplies high-performance aggregates to ready-mix concrete producers and asphalt manufacturers, ensuring consistency, durability and regulatory compliance:

- **Ready-Mix Concrete Suppliers:** The Group provides graded aggregates for concrete manufacturing, supporting precast structures, industrial flooring and large-scale construction projects; and
- **Asphalt and Road Surfacing Contractors:** The Group supplies customised asphalt formulations and raw materials to paving and road surfacing companies, ensuring compliance with Saudi and international standards.

By supplying critical inputs for concrete and asphalt production, the Group enhances the quality and durability of the Kingdom's built environment.

4.6.7.3 Mining, Industrial and Manufacturing Clients

The Group provides specialised spare parts, industrial components and machinery solutions to mining companies, construction firms and manufacturing plants, ensuring operational efficiency and equipment reliability:

- **Mining and Quarrying Companies:** The Group supplies crusher spare parts, drilling equipment and material handling solutions, supporting high-efficiency aggregate and mineral extraction operations (for further details, see Section 4.6.1.2(a) (*Spare Parts*));
- **Heavy Machinery Operators:** The Group provides high-performance spare parts and industrial adhesives, ensuring machinery longevity and reduced maintenance costs for industrial clients; and
- **Industrial Manufacturers:** The Group supplies metal fabrication materials, wear-resistant components and processing equipment, supporting large-scale manufacturing operations in the Kingdom.

By serving key industrial sectors, the Group reinforces its role as a leading supplier of spare parts and industrial solutions.

4.6.8 Information Technology Systems

The Group employs a comprehensive and integrated information technology (IT) infrastructure to support its business operations, supply chain management, client engagement and internal efficiencies. By leveraging enterprise resource planning (ERP) systems, advanced digital logistics solutions and digital order management platforms, the Group ensures seamless coordination across its construction materials and spare parts divisions.

4.6.8.1 Enterprise Resource Planning (ERP) and Digital Integration

The Group operates a modern ERP system that integrates finance, procurement, inventory management and production planning, enabling real-time data access, automated reporting and enhanced decision-making. The ERP system also supports client relationship management (CRM) functionalities, ensuring that sales, client interactions and after-sales services are efficiently tracked and managed. To enhance operational transparency, the Group has implemented digital inventory tracking, automated procurement workflows and predictive analytics, enabling proactive inventory replenishment and minimising stock shortages. This ensures efficient material supply to clients while optimising working capital management.

4.6.8.2 Cybersecurity and Data Protection

The Group prioritises cybersecurity and data protection, implementing firewalls, encrypted cloud storage and multi-layered authentication protocols to safeguard business-critical information, client records and financial transactions. To ensure compliance with Saudi data protection regulations and international cybersecurity best practices, The Group conducts regular system audits, penetration testing and employee cybersecurity training programmes. These measures help mitigate risks associated with cyber threats, unauthorised data access and operational disruptions.

The Group continuously evaluates emerging Industry 4.0 technologies, including smart equipment monitoring, advanced automation systems and data-driven production optimisation tools, to further enhance efficiency, cost-effectiveness and sustainability in its industrial operations. By integrating modern IT infrastructure, automation and cybersecurity enhancements, the Group ensures that its business operations remain efficient, resilient and aligned with the Kingdom's Vision 2030 digital transformation goals.

4.6.9 Marketing

The Group employs a comprehensive marketing strategy aimed at strengthening brand positioning, expanding its client base and reinforcing its leadership in the construction materials and spare parts sectors. Through a combination of direct client engagement, digital marketing, industry partnerships and participation in key infrastructure projects, the Group ensures high market visibility and sustained client demand.

4.6.9.1 Brand Positioning and Market Leadership

The Group has established itself as a leading supplier of aggregates, asphalt, spare parts and industrial solutions, serving major infrastructure developers, construction developers, ready-mix factories, asphalt factories and industrial clients. By maintaining a strong reputation for quality, reliability and competitive pricing, the Group has secured long-term supply contracts and strategic partnerships across its core sectors.

To further enhance its market leadership, the Group focuses on:

- **Product Differentiation and Quality Assurance:** Emphasising high-performance construction materials, precision-engineered spare parts and customised industrial solutions to meet client-specific needs;
- **Vertically Integrated Supply Chain:** Highlighting the Group's direct control over quarries operations and asphalt plants, ensuring consistent product availability and cost efficiency (for further details, see Sections 4.6.1.1 (*Sales of Construction Materials*) and 4.6.1.2 (*Sales of Spare Parts*)); and
- **Commitment to Sustainability and Compliance:** Showcasing the Group's adherence to Saudi regulatory standards, environmental best practices and Vision 2030 infrastructure goals (for further details, see Section 4.6.4 (*Quality Control, Health, Safety and Environment*)).

4.6.9.2 Direct Sales and Client Engagement

Given its high-value B2B client base, the Group employs a targeted direct sales strategy, leveraging relationship management, client referrals and strategic partnerships to drive growth. The Group's salesforce and business development teams actively engage with:

- **Infrastructure Developers:** Securing long-term supply agreements for major roadworks, construction and industrial projects;

- **Construction and Asphalt Producers:** Providing customised material solutions and just-in-time delivery options to support high-demand infrastructure projects; and
- **Industrial and Mining Clients:** Offering specialised spare parts and machinery components, ensuring optimal operational efficiency and minimal equipment downtime.

By integrating client relationship management (CRM) tools, the Group monitors client needs, tracks order history and anticipates demand trends, enhancing sales efficiency and client retention.

4.6.9.3 Digital Marketing and Online Presence

The Group actively invests in digital marketing strategies to enhance its brand awareness and client engagement. Through its website, social media platforms and online industry portals, the Group promotes its product offerings, infrastructure capabilities and corporate achievements.

Key digital marketing initiatives include:

- **Website Optimisation and E-Commerce Solutions:** Providing detailed product catalogues, service descriptions and inquiry forms to streamline client interactions and facilitate online order management (for further details, see Section 4.6.8 (*Information Technology Systems*));
- **Social Media and Digital Advertising:** Utilising LinkedIn, industry blogs and trade platforms to showcase major project contributions, product innovations and sustainability initiatives; and
- **SEO and Targeted Online Campaigns:** Ensuring high visibility on search engines for construction materials, asphalt solutions, spare parts and crushers reaching both local and international clients.

4.6.9.4 Industry Events, Trade Shows and Networking

The Group actively participates in construction expos, industrial trade shows and Government infrastructure forums, reinforcing its presence among key industry stakeholders. These events serve as platforms for networking, showcasing new products and securing high-profile contracts. Regular participation in national and international trade fairs allows the Group to strengthen relationships with existing clients and suppliers. These events provide opportunities to engage with new potential clients in the construction, infrastructure and industrial sectors. They also serve as a platform to demonstrate technological advancements in quarrying, asphalt production and spare parts operations. By positioning itself as a key player in the Kingdom's infrastructure growth, the Group builds credibility and attracts new business opportunities.

4.6.9.5 Strategic Partnerships and Business Development

The Group collaborates with leading global manufacturers and industry stakeholders, leveraging exclusive distribution agreements and strategic supplier relationships to expand its market reach. These partnerships enable the Group to offer globally recognised brands in the Saudi market, including ASTEC, SPECO, Wolf Drilling Equipment, Henkel Loctite and MEKA (for further details, see Section 4.6.1.2(b) (*Crushers and Heavy Machinery*)), while also providing customised solutions for high-profile infrastructure projects, ensuring product exclusivity and competitive differentiation. Additionally, these collaborations support the Group's efforts to expand its geographic footprint and strengthen its market share in regional and international markets. Through joint ventures, supplier collaborations and Government-backed initiatives, the Group enhances its competitive advantage and market positioning. By leveraging digital innovation, direct client engagement and industry collaborations, the Group continues to strengthen its market leadership and drive sustainable business growth.

4.6.10 Geographic Locations and Operations

The Group's head office is located in the city of Riyadh. As of the date of this Prospectus, the Group operated from 17 locations within the Kingdom. The following table contains information on the geographic presence of the Group as of the date of this Prospectus:

Table 4.14: Details of the Group's Geographical Presence as of the Date of this Prospectus

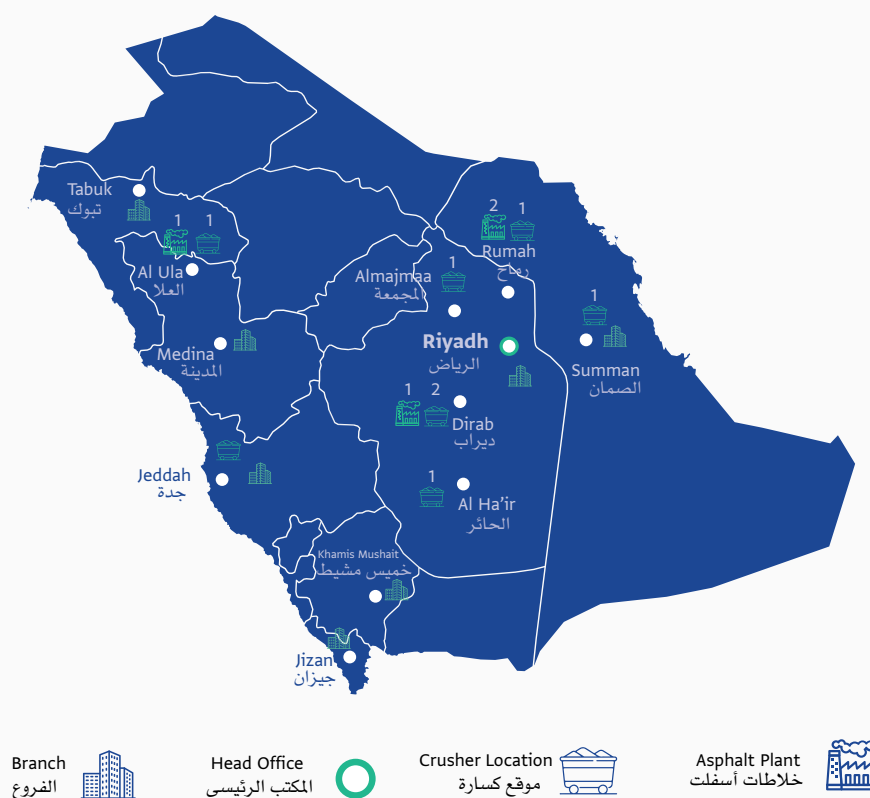
No	Group	Country	City	Type of Presence
1	Rumah Quarry	Kingdom of Saudi Arabia	Riyadh	Mining Quarry
2	Soman Quarry	Kingdom of Saudi Arabia	Eastern Province	Mining Quarry
3	Al Ula Quarry	Kingdom of Saudi Arabia	Madinah	Mining Quarry
4	Majmaah Quarry	Kingdom of Saudi Arabia	Riyadh	Mining Quarry
5	Al Ha'ir Quarry	Kingdom of Saudi Arabia	Riyadh	Mining Quarry

No	Group	Country	City	Type of Presence
6	Jeddah Quarry	Kingdom of Saudi Arabia	Jeddah	Mining Quarry
7	Rumah Plants 1 and 2	Kingdom of Saudi Arabia	Riyadh	Asphalt Plants
8	Al Ula Plant	Kingdom of Saudi Arabia	Madinah	Asphalt Plant
9	Dirab BSS Plant	Kingdom of Saudi Arabia	Riyadh	Asphalt Plant
10	Madinah Sales Branch	Kingdom of Saudi Arabia	Madinah	Spare parts point of sales branch
11	Soman Sales Branch	Kingdom of Saudi Arabia	Eastern Province	Spare parts point of sales branch
12	Riyadh Sales Branch	Kingdom of Saudi Arabia	Riyadh	Spare parts point of sales branch
13	Tabuk Sales Branch	Kingdom of Saudi Arabia	Tabuk	Spare parts point of sales branch
14	Jizan Sales Branch	Kingdom of Saudi Arabia	Jizan	Spare parts point of sales branch
15	Jeddah Sales Branch	Kingdom of Saudi Arabia	Jeddah	Spare parts point of sales branch
16	Khamis Meshait Sales Branch	Kingdom of Saudi Arabia	Khamis Meshait	Spare parts point of sales branch
17	Riyadh Head Office	Kingdom of Saudi Arabia	Riyadh	Head office

Source: The Company.

The following map shows the geographic location of the Group as of the date of this Prospectus:

Exhibit 4.2: Geographic Location of the Group as of the Date of this Prospectus



Source: The Company.

As of 31 March 2025G, all of the Group's assets were held and activities were conducted in the Kingdom with no assets outside the Kingdom.

The following table details the Company's revenue by geographic distribution:

Table 4.15: Details of the Company Revenues by Geographic Distribution

Province	Total Revenues (SAR)				Contribution to Group Revenue (%)			
	Financial Year Ended 31 December			Three-Month Period Ended 31 March	Financial Year Ended 31 December			Three-Month Period Ended 31 March
	2022G	2023G	2024G	2025G	2022G	2023G	2024G	2025G
Central	249,118,555	255,298,011	345,956,068	107,360,010	58.0%	51.2%	57.7%	62.9%
Eastern	94,605,626	108,501,220	116,458,354	37,078,072	22.0%	21.8%	19.4%	21.7%
Northern	8,337,144	10,443,831	12,777,215	1,918,447	1.9%	2.1%	2.1%	1.1%
Southern	13,671,909	11,678,602	11,597,062	4,093,546	3.2%	2.3%	1.9%	2.4%
Western	63,727,645	112,771,028	112,795,464	20,251,133	14.8%	22.6%	18.8%	11.9%
Total	429,460,879	498,692,692	599,584,163	170,701,208	100.0%	100.0%	100.0%	100.0%

Source: The Company.

4.7 Research and Development in Mineral Exploration

The Group is advancing mineral exploration through a structured, multi-stage research and development (R&D) strategy that aligns with global best practices and United Nations Framework Classification for Resources (UNFC) standards. Its R&D approach is designed to improve discovery rates, lower exploration costs and enhance geological accuracy while addressing the technical, environmental, and economic challenges of modern mineral exploration. The R&D strategy involves the following:

- **strategic multi-stage exploration programme:** The Group implements a four-tier exploration strategy—Reconnaissance (G4), Preliminary (G3), General (G2) and Detailed (G1) exploration—each with increasing geological assurance. This phased approach allows for the efficient narrowing of target zones, systematic data collection and progressive refinement of resource estimates;
- **integration of advanced survey technologies:** Across all exploration stages, the Group utilises high-resolution geological mapping, airborne and ground geophysical surveys (including magnetic, electromagnetic and radiometric methods), as well as remote sensing and geochemical sampling to identify and evaluate mineralised zones;
- **precision drilling and sampling:** The Group conducts methodical drilling programmes with stage-specific spacing and depth, complemented by trenching, pitting and bedrock sampling. These efforts are calibrated for various mineral types including gold, base metals, limestone and bauxite;
- **comprehensive geological and mineralogical analysis:** Petrographic studies, mineral phase identification and beneficiation tests are carried out to determine ore quality and economic viability. Advanced laboratory techniques such as XRD, EPMA and core microscopy support detailed mineral characterisation;
- **compliance with international standards:** All exploration activities conform to UNFC norms, enabling the classification of mineral resources into categories of increasing confidence—ranging from Reconnaissance and Inferred to Indicated and Measured Mineral Resources—based on the extent and quality of geological data collected; and
- **commitment to environmental responsibility:** R&D operations are underpinned by rigorous environmental impact assessments and sustainability practices to minimise ecological disruption, particularly in soil and water management, as part of the Group's broader environmental stewardship.

Through its disciplined and technology-driven exploration framework, the Group is well-positioned to secure long-term resource development opportunities and enhance its competitive position.

4.8 Awards and Certifications

The Group maintains strict adherence to quality, safety and environmental standards across all aspects of its operations. This commitment is reflected in the implementation of robust health and safety protocols, regular employee training programmes and the continuous maintenance of its extensive fleet of machinery and equipment. The Group's dedication to operational excellence is further reinforced by its certifications in quality management, occupational health and safety and environmental sustainability, issued by respected local and international regulatory bodies. These certifications, consistently renewed through rigorous compliance with industry requirements, underscore the Group's commitment to best practices, ensuring the highest standards in construction materials production and infrastructure development.

The following table shows the awards and certifications obtained by the Group as of the date of this Prospectus:

Table 4.16: Certifications and Awards Obtained by the Group as of the Date of this Prospectus

Certification	Entity	Details	Approval Period/Award Date
ISO 9001:2015 Certification	International Organisation for Standardisation (ISO)	Quality Management System certification for ensuring consistent product and service quality across all operations.	12 July 2023G and renewed every three years.
ISO 14001:2015 Certification	International Organisation for Standardisation (ISO)	Environmental Management System certification for implementing sustainable practices and reducing environmental impact.	29 August 2024G, and renewed every three years.
ISO 45001:2018 Certification	International Organisation for Standardisation (ISO)	Occupational Health and Safety Management System certification for ensuring workplace safety and risk mitigation.	29 August 2024G, and renewed every three years.
Local Content Certification	Local Content and Government Procurement Authority	Certificate from the Local Content and Government Procurement Authority certifying the local content score for the Group of 39.53%.	5 August 2025G and certified every year.

Source: The Company.

4.9 Future Plans and Initiatives

The Group is implementing a series of strategic initiatives to strengthen its market position, enhance operational efficiencies, expand its client base and align with Kingdom's Vision 2030. These initiatives focus on increasing production capacity, modernising equipment, improving sustainability practices and advancing digital transformation. Additionally, the Group aims to optimise supply chain resilience and mitigate risks associated with client concentration by diversifying its client portfolio.

4.9.1 Production Capacity Expansion

To support growing demand for aggregates, asphalt, spare parts and crushers, the Group is undertaking capacity expansion initiatives that will increase production output and improve operational efficiency:

- **development of new quarry sites and expansion of existing facilities:** The Group is actively exploring new quarry sites in high-demand regions, such as Jeddah and Riyadh, ensuring a stable and secure raw material supply for long-term operations. The expansion includes geological surveys, feasibility assessments and regulatory approvals to increase the Group's footprint and production capacity. Additionally, investment is being made to enhance existing quarries through the installation of modern excavation and material-handling technologies to improve efficiency and reduce resource waste;
- **installation of higher-capacity crushers and automated screening plants:** The Group is increasing its material processing capabilities by investing in modern crushers and automated screening systems. This expansion will enhance aggregate production efficiency, allowing for the consistent delivery of high-quality materials while reducing manual labour costs. The integration of real-time monitoring and automated adjustment systems will optimise crushing precision, ensuring compliance with national and international grading standards;
- **expansion of asphalt production facilities to meet infrastructure demand:** The Group plans to expand asphalt mixing plants capacity to accommodate growing demand from large-scale road construction and industrial projects. These new facilities will incorporate energy-efficient mixing technology, automated batch control systems and enhanced bitumen storage solutions to improve production consistency and reduce environmental impact. Additionally, investment in polymer-modified asphalt (PMA) and hot mix asphalt (HMA) production capabilities will enable the Group to provide high-performance, sustainable asphalt solutions; and
- **implementation of energy-efficient machinery and alternative fuel solutions:** To optimise production costs and align with sustainability goals, the Group is upgrading its equipment fleet with energy-efficient crushers, loaders and

asphalt plants. The adoption of hybrid and electric machinery will reduce fuel consumption, lower emissions and contribute to long-term cost savings. Additionally, the Group is exploring the use of alternative fuels such as biodiesel and waste-derived fuels to power heavy machinery and production facilities.

4.9.2 Expansion into Silica Sand Mining

The Group currently has an exploration licence for silica sand mining and is currently in the process of obtaining a Category B mining licence to expand into silica sand extraction operations. This initiative will allow the Group to meet increasing demand in key industrial sectors, including glass manufacturing, construction, water filtration, paint and coating, building material and foundries. The expanded operations are expected to strengthen raw material availability, enhance vertical integration and improve supply chain resilience.

4.9.3 Sustainability and Environmental Initiatives

The Group is committed to promoting sustainable development and environmental responsibility through the integration of high-standard environmental practices across its operations:

- **improving air quality through high-efficiency dust suppression systems:** The Group has installed advanced dust filters across all work sites to reduce particulate emissions and improve ambient air quality. These systems are designed to mitigate harmful air pollutants associated with mining and crushing activities;
- **afforestation and expansion of green spaces:** In support of Kingdom's Vision 2030 and the Saudi Green Initiative, the Group has launched extensive tree-planting campaigns across its operational and administrative sites. These efforts enhance vegetation cover, support local ecosystems and contribute to improved environmental quality;
- **adopting renewable energy to reduce carbon dependence:** The Group is advancing its transition toward clean energy by expanding the use of renewable energy solutions across its operations. These efforts aim to reduce reliance on traditional energy sources and align with national objectives to enhance energy efficiency and sustainability;
- **reducing carbon emissions through operational optimisation:** The Group is implementing targeted strategies to lower carbon emissions from its sites. These initiatives are in line with global environmental standards and the Kingdom's Vision 2030 to achieve net-zero carbon emissions;
- **responsible waste management and regulatory compliance:** The Group ensures the environmentally sound disposal of waste, scrap and used oils in full compliance with Ministry of Environment regulations. Routine inspections by the Group's Occupational Health and Safety Department reinforce adherence to internal policies and national environmental standards;
- **monitoring and safeguarding water quality:** The Group conducts regular water quality testing across all sites to ensure environmental compliance and resource sustainability. These practices support water conservation and safeguard the integrity of local water systems;
- **regulated material supply and transport practices:** The Group adheres to national regulations governing vehicle load limits and operating hours to ensure compliance with environmental and transport safety standards; and
- **soil protection and sustainable mining practices:** The Group carries out comprehensive environmental impact assessments prior to commencing mining operations and adopts modern mining technologies to reduce soil degradation. Post-mining rehabilitation programmes and regular monitoring of surrounding soil and water quality ensure the protection and restoration of affected areas.

4.9.4 Supplier and Procurement Strategy

The Group is strengthening its supply chain management practices to ensure cost efficiency, supplier resilience and long-term procurement sustainability:

- **diversification of supply sources to reduce dependency on single suppliers:** The Group is actively expanding its supplier network, ensuring that raw material and equipment procurement is diversified across multiple regions. This approach will mitigate supply chain risks, prevent production disruptions and improve cost stability;
- **strengthening partnerships with local suppliers in line with Vision 2030:** The Group is increasing its reliance on Saudi-based suppliers for equipment, construction materials and industrial components, supporting economic growth and reducing import dependencies. Supplier development initiatives include knowledge-sharing programmes, technical training and co-investment opportunities; and
- **adoption of digital procurement solutions for enhanced transparency and efficiency:** The Group is implementing digital contract management and real-time supplier tracking tools to streamline procurement operations. These digital platforms will improve supplier performance evaluation, optimise inventory levels and reduce administrative overhead.

4.9.5 Client Expansion and Market Growth

The Group is focused on expanding its client base, increasing market share and reducing reliance on a limited number of substantial clients:

- **diversification of the client portfolio to mitigate revenue concentration risks:** The Group is actively broadening its client base to reduce dependence on key clients such as Najd Roads Contracting Company, Green Concrete Company and Al-Houssain & Al-Afaliq Co. This includes targeting new infrastructure developers, private sector contractors and industrial firms to create a more balanced revenue distribution;
- **expansion into high-growth infrastructure sectors, including renewable energy and smart city projects:** The Group is positioning itself as a key supplier for major infrastructure projects, including large-scale transportation networks, urban development initiatives and industrial parks. These projects align with Vision 2030's economic diversification efforts and provide long-term revenue growth opportunities; and
- **evaluation of export opportunities to enter new regional and international markets:** The Group is assessing the feasibility of expanding its export operations, targeting key international markets for construction materials and spare parts. This includes establishing distribution agreements, complying with international quality standards and optimising logistics strategies to facilitate overseas market entry.

4.9.6 Equipment Investments

The Group is upgrading its machinery and fleet to improve operational efficiency and reduce costs:

- **acquisition of high-capacity crushers, loaders and dumpers:** The Group is increasing its production capacity by investing in heavy-duty machinery that improves material handling efficiency;
- **expansion of asphalt production equipment, including polymer-modified asphalt (PMA) plants:** To meet growing demand from infrastructure projects, the Group is enhancing its asphalt production capabilities with specialised equipment that improves performance and sustainability;
- **adoption of hybrid and electric heavy-duty vehicles:** The Group is integrating low-emission trucks and hybrid-powered equipment into its logistics fleet to reduce fuel consumption and support environmental sustainability initiatives.

By executing these initiatives, the Group aims to solidify its market leadership, enhance operational resilience and ensure long-term growth in the Kingdom's construction, infrastructure and industrial sectors.

4.10 Administrative Support Departments

The Group's administrative support functions are essential for maintaining operational efficiency, regulatory compliance and client satisfaction across its business segments, including quarrying, asphalt production and spare parts distribution. These departments provide critical services that facilitate strategic planning, financial management, procurement, logistics and workforce administration. By leveraging digital solutions, automation and skilled professionals, the Group ensures streamlined operations and continuous business growth. Below is an overview of the key administrative support departments within the Group:

- **Strategy Department:** Responsible for long-term planning, competitive benchmarking and strategic project execution. This department works closely with executive leadership to align corporate objectives with market trends, ensuring sustainable growth and agility in response to changing industry conditions;
- **Finance and Accounting Department:** Oversees financial planning, budgeting, taxation and financial reporting, ensuring compliance with accounting standards and optimising capital management;
- **Internal Audit Department:** Conducts independent reviews of the Group's internal controls, risk management systems and compliance with policies and regulations. The department ensures governance transparency and supports continuous process improvement across business units;
- **Procurement and Supply Chain Management Department:** Handles sourcing of raw materials, supplier relationships, inventory control and logistics coordination to ensure a reliable and cost-effective supply chain (for further details, see Section 4.6.6 (*Suppliers*));
- **Sales and Business Development Department:** Focuses on client engagement, contract negotiations and expanding the Group's market presence through targeted sales initiatives. While the department plays an operational role in securing commercial contracts, it functions as a supporting department in the context of the Group's spare parts retail business, where day-to-day sales execution is handled by frontline retail operations (for further details, see Section 4.6.7 (*Clients*));

- **Marketing and Corporate Communications Department:** Develops branding strategies, advertising campaigns and client outreach programmes to enhance the Group's visibility and industry positioning (for further details, see Section 4.6.9 (*Marketing*));
- **Quality Control and Compliance Department:** Ensures that all products and processes adhere to local and international regulatory standards, implementing stringent quality control and safety protocols (for further details, see Section 4.6.4 (*Quality Control, Health, Safety and Environment*));
- **Logistics and Fleet Management Department:** Oversees the scheduling, maintenance and optimisation of the Group's transport fleet, ensuring timely and cost-effective delivery of materials (for further details, see Section 4.6.1.1(a)(vi) (*Aggregates Transportation*) and Section 4.6.1.1(b)(v) (*Asphalt Transportation*));
- **Health, Safety and Environmental (HSE) Department:** Implements workplace safety measures, environmental sustainability programmes and compliance with occupational health regulations (for further details, see Section 4.6.4 (*Quality Control, Health, Safety and Environment*));
- **Client Service and Support Department:** Provides after-sales services, technical assistance and issue resolution, ensuring client satisfaction and long-term client relationships (for further details, see Section 4.6.7 (*Clients*));
- **Information Technology (IT) Department:** Develops and maintains the Group's digital infrastructure, cybersecurity measures and enterprise resource planning (ERP) systems to enhance operational efficiency (for further details, see Section 4.6.8 (*Information Technology Systems*));
- **Human Resources Department:** Manages workforce recruitment, training, payroll and employee relations, ensuring a skilled and motivated workforce to support the Group's operations (for further details, see Section 4.6.3 (*Workforce Management*)); and
- **Legal and Regulatory Affairs Department:** Manages legal compliance, contract negotiations, dispute resolution and regulatory approvals to mitigate risks and ensure adherence to industry laws.

By maintaining a well-structured administrative support framework, the Group ensures that all operational functions run efficiently, enabling sustained growth, compliance and client satisfaction across its business segments.

4.11 Evolution of Capital

The Company was established on 12 Rajab 1395H (corresponding to 22 July 1975G) as a sole proprietorship owned by Saleh Abdulaziz Abdulrahman Al Rashed under the name Saleh Abdulaziz Al Rashed Trading Establishment with a capital of one hundred thousand Saudi Arabian Riyals (SAR 100,000) and registered under Commercial Registration No. 1010008417 on 12 Rajab 1395H (corresponding to 22 July 1975G) issued in Riyadh, Kingdom of Saudi Arabia.

The following table sets out the ownership structure of the Company upon its incorporation as of 12 Rajab 1395H (corresponding to 22 July 1975G):

Table 4.17: The Ownership Structure of the Company as of 12 Rajab 1395H (Corresponding to 22 July 1975G)

Shareholder	Number of Shares	Total Nominal Value (SAR)	Ownership Percentage (%)
Saleh Abdulaziz Abdulrahman Al Rashed	-	100,000	100.0%
Total	-	100,000	100.0%

Source: The Company.

On 23 Muharram 1432H (corresponding to 29 December 2010G), the Company was converted from a sole proprietorship into a limited liability company under the name Saleh Abdulaziz Al Rashed & Sons trading Company with a capital of five hundred thousand Saudi Arabian Riyals (SAR 500,000), divided into fifty thousand (50,000) fully paid-in in-kind shares, with a fully paid nominal value of ten Saudi Arabian Riyals (SAR 10) per share, representing 100.0 per cent. of the Company's share capital. The capital was increased by evaluating the net assets of the Company and inclusion of the following shareholders: (i) Saleh Abdulaziz Abdulrahman Al Rashed acquired twenty-seven thousand five hundred (27,500) in-kind shares with a total value of two hundred seventy-five thousand Saudi Arabian Riyals (SAR 275,000), representing 55.0 per cent. of the share capital; (ii) Abdulaziz Saleh Abdulaziz Al Rashed acquired seven thousand five hundred (7,500) in-kind shares with a total value of seventy-five thousand Saudi Arabian Riyals (SAR 75,000), representing 15.0 per cent. of the share capital; (iii) Saad Saleh Abdulaziz Al Rashed acquired seven thousand five hundred (7,500) in-kind shares with a total value of seventy-five thousand Saudi Arabian Riyals (SAR 75,000), representing 15.0 per cent. of the share capital; and (iv) Abdullah Saleh Abdulaziz Al Rashed acquired seven thousand five hundred (7,500) in-kind shares with a total value of seventy-five thousand Saudi Arabian Riyals (SAR 75,000), representing 15.0 per cent. of the share capital.

The following table sets out the Company's ownership structure after the distribution of shares as of 23 Muharram 1432H (corresponding to 29 December 2010G):

Table 4.18: The Ownership Structure of the Company as of 23 Muharram 1432H (Corresponding to 29 December 2010G)

Shareholder	Number of Shares	Share Nominal Value (SAR)	Total Nominal Value (SAR)	Ownership Percentage
Saleh Abdulaziz Abdulrahman Al Rashed	27,500	10	275,000	55.0%
Abdulaziz Saleh Abdulaziz Al Rashed	7,500	10	75,000	15.0%
Saad Saleh Abdulaziz Al Rashed	7,500	10	75,000	15.0%
Abdullah Saleh Abdulaziz Al Rashed	7,500	10	75,000	15.0%
Total	50,000	-	500,000	100.0%

Source: The Company.

On 21 Rabi' al-Thani 1436H (corresponding to 10 February 2015G), the shareholder Saad Saleh Abdulaziz Al Rashed passed away, and his heirs were identified pursuant to Inheritance Deed No. (3674956) issued by the Personal Status Court. The heirs were as follows: (i) Saleh Abdulaziz Abdulrahman Al Rashed; (ii) Maryam Saad Abdulrahman Al Rashed; (iii) Areej Saud Hamoud Al Dhaban; (iv) Abdulaziz Saad Saleh Al Rashed; (v) Saud Saad Saleh Al Rashed; (vi) Lulwa Saad Saleh Al Rashed; (vii) Norah Saad Saleh Al Rashed; and (viii) Danah Saad Saleh Al Rashed. Collectively, they inherited seven thousand five hundred (7,500) in-kind shares, with a total value of seventy-five thousand Saudi Arabian Riyals (SAR 75,000), representing 15.0 per cent. of the share capital. Subsequently, Maryam Saad Abdulrahman Al Rashed renounced her rights to the inherited shares, totalling one thousand two hundred fifty (1,250) shares, with a total value of twelve thousand five hundred Saudi Arabian Riyals (SAR 12,500), in favour of the following heirs: (i) Areej Saud Hamoud Al Dhaban; (ii) Abdulaziz Saad Saleh Al Rashed; (iii) Saud Saad Saleh Al Rashed; (iv) Lulwa Saad Saleh Al Rashed; (v) Norah Saad Saleh Al Rashed; and (vi) Danah Saad Saleh Al Rashed. The ownership structure was updated following the passing of Saad Saleh Abdulaziz Al Rashed and Maryam Saad Abdulrahman Al Rashed renouncing the rights to her inheritance, and the shares were redistributed accordingly.

The ownership structure of the Company after the distribution of the late Saad Saleh Abdulaziz Al Rashed's shares and Maryam Saad Abdulrahman Al Rashed's renunciation of her inherited shares as of 21 Rabi' al-Thani 1436H (corresponding to 10 February 2015G) was as follows:

Table 4.19: The Ownership Structure of the Company as of 21 Rabi' al-Thani 1436H (Corresponding to 10 February 2015G)

Shareholder	Number of Shares	Nominal Value per Share (SAR)	Overall Nominal Value (SAR)	Ownership Percentage ⁽¹⁾
Saleh Abdulaziz Abdulrahman Al Rashed	28,750	10	287,500	57.5%
Abdulaziz Saleh Abdulaziz Al Rashed	7,500	10	75,000	15.0%
Abdullah Saleh Abdulaziz Al Rashed	7,500	10	75,000	15.0%
Areej Saud Hamoud Al Dhaban	1,145,8	10	11,458,3	2.3%
Abdulaziz Saad Saleh Al Rashed	1,396,04	10	13,690,4	2.7%
Saud Saad Saleh Al Rashed	1,396,04	10	13,690,4	2.7%
Lulwa Saad Saleh Al Rashed	788,7	10	7,886,8	1.6%
Norah Saad Saleh Al Rashed	788,7	10	7,886,8	1.6%
Danah Saad Saleh Al Rashed	788,7	10	7,886,8	1.6%
Total	50,000	-	500,000	100.0%

Source: The Company

⁽¹⁾ The ownership percentages are rounded to the nearest decimal place.

On 12 Sha'ban 1437H (corresponding to 19 May 2016G), the shareholder Saleh Abdulaziz Abdulrahman Al Rashed passed away, and his heirs were identified pursuant to Inheritance Deed No. (37266488) issued by the Personal Status Court. The heirs were as follows: (i) Abdulaziz Saleh Abdulaziz Al Rashed; (ii) Abdullah Saleh Abdulaziz Al Rashed; (iii) Maryam Saad Abdulrahman Al Rashed; (iv) Norah Saleh Abdulaziz Al Rashed; and (v) Sara Saleh Abdulaziz Al Rashed. All heirs expressed their desire to retain their ownership in the Company in accordance with their allocated shares, collectively owning twenty-eight thousand seven hundred fifty (28,750) in-kind shares, with a total value of two hundred eighty-seven thousand five hundred Saudi Arabian Riyals (SAR 287,500). Accordingly, the Company's capital was determined to be five hundred thousand Saudi Arabian Riyals (SAR 500,000), divided into fifty thousand (50,000) shares, with a fully paid nominal value of ten Saudi Arabian Riyals (SAR 10) per share. The shares were distributed among the shareholders as follows: (i) Abdulaziz Saleh Abdulaziz Al Rashed acquired twenty thousand four hundred seventeen shares (20,417), with a total value of two hundred four thousand one hundred seventy Saudi Arabian Riyals (204,170), representing 40.8 per cent. of the share capital; (ii) Abdullah Saleh Abdulaziz Al Rashed acquired ten thousand four hundred seventeen (10,417) shares, with a total value of one hundred four thousand one hundred seventy Saudi Arabian Riyals (SAR 104,170), representing 20.8 per cent. of the share capital; (iii) Abdulaziz Saad Saleh Al Rashed and (iv) Saud Saad Saleh Al Rashed each acquired three thousand seven hundred fifty (3,750) shares, with a total value of thirty-seven thousand five hundred Saudi Arabian Riyals (SAR 37,500), representing 7.5 per cent. of the share capital each; (v) Areej Saud Hamoud Al Dhaban; (vi) Lulwa Saad Saleh Al Rashed; (vii) Danah Saad Saleh Al Rashed and (viii) Norah Saad Saleh Al Rashed each acquired one thousand eight hundred seventy-five (1,875) shares, with a total value of eighteen thousand seven hundred fifty Saudi Arabian Riyals (SAR 18,750), representing 3.7 per cent. of the share capital; (ix) Norah Saleh Abdulaziz Al Rashed acquired one thousand four hundred fifty-eight (1,458) shares, with a total value of fourteen thousand five hundred eighty Saudi Arabian Riyals (SAR 14,580), representing 2.9 per cent. of the share capital; (x) Sara Saleh Abdulaziz Al Rashed acquired one thousand four hundred fifty-eight (1,458) shares, with a total value of fourteen thousand five hundred eighty Saudi Arabian Riyals (SAR 14,580), representing 2.9 per cent. of the share capital; and (xi) Maryam Saad Abdulrahman Al Rashed acquired one thousand two hundred fifty (1,250) shares, with a total value of twelve thousand five hundred Saudi Arabian Riyals (SAR 12,500), representing 2.5 per cent. of the share capital.

The ownership structure of the Company following the distribution of the shares of the deceased, Saleh Abdulaziz Abdulrahman Al Rashed, and the inclusion of his heirs, as of the 12 Sha'ban 1437H (corresponding to 19 May 2016G) was as follows:

Table 4.20: The Ownership Structure of the Company as of 12 Sha'ban 1437H (Corresponding to 19 May 2016G)

Shareholder	Number of Shares	Nominal Value per Share (SAR)	Overall Nominal Value (SAR)	Ownership Percentage (%) ⁽¹⁾
Abdulaziz Saleh Abdulaziz Al Rashed	20,417	10	204,170	40.8%
Abdullah Saleh Abdulaziz Al Rashed	10,417	10	104,170	20.8%
Abdulaziz Saad Saleh Al Rashed	3,750	10	37,500	7.5%
Saud Saad Saleh Al Rashed	3,750	10	37,500	7.5%
Danah Saad Saleh Al Rashed	1,875	10	18,750	3.7%
Norah Saad Saleh Al Rashed	1,875	10	18,750	3.7%
Lulwa Saad Saleh Al Rashed	1,875	10	18,750	3.7%
Areej Saud Hamoud Al Dhaban	1,875	10	18,750	3.7%
Sara Saleh Abdulaziz Al Rashed	1,458	10	14,580	2.9%
Norah Saleh Abdulaziz Al Rashed	1,458	10	14,580	2.9%
Maryam Saad Abdulrahman Al Rashed	1,250	10	12,500	2.5%
Total	50,000	-	500,000	100.0%

Source: The Company.

⁽¹⁾ The ownership percentages are rounded to the nearest decimal place.

Pursuant to the amended Articles of Association dated 27 Thul-Qi'dah 1443H (corresponding to 26 June 2022G), Abdulaziz Saleh Abdulaziz Al Rashed transferred a portion of his shares, totalling two thousand five hundred two (2,502) shares, with a total value of twenty-five thousand twenty Saudi Arabian Riyals (SAR 25,020) to: (i) Norah Saleh Abdulaziz Al Rashed and (ii) Sara Saleh Abdulaziz Al Rashed. As a result, each of them now holds two thousand seven hundred nine (2,709) shares, with a total value of twenty-seven thousand ninety Saudi Arabian Riyals (SAR 27,090), representing 5.4 per cent. of the Company's share capital.

The ownership structure of the Company as of 27 Thu al-Qi'dah 1443H (corresponding to 26 June 2022G) was as follows:

Table 4.21: The Ownership Structure of the Company as of 27 Thu al-Qi'dah 1443H (Corresponding to 26 June 2022G)

Shareholder	Number of Shares	Nominal Value per Share (SAR)	Overall Nominal Value (SAR)	Ownership Percentage (%) ⁽¹⁾
Abdulaziz Saleh Abdulaziz Al Rashed	17,915	10	179,150	35.8%
Abdullah Saleh Abdulaziz Al Rashed	10,417	10	104,170	20.8%
Abdulaziz Saad Saleh Al Rashed	3,750	10	37,500	7.5%
Saud Saad Saleh Al Rashed	3,750	10	37,500	7.5%
Sara Saleh Abdulaziz Al Rashed	2,709	10	27,090	5.4%
Norah Saleh Abdulaziz Al Rashed	2,709	10	27,090	5.4%
Danah Saad Saleh Al Rashed	1,875	10	18,750	3.7%
Norah Saad Saleh Al Rashed	1,875	10	18,750	3.7%
Lulwa Saad Saleh Al Rashed	1,875	10	18,750	3.7%
Areej Saud Hamoud Al Dhaban	1,875	10	18,750	3.7%
Maryam Saad Abdulrahman Al Rashed	1,250	10	12,500	2.5%
Total	50,000	-	500,000	100.0%

Source: The Company.

⁽¹⁾ The ownership percentages are rounded to the nearest decimal place.

Pursuant to shareholder's Resolution No. (3) dated 23 Rabi' al-Thani 1444H (corresponding to 17 November 2022G), approval was obtained to increase the Company's share capital from five hundred thousand Saudi Arabian Riyals (SAR 500,000) to one hundred eighty-six million Saudi Arabian Riyals (SAR 186,000,000), divided into eighteen million six hundred thousand (18,600,000) equal shares, with a fully paid nominal value of ten Saudi Arabian Riyals (SAR 10) per share. The capital increase has been executed entirely through the shareholder's current account balances and a portion of retained earnings as follows: 50.1 per cent. from the shareholder's current account and 49.9 per cent. from retained earnings, and the new shares have been allocated among the partners as follows: (i) Abdulaziz Saleh Abdulaziz Al Rashed acquired six million six hundred sixty-four thousand three hundred eighty (6,664,380) shares, with a total value of sixty-six million six hundred forty-three thousand eight hundred Saudi Arabian Riyals (SAR 66,643,800), representing 35.8 per cent. of the share capital; (ii) Abdullah Saleh Abdulaziz Al Rashed acquired three million eight hundred seventy-five thousand one hundred twenty-four (3,875,124) shares, with a total value of thirty-eight million seven hundred fifty-one thousand two hundred forty Saudi Arabian Riyals (SAR 38,751,240), representing 20.8 per cent. of the share capital; (iii) Abdulaziz Saad Saleh Al Rashed and (iv) Saud Saad Saleh Al Rashed each acquired one million three hundred ninety-five thousand (1,395,000) shares, with a total value of thirteen million nine hundred fifty thousand Saudi Arabian Riyals (SAR 13,950,000), representing 7.5 per cent. of the share capital; (v) Norah Saleh Abdulaziz Al Rashed and (vi) Sara Saleh Abdulaziz Al Rashed each acquired one million seven thousand seven hundred forty-eight (1,007,748) shares, with a total value of ten million seventy-seven thousand four hundred eighty Saudi Arabian Riyals (SAR 10,077,480), representing 5.4 per cent. of the share capital; (vii) Norah Saad Saleh Al Rashed; (viii) Lulwa Saad Saleh Al Rashed; (ix) Danah Saad Saleh Al Rashed and (x) Areej Saud Hamoud Al Dhaban each acquired six hundred ninety-seven thousand five hundred (697,500) shares, with a total value of six million nine hundred seventy-five thousand Saudi Arabian Riyals (SAR 6,975,000), representing 3.8 per cent. of the share capital; and (xi) Maryam Saad Abdulrahman Al Rashed acquired four hundred sixty-five thousand (465,000) shares, with a total value of four million four hundred sixty-five thousand Saudi Arabian Riyals (SAR 4,465,000), representing 2.5 per cent. of the share capital.

The ownership structure of the Company after the capital increase as of 23 Rabi' al-Thani 1444H (corresponding to 17 November 2022G) was as follows:

Table 4.22: The Ownership Structure of the Company as of 23 Rabi' al-Thani 1444H (Corresponding to 17 November 2022G)

Shareholder	Number of Shares	Nominal Value per Share (SAR)	Overall Nominal Value (SAR)	Ownership Percentage (%) ⁽¹⁾
Abdulaziz Saleh Abdulaziz Al Rashed	6,664,380	10	66,643,800	35.8%
Abdullah Saleh Abdulaziz Al Rashed	3,875,124	10	38,751,240	20.8%
Saud Saad Saleh Al Rashed	1,395,000	10	13,950,000	7.5%
Abdulaziz Saad Saleh Al Rashed	1,395,000	10	13,950,000	7.5%
Norah Saleh Abdulaziz Al Rashed	1,007,748	10	10,077,480	5.4%
Sara Saleh Abdulaziz Al Rashed	1,007,748	10	10,077,480	5.4%
Norah Saad Saleh Al Rashed	697,500	10	6,975,000	3.8%
Lulwa Saad Saleh Al Rashed	697,500	10	6,975,000	3.8%
Areej Saud Hamoud Al Dhaban	697,500	10	6,975,000	3.8%
Danah Saad Saleh Al Rashed	697,500	10	6,975,000	3.8%
Maryam Saad Abdulrahman Al Rashed	465,000	10	4,465,000	2.5%
Total	18,600,000	-	186,000,000	100.0%

Source: The Company.

⁽¹⁾ The ownership percentages are rounded to the nearest decimal place.

Pursuant to shareholder's Resolution No. (1), approved by the Ministry of Commerce under No. 444161009 dated 29 Jumada al-Akhirah 1444H (corresponding to 22 January 2023G), the Company has been converted from a limited liability company to a closed joint stock company.

The ownership structure of the Company after its conversion as of 29 Jumada al-Akhirah 1444H (corresponding to 22 January 2023G) was as follows:

Table 4.23: The Ownership Structure of the Company as of 29 Jumada al-Akhirah 1444H (Corresponding to 22 January 2022G)

Shareholder	Number of Shares	Nominal Value per Share (SAR)	Overall Nominal Value (SAR)	Ownership Percentage (%) ⁽¹⁾
Abdulaziz Saleh Abdulaziz Al Rashed	6,664,380	10	66,643,800	35.8%
Abdullah Saleh Abdulaziz Al Rashed	3,875,124	10	38,751,240	20.8%
Norah Saleh Abdulaziz Al Rashed	1,007,748	10	10,077,480	5.4%
Sara Saleh Abdulaziz Al Rashed	1,007,748	10	10,077,480	5.4%
Norah Saad Saleh Al Rashed	697,500	10	6,975,000	3.8%
Lulwa Saad Saleh Al Rashed	697,500	10	6,975,000	3.8%
Areej Saud Hamoud Al Dhaban	697,500	10	6,975,000	3.8%
Danah Saad Saleh Al Rashed	697,500	10	6,975,000	3.8%
Maryam Saad Abdulrahman Al Rashed	465,000	10	4,465,000	2.5%
Abdulaziz Saad Saleh Al Rashed	1,395,000	10	13,950,000	7.5%
Saud Saad Saleh Al Rashed	1,395,000	10	13,950,000	7.5%
Total	18,600,000	-	186,000,000	100.0%

Source: The Company.

⁽¹⁾ The ownership percentages are rounded to the nearest decimal place.

4.12 Business Continuity

During the 12-month period preceding the date of this Prospectus, the Company has not experienced any suspension or interruption of its operations that could have or has had a significant impact on its financial position or status and it does not intend to make any material changes to the nature of its activities.



شركة صالح عبد العزيز الراشد وأولاده
Saleh Abdulaziz Al Rashed & Sons Co.

A black and white photograph of industrial machinery, likely a conveyor belt or sorting system, with a large, bold number '5' overlaid on the right side. The machinery features a large cylindrical component and a conveyor belt carrying a dark, granular material. The background is a light gray with faint, stylized geometric patterns. A blue diagonal line runs from the top left towards the bottom right, passing behind the number '5'.

5

Organisational Structure and Corporate Governance

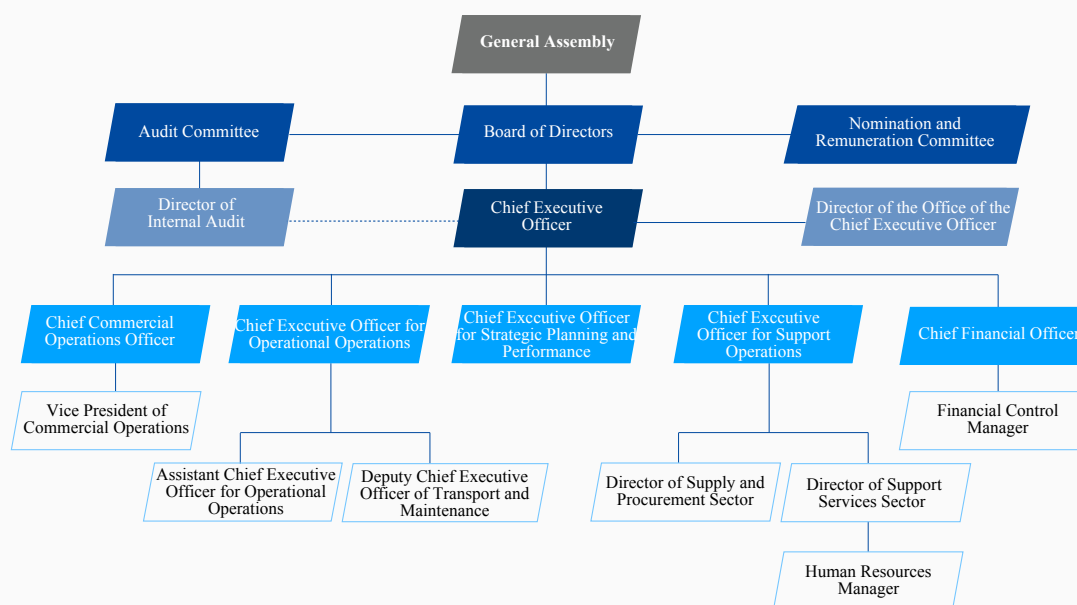
5. Organisational Structure and Corporate Governance

5.1 Organisational Structure

The organisational structure of the Company consists of the General Assembly of the Shareholders, the Board of Directors and the Committees derived from it. Without prejudice to General Assemblies' authorities, the Board of Directors has the broadest authorities to manage the Company and has the responsibility for the overall direction, supervision and control of the Company. The Board of Directors delegates responsibility for the overall day-to-day management of the Company to the Executive Management of the Company.

The following chart sets out the organisational structure of the Company:

Exhibit 5.1: Organisational Structure of the Company



Source: The Company.

The following table summarises the direct ownership structure of the Company pre- and post-Offering:

Table 5.1: Direct Ownership Structure of the Company Pre- and Post-Offering

Shareholder	Pre-Offering			Post-Offering		
	Number of Shares	Ownership (%) ⁽¹⁾	Overall Nominal Value (SAR)	Number of Shares	Ownership (%) ⁽¹⁾	Overall Nominal Value (SAR)
Abdulaziz Saleh Abdulaziz Al Rashed	6,664,380	35.8%	66,643,800	4,665,066	25.1%	46,650,660
Abdullah Saleh Abdulaziz Al Rashed	3,875,124	20.8%	38,751,240	2,712,587	14.6%	27,125,868
Abdulaziz Saad Saleh Al Rashed	1,395,000	7.5%	13,950,000	976,500	5.3%	9,765,000
Saud Saad Saleh Al Rashed	1,395,000	7.5%	13,950,000	976,500	5.3%	9,765,000
Norah Saleh Abdulaziz Al Rashed	1,007,748	5.4%	10,077,480	705,424	3.8%	7,054,236
Sara Saleh Abdulaziz Al Rashed	1,007,748	5.4%	10,077,480	705,424	3.8%	7,054,236
Norah Saad Saleh Al Rashed	697,500	3.8%	6,975,000	488,250	2.6%	4,882,500
Lulwa Saad Saleh Al Rashed	697,500	3.8%	6,975,000	488,250	2.6%	4,882,500
Areej Saud Hamoud Al Dhaban ⁽²⁾	697,500	3.8%	6,975,000	488,250	2.6%	4,882,500
Danah Saad Saleh Al Rashed	697,500	3.8%	6,975,000	488,250	2.6%	4,882,500

Shareholder	Pre-Offering			Post-Offering		
	Number of Shares	Ownership (%) ⁽¹⁾	Overall Nominal Value (SAR)	Number of Shares	Ownership (%) ⁽¹⁾	Overall Nominal Value (SAR)
Maryam Saad Abdulrahman Al Rashed	465,000	2.5%	4,650,000	325,500	1.8%	3,255,000
Public	-	-	-	5,580,000	30.0%	55,800,000
Total	18,600,000	100.0%	186,000,000	18,600,000	100.0%	186,000,000

Source: The Company.

(1) The ownership percentages are rounded to the nearest decimal place.

(2) Areej Saud Hamoud Al Dhaban is the mother of the following shareholders: Saud Saad Saleh Al Rashed (holding 7.5 per cent. of the Company's shares capital), Norah Saad Saleh Al Rashed (holding 3.8 per cent. of the Company's share capital) and Dana Saad Saleh Al Rashed (holding 3.8 per cent. of the Company's share capital). As the legal guardian of the above shareholders, Areej Saud Hamoud Al Dhaban disposes of their shares on their behalf.

5.2 Board of Directors and Secretary of the Board of Directors

5.2.1 Composition of the Board of Directors

The Board of Directors consists of six (6) Directors who are appointed by the General Assembly by means of cumulative vote (for further details, see Section 11.13 (*Summary of Bylaws*)). The Companies Law, the Corporate Governance Regulations, the Bylaws, and the internal Corporate Governance Manual of the Company determine the duties and responsibilities of the Board of Directors. The term of the Directors' membership on the Board of Directors, including the Chairman, shall be for a maximum period of four (4) years for each term upon the expiry of the existing terms. The current term of the Board of Directors commenced on 14 Ramadan 1444H (corresponding to 5 April 2023G) and will end on 28 Shawwal 1448H (corresponding to 5 April 2027G).

The following table sets out the Directors as of the date of this Prospectus:

Table 5.2: Company's Board of Directors

Name	Position	Nationality	Capacity / Independence ⁽³⁾	Direct Share ⁽¹⁾ Ownership		Indirect Share ⁽¹⁾ Ownership		Date of Appointment ⁽²⁾
				Pre-Of-fering	Post-Of-fering	Pre-Of-fering	Post-Of-fering	
Abdulaziz Saleh Abdulaziz Al Rashed	Chairman	Saudi	Non-Executive	-	-	35.8%	25.1%	14 Ramadan 1444H (corresponding to 5 April 2023G)
Salah khalid Abdullah Al Tuwajiri	Vice Chairman	Saudi	Non-Executive	-	-	-	-	14 Ramadan 1444H (corresponding to 5 April 2023G)
Khalid Abdulrahman Mohammed Al Mousa	Director	Saudi	Independent	-	-	-	-	14 Ramadan 1444H (corresponding to 5 April 2023G)
Abdulaziz Abdulrahman Abdulaziz Al Rashed	Director	Saudi	Independent	-	-	-	-	14 Ramadan 1444H (corresponding to 5 April 2023G)
Abdullah Mohammed Abdullah Al Rashed	Director	Saudi	Non-Executive	-	-	-	-	14 Ramadan 1444H (corresponding to 5 April 2023G)
Saud Abdulaziz Saleh Al Rashed	Director and Chief Executive Officer	Saudi	Executive	-	-	-	-	14 Ramadan 1444H (corresponding to 5 April 2023G)

Source: The Company.

(1) The ownership percentages are rounded to the nearest decimal place.

(2) The dates listed in this table are the dates of appointment to the current positions in the Board of Directors. Their biographies in Section 5.2.4 (*Biographies of the Directors and the Secretary*) describe the dates of their appointment to the Board of Directors and any other positions.

(3) An independent Director is a non-executive member of the Board of Directors with complete independence in their position and decisions, and none of the issues affecting independence set out below apply to him/her:

- (i) he/she holds five per cent. or more of the shares of the Company or any other company within its Group, or are a relative of someone who owns such percentage;
- (ii) he/she is a relative of any Company Director, or of any other company director within the Company's Group;
- (iii) he/she is a relative of any Senior Executive of the Company, or of any other company within the Company's Group;

- (iv) he/she is nominated to be a director for any company within the Company's Group;
- (v) he/she is an employee, or were a former employee during the previous two years, of the Company or a company within its Group, or held a controlling interest in the Company or any party dealing with the Company or any company within its Group, such as external auditors or key suppliers, during the preceding two years;
- (vi) he/she have a direct or indirect interest in the business and contracts conducted for the Company;
- (vii) he/she receive financial consideration from the Company in addition to remuneration for their membership of the Board or any of its committees in excess of SAR 200,000 or 50.0 per cent. of their remuneration for the previous year of their membership of the Board or any of its committees, whichever is less;
- (viii) he/she engages in businesses that competes with the Company, or conduct business in any of the Company's lines of activities; or
- (ix) he/she serve for more than nine years, whether consecutive or not, as a Director of the Company.

The Secretary of the Board of Directors is Ahmed Magdy Hamdy Abduljawad, who was appointed pursuant to a resolution of the Board of Directors dated 27 Shawwal 1445H (corresponding to 6 May 2024G). Ahmed Magdy Hamdy Abduljawad does not own any Shares in the Company (for a summary of his biography, see Section 5.2.4.7 (*Ahmed Magdy Hamdy Abduljawad, Board Secretary*)).

5.2.2 Responsibilities of the Board of Directors

The Company is supervised by a Board of Directors consisting of professional and highly experienced persons. Further to powers set by the General Assembly in the Companies Law and its implementing regulations, as well as the Company's Bylaws, the Board of Directors is vested with full powers to manage the business of the Company and supervise its affairs. The Board of Directors delegates responsibility for overall day-to-day management of the Company to the Company's Executive Management.

Some powers are delegated to the Board of Directors' Committees, consisting of the Audit Committee and the Nomination and Remuneration Committee (collectively, the "**Committees**"), and a number of administrative departments with responsibility for dealing with a range of operational and business matters (for further details about the Company's administrative departments, see Section 4.10 (*Administrative Support Departments*)). In addition, the Board of Directors has the power to form any number of committees it considers necessary for effective governance, oversight and operations of the Company or to delegate some of its powers to one or more of the Directors or to third parties. However, despite any delegation, the ultimate responsibility for the Company rests with the Board of Directors.

The responsibilities of the Board of Directors, the Chairman and the Secretary can be summarised as follows:

5.2.2.1 Board of Directors

With due regard to the competencies for the General Assembly, the Board of Directors shall have the widest powers in managing the Company in order to achieve its objectives inside and outside the Kingdom. The powers and responsibilities of the Board of Directors include the following:

- participating in the overall direction and management of the Company;
- acting on behalf of the Company in an agent-like capacity;
- overseeing the Committees in line with the policies and objectives of the Company;
- approving the appointment of the Chief Executive Officer, the Chief Financial Officer;
- approving the appointment of the Head of Internal Audit (based on Audit Committee recommendation);
- laying down a comprehensive strategy for the Company, the main work plans and the policy related to risk management;
- determining the appropriate capital structure of the Company, its strategies and financial objectives and approving its annual budgets;
- supervising the main capital expenditures of the Company and acquisition/disposal of assets;
- determining the performance objectives to be achieved and supervising implementation thereof;
- monitoring the overall performance of the Company;
- reviewing and approving the organisational and functional structures of the Company;
- developing a written policy regulating conflicts of interest and remedy of any possible cases of conflict by the Directors, Executive Management and Shareholders;
- developing written policies regulating the Company's relationship with the Shareholders, including policies in connection with the indemnification of Shareholders and settlement of complaints or disputes between the Company and Shareholders;

- developing policies in connection with maintaining relationships with customers and suppliers and protecting the confidentiality of information in relation thereto;
- establishing a code of conduct for the Executive Management and employees in line with the proper professional and ethical standards;
- developing policies in connection with the Company's social contributions;
- establishing policies and procedures to ensure the Company's compliance with the relevant laws and regulations and the Company's continuous obligation to disclose material information to the Shareholders and other relevant parties;
- proposing policies, standards and procedures in connection with the membership of the Board of Directors, and implementation thereof after Shareholders' approval;
- ensuring alignment of strategy with the Company's existing resources, risks, economic and market conditions and growth;
- entering into financial transactions on behalf of the Company;
- ensuring the integrity of the financial and accounting procedures including procedures related to the preparation of the financial reports;
- ensuring the implementation of control procedures appropriate for risk management by forecasting the risks that the Company could encounter and disclosing them with transparency;
- holding a meeting each year to approve the budget for the following year;
- establishing Committees of the Board of Directors with specific mandates, approving its charters and appointing its members;
- evaluating the performance of the Company's Senior Executives in connection with the achievement of strategy; and
- ensuring that a sound system of internal control (supported by the Audit Committee) is established, implemented and maintained at all levels.

5.2.2.2 Chairman

The Chairman shall assume the following responsibilities:

- promoting constructive relationships between the Board of Directors and the Senior Executives, and between the executive Directors and the non-executive Directors;
- ensuring that the Board of Directors agenda is focused on the Company's strategy, performance, value creation for Shareholders and accountability at all levels;
- promoting a culture in the boardroom that supports constructive criticism and alternative views on issues under consideration, and encourages discussion and voting on these issues;
- ensuring that both the Directors and the Shareholders receive adequate and timely information through the appropriate means;
- delegating tasks to individual Directors and following up on their progress;
- ensuring that the Directors disclose their business and conflict of interest in any matter discussed in Board of Directors meetings;
- representing the Company before third parties in accordance with the Companies Law, its Implementing Regulations, and the Company's Bylaws;
- encouraging members of the Board of Directors to effectively carry out their duties in a manner that serves the interests of the Company;
- ensuring the existence of effective communication channels with Shareholders and that their views are conveyed to the Board of Directors;
- fostering active relationships and effective engagement between the Board of Directors and the Executive Management, and between the Board of Directors and the Shareholders, investors, and all other stakeholders;
- preparing the agenda for the Board of Directors' meetings, taking into consideration any matters raised by a Board member or the external auditor, and consulting with Board members and the Chief Executive Officer when setting the agenda; and
- convening periodic meetings with the non-executive members of the Board without the presence of any Executive members of the Company.

5.2.2.3 Secretary

The responsibilities of the Secretary include the following:

- managing all the administrative, technical and logistics relating to the affairs of the Board of Directors and the General Assembly meetings;
- managing and coordinating the meeting agendas of the Board of Directors and the Committees;
- attending the meetings of the Board of Directors;
- preparing visual presentations, preparing and distributing minutes of meetings, archiving all data, information and records relating to the Board of Directors and the Committees and monitoring the implementation of resolutions of the Board of Directors and the Committees;
- presenting draft minutes to the members of the Board of Directors for their feedback prior to signature;
- coordinating communications among the members of the Board of Directors;
- maintaining a register of disclosures of the members of the Board of Directors and the Executive Management in accordance with Article 89 of these Regulations;
- providing assistance and advice to the members of the Board of Directors;
- ensuring the flow of information within the Board of Directors and between the Board of Directors and the Executive Management;
- preparing and maintaining a register of proceedings and resolutions of the Board of Directors and the Committees and safekeeping the Company's official records;
- acting as a liaison officer with the CMA and other official entities and ensuring compliance with the Corporate Governance Regulations and other related regulations;
- with assistance from the Compliance Department, assisting in the modernisation and implementation of the Company's corporate governance;
- assisting the Nomination and Remuneration Committee in preparing and implementing the orientation programme for incoming Directors;
- preparing status reports on the resolutions of the Board of Directors and implementation thereof;
- with assistance from the Compliance Department, ensuring that the procedures, rules and regulations applicable to the Board of Directors are followed by the Directors;
- maintaining and updating the Company's Corporate Governance Manual as per the instructions of the Board of Directors;
- performing other tasks as delegated by the Board of Directors; and
- convening periodic meetings with the non-executive members of the Board without the presence of any Executive members of the Company.

5.2.3 Service Contracts with Directors

No service contracts or employment contracts have been concluded between the Company and the members of the Board of Directors.

5.2.4 Biographies of the Directors and the Secretary

The experience, qualifications and the current and other positions of each of the Directors and the Secretary are set out below:

5.2.4.1 Abdulaziz Saleh Abdulaziz Al Rashed, Chairman

Nationality:	Saudi.
Age:	63 years.
Position:	Chairman of the Company's Board of Directors.
Capacity:	Non-Executive.
Appointment Date (Current Term):	14 Ramadan 1444H (corresponding to 5 April 2023G).
Academic and Professional Qualifications:	Bachelor's Degree in Marketing, City University, Washington, United States of America, in 1985G.
Current Positions:	- Chairman of the Company's Board of Directors, since 2023G; - Board Member, Mining Partnership Council, an entity affiliated with the Ministry of Industry and Mineral Resources, institutional development - public and private partnerships sector, since 2024G; and - Member of the Mining Committee, Riyadh Chamber, an entity affiliated with the Ministry of Commerce, since 2022G.
Key Past Professional Experience:	- General Manager of the Company, from 1998G to 2023G; and - Credit Officer, Arab National Bank, a public joint stock company, banking sector, from 1985G to 1998G.

5.2.4.2 Salah Khalid Abdullah Al Tuwaijri, Vice Chairman

Nationality:	Saudi.
Age:	65 years.
Position:	Vice Chairman of the Company's Board of Directors.
Capacity:	Non-Executive.
Appointment Date (Current Term):	14 Ramadan 1444H (corresponding to 5 April 2023G).
Academic and Professional Qualifications:	Bachelor's Degree in Business Administration, Specialised in International Trade, Schiller University, London, United Kingdom, in 1984G.
Current Positions:	- Vice Chairman of the Company's Board of Directors, since 2023G; and - Chief Executive Officer, National Energy Services Company (Tarshid), a sole proprietorship, national energy services sector, since 2017G.
Key Past Professional Experience:	- Partner and Board Member, Mizat Development Company, a closed joint stock company, real estate development sector, from 2008 to 2013G; - Chief Executive Officer and Board Member, National Concrete Products Company, a limited liability company, construction materials sector, from 1996G to 2005G; - General Manager, Saad Construction Establishment, a sole proprietorship, construction sector, from 1995G to 1996G; - Chief Executive Officer for Technical Affairs, Saad Construction Establishment, a sole proprietorship, construction sector, from 1990G to 1995G; - Manager of Local and International Procurement, Saad Construction Establishment, a sole proprietorship, construction sector, from 1987G to 1990G; and - Manager of International Procurement, Saad Construction Establishment, a sole proprietorship, construction sector, from 1986G to 1987G.

5.2.4.3 Khalid Abdulrahman Mohammed Al Mousa, Director

Nationality:	Saudi.
Age:	66 years.
Position:	Director of the Company.
Capacity:	Independent.
Appointment Date (Current Term):	14 Ramadan 1444H (corresponding to 5 April 2023G).
Academic and Professional Qualifications:	Bachelor's Degree in Business Administration, City University, Washington, United States of America, in 1986G;
Current Positions:	- Director of the Company, since 2023G; - Board Member, Knowledge Net Computer Company, a public joint stock company, technology and alternative solutions sector for asset and project management, since 2022G; - Board Member, Advanced Operations Company, a limited liability company, information technology sector, since 2022G; - Board Member, Amwal Tech Company, a limited liability company, cyber security, investigation, and seamless payment solutions sector, since 2021G; - Chairman of the Board, KAISAB Company limited, a limited liability company, construction and building sector, since 2008G; and - Board Member, Osool & Bakheet Investment Company, a publicly traded company, financial services and investment sector, since 2005G.
Key Past Professional Experience:	- Advisor to the General Manager, Osool Capital Company, a closed joint stock company, investment sector, from 2004G to 2008G; - Director of Corporate Banking Services Group, Bank AlJazira, a publicly traded company, banking and financial services sector, from 2003G to 2004G; and - Central Regional Manager, Saudi Fransi Bank, a publicly traded company, banking and financial services sector, from 1999G to 2001G.

5.2.4.4 Abdulaziz Abdulrahman Abdulaziz Al Rashed, Director

Nationality:	Saudi.
Age:	52 years.
Position:	Director of the Company.
Capacity:	Independent.
Appointment Date (Current Term):	14 Ramadan 1444H (corresponding to 5 April 2023G).
Academic and Professional Qualifications:	Bachelor's Degree in Business Administration, King Faisal University, Al Ahsa, Kingdom of Saudi Arabia, in 1996G.
Current Positions:	- Director of the Company, since 2023G; - Member of the Audit Committee of the Company, since 2025G; and - Chief Executive Officer, Danah Real Estate Company, a sole proprietorship, real estate sector, since 2020G.
Key Past Professional Experience:	- Deputy General Manager of the Real Estate Sector, Al Rashid Trading & Contracting Company, a closed joint stock company, real estate and investment sector, from 2015G to 2020G; and - Investment Manager, Al Rashid Trading & Contracting Company, a closed joint stock company, real estate and investment sector, from 2000G to 2003G.

5.2.4.5 Abdullah Mohammed Abdullah Al Rashed, Director

Nationality:	Saudi.
Age:	31 years.
Position:	Director of the Company.
Capacity:	Non-Executive.
Appointment Date (Current Term):	14 Ramadan 1444H (corresponding to 5 April 2023G).
Academic and Professional Qualifications:	Bachelor's Degree in Finance, Suffolk University, Boston, United States of America, in 2016G.
Current Positions:	- Director of the Company, since 2023G; - Chairman of the Audit Committee of the Company, since 2024G; and - Finance Manager, NEOM Company, a closed joint stock company, development and investment sector, since 2023G.
Key Past Professional Experience:	- Associate - Project and Export Finance Department, HSBC Saudi Arabia, a closed joint stock company, financial services and investment sector, from 2021G to 2023G; and - Associate - Project and Structured Finance Department, Saudi Fransi Bank, a publicly traded company, banking and financial services sector, from 2017G to 2021G.

5.2.4.6 Saud Abdulaziz Saleh Abdulaziz Al Rashed, Director

Nationality:	Saudi.
Age:	32 years.
Position:	Director and Chief Executive Officer of the Company.
Capacity:	Executive.
Appointment Date (Current Term):	14 Ramadan 1444H (corresponding to 5 April 2023G).
Academic and Professional Qualifications:	Bachelor's degree in business, Chapman University, California, United States of America, in 2016G.
Current Positions:	- Director of the Company, since 2023G; - Chief Executive Officer of the Company, since 2023G;
Key Past Professional Experience:	- Deputy General Manager of the Company, from 2017G to 2023G; and - Board Member, Saudi Sambo Committee, Ministry of Sports and the Olympic and Paralympic Committee, an entity under the Ministry of Sports, sports sector, from 2021G to 2023G.

5.2.4.7 Ahmed Magdy Hamdy Abduljawad, Board Secretary

Nationality:	Egyptian.
Age:	40 years.
Position:	Board Secretary and Chief Executive Officer of Strategic Planning and Performance of the Company.
Appointment Date (Current Term):	14 Ramadan 1444H (corresponding to 5 April 2023G).
Academic and Professional Qualifications:	- PhD in Business Administration, Helwan University, Arab Republic of Egypt, in 2021G; - Master's Degree in Business Administration, Helwan University, Cairo, Arab Republic of Egypt, in 2016G; and - Bachelor's Degree in Accounting, Cairo University, Cairo, Arab Republic of Egypt, in 2005G.
Current Positions:	- Board Secretary of the Company, since 2024G; - General Assembly secretary of the Company, since 2024G; - Nomination and Remuneration Committee Secretary of the Company, since 2024G; and - Chief Executive Officer of Strategic Planning and Performance of the Company, since 2022G.
Key Past Professional Experience:	- Strategic Planning and Performance Sector Director, Mawten Real Estate Company, a closed joint stock company, real estate development and investment sector, from 2017G to 2022G; - Strategic Planning and Performance Department Director, Semnan Holding Company, a closed joint stock company, water solutions, real estate development and investment, industry, and trade sector, from 2014G to 2017G; and - Project Manager, First Team Consulting Company, a closed joint stock company, financial and administrative consulting sector, from 2007G to 2014G.

5.3 Board of Directors Committees

The Board of Directors has established the Committees to optimise the management of the Company and to meet relevant regulatory requirements. Each Committee is required to have clear rules identifying their role, powers and responsibilities. Minutes must be prepared for each meeting of each Committee.

The following is a summary of the structure, responsibilities and current members of each permanent Committee:

5.3.1 Audit Committee

5.3.1.1 Responsibilities of the Audit Committee

The Audit Committee oversees: (i) the integrity, effectiveness and accuracy of the Company's financial statements, reports, and internal control system; (ii) the Company's compliance with legal and regulatory requirements, and the rules of professional conduct; (iii) the qualifications and independence of the Company's external auditors; (iv) the performance of the Company's internal audit and external auditors; and (v) evaluating and supervising the risk management system in the Company and the relevant procedures in this regard. The Audit Committee charter was approved by the General Assembly on 27 Shawwal 1445H (corresponding to 6 May 2024G). An amendment to the Audit Committee Charter was approved pursuant to the resolution issued by the General Assembly on 26 Ramadan 1446H (corresponding to 26 March 2025G).

The responsibilities of the Audit Committee further include the following:

(a) Financial Reports

- review significant issues related to accounting and reporting matters, including complex or unusual transactions, critical discretionary areas, and emerging professional and organisational announcements, and assess their impact on the financial statements;
- review material or unusual issues included in the Company's financial statements and reports, and review issues raised by the Chief Financial Officer (or his/her delegate), compliance officer, or the external auditor;
- review the results of the external audit, along with the management and the external auditor, including any difficulties encountered;
- study the Company's interim and annual financial statements, express an opinion thereon, and make recommendations in this regard to the Board prior to their submission to the Board to ensure the validity, integrity and transparency thereof; and consider whether they are complete and consistent with information that the members are aware of and whether they reflect appropriate accounting principles and policies;
- review other sections of the annual report and related organisational files before they are issued, and consider the accuracy and completeness of the information;
- review all issues required to be referred to the Committee in light of the generally accepted auditing standards, in cooperation with the management and the external auditor;
- consider the accounting policies followed by the Company, express an opinion thereon and make recommendations to the Board in respect of the same;
- identify how the management develops preliminary financial information, and the nature and extent of involvement of the Internal Audit Department and the external auditor;
- provide a technical opinion, at the request of the Board, regarding whether the Board's report and Company's financial statements are fair, balanced and understandable and contain information that enables the Shareholders and investors to assess the Company's financial position, performance, business model and strategy; and
- examine accounting estimates with regard to significant matters contained in the Company's financial statements and reports.

(b) Internal Control

- consider and review the Company's internal and financial control and risk management systems and the effectiveness thereof, including IT security and controls; and
- understand the scope of the internal audit of financial reports by the Internal Audit Department, and obtain reports that include important findings and recommendations, and management's observations and comments.

(c) Internal Audit

- adopt the internal audit charter;
- review the performance and activities of the Head of the Internal Audit Department, and ensure that there are no unjustified restrictions on his/her activities, and make recommendations to the Board with respect to his/her appointment, dismissal, annual remuneration and salary;
- oversee and supervise the performance and activities of the Company's Internal Audit Department to verify the availability of the necessary resources and the effectiveness thereof in performing the tasks and duties assigned thereto in accordance with appropriate professional standards;
- approve the annual audit plan and all changes to the plan, and review the performance and activities of the Internal Audit Department compared to the plan set therefor;
- work with the Head of the Internal Audit Department to review the internal audit budget, resource plan, activities, and organisational structure for the internal audit duties;
- review the Company's internal audit procedures;
- consider internal audit reports, and follow up on the implementation of corrective measures with regard to the observations contained therein; and
- meet separately with the Head of the Internal Audit Department on a regular basis to discuss any matters that the Committee or Internal Audit Department deem necessary to be discussed in private sessions.

(d) External Auditor

- review the external auditors' proposed audit scope, approach and plan, and provide an opinion thereon, including coordinating audit efforts with internal audit activities;
- recommend to the Board to nominate, dismiss, and determine the fees of the external auditor, and review the scope of the work thereof and the terms of contract with the same, provided that the recommendation takes into account the independence of the external auditor;
- review the performance of the external auditor, supervise the activities thereof, and approve any activity outside the scope of audit work assigned thereto during the performance of the duties thereof;
- study the external auditor's report, observations and reservations on the Company's financial statements, and follow up on the relevant actions;
- verify the independence, objectivity and fairness of the external auditor, and the effectiveness of auditing, taking into account the relevant rules and standards, and make recommendations to the Board in this regard;
- verify that the external auditor is not providing technical or management services outside the scope of the audit work, and make recommendations to the Board in this regard;
- meet separately with the external auditor on a regular basis to discuss any matters that the Committee or Auditor deems necessary to be discussed in private sessions;
- respond to the inquiries of the external auditor; and
- settle any disputes that arise between the management and the external auditor regarding financial reporting.

(e) Compliance

- verify and monitor the Company's compliance with the applicable laws, regulations, policies and instructions;
- review the effectiveness of the control system, ensure compliance with applicable laws and regulations, the results of investigations conducted by management, and follow up on any non-compliance (including taking disciplinary action);
- review reports and results of investigations conducted by competent auditors or supervisors in addition to any remarks given by the external auditor or internal auditors and verify that the Company is taking the required measures in this regard;
- review the process of communicating the rules of professional conduct to the Company's employees and observe the compliance with the same;
- review the contracts and transactions to be entered into by the Company with any Related Party, and make recommendations to the Board in relation to the same;
- ensure that appropriate arrangements are put in place and implemented to allow for the confidential and anonymous submission by the Company's employees of concerns regarding any financial, accounting or auditing matters or any cases of non-compliance through a reasonable mechanism; and
- obtain regular updates from the Company's management and legal advisor regarding compliance issues.

(f) Reporting

- submit periodic reports to the Board regarding the Committee's activities and issues identified and provide recommendations to the Board that it deems appropriate in any matter within its competencies, as necessary;
- provide an open avenue of communication amongst the Internal Audit Management, the external auditor and the Board;
- provide an annual report to Shareholders describing the Committee's formation, duties and performance of such duties in addition to such other information as may be required by applicable rules, including approving services outside the auditing scope;
- review any other reports on the Committee's responsibilities, issued by the Company;
- prepare an annual written report assessing the adequacy and efficiency of the Company's internal control, financial and risk management systems - including information technology security and controls - and its recommendations in respect thereof, as well as the tasks undertaken by the Committee within its competence. Copies of the report should be made available for collection by the Company's Shareholders at the Company's head office and published on the website of the Company and the Exchange at the time of publishing the invitation to convene the relevant annual General Assembly meeting. A copy of the report should be read out at that meeting; and
- prepare a written report to the Board regarding the Company's internal audit procedures and the Committee's recommendations in this regard.

(g) Miscellaneous

- perform such other activities relating to the Audit Committee Charter, as requested by the Board;
- institute and oversee special investigations as needed;
- review and assess the adequacy and propriety of the Audit Committee Charter on a yearly basis, provide recommendation to the Board in this regard, and guarantee that necessary disclosures are made according to relevant laws and regulations;
- confirm, on a yearly basis, all responsibilities set forth in the Audit Committee Charter are performed; and
- regularly assess the performance of the Committee and every member thereof.

5.3.1.2 Audit Committee Members

The Audit Committee shall be formed by a resolution from the Board of Directors and consist of at least three and no more than five members from among the Shareholders or others; provided that (i) at least one member is an Independent Director; (ii) neither an Executive Director nor the Chairman is a member; (iii) the number of members is not less than three members and not more than five members; (iv) one of its members is specialised in finance and accounting; (v) a person who works or has worked in the Company's finance Department, the Executive Management or for the Company's external auditor during the preceding two years may not be a member of the Audit Committee; and (vi) a member of the Audit Committee shall not be a member of the audit committees of more than five listed joint stock companies at the same time. The Audit Committee convenes periodically; provided that at least four meetings are held during the Company's financial year. The internal auditor and the external auditor may call for a meeting with the Audit Committee at any time as may be necessary.

The Audit Committee was formed on 14 Jumada al-Akhirah 1445H (corresponding to 27 December 2023G) for a term of four years. The Audit Committee Charter was approved pursuant to the resolution issued by the General Assembly on 14 Ramadan 1445H (corresponding to 5 April 2023G). The amendment of the Audit Committee Charter was approved pursuant to the resolution issued by the General Assembly on 26 Ramadan 1446H (corresponding to 26 March 2025G). The current term of the Audit Committee started on 14 Jumada al-Akhirah 1445H (corresponding to 27 December 2023G) and will end on 28 Shawwal 1448H (corresponding to 5 April 2027G). The Audit Committee comprises the following members as of the date of this Prospectus:

Table 5.3: Audit Committee Members

Name	Position	Title
Abdullah Mohammed Abdullah Al Rashed	Chairman of the Audit Committee	Non-Executive Board Member
Salahaddin Jameel Kamel Al-Mohammed	Member of the Audit Committee	Independent Member from Outside the Board of Directors
Suleiman bin Dhafer Al-Hussain	Member of the Audit Committee	Independent Member from Outside the Board of Directors
Abdulaziz Abdulrahman Abdulaziz Al Rashed	Member of the Audit Committee	Independent Board Member

Source: The Company.

5.3.1.3 Biographies of the Members of the Audit Committee

The experience, qualifications and the current and other positions of the members of the Audit Committee are set out below:

(a) Abdullah Mohammed Abdullah Al Rashed, Audit Committee Chairman

See Section 5.2.4.5 (*Abdullah Mohammed Abdullah Al Rashed, Director*) for more details on the experiences, qualifications and the current and previous positions of Abdullah Mohammed Abdullah Al Rashed.

(b) Salahaddin Jameel Kamel Al-Mohammed, Audit Committee Member

Nationality:	Jordanian.
Age:	39 years.
Position:	Member of the Audit Committee of the Company.
Appointment Date (Current Term):	27 Thul-Qi'dah 1445H (corresponding to 4 June 2024G).
Academic and Professional Qualifications:	Bachelor's Degree in Finance and Accounting, Al-Balqa' Applied University, Amman, Jordan, in 2006G.
Current Positions:	- Member of the Audit Committee of the Company, since 2024G; - Board Member, Ithraa Private Fund (Private Equity Fund), a closed joint stock company, investments sector, since 2024G; - Board Member, Ithraa Multiple Opportunities Fund (Real Estate Fund), a sole proprietorship company, real estate sector, since 2024G; - Board Member, Areeb Al-Raed Real Estate Fund, a single-member limited liability company, real estate development sector, since 2024G; - Chief Financial and Investment Officer, National Building & Marketing Company, a public company, building materials and essential goods trade sector, since 2021G; - Audit Committee Member, Foods Gate Company, a public company, food and beverage sector, since 2021G; - Nomination and Remuneration Committee Member, Foods Gate Company, a public Company, food and beverage sector, since 2021G; and - Chief Financial and Investment Officer, Ithraa Holding Company, a closed joint stock company, diversified investments, mining, multi-industries, information technology, contracting, and real estate development sectors, since 2018G.
Key Past Professional Experience:	- Chief Financial Officer, NOMD Holding Group, a closed joint stock company, telecommunications and information technology sector, from 2015G to 2018G; - Head of Financial Projects, Osool & Bakheet Investment Company, a joint stock company, financial services and investments sector, in 2015G; - Advisory Supervisor, KPMG Professional Services, a closed joint stock company, professional services sector, from 2014G to 2015G; and - Finance and Accounting Manager, Steel Products Company (STEPCO), a closed joint stock company, iron and steel manufacturing sector, from 2010G to 2014G.

(c) Suleiman bin Dhafer Al-Hussain, Audit Committee Member

Nationality:	Saudi.
Age:	34 years.
Position:	Member of the Audit Committee of the Company.
Appointment Date (Current Term):	14 Jumada al-Akhirah 1445H (corresponding to 27 December 2023G).
Academic and Professional Qualifications:	Bachelor's Degree in Accounting, Imam Abdulrahman Bin Faisal University, Dammam, Kingdom of Saudi Arabia, in 2014G.
Current Positions:	- Member of the Audit Committee of the Company, since 2024G; - Audit Committee Member, Memar Development and Investment Company, a joint stock company, real estate development and investment sector, since 2022G; and - Public Accountant and Partner, PKF Al Bassam Chartered Accountants, a partnership Company, audit and consulting sector, since 2017G.
Key Past Professional Experience:	- Financial Consultant, Ministry of Sports, a Government entity, from 2019G to 2020G; - Financial Consultant, Saudi Pro League, an entity under the Saudi Arabian Football Federation, from 2018G to 2020G; - Financial Consultant, Real Estate Contributions Committee (Tasfiah), Ministry of Commerce and Investment, a Government entity, from 2017G to 2020G; - External Auditor, KPMG Professional Services, a closed joint stock company, professional services sector, from 2016G to 2017G; and - External Auditor, Grant Thornton, a limited joint stock company, professional services sector, from 2015G to 2016G.

(d) Abdulaziz Abdulrahman Abdulaziz Al Rashed, Audit Committee Member

See Section 5.2.4.4 (*Abdulaziz Abdulrahman Abdulaziz Al Rashed, Director*) for more details on the experiences, qualifications and the current and previous positions of Abdulaziz Abdulrahman Abdulaziz Al Rashed.

5.3.2 Nomination and Remuneration Committee

5.3.2.1 Responsibilities of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee oversees the nomination of Directors to the Board of Directors and the remuneration of Directors and Senior Executives. The duties and responsibilities of the Nomination and Remuneration Committee are mainly to: (i) lead the process of nominating and evaluating the Directors and Senior Executives of the Company; (ii) ensure the effectiveness and soundness of the Company's Board and Executive Management structures and the relevant internal policies and procedures; and (iii) assist the Board in the review and determination (or recommendation, as appropriate) of the remuneration of Directors, members of the Committees of the Board, Senior Executives and employees of the Company. The Nomination and Remuneration Committee charter was approved by the General Assembly on 19 Thul-Qi'dah 1445H (corresponding to 27 May 2024G). The amendment of the Nomination and Remuneration Committee Charter was approved pursuant to the resolution issued by the General Assembly on 5 Jumada al-Ula 1447H (corresponding to 27 October 2025G).

The competencies of the Nomination and Remuneration Committee further include the following:

(a) Nomination

- prepare, recommend to the Board, and oversee policies and criteria in relation to the appointment of Directors and members of the Company's Executive Management;
- ensure that all necessary and appropriate inquiries are made into the backgrounds and qualifications of such candidates before recommending them to the Board for nomination;
- recommend to the Board candidates for nomination (or re-nomination) to the Board in accordance with the applicable law and the Nomination and Remuneration Committee Charter;
- at least annually review, assess, and recommend to the Board the skills, qualifications, and credentials required for membership in the Board and the Company's Executive Management, including setting the time commitment required for such membership and the job specifications for executive, non-executive, and independent Directors and members of the Company's Executive Management;
- verify on an annual basis the independence of each independent Director in accordance with the applicable law and the absence of any conflict of interest, in case a Director also serves as a member of the board of directors of another company;

- periodically review and make recommendations to the Board concerning the succession plans for Directors and Senior Executives, taking into account the challenges and opportunities facing the Company, as well as the skills and expertise required in the future;
- evaluate and recommend to the Board potential candidates for Executive Management positions in the Company and, in particular, assist the Board in selecting, developing, and evaluating potential candidates for the position of Chief Executive Officer; and
- develop, and periodically review, procedures for filling vacancies in the Board and the Company's Executive Management and make recommendations to the Board regarding the selection and approval of candidates to fill such vacancies.

(b) Review and Assessment

- regularly review the structure, size, composition, strengths, and weaknesses of the Board (including the skills, knowledge, and experience) and the Company's Executive Management and make appropriate recommendations to the Board that are compatible with the interests of the Company;
- develop and oversee an orientation programme for new Directors; and
- develop, recommend and oversee an annual self-evaluation process for the Directors and certain Senior Executives of the Company.

(c) Remuneration

- prepare, recommend and oversee the implementation and disclosure of a policy for the remuneration of Directors, Senior Executives, and members of the Committees of the Board (the "**Remuneration Policy**"), which shall be presented before the General Assembly for approval;
- prepare an annual report on the remuneration and other payments (in cash or in kind) received by the Directors, Executive Management and members of the Committees, and the basis for the remuneration received with respect to the Remuneration Policy (including a description of any significant departures from the Remuneration Policy) (the "**Annual Report on Remuneration**"), for presentation before the Board for consideration;
- regularly review and assess the effectiveness and appropriateness of the Remuneration Policy and make recommendations to the Board in relation to the same;
- recommend to the Board the form and amount of remuneration to be granted to the Directors, Senior Executives of the Company, and members of the Committees, in accordance with the approved Remuneration Policy;
- review and make recommendations to the Board regarding the Company's incentive plans for Directors and employees, including in relation to adopting, amending, and terminating such plans;
- prepare and oversee a career progression framework for the Company's employees detailing, among other things, the general range of professional ranks and levels, salary scale, benefits and allowances (in cash or in kind) for the relevant professional rank and level; and
- prepare all disclosures required under the policies of the Company and any laws, regulations, or rules to which the Company is subject, including, at a minimum, disclosures relating to the Remuneration Policy and the Annual Report on Remuneration, and disclosures regarding remuneration in the annual report of the Board.

(d) Other Provisions

- perform such other related activities as requested by the Board.

5.3.2.2 Nomination and Remuneration Committee Members

The Nomination and Remuneration Committee consists of at least three and no more than five members. Members of the Nomination and Remuneration Committee must not be executive members of the Board of Directors, provided that there shall be at least one independent member among them. Additionally, the Chairman of the Board of Directors may not chair the Nomination and Remuneration Committee. The Nomination and Remuneration Committee must be chaired by an Independent Director. The Nomination and Remuneration Committee shall convene periodically at least every six months. Additional meetings may be held from time to time at the request of the Board or any of the members.

The Nomination and Remuneration Committee was formed 27 Shawwal 1445H (corresponding to 6 May 2024G), for a term of four years. The current term of the Nomination and Remuneration Committee started on 14 Ramadan 1444H (corresponding to 5 April 2023G) and will end on 28 Shawwal 1448H (corresponding to 5 April 2027G).

The Nomination and Remuneration Committee comprises the following members as of the date of this Prospectus:

Table 5.4: Nomination and Remuneration Committee Members

Name	Positions	Title
Khalid Abdulrahman Mohammed Al Mousa	Chairman of the Nomination and Remuneration Committee	Independent Board Member
Abdulaziz Abdulrahman Abdulaziz Al Rashed	Member of the Nomination and Remuneration Committee	Independent Board Member
Abdullah Ibrahim Abdullah Al-Bahkali	Member of the Nomination and Remuneration Committee	Independent Member from Outside the Board of Directors

Source: The Company.

5.3.2.3 Biographies of the Members of the Nomination and Remuneration Committee

The experience, qualifications and the current and other positions of the members of the Nomination and Remuneration Committee are set out below:

(a) Khalid Abdulrahman Mohammed Al Mousa, Nomination and Remuneration Committee Chairman

See Section 5.2.4.3 (*Khalid Abdulrahman Mohammed Al Mousa, Director*) for more details on the experiences, qualifications and past and previous positions of Khalid Abdulrahman Mohammed Al Mousa.

(b) Abdulaziz Abdulrahman Abdulaziz Al Rashed, Nomination and Remuneration Committee Chairman

See Section 5.2.4.4 (*Abdulaziz Abdulrahman Abdulaziz Al Rashed, Director*) for more details on the experiences, qualifications and past and previous positions of Abdulaziz Abdulrahman Abdulaziz Al Rashed.

(c) Abdullah Ibrahim Abdullah Al-Bahkali, Nomination and Remuneration Committee Member

Nationality:	Saudi.
Age:	47 years.
Position:	Member of the Nomination and Remuneration Committee of the Company.
Appointment Date (Current Term):	29 Rabi' al-Awwal 1446H (corresponding to 2 October 2024G).
Academic and Professional Qualifications:	Bachelor's Degree in Business Administration, Imam Mohammad Ibn Saud Islamic University, Riyadh, Kingdom of Saudi Arabia, in 2012G.
Current Positions:	- Member of the Nomination and Remuneration Committee of the Company, since 2024G; and - Shared Services Manager, GASCO, a joint stock company, gas and petroleum sector, since 2021G.
Key Past Professional Experience:	- Head of Human Resources and Administrative Affairs, National Gas and Industrialisation Company (GASCO), a public Company, gas and petroleum sector, from 2015G to 2016G; and - Head of Training and Development Department, National Gas and Industrialisation Company (GASCO), a public Company, gas and petroleum sector, from 2011G to 2015G.

5.4 Executive Management

5.4.1 Overview of Executive Management

The Executive Management of the Company comprises qualified and experienced members with the necessary knowledge and expertise to run the Company's business in line with the objectives and directives of the Board of Directors and the Shareholders. The Company has been successful in recruiting and retaining its Executive Management team, developing qualified employees and promoting them to senior positions in the Company.

5.4.2 Senior Executives of the Company

The following table sets out the Senior Executives members of the Company:

Table 5.5: Details of Senior Executives

Name	Position	Appointment Date	Nationality	Age (Years)	Direct Ownership Pre-Offering	Ownership Percentage Pre-Offering (%) ⁽¹⁾	Direct Ownership Post-Offering	Ownership Percentage Post-Offering (%) ⁽¹⁾
Saud Abdulaziz Saleh Abdulaziz Al Rashed	Chief Executive Officer and Board Member	11 Muharram 1439H (corresponding to 1 October 2017G)	Saudi	33	-	-	-	-
Faisal Abdulaziz Saleh Abdulaziz Al Rashed	Chief Commercial Operations Officer	9 Shawwal 1441H (corresponding to 1 June 2020G)	Saudi	30	-	-	-	-
Mohamed Al Shahat Jaber Ayad	Chief Financial Officer	6 Rabi' al-Awwal 1444H (corresponding to 2 October 2022G)	Egyptian	38	-	-	-	-
Ahmed Magdy Hamdy Abduljawad	Chief Executive Officer of Strategic Planning and Performance	7 Jumada al-Ula 1444H (corresponding to 1 December 2022G)	Egyptian	40	-	-	-	-
Mohammed Abdulaziz Saleh Al Rashed	Chief Operating Officer	14 Jumada al-Ula 1445H (corresponding to 28 November 2023G)	Saudi	29	-	-	-	-
Mohammed Mustafa Abdulrahman Al Attas	Chief Executive Officer of Support Operations	21 Rabi' al-Awwal 1437H (corresponding to 1 January 2015G)	Yemen	38	-	-	-	-
João Tiago Reis de Oliveira Diogo	Deputy Chief Executive Officer of Transport and Maintenance Operations	4 Thul-Qi'dah 1445H (corresponding to 12 May 2024G)	Portuguese	54	-	-	-	-
Abdulaziz Saad Saleh Al Rashed	Assistant Chief Executive Officer for Operational Operations	20 Shawwal 1442H (corresponding to 1 June 2021G).	Saudi	27	1,395,000	7.5%	976,500	5.3%
Finish Sokan Suraj Lal	Vice President of Commercial Operations	2 Jumada al-Ula 1445H (corresponding to 16 November 2023G)	South Africa	57	-	-	-	-
Nabil Mohammed Ahmed Ali	Financial Control Manager	7 Jumada al-Ula 1444H (corresponding to 1 December 2022G).	Egyptian	36	-	-	-	-
Mohammed Mohammed Salah Al-Khudrawi	Internal Audit Manager	24 Jumada al-Alkhirah 1445H (corresponding to 6 January 2024G)	Egyptian	41	-	-	-	-
Majed Suleiman Badr Al-Mutairi	Human Resources Manager	3 Safar 1442H (corresponding to 16 January 2020G).	Saudi	40	-	-	-	-

Source: The Company.

⁽¹⁾ Ownership percentages are rounded to the nearest decimal place.

5.4.3 Biographies of Senior Executives

The experience, qualifications and the current and other positions of each Senior Executive are set out below:

5.4.3.1 Saud Abdulaziz Saleh Abdulaziz Al Rashed, Chief Executive Officer

See Section 5.2.4.6 (*Saud Abdulaziz Saleh Abdulaziz Al Rashed, Director*) for more details on the experiences, qualifications and past and previous positions of Saud Abdulaziz Saleh Abdulaziz Al Rashed.

5.4.3.2 Faisal Abdulaziz Saleh Abdulaziz Al Rashed, Chief Commercial Operations Officer

Nationality:	Saudi
Age:	30 years.
Position:	Chief Commercial Operations Officer of the Company.
Appointment Date (Current Term):	9 Shawwal 1441H (corresponding to 1 June 2020G).
Academic and Professional Qualifications:	Bachelor's Degree in Finance, Concordia University, California, United States of America, in 2019G.
Current Positions:	Chief Commercial Operations Officer of the Company, since 2023G.
Key Past Professional Experience:	Assistant General Manager of the Commercial Sector, from 2019G to 2023G.

5.4.3.3 Mohamed Al Shahat Jaber Ayad, Chief Financial Officer

Nationality:	Egyptian.
Age:	38 years.
Position	Chief Financial Officer of the Company.
Appointment Date (Current Term):	6 Rabi' al-Awwal 1444H (corresponding to 2 October 2022G).
Academic and Professional Qualifications:	Bachelor's Degree in Accounting, Sohag University, Sohag, Arab Republic of Egypt, in 2007G.
Current Positions:	Chief Financial Officer of the Company, since 2022G.
Key Past Professional Experience:	- Chief Financial Officer, Al-Metrek Constructions & Pledges Company, a closed joint stock company, construction and investment sector, from 2018G to 2022G; - Financial Manager, Al Rashed Technology and Power Company, a closed joint stock company, contracting and infrastructure sector, from 2015G to 2018G; and - Financial Controller, Abdulrahman Saad Al Rashid Company, a closed joint stock company, investment, construction, real estate development and mining sector, from 2013G to 2015G.

5.4.3.4 Ahmed Magdy Abduljawad, Chief Executive Officer of Strategic Planning and Performance

See Section 5.2.4.7 (*Ahmed Magdy Hamdy Abduljawad, Board Secretary*) for more details on the experiences, qualifications and past and previous positions of Ahmed Magdy Abduljawad.

5.4.3.5 Mohammed Abdulaziz Saleh Al Rashed, Chief Operating Officer

Nationality:	Saudi.
Age:	29 years.
Position	Chief Operating Officer of the Company.
Appointment Date (Current Term):	14 Jumada al-Ula 1445H (corresponding to 28 November 2023G).
Academic and Professional Qualifications:	Bachelor's Degree in Business Administration, San Bernardino University, California, United States of America, in 2019G.
Current Positions:	Chief Operating Officer of the Company, since 2023G.
Key Past Professional Experience:	Assistant Deputy General Manager of the Company, from 2022G to 2023G.

5.4.3.6 Mohammed Mustafa Abdulrahman Al Attas, Chief Executive Officer of Support Operations

Nationality:	Yemeni.
Age:	38 years.
Position	Chief Executive Officer of Support Operations of the Company.
Appointment Date (Current Term):	21 Rabi' al-Awwal 1437H (corresponding to 1 January 2015G).
Academic and Professional Qualifications:	Bachelor's Degree in Finance, Prince Sultan University, Riyadh, Kingdom of Saudi Arabia, in 2010G.
Current Positions:	Chief Executive Officer of Support Operations of the Company, since 2024G.
Key Past Professional Experience:	- Board Secretary of the Company, from 2023G to 2024G; - General Assembly secretary of the Company, from 2023G to April 2024G; - Assistant Chief Executive Officer of the Company, from 2023G to 2024G; - Director of the Support Departments Sector of the Company, from 2020G to 2023G; and - Assistant Chief Executive Officer for Administrative Affairs, Procurement, and Information Technology of the Company, from 2020G to 2023G.

5.4.3.7 João Tiago Reis de Oliveira Diogo, Deputy Chief Executive Officer of Transport and Maintenance Operations

Nationality:	Portuguese.
Age:	54 years.
Position	Deputy Chief Executive Officer of Transport and Maintenance Operations of the Company.
Appointment Date (Current Term):	4 Thul-Qi'dah 1445H (corresponding to 12 May 2016G).
Academic and Professional Qualifications:	- Masters's Degree in Business Administration, Institute of Business Administration, Portugal, in 2016G; and - Master's Degree in Mechanical Engineering, Instituto Superior de Engenharia, Coimbra, Portugal, in 2005G.
Current Positions:	Deputy Chief Executive Officer for Transport and Maintenance Operations of the Company, since 2024G.
Key Past Professional Experience:	- General Manager, Ahmad Mansour Al-Ahli Company, a closed joint stock company, construction and building materials sector, from 2021G to 2024G; - Chief Executive Officer, Eastern Trading and Contracting Company, a limited liability company, ready-mix concrete, building materials, transportation, contracting and other industries sector, from 2020G to 2021G; - Regional Manager - Central Region, Eastern Trading and Contracting Company, a limited liability company, ready-mix concrete, building materials, transportation, contracting and other industries sector, from 2016G to 2020G; and - Regional Manager - Western and Northern Regions, Eastern Trading and Contracting Company, a limited liability company, ready-mix concrete, building materials, transportation, contracting and other industries sector, from 2014G to 2015G.

5.4.3.8 Abdulaziz Saad Saleh Al Rashed, Assistant Chief Executive Officer for Operational Operations

Nationality:	Saudi.
Age:	27 years.
Position	Assistant Chief Executive Officer for Operations of the Company.
Appointment Date (Current Term):	20 Shawwal 1442H (corresponding to 1 June 2021G).
Academic and Professional Qualifications:	Bachelor's Degree in Industrial Engineering, Alfaisal University, Riyadh, Kingdom of Saudi Arabia, in 2021G.
Current Positions:	Assistant Chief Executive Officer for Operations of the Company, since 2021G.
Key Past Professional Experience:	N/A.

5.4.3.9 Finish Sokan Suraj Lal, Vice President of Commercial Operations

Nationality:	South Africa.
Age:	57 years.
Position	Vice President of Commercial Operations of the Company.
Appointment Date (Current Term):	2 Jumada al-Ula 1445H (corresponding to 16 November 2023G).
Academic and Professional Qualifications:	Bachelor's Degree in Marketing, MANCOSA Business School, Durban, South Africa, in 2012G.
Current Positions:	Vice President of Commercial Operations of the Company, since 2023G.
Key Past Professional Experience:	- Chief Executive Officer, Astec Global for the Africa, Middle East, and Central Asia region, a public joint stock company, crusher spare parts sector, from 2018G to 2023G; and - Chief Executive Officer, Energik Global for the Africa, Middle East, and Asia region, a closed joint stock company, energy and utilities leasing solutions, oil and gas (offshore and onshore) and various other sectors, from 2011G to 2018G.

5.4.3.10 Nabil Mohammed Ahmed Ali, Financial Control Manager

Nationality:	Egyptian.
Age:	36 Years.
Position	Financial Control Manager of the Company.
Appointment Date (Current Term):	7 Jumada al-Ula 1444H (corresponding to 1 December 2022G).
Academic and Professional Qualifications:	Bachelor's Degree in Accounting, Sohag University, Sohag, Arab Republic of Egypt, in 2010G.
Current Positions:	Financial Control Manager of the Company, since 2022G.
Key Past Professional Experience:	- Head of Accounts, Al Rashed Technology and Energy Company, a closed joint stock company, contracting, real estate development and investment management sector, from 2018G to 2022G; and - Accounting Supervisor, Artar Group, a closed joint stock company, contracting and infrastructure sector, from 2014G to 2018G.

5.4.3.11 Mohammed Mohammed Salah Al-Khudrawi, Internal Audit Manager

Nationality:	Egyptian.
Age:	41 years.
Position	Internal Audit Manager of the Company.
Appointment Date (Current Term):	24 Jumada al-Alkhirah 1445H (corresponding to 6 January 2024G).
Academic and Professional Qualifications:	Bachelor's Degree in Accounting, Helwan University, Cairo, Arab Republic of Egypt, in 2005G.
Current Positions:	- Internal Audit Manager of the Company, since 2024G; and - Secretary of the Internal Audit Committee of the Company, since 2024G.
Key Past Professional Experience:	- Head of the Audit, Nile University, education sector, from 2021G to 2023G; - Internal Audit Manager, Raya Group, a joint stock company, registered in the Arab Republic of Egypt, diversification and investment sector, from 2018G to 2021G; and - Internal Audit Manager, The American University in Cairo, a private educational entity, registered in the Arab Republic of Egypt, education sector, from 2015G to 2018G.

5.4.3.12 Majed Suleiman Badr Al-Mutairi, Human Resources Manager

Nationality:	Saudi.
Age:	40 Years.
Position	Human Resources Manager of the Company.
Appointment Date (Current Term):	3 Safar 1442H (corresponding to 20 September 2020G).
Academic and Professional Qualifications:	Diploma in Business Administration, King Saud University, Riyadh, Kingdom of Saudi Arabia, in 2009G.
Current Positions:	Human Resources Manager of the Company, since 2020G.
Key Past Professional Experience:	- Human Resources and Administrative Affairs Manager, Zarqa Al Yamama Optics, a limited liability company, retail sale of lenses and glasses sector, from 2018G to 2020G; - Human Resources Manager, Zarqa Al-Yamama Lens Factory, a limited liability company, lens and glasses manufacturing sector, from 2008G to 2018G; and - Human Resources Manager, Othman Hamid Al-Ghamdi & Sons Company, a limited liability company, security services and travel and tourism sector, from 2002G to 2004G.

5.4.4 Employment Contracts with the Chief Executive Officer and the Chief Financial Officer

The following table shows a summary of the employment contracts between the Company and the Chief Executive Officer and the Chief Financial Officer:

Table 5.6: Summary of Employment Contracts Concluded with the Company and the Chief Executive Officer and the Chief Financial Officer

Name	Title	Appointment Dated	Date of Contract Conclusion	Contract Term
Saud Abdulaziz Saleh Abdulaziz Al Rashed	Chief Executive Officer	11 Muharram 1439H (corresponding to 1 October 2017G)	11 Muharram 1439H (corresponding to 1 October 2017G)	Unspecified duration.
Mohamed Al Shahat Jaber Ayad	Chief Financial Officer	6 Rabi' al-Awwal 1444H (corresponding to 2 October 2022G)	14 Jumada al-Ula 1446H (corresponding to 16 November 2024G)	One year and subject to renewal for similar periods.

Source: The Company.

The duties and responsibilities of the Chief Executive Officer can be summarised as follows:

- managing the day-to-day affairs and business of the Company;
- managing the strategic matters, customers services, business transformation of the Company and adopting digital transformation;

- proposing and developing the Company's short- and long-term strategy and overall commercial objectives, in close consultation with the Board of Directors;
- implementing the resolutions of the Board of Directors and the Committees;
- providing input to the Chairman on the Board of Directors meeting agenda;
- ensuring the provision of accurate and clear information to the Board of Directors in a timely manner; and
- ensuring that all material matters affecting the Company are brought to the attention of the Board of Directors.

The duties and responsibilities of the Chief Financial Officer can be summarised as follows:

- assisting in the formulation of the Company's objectives and lead the Company's financial planning process;
- leading the financial reporting process and strengthening the Company's internal control systems;
- optimising the Company's cash flow, liquidity and working capital facilities; and
- managing the financial forecast and budget processes and supervising the preparation of the Company's financial statements.

5.5 Remuneration of Directors and Senior Executives

Remuneration of the Directors shall be determined in accordance with the Companies Law, Corporate Governance Regulations, CMA's rules and relevant instructions, the Company's Bylaws and Remuneration Policy.

The Nomination and Remuneration Charter and the Remuneration Policy previously stipulated that the remuneration of the Directors should be paid in the form of a fixed amount, attendance fees for meetings, in-kind benefits, or a percentage of net profits, with the possibility of combining two or more of these forms. The remuneration and allowances previously applicable to the Directors, including the Chairman, were as follows: (i) an attendance allowance of SAR 3,000 per meeting; (ii) an additional allowance of SAR 2,000 in the event of travel; and (iii) an annual remuneration of SAR 50,000. In addition, the Chairman of the Board shall be allocated 10 per cent. of the net profits and an additional annual remuneration of SAR 2,400,000.

On 5 Jumada al-Ula 1447H (corresponding to 27 October 2025G), the Nomination and Remuneration Charter and the Remuneration Policy were amended to provide that, as of 9 Rabi' al-Thani 1447H (corresponding to 1 October 2025G), the remuneration and allowances of the Board and the committees shall be as follows:

- Directors (excluding the Chairman): An annual remuneration of SAR 200,000 per Director and an attendance allowance of SAR 5,000 per meeting.
- Chairman of the Board: An annual remuneration of SAR 350,000 and an attendance allowance of SAR 5,000 per meeting.
- Secretary of the Board: An annual remuneration of SAR 25,000 and an attendance allowance of SAR 2,000 per meeting.
- Committee members from within the Board: An attendance allowance of SAR 5,000 per meeting.
- Committee members from outside the Board: An attendance allowance of SAR 7,000 per meeting.
- Committee secretary or coordinator: An attendance allowance of SAR 2,000 per meeting.

The following table sets out the remuneration of the Directors and top five Senior Executives (including the Chief Executive Officer and the Chief Financial Officer) granted by the Company for the financial years ended 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G. None of the Committee Members received any in-kind rewards or benefits.

Table 5.7: Directors and Top Five Senior Executives Remuneration in the Financial Years Ended 31 December 2022G, 2023G and 2024G, and the Three-Month Period Ended 31 March 2025G

	Financial Year Ended 31 December			Three-Month Period Ended 31 March
	2022G	2023G	2024G	2025G
	(SAR)			
Directors	10,451,194	8,383,173	9,760,891	3,355,545
Members of the Committees	-	-	272,500	14,500
Top Five Senior Executives (including the Chief Executive Officer and Chief Financial Officer)	646,054	1,571,499	1,360,000	339,726
Total	11,097,248	9,954,672	11,393,391	3,709,771

Source: The Company.

5.6 Corporate Governance

5.6.1 Corporate Governance Regulations and Corporate Governance Manual

The Company's policy is to adopt high standards of corporate governance and its Board of Directors undertakes to comply with the Corporate Governance Regulations, which regulate the management of the Company to ensure adherence to best practices, thereby protecting the rights of Shareholders and other stakeholders. The provisions of the Corporate Governance Regulations are mandatory, except for certain provisions that are designated as guiding provisions.

The Company's internal Corporate Governance Manual, which was approved by a resolution of the Board of Directors dated 14 Ramadan 1445H (corresponding to 5 April 2023G) and amended by the resolution of the Board of Directors dated 29 Jumada al-Alkhirah 1446H (corresponding to 30 December 2024G), includes provisions in relation to the following:

- rights of the Shareholders;
- the Board of Directors (including Board formation, membership, meetings, working procedures, competencies, duties and powers, development, support, evaluation and remuneration);
- Committees of the Board of Directors;
- management;
- internal control and audit; and
- internal policies (including conflict of interest policy, code of business ethics, disclosure policy, dividend distribution policy, stakeholder protection policy, insider trading policy, nomination policy, remuneration policy, whistleblowing policy, risk management policy, compliance policy, delegation of authority policy and investor relations policy).

5.6.2 Composition of the Board

The Company's Board of Directors consists of six Directors, most of whom are Non-Executive Directors, including two independent Directors in accordance with the provisions of the Corporate Governance Regulations.

5.6.3 Committees

In accordance with the provisions of the Corporate Governance Regulations, the Board of Directors formed two Committees (the Audit Committee and the Nomination and Remuneration Committee) (for further details on these Committees, see Section 5.3 (*Board of Directors Committees*)).

5.6.4 Appointment of Directors

In addition, as required by the Implementing Regulations of the Companies Law for Listed Joint Stock Companies, the cumulative voting method shall be used in relation to the appointment of Directors as reflected in the Company's Bylaws (for further details, see Section 11.13 (*Summary of Bylaws*)). This method of voting gives each Shareholder voting rights equivalent to the number of Shares he/she holds. Each Shareholder has the right to use all of his/her voting rights for one nominee or to divide such voting rights between his/her selected nominees without any duplication of such votes. This method increases the chances for minority Shareholders to be represented in the Board of Directors through the right to accumulate votes for one nominee.

5.6.5 Compliance with Corporate Governance Regulations

As of the date of this Prospectus, the Company complies with the mandatory provisions of the Corporate Governance Regulations, except for the following articles:

- Article 8(a) on the Company announcing information about the nominees for the membership in the Board of Directors on the Exchange's website upon the invitation or calling for the General Assembly;
- Article 8(b) on limiting the General Assembly voting to candidates whose information was announced according to Article 8(a);
- Article 13(d) on publishing the invitation to the General Assembly on the websites of the Exchange and Company;
- Article 13(e) on amending the agenda of the General Assembly between the date of the announcement referred to in Article 13(d) and the date of the General Assembly meeting;
- Article 14(c) on making information related to the General Assembly's agenda available to the Shareholders through the websites of the Exchange and Company;

- Article 15(d) on granting the Shareholders and the CMA access to the minutes of the General Assembly meetings;
- Article 15(e) on announcing to the public and notifying the CMA and Exchange of the results of the General Assembly as soon as it ends;
- Article 17(d) on notifying the CMA of the names of the members of the Board of Directors, a description of their memberships, as well as any changes in their memberships;
- Article 19(b) on the Board of Directors annually evaluating the extent of the Board member's independence and ensuring that there are no relationships or circumstances that affect or may affect his/her independence;
- Article 54 on the Audit Committee meeting at least four times during the financial year and periodically meeting with the Company's external and internal auditors;
- Article 55 on the Audit Committee establishing a mechanism that enables employees of the Company to confidentially submit their observations concerning any financial or other irregularities;
- Article 65 on the Company publishing the Board membership nomination announcement on the websites of the Company and the Exchange to invite those interested in being nominated for Board membership, provided that the nomination period shall remain open for at least a month from the date of the announcement;
- Articles 73 and 75 on the establishment of an internal audit function or unit and the approval of the internal audit plan and internal audit report;
- Article 78 on the appointment of the Company's external auditor by the Ordinary General Assembly based on a nomination by the Board of Directors;
- Articles 86, 87, 88(b), 89, and 90 on various disclosure-related matters.

The members of the Board of Directors undertake to comply with the aforementioned provisions as of the date of listing and upon the Capital Market Authority's approval of the Company's shares for trading on the Exchange. The Board further confirms that, as of the date of this Prospectus, the Company is in full compliance with all other applicable provisions of the Corporate Governance Regulations and the Companies Law.

5.7 Conflicts of Interest

Neither the Company's Bylaws nor the Company's internal regulations and policies grant a Director the power to vote on any contract or transaction in which he/she has a direct or indirect interest. This is in compliance with Article 71 of the Companies Law. The Directors confirm that:

- they are compliant with the Articles 27 and 71 of the Companies Law and the Articles 42 and 44 of the Corporate Governance Regulations;
- they will not vote on General Assembly resolutions that relate to any Related Party transaction or contract in which the Directors have a direct or indirect interest; and
- they will not compete with the Company's business without the approval of the Ordinary General Assembly in accordance with the Article 27 of the Companies Law.

As of the date of this Prospectus, none of the Directors, Senior Executives, Board Secretary or any of their Relatives have any direct or indirect interest in the Shares or debt instruments of the Company or the shares or debt instruments in its Subsidiaries or any matter that may in any way affect the business of the Company, except for the following:

Table 5.8: Summary of Interests of the Directors in the Shares of the Company and its Subsidiaries

Director	Interest in	Position	Direct Ownership	Indirect Ownership	Description
Abdulaziz Saleh Abdulaziz Al Rashed	Company	Chairman of the Board of Directors	35.8%	-	As of the date of this Prospectus, Abdulaziz Saleh Abdulaziz Al Rashed directly owns approximately 6,664,380 Shares in the Company due to his direct ownership in the Company as a shareholder.

Source: The Company.

As of the date of this Prospectus, none of the Directors, Senior Executives or Shareholders is a party to any agreement under which they are subject to any obligation that prevents them from competing with the Company or the Company's business. To engage in businesses competing with the Company, the Directors must obtain approval from the General Assembly in accordance with Article 44 of the Corporate Governance Regulations and Article 27 of the Companies Law.

The following table provides a summary of the contracts and transactions in effect or contemplated with any member of the Group in which a Director or Senior Executive or any of their Relatives have a direct or indirect interest as of the date of this Prospectus:

Table 5.9: Summary of Contracts and Transactions in which a Director or Senior Executive or any of Their Relatives Have a Direct or Indirect Interest as of the Date of This Prospectus

Parties	Nature of the Contract or Transaction	Total Revenue from the Contract/ Transaction for the Financial Year Ended 31 December 2023G (SAR)	Total Revenue from the Contract/ Transaction for the Financial Year Ended 31 December 2024G (SAR)	Total Revenue from the Contract/ Transaction for the Three-Month Period Ended 31 March 2025G (SAR)	Directors with a Direct or Indirect Interest	Date of Approval of Transactions by the General Assembly
Najd Roads Contracting Company	Sale Agreement for aggregate and asphalt materials	106,091,964	116,930,704	21,700,200	Abdulaziz Saleh Abdulaziz Al Rashed	26 Ramadan 1446H (corresponding to 26 March 2025G)
Najd Roads Contracting Company	Petroleum derivatives supply agreement	-	-	9,105,204	Abdulaziz Saleh Abdulaziz Al Rashed	10 Thul-Qi'dah 1446H (corresponding to 8 May 2025G)

Source: The Company.

5.8 Bankruptcy/Insolvency

None of the Directors, Senior Executives or the Secretary has at any time been declared bankrupt or subject to bankruptcy proceedings.

None of the companies in which any of the Directors, Senior Executives or Secretary was employed in a managerial or supervisory capacity, was declared insolvent or bankrupt during the past five years preceding the date of this Prospectus.

5.9 Employees

The Group adopted an employment policy aimed at building and continuously enhancing relations between the Group and its employees. This policy covers all aspects of recruitment, working hours, health insurance, social insurance benefits, salaries and other allowances, including accommodation and transportation allowances and rewards.

5.9.1 Number of Employees

As of 31 March 2025G, the Group was classified within the category “High Green” category of Nitaqat programme with a Saudisation percentage of 11.7 per cent. The total number of employees of the Group is 1,744 employees.

The following table shows the number of employees of the Group by department as of 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G:

Table 5.10: Number of Employees of the Group by Department as of 31 December 2022G, 2023G and 2024G, and the Three-Month Period Ended 31 March 2025G

Departments	Financial Year Ended 31 December												Three-Month Period Ended 31 March			
	2022G				2023G				2024G				2025G			
	Saudi	Non - Saudi	Total	Saudisation Percentage	Saudi	Non - Saudi	Total	Saudisation Percentage	Saudi	Non - Saudi	Total	Saudisation Percentage	Saudi	Non - Saudi	Total	Saudisation Percentage
Operational Activities	139	884	1,023	13.6%	128	1,152	1,272	10.1%	130	1,195	1,325	9.8%	132	1,253	1,385	9.5%
Support Activities	115	123	238	48.3%	38	147	185	20.5%	47	187	234	20.1%	47	187	234	20.1%
Commercial Activities	25	43	68	36.8%	12	48	67	17.9%	11	62	73	15.2%	11	62	73	15.1%
Financial Management	18	22	40	45.0%	10	21	32	31.3%	13	30	43	30.2%	13	30	43	30.2%
Executive Management	3	3	6	50.0%	4	5	9	44.4%	1	2	3	33.3%	1	2	3	33.3%
Internal Audit	-	2	2	0.0%	-	1	1	0.0%	-	3	3	0.0%	0	3	3	0.0%
Strategic Planning and performance	-	1	1	0.0%	-	2	2	0.0%	-	3	3	0.0%	0	3	3	0.0%
Total	300	1,078	1,378	21.8%	192	1376	1568	12.2%	202	1,482	1,684	12.0%	204	1,540	1,744	11.7%

Source: The Company.

The following table shows the number of employees of the Group and the achieved Saudisation percentages as of 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G:

Table 5.11: Number of Employees of the Group and the Achieved Saudisation Percentages as of 31 December 2022G, 2023G and 2024G, and the Three-Month Period Ended 31 March 2025G

	Financial Year Ended 31 December												Three-Month Period Ended 31 March			
	2022G				2023G				2024G				2025G			
	Saudi	Non - Saudi	Total	Saudisation Percentage	Saudi	Non - Saudi	Total	Saudisation Percentage	Saudi	Non-Saudi	Total	Saudisation Percentage	Saudi	Non - Saudi	Total	Saudisation Percentage
The Company	299	1,077	1376	22.0%	182	1,352	1,534	12.0%	194	1,447	1,641	11.8%	196	1,505	1,701	11.5%
Judeh Sakhour for Mining Company	1	1	2	50.0%	10	24	34	29.0%	6	35	41	14.6%	6	35	41	14.6%
Dorra Al-Mobani for mining Company	-	-	-	-	-	-	-	-	1	-	1	100%	1	0	1	100.0%
Al-Rammal Al-Hamra for Mining Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Al-Deraa Ounti for Mining Company	-	-	-	-	-	-	-	-	1	-	1	100.0%	1	-	1	100.0%
Total	300	1,078	1,378	21.8%	192	1,376	1,568	12.2%	202	1,482	1,648	12.0%	204	1,540	1,744	11.7%

Source: The Group.

5.9.2 Employees Share Schemes

As of the date of this Prospectus, the Company does not have any employee Share schemes in place for its employees or any other existing similar arrangement involving the employees in the capital of the Company.



شركة صالح عبد العزيز الراشد وأولاده
Saleh Abdulaziz Al Rashed & Sons Co.

The background of the slide features a grayscale photograph of an industrial facility, likely a power plant or refinery. On the left, a large horizontal pipe or conveyor is visible, with a thick stream of dark, granular material (possibly coal or gravel) being discharged into a rectangular metal tray or hopper below it. In the upper left corner, there are industrial motors and structural supports. The entire scene is overlaid with a large, semi-transparent number '6' in a dark gray font. A thin blue diagonal line runs from the top left towards the bottom right, passing behind the number and the text.

6

Management's Discussion and Analysis of Financial Position and Results of Operations

6. Management's Discussion and Analysis of Financial Position and Results of Operations

6.1 Introduction

This section includes an analytical review of the Group's operational performance and financial position for the financial years ended 31 December 2022G, 2023G, and 2024G, as well as for the three-month periods ended 31 March 2024G, and 31 March 2025G.

This section has been prepared based on the audited special purpose financial statements of the Company for the financial year ended 31 December 2022G, and the audited consolidated financial statements of the Group for the financial year ended 31 December 2024G, including the comparative financial information of the Group for the financial year ended 31 December 2023G, and the unaudited condensed interim consolidated financial statements of the Group for the three-month period ended 31 March 2025G, which include the comparative financial data for the three-month period ended 31 March 2024G.

The audited special purpose financial statements of the Company for the financial year 31 December 2022G, and the audited consolidated financial statements of the Group for the financial year ended 31 December 2024G, including the comparative financial information for the financial year ended 31 December 2023G, have been prepared in accordance with IFRS as endorsed in the Kingdom, as well as the standards and pronouncements issued by SOCPA. The unaudited consolidated financial statements of the Group for the three-month period ended 31 March 2025G, which include the financial statements for the three-month period ended 31 March 2024G, have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as endorsed in the Kingdom and other standards and pronouncements that are issued by SOCPA.

"Maham Professional Consulting Company" and any of its Affiliates do not own any shareholding or interest of any kind in the Group and have provided their written irrevocable consent for the publication of their name, logo, and statement in this Prospectus as the auditors of the Group for the aforementioned periods.

This section may contain forward-looking statements related to the Company's future capabilities, based on management's plans and expectations regarding the Company's growth, results of operations, and financial position, in addition to the related risks and uncertainties. The Company's actual results may materially differ from the expected outcomes due to various factors, risks, and future events, including those discussed in this section of the Prospectus or elsewhere herein, particularly in Section 2 (*Risk Factors*) of this Prospectus.

All amounts in this section are rounded to the nearest thousand Saudi Arabian Riyals, unless otherwise stated, and figures and percentages are rounded to the nearest decimal. Accordingly, totals may differ from the sums of the individual numbers in the tables. Consequently, all ratios, indicators, annual expenses, and compound annual growth rates are based on rounded figures.

6.2 Directors' Declarations on the Financial Statements

The Board of Directors declare the following:

- 1) the financial information presented in this section has been extracted without material modifications and is presented in a manner consistent with: (1) the audited financial statements prepared for special purposes for the financial year ended 31 December 2022G; (2) the audited consolidated financial statements for the financial year ended 31 December 2024G, which include the comparative financial data for the period ended 31 December 2023G; and (3) The audited special purpose financial statements of the Company for the financial year ended 31 December 2022G, and the audited consolidated financial statements of the Group for the financial year ended 31 December 2024G, including the comparative financial information of the Group for the financial year ended 31 December 2023G, have been prepared in accordance with the IFRS as endorsed in the Kingdom and other standards and pronouncements issued by SOCPA. The unaudited consolidated financial statements of the Group for the three-month period ended 31 March 2025G, which include the financial statements for the three-month period ended 31 March 2024G, have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as endorsed in the Kingdom and other standards and pronouncements that are issued by SOCPA;
- 2) the Company has sufficient working capital for at least the twelve-month period following the date of this Prospectus;
- 3) there have been no materially adverse changes in the financial or commercial position of the Company during the three financial years immediately preceding the date of submission of the application for registration and offering of the securities subject to this Prospectus, in addition to the end of the period covered by the auditor's report up to the date of issuance of this Prospectus. The members of the Board of Directors further confirm that all material

facts relating to the Group and its financial performance have been disclosed in this Prospectus, and that there are no other facts, documents, or information the omission of which would render any statement misleading;

- 4) the Group does not own any properties, including contractual securities or other assets, the value of which is subject to fluctuations or uncertainty that would materially impact the assessment of its financial position;
- 5) the Group has not provided any commissions, discounts, brokerage fees, or any other non-cash compensation in connection with the issuance or offering of any securities to any member of the Board of Directors, Senior Executives, offering agents, or experts during the three financial years immediately preceding the date of submission of the application for admission and offering of the securities covered by this Prospectus;
- 6) the Group has not issued any debt instruments, nor does it have any loans or other obligations, whether secured by personal or non-personal guarantees or by mortgage, including any overdrafts from bank accounts. The Group also has no guaranteed liabilities, obligations under acceptances, acceptance credit, or lease purchase commitments;
- 7) except as disclosed in Section 2 (*Risk Factors*) and Section 6.7 (*Key Risk Factors*) of this Prospectus, the Group is not aware of any Governmental, economic, financial, monetary, political, or other policies or factors that have had or may have a material effect (direct or indirect) on the Group's operations;
- 8) except as disclosed in Section 2 (*Risk Factors*) and Section 6.7 (*Key Risk Factors*) of this Prospectus, the members of the Board of Directors confirm that the Group is not aware of any seasonal factors or economic cycles related to its business that may affect its operations or financial position;
- 9) there is no intention to introduce any material changes to the nature of the Group's activity;
- 10) the Group has no intention of making any material changes to its activities the Group's operations have not been suspended in a manner that has or could have materially affected its financial position during the last twelve months;
- 11) the share capital of the Company and its Subsidiaries is not subject to any option agreements;
- 12) the share capital of the Company and its Subsidiaries is not subject to any option rights;
- 13) the Group has no material contingent liabilities as of the date of this Prospectus, and a provision has been calculated and recorded for any known obligations;
- 14) the Group's properties are not subject to any mortgages, liens, or encumbrances as of the date of this Prospectus;
- 15) the Group has provided comprehensive details in this section regarding all fixed assets and investments, including contractual securities and other assets whose values are subject to fluctuations or are difficult to assess;
- 16) there were no audit qualifications in the auditor's reports on the financial statements of the Company or its Subsidiaries for any of the three financial years immediately preceding the date of submission of the registration and offering application for the securities subject to this Prospectus;
- 17) there have been no material changes in the significant accounting policies of the Company or its Subsidiaries during the three financial years immediately preceding the date of submission of the registration and offering application for the securities subject to this Prospectus;
- 18) there have been no material changes in the issued financial statements of the Company or its Subsidiaries during the three financial years immediately preceding the date of submission of the registration and offering application for the securities subject to this Prospectus;
- 19) there have been no structural changes in the Company or its Subsidiaries during the three financial years immediately preceding the date of submission of the registration and offering application for the securities subject to this Prospectus;
- 20) except as disclosed in this Prospectus, neither the members of the Board of Directors nor any of their Relatives hold any shares or interest of any kind in the Company or any of its Subsidiaries;
- 21) all of the material facts regarding the Company and its financial performance have been fully disclosed in this Prospectus, and there is no information, documents or other facts the omission of which would make the statements herein misleading;
- 22) except as disclosed in Section 6.8.2 (*Historical Balance Sheets*) this Prospectus, the Company does not have any loans or other liabilities, whether secured by personal or non-personal guarantees or by mortgage, including any overdrafts from bank accounts. The Company also has no guaranteed liabilities, obligations under acceptance, acceptance credit or any lease-purchase commitments, whether secured by personal or non-personal guarantees or by mortgage, as of the date of this Prospectus;
- 23) the Company has provided comprehensive details in this section regarding all fixed assets and investments;
- 24) all material facts regarding the Group and its financial performance have been disclosed in this Prospectus, and there is no information, documents or other facts the omission of which would make any statement herein misleading; and

- 25) there were no audit qualifications in the Auditor's report on the financial statements of the Company for any of the three financial years and the three-month period ended 31 March 2025G immediately preceding the date of submission of the registration and offering application for the securities subject to this Prospectus.

6.3 Basis of Preparation

6.3.1 Statement of Compliance

These consolidated financial statements have been prepared in accordance with the IFRS endorsed in the Kingdom, and other standards and pronouncements by SOCPA.

6.3.2 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.

6.3.3 Functional and Presentation Currency

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

6.3.4 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 2024G, and which have no impact on the Group's financial statements:

6.3.4.1 Amendments to IAS 1: Classification of Liabilities as Current or Non-Current

Amendments to improve the information provided by an entity regarding compliance with the conditions that an entity must comply with during the twelve-month period following the reporting period on the classification of liabilities.

6.3.4.2 Amendments to IAS 7 and IFRS 7: Disclosure of Supplier Financing Arrangements

Disclosures to enhance the transparency of supplier arrangements and their effects on an entity's liabilities, cash flows, and exposure to liquidity risk.

6.3.4.3 Amendments to IFRS 16: Lease Liabilities in Sale and Leaseback Transactions

Amendments to clarify how an entity accounts for sale and leaseback transactions after the transaction date to ensure that a lessee-seller does not recognise any gain or loss related to the right to use and retain the asset.

6.3.5 Issued Standards but not yet Effective

The following are new standards and amendments to standards effective for annual periods beginning on or after 1 January 2025G, with early adoption permitted. However, the Group has not applied them in preparing these financial statements. The Group is currently evaluating the impact of applying these standards on its consolidated financial statements, and these standards and interpretations are not expected to have any material impact on the Group at the date of their effective date.

Standards, Amendments and Interpretations	Effective Date
Amendments to IAS 21: "Non-Exchangeability of Currency for a Foreign Currency".	1 January 2025G
Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments.	1 January 2026G
Issue 11: Annual Improvements to International Financial Reporting Standards.	1 January 2026G
Amendments to IFRS 9 and IFRS 7: Power Purchase Agreements.	1 January 2026G
IFRS 18: Presentation and Disclosure in Financial Statements - replaces IAS 1: Presentation of Financial Statements.	1 January 2027G
IFRS 19: Subsidiaries without Public Accountability.	1 January 2027G
Amendments to IFRS 10 and IFRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.	Not yet determined

6.4 Basis of Consolidation of Financial Statements

The consolidated financial statements comprise the consolidated financial statements of the Company and its Subsidiaries (collectively referred to as the “**Group**”) as of 31 December 2024G. 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; and
- the Group’s voting rights and potential voting rights.

The Group reassesses whether it controls 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 begins when the Group gains control over the subsidiary and ceases when the Group ceases to exercise 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.

Profit or loss and each component of other comprehensive income 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 into line with those of the Group. All inter-group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between Group companies are eliminated in full on 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:

- derecognises the assets (including goodwill) and liabilities of the subsidiary;
- derecognises the carrying amount of any non-controlling interest;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss; and
- reclassifies the shareholders’ share of items previously recognised in other 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.

6.5 Significant Accounting Judgements, Assumptions and Estimates

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

6.5.1 Key Sources of Accounting 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.

6.5.1.1 Determining the Lease Term of Contracts with Renewal and Termination Options

Management of the Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgment 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 customisation to the leased asset).

6.5.1.2 Estimated Useful Lives of Property, Plant and Equipment

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

6.5.1.3 Provision for Expected Credit Losses on Trade Receivables

The Group uses a provision matrix to calculate expected credit losses on trade receivables. The provision rates are determined based on days past due for groupings of various customer segments that have similar loss patterns (i.e., geographic region, product type, customer type, price, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on observed historical default rates. The Group calibrates the matrix to adjust historical credit losses for forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year, which can lead to an increased number of defaults in the entertainment sector, the historical default rates are adjusted. At each consolidated reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit losses ("ECLs") is a significant estimate. The amount of expected credit losses is affected by changes in circumstances and of forecast economic conditions. The Group's past credit losses and estimated economic conditions may not be representative of a customer's actual default in the future.

6.5.1.4 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 at arm's length for similar assets or observable market prices less costs incidental 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 judgment 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 customisation to the leased asset).

6.5.1.5 Employee End of Service Benefits

The present value of employee defined benefits depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used to determine the net cost (income) for termination of service include the discount rate. Note that any changes in these assumptions will affect the carrying value of employee defined benefits.

The Group determines the appropriate discount rate at the end of the year; this is the interest rate used to determine the fair value of the expected future cash flows expected to be required to settle the obligations.

6.5.1.6 Contingent Liabilities

By their nature, contingent liabilities 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.

6.5.1.7 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 on the basis of type of inventory and its age or degree of obsolescence based on historical selling prices.

6.5.1.8 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.

6.6 Material Accounting Policies

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

6.6.1 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 realise 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 realise the asset within twelve months after the reporting date; or
- (d) the asset is cash at banks, 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.

6.6.2 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.

6.6.3 Inventory

Inventory is initially measured at cost, which includes purchase costs, conversion costs and other costs incurred in bringing the inventory to its 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 cost or net realizable value, whichever is lower.

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 recognised immediately in the consolidated statement of profit and loss and other comprehensive income.

6.6.4 Financial Instruments

Financial assets, upon initial recognition and subsequently measured at amortised 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. At initial recognition, transaction costs directly related 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 recognised 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:

Financial assets at amortised cost:

This category includes accounts receivable, notes receivable, and amounts due from Related Parties. Financial assets are measured at amortised cost only if they meet both of the following conditions and are not carried at fair value through profit or loss:

- acquiring the financial asset within the business model for the purpose of acquiring financial assets to collect contractual cash flows; and
- the contractual terms of the financial asset, at specified dates, result in cash flows that consist solely of payments of principal and interest on the principal outstanding.

Subsequently measured at amortised cost using the actual commission rate method and subject to impairment. Gains and losses on profit and loss are recognised in the consolidated statement of profit and loss and other comprehensive income when an asset is derecognised, adjusted 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 are not reclassified after initial recognition, except for the period following a change in the business model for managing financial assets.

Impairment of financial assets

The Group applies the simplified method prescribed in IFRS 9 to measure expected credit losses over the life of trade receivables. Expected credit losses on these financial assets are estimated using a provision matrix based on the Group’s historical credit losses, adjusted for the factors of the debtors, general economic conditions, and the assessment of both the current and expected market trends at the date of the financial statements, including the time value of money if appropriate.

Derecognition of financial assets

The Group ceases to prove financial assets only when the rights related to receiving cash flows from the assets or the Group transfers the financial assets and all the risks and benefits associated with the asset owner to another party. In cases where the Group does not transfer or retain all the risks and benefits associated with the owner or in which control over the asset is not transferred, the Group proves the remaining share in the asset and the related liability by the amount it is required to pay. If the

Group retains all the risks and benefits associated with the transferred financial asset owner, the Group continues to recognise the financial asset.

When a financial asset measured at amortised cost is derecognised, the difference between the asset's carrying amount and the amount of consideration received, or receivable is recognised in the consolidated statement of profit or loss and other comprehensive income. Conversely, when the Group derecognises 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 amortised cost or fair value through profit or loss. Financial liabilities at initial recognition are classified at fair value through profit or loss if they are classified as financial liabilities acquired for trading purposes or as derivatives or have been designated as such on initial recognition.

The Group's financial liabilities include Accounts payable, accounts receivable, other accounts payable, and Murabaha financing.

Subsequent measurement for financial liabilities

All liabilities of the Group are measured at amortised cost.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. 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 recognised in the consolidated statement of comprehensive income.

Offsetting 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 recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

6.6.5 Property, Plant and Equipment

Property, plant and equipment are carried 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 Company. 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 derecognised. 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 recognised in profit or loss in the consolidated statement of profit and loss and other comprehensive income. Key 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 operational asset class when these items are available for use.

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

The table below presents the estimated useful lives of the assets:

Table 6.1: Useful Lives of the Assets

Asset	Years
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

Source: The audited financial statements for the financial year ended 31 December 2024G.

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 recognised shall be derecognised 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 recognised in profit or loss in the consolidated statement of profit and loss and other comprehensive income.

6.6.6 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 amortisation 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 amortised over their estimated economic useful lives and assessed for impairment whenever there is any indication that the intangible asset may be impaired. The amortisation 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 amortisation period or method, where appropriate, and are treated as changes in accounting estimates. Amortisation expense for intangible assets with finite lives is recognised 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 amortised as follows:

The table below presents the estimated useful life of the assets:

Table 6.2: Useful Lives of the Assets

Intangible assets category	Years
Computer Software	10 years
Mining Licence	5 years

Source: The audited financial statements for the financial year ended 31 December 2024G.

6.6.7 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 recognises 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 recognised, 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 recognises 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 two and 15 years.

At the commencement date of the lease, the Group recognises 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 recognised 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.

iii) 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 recognised 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 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 recognised over the lease term on the same basis as rental income. Contingent rents are recognised 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.

6.6.8 Impairment of Non-Financial Assets

The Group assesses, at each consolidated reporting date, whether there is an indication that an 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 cash-generating unit'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 cash-generating unit) 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's impairment calculation is based on the detailed budget and forecast calculations which are prepared separately for each of the Group's cash-generating units 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 cash-generating unit) 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 recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the consolidated statement of comprehensive income.

6.6.9 Employees Benefits

Short-term employees' benefits

A liability is recognised of commitment to pay the benefits due to employees on salaries, wages, annual leaves and travel tickets expected to be paid in full within twelve months after the end of the period during which employees provide related services. The liability for the undiscounted amount of the benefits expected to be paid for those services.

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 financial year. Re-measurements, including actuarial gains and losses, are shown immediately in the statement of financial position with the increase or decrease shown in other comprehensive income in the period in which they occur. recognised 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 labour reductions, are recognised 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 programme assets from which the liabilities must be paid. At present, the programme is not funded and has no assets.

6.6.10 Provisions

Provisions are recognised 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 recognised 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 the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

6.6.11 Zakat and Value Added Tax

Zakat

The Company is subjected to Zakat in accordance with the 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 finalisation 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.

Value added tax

Revenues, expenses, and assets are recognised net of VAT when the VAT incurred on the purchase of assets or services is not recoverable from the Authority. In this case, VAT is recognised as part of the cost of acquiring the asset or as part of the expense item, as the case may be. Receivables and payables are proved with VAT included. The net amount of recoverable or payable VAT shall be included as part of receivables or payables in the consolidated statement of financial position.

6.6.12 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 fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic 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, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities whose fair values are measured or disclosed in the consolidated financial statements are classified in the fair value hierarchy and disclosed below, based on the lowest level input that is considered significant to the measurement as a whole:

- first level: quoted (unadjusted) in active markets for similar assets and liabilities that can be obtained on the measurement date;
- second level: valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- third level: valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

On the date of each reporting date, the Group analyses the changes in the values of assets and liabilities that need to be re-measured or re-assessed in accordance with the Group’s accounting policies. For this analysis, the Group verifies the key inputs applied in the last assessment by matching the information in the valuation calculation with the contracts and other relevant documents. The Group also compares the change in the fair value of each asset or liability with other external factors to determine whether the change is reasonable for fair value purposes and disclosures. The Group has identified the categories of assets and liabilities based on the nature, characteristics, and risks of the asset or liability and the level of the fair value hierarchy as described above.

6.6.13 Revenue Recognition

The Group recognises revenue under IFRS 15 using the five-step model:

Step	Description
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.
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.
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.
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.
Revenue recognition	The Group earns revenue when (or whenever) it fulfils a performance obligation by transferring the goods or services promised to the customer under the contract.

The Group recognises revenue from the following main sources:

(a) Sales of the following goods directly to customers:

- Sales of Construction Materials; and
- Sales of Spare Parts.

The Group recognises 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.

In some cases, the Group identifies delivery services as a distinct and identifiable component of the sale of goods. Revenue from these services is recognised when the Group transfers control of the goods at the Group's loading locations and provides delivery services to the buyer's location. The Group allocates a portion of the total transaction price to the delivery services based on the best estimate of similar independent services.

(b) Other revenue

Other revenue is recognised after services are provided in accordance with agreements and contracts concluded with customers.

6.6.14 Cost of Revenue

All expenses are recognised on the accrual basis. Operating costs are recognised on the historical cost basis. Direct production and manufacturing costs are classified as cost of sales. This includes raw materials, direct labour, and other attributable overhead costs.

6.6.15 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 general expenses.

6.6.16 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.

6.6.17 Foreign Currency Transactions

Transactions in foreign currencies shall be converted to Saudi Arabian Riyals using the prevailing exchange rates at the time of such transactions. Cash assets and liabilities denominated in foreign currencies are translated into Saudi Arabian Riyals using the prevailing exchange rates as of the date of the report. For non-monetary assets and liabilities measured at fair value in a foreign currency, they are translated into the activity currency using exchange rates at the date of determination of fair value. Non-monetary items measured at historical cost in a foreign currency are translated on the basis of exchange rates at the transaction date. Gains and losses resulting from changes in exchange rates are recognised in the consolidated statement of profit and loss and other comprehensive income.

6.6.18 Dividend Distributions

Final dividends are recognised as a liability upon their approval by the General Assembly. The corresponding amount is recognised directly in the consolidated statement of changes in equity.

6.6.19 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.

6.6.20 Segment 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.

6.7 Key Risk Factors

The following is a discussion of the key factors that have affected, or are expected to affect, the Group's financial position. These factors are based on information currently available to the Group and any of them may or may not have an impact on the Group's business:

6.7.1 Macroeconomic Factors

The majority of the Group's activities and operations are carried out within the Kingdom; therefore, the Group's financial performance is primarily dependent on the prevailing economic conditions in the Kingdom, in addition to global economic and political conditions that, in turn, impact the Kingdom's economy. The Company's revenues and profit margins may be affected by changes in economic cycles in the Kingdom, which could result in changes in the Government's expenditure policy and/or the Kingdom's monetary policy, both of which could have a direct or indirect effect on the sector and thereby impact the Company's financial performance.

6.7.2 Outbreaks of Infectious Diseases and Epidemics

The outbreak of an infectious disease in the Kingdom or elsewhere, or other serious public health concerns such as the global spread of the novel coronavirus (COVID-19), could negatively affect economies, financial markets, and business activities worldwide, including the Group's operations. For example, the global outbreak of COVID-19 led to volatility in global capital markets, impacted commodity prices, increased unemployment levels, and adversely affected global demand for and prices of oil. Like many other countries, the Kingdom adopted strict preventive and precautionary measures regarding travel and public transportation, imposed home quarantines and social distancing, and closed workplaces and economic activities for extended periods, all of which disrupted the Kingdom's economy.

6.7.3 Changes in Energy Prices

The Company may be impacted by increases in diesel prices, as all of its equipment and transportation fleet rely entirely on diesel for their operational and commercial activities.

The Ministry of Energy issued a statement on 24 Rabi' al-Awwal 1439H (corresponding to 12 December 2017G) regarding the Fiscal Balance Programme plan to improve energy product prices, which resulted in increases in energy product prices (noting that these are adjusted monthly in accordance with the energy product price adjustment governance procedures).

Pursuant to these procedures, and as of 1 January 2025G, Saudi Aramco increased the retail diesel price from SAR 1.15 per litre to SAR 1.66 per litre — an increase of 44.3 per cent. compared to the beginning of 2024G. This followed a previous increase of 53.0 per cent. as of 1 January 2024G, when diesel prices rose from SAR 0.75 to SAR 1.15 per litre and, effective 1 January 2026G, diesel increased to SAR 1.79 per litre, representing 7.9 per cent. increase from the beginning of 2025G. These adjustments reflect the fourth pricing review under Saudi Aramco's mechanism implemented in 2022G, while future increases remain uncertain.

Given the energy-intensive nature of the Group's operations, any further increases in diesel prices could lead to higher operating costs, impacting both quarrying and transportation activities. These increased energy costs may not be fully passed on to customers, resulting in reduced profit margins. Accordingly, any further increases in diesel prices will have a material adverse effect on the Company's business, financial position, results of operations, or future prospects.

6.7.4 Seasonality

Seasonality is one of the factors that may impact the Group's operations, as the contracting sector, branches, and retail sales in aggregates and spare parts markets may experience slowdowns in sales and operations in the Kingdom during the holy month of Ramadan and public holidays (particularly Eid al-Fitr and Eid al-Adha).

6.7.5 Political Instability and Security Concerns in the Middle East

The Company's assets, operations, and target customer base are located in the Middle East, a region exposed to various geopolitical and security risks that may affect GCC Countries, including the Kingdom.

Moreover, a series of recent attacks in the Bab al-Mandeb Strait, a key maritime passage in the Red Sea, have created significant risks and disruptions to shipping operations and global supply chains. Targeting of commercial and military vessels by Houthi forces, including attacks on multiple ships, highlights the heightened threat level in this strategic waterway. Such incidents not only pose direct and serious risks to maritime personnel and assets but also have broader implications for the Company's logistics and supply chain.

Given the strategic role of the Bab al-Mandeb Strait in international trade, any disruption in this passage could cause substantial shipping delays, increased transportation costs, and potential vessel rerouting. Since the Company relies on the timely delivery of raw materials, such disruptions could exacerbate its supply chain vulnerabilities, affect production schedules, and increase operating costs.

Furthermore, investment in the Middle East remains unstable due to ongoing political, economic, and social changes. Any unexpected changes in political, social, or economic conditions — or otherwise — in the region could have a material adverse impact on the markets where the Company operates, as well as on its ability to attract and retain customers in those markets, and on its current or future investments. Such changes could materially and adversely affect the Company's business, financial position, results of operations, or future prospects.

6.8 Results of Operations

6.8.1 Income Statements for the Financial Years Ended 31 December 2022G, 2023G, 2024G, and the Three-Month Periods Ended 31 March 2024G, and 2025G

The following table shows the income statements for the financial years ended 31 December 2022G, 2023G, 2024G, and the three-month periods ended 31 March 2024G, and 2025G:

Table 6.3: Income Statements for the Financial Years Ended 31 December 2022G, 2023G, 2024G, and the Three-Month Periods Ended 31 March 2024G, and 2025G

SAR in 000s	2022G (Audited)	2023G (Audited)	2024G (Audited)	Variance 2022G - 2023G	Variance 2023G - 2024G	CAGR 2022G - 2024G	Three-Month Period Ended 31 March 2024G (Reviewed)	Three-Month Period Ended 31 March 2025G (Reviewed)	Variance
Revenue	429,461	498,693	599,584	16.1%	20.2%	18.2%	133,492	170,701	27.9%
Cost of revenue	(308,286)	(401,344)	(492,890)	30.2%	22.8%	26.4%	(109,585)	(130,734)	19.3%
Gross profit	121,175	97,349	106,694	(19.7%)	9.6%	(6.2%)	23,907	39,967	67.2%
Expenses									
General and administrative expenses	(46,070)	(40,733)	(41,352)	(11.6%)	1.5%	(5.3%)	(9,959)	(17,316)	73.9%
Selling and marketing expenses	(2,912)	(2,240)	(2,137)	(23.1%)	(4.6%)	(14.3%)	(859)	(665)	(22.5%)
Operating profit	72,193	54,376	63,205	(24.7%)	16.2%	(6.4%)	13,089	21,985	68.0%
Finance cost	(338)	(2,669)	(4,655)	690.7%	74.4%	271.3%	(1,186)	(966)	(18.6%)
Other income / (expenses), net	899	(558)	5,438	(162.1%)	(1,073.9%)	145.9%	1,410	3,120	121.4%
Net income before Zakat	72,754	51,149	63,988	(29.7%)	25.1%	(6.2%)	13,313	24,140	81.3%

SAR in 000s	2022G (Audited)	2023G (Audited)	2024G (Audited)	Variance 2022G - 2023G	Variance 2023G - 2024G	CAGR 2022G - 2024G	Three-Month Period Ended 31 March 2024G (Reviewed)	Three-Month Period Ended 31 March 2025G (Reviewed)	Variance
Zakat	(1,965)	(4,090)	(4,300)	108.2%	5.1%	47.9%	(1,023)	(987)	(3.5%)
Net income for the year/period	70,789	47,058	59,688	(33.5%)	26.8%	(8.2%)	12,290	23,153	88.4%
Other Comprehensive income									
Item that will not to be reclassified to profit or loss in subsequent years:									
Re-measurement gain on end of service benefits	2,262	1,658	(1,684)	(26.7%)	(199.4%)	Not Applicable	-	-	Not Applicable
Total Comprehensive income for the year	73,052	48,716	58,003	(33.3%)	19.1%	(10.9%)	12,290	23,153	88.4%

Source: The audited special purpose financial statements for the financial year ended 31 December 2022G, the audited consolidated financial statements for the financial year ended 31 December 2024G, and the unaudited consolidated financial statements for the three-month period ended 31 March 2025G.

The following table shows the key performance indicators for the income statement for the financial years ended 31 December 2022G, 2023G, 2024G, and the three-month periods ended 31 March 2024G, and 2025G:

Table 6.4: Key Performance Indicators for the financial years ended 31 December 2022G, 2023G, 2024G, and the three-month periods ended 31 March 2024G, and 2025G

KPIs	2022G (Audited)	2023G (Audited)	2024G (Audited)	Variance 2022G - 2023G	Variance 2023G - 2024G	CAGR 2022G - 2024G	Three- Month Period Ended 31 March 2024G (Reviewed)	Three- Month Period Ended 31 March 2025G (Reviewed)	Variance
As a % of revenue				PPT			As a % of revenue		PPT
Gross Profit	28.2%	19.5%	17.8%	(8.7)	(1.7)	(10.4)	17.9%	23.4%	5.5
General and administrative expenses	10.7%	8.2%	6.9%	(2.6)	(1.3)	(3.8)	7.5%	10.1%	2.7
Selling and marketing expenses	0.7%	0.4%	0.4%	(0.2)	(0.1)	(0.3)	0.6%	0.4%	(0.3)
EBITDA	21.9%	18.3%	20.4%	(3.6)	2.1	(1.5)	21.1%	22.9%	1.8
Net income	16.5%	9.4%	10.0%	(7.0)	0.5	(6.5)	9.2%	13.6%	4.4
KPI'S				Variation			KPI'S		Variation
Volume sold (tonne)									
Aggregates	10,688,715	11,134,895	11,761,450	4.2%	5.6%	10.0%	2,674,059	3,567,728	33.4%
Asphalt	772,293	866,861	1,002,820	12.2%	15.7%	29.8%	229,128	223,289	(2.5%)
Average selling price (SAR)									
Aggregates	24	23	28	(3.8%)	23.1%	18.4%	29	29	2.0%
Asphalt	98	146	157	48.5%	7.5%	59.7%	139	168	21.1%
Number of									
Number of mining sites	3	7	8	4	1	5	7	7	Not Applicable
Number of asphalt mixing plants	2	4	4	2	-	2	4	4	Not Applicable
Number of crushers	8	11	13	3	2	5	11	13	2
Number of trucks	149	315	576	166	261	427	315	563	248

Source: The audited special purpose financial statements for the financial year ended 31 December 2022G, the audited consolidated financial statements for the financial year ended 31 December 2024G, the unaudited consolidated financial statements for the three-month period ended 31 March 2025G and management information.

6.8.1.1 Revenue

The Group's revenue was generated through (i) the Sales of Construction Materials, which accounted for an average of 78.8 per cent. of overall revenue during the financial years ended 31 December 2022G, 2023G, 2024G, and 82.1 per cent. during the three-month period ended 31 March 2025G, and (ii) the Sales of Spare Parts, which accounted for an average of 21.2 per cent. of overall revenue across the historical period and 16.9 per cent. during the three-month period ended 31 March 2025G.

Revenue increased from SAR 429.5 million in the financial year ended 31 December 2022G to SAR 498.7 million in the financial year ended 31 December 2023G, representing an increase of 16.5 per cent., largely driven by the growth from the Sales of Construction Materials which amounted to SAR 51.1 million, coupled with the growth from the Sales of Spare Parts amounting to SAR 18.2 million, over the period.

Revenue increased further in the financial year ended 31 December 2024G, reaching SAR 599.6 million representing an increase of 20.2 per cent., driven solely by the growth in the Sales of Construction Materials of SAR 108.0 million, partially offset by a decline in the Sales of Spare Parts by SAR 7.1 million.

Revenue increased from SAR 133.5 million during the three-month period ended 31 March 2024G to SAR 170.7 million during the same period in 2025G, primarily driven by growth in revenue from building materials sales amounting to SAR 33.4 million, along with an increase in revenue from Sales of Spare Parts amounting to SAR 3.8 million.

6.8.1.2 Cost of Revenue

Cost of revenue primarily consists of materials and operational supplies, which represented 45.9 per cent. of total cost of revenue at the average of financial years ended 31 December 2022G to 2024G, and 47.7 per cent. during the three-month period ended 31 March 2025G. This was followed by salaries and employee benefits at 13.9 per cent. at the average of the same years and 14.6 per cent. as the average for the three-month periods ended 31 March 2024G, and 31 March 2025G. Maintenance expenses accounted for 12.7 per cent. at the average of financial years ended 31 December 2022G to 2024G, and 10.4 per cent. as the average for the three-month periods ended 31 March 2024G, and 31 March 2025G. Transportation expenses made up 10.9 per cent. at the average of financial years 2022G to 2024G, and 6.9 per cent. as the average for the three-month periods ended 31 March 2024G, and 31 March 2025G. In addition, depreciation of property, plant and equipment represented 8.3 per cent. at the average of financial years ended 31 December 2022G to 2024G, and 10.4 per cent. as the average for the three-month periods ended 31 March 2024G, and 31 March 2025G, respectively, along with other items.

Cost of revenue increased from SAR 308.3 million in the financial year ended 31 December 2022G to SAR 401.3 million in the financial year ended 2023G, representing an increase of 30.2 per cent., largely driven by the increases in (i) materials and operating supplies by SAR 34.0 million on the back of the higher diesel prices and bitumen prices, which are key components in the production of aggregates and asphalt. Also, the increase in the volumes of aggregates and asphalt sold due to the expansion in operations, growing from three mining sites to seven mining sites and from two asphalt mixing plants to four asphalt mixing plants, and the increased market demand for construction materials which led to the increased consumption of diesel and bitumen during the period, (ii) labour costs amounting to SAR 15.9 million as a result of a significant increase in the number of employees due to the expansion in operations, (iii) depreciation amounting to SAR 14.7 million in line with the increase in property, plant and equipment during the period, and (iv) transportation expenses amounting to SAR 9.6 million due to increased reliance on external transportation services during financial year ended 31 December 2023G to support the operational expansion that occurred during the period, in addition to the reduction of the maximum truck load from 50 tonnes per gravel shipment to a maximum of 28 tonnes.

Cost of revenue increased to SAR 492.9 million in the financial year ended 31 December 2024G, representing an increase of 22.8 per cent., mainly driven by materials and operating supplies representing an increase of SAR 61.6 million due to the further increase in diesel prices from SAR 0.75 per litre in January 2023G to SAR 1.15 per litre in January 2024G, and bitumen prices increasing from an average of SAR 1.8 thousand per tonne in the financial year ended 31 December 2023G to SAR 2.0 thousand per tonne in the financial year ended 31 December 2024G. Also, (i) the further increase in the volumes of aggregates and asphalt sold, which resulted from the ramp-up of the mining sites and asphalt mixing plants that were launched in the financial year ended 31 December 2023G and the continued increase in the market demand for construction materials, coupled with (ii) the full-year impact of the trucks added in the financial year ended 31 December 2023G and the further expansion of the fleet size of the trucks to 576 trucks in the fourth quarter of 2024G financial year, led to a continued increase in the consumption of diesel, bitumen and other materials over the period. Also, depreciation increased for an amount of SAR 14.4 million in-line with the additions to property, plant and equipment over the period.

Cost of revenue increased from SAR 109.6 million during the three-month period ended 31 March 2024G to SAR 130.7 million during the three-month period ended 31 March 2025G, primarily due to an increase in the cost of materials and operating supplies amounting to SAR 22.9 million, resulting from the rise in diesel prices (from SAR 1.15 per litre in January 2024G to SAR 1.66 per litre in January 2025G). This was also driven by (a) higher volume of aggregate materials sales, (b) the launch of new asphalt products and modifications to existing product mixes, and (c) the expansion in the number of trucks from 315

during the three-month period ended 31 March 2024G to 563 during the three-month period ended 31 March 2025G, which led to increased consumption of diesel, bitumen, and other materials such as loose stones, explosives, and others.

6.8.1.3 Gross Profit

Gross profit decreased from SAR 121.2 million at a margin of 28.2 per cent. in the financial year ended 31 December 2022G to SAR 97.3 million at a margin of 19.5 per cent. in the financial year ended 31 December 2023G, representing a decrease of 19.7 per cent., largely driven by the decrease in aggregates' gross profit from SAR 95.9 million at a margin of 37.4 per cent. in the financial year ended 31 December 2022G to SAR 59.6 million at a margin of 23.2 per cent. in the financial year ended 31 December 2023G.

Gross profit increased to SAR 106.7 million at a margin of 17.8 per cent. in the financial year ended 31 December 2024G, representing an increase of 9.6 per cent., mainly due to the increase in aggregates' gross profit, being the main revenue type, from SAR 59.6 million at a margin of 23.2 per cent. to SAR 68.3 million at a margin of 20.4 per cent. Despite the decline in profit margin due to higher operating costs, gross profit increased as a result of sales growth.

Gross profit increased from SAR 23.9 million at a margin of 17.9 per cent. during the three-month period ended 31 March 2024G to SAR 40.0 million at a margin of 23.4 per cent. during the same period in 2025G, largely driven by the increase in gross profit from crushed concrete products from SAR 14.2 million at a margin of 18.6 per cent. during the three-month period ended 31 March 2024G to SAR 28.6 million at a margin of 27.5 per cent. during the three-month period ended 31 March 2025G.

6.8.1.4 General and Administrative Expenses

General and administrative expenses primarily consist of salaries and employee benefits (including allowances and bonuses for board members and their subcommittees), representing an average of 71.2 per cent. of total general and administrative expenses during financial years ended 31 December 2022G–2024G, and 63.3 per cent. as the average for the three-month periods ended 31 March 2024G, and 31 March 2025G. This is followed by the provision for impairment of advances to suppliers (nil during financial years ended 31 December 2022G–2024G, and 13.5 per cent. as the average for the three-month periods ended 31 March 2024G, and 31 March 2025G), expected credit loss provision (5.3 per cent. during financial years ended 31 December 2022G–2024G, and 0.4 per cent. as the average for the three-month periods ended 31 March 2024G, and 31 March 2025G), and depreciation of property, plant and equipment (4.0 per cent. during financial years ended 31 December 2022G–2024G, and 5.4 per cent. as the average for the three-month periods ended 31 March 2024G, and 31 March 2025G), along with other items.

General and administrative expenses decreased from SAR 46.1 million in the financial year ended 31 December 2022G to SAR 40.7 million in the financial year ended 31 December 2023G, representing a decrease of -11.6 per cent., mainly driven by the lower salaries and benefits amounting to a decrease of SAR 9.4 million. This decrease was due to (i) the lower bonus expense for the Chairman of the Board, resulting from a decrease in net income before Zakat in the financial year ended 31 December 2023G (in accordance with the Company's bonus policy, the Chairman's bonus is calculated as approximately 10 per cent. of the current period's net income before Zakat, plus a fixed amount of SAR 2.4 million) and (ii) the departure of individuals in senior-level positions who commanded higher salary levels, as part of the normal course of business. This was partially offset by an increase in the provision for expected credit losses which amounted to SAR 1.8 million.

General and administrative expenses remained relatively stable at SAR 41.4 million in 2024G (1.5 per cent.).

General and administrative expenses increased from SAR 10.0 million for the three-month period ended 31 March 2024G to SAR 17.3 million for the three-month period ended 31 March 2025G. This increase is attributable to (i) a provision for impairment of advances to suppliers amounting to SAR 4.7 million (compared to nil in the three-month period ended 31 March 2024G), (ii) an increase in employee salaries and benefits by SAR 1.6 million due to bonuses granted to employees (excluding the Chairman of the Board), which were calculated at approximately 5 per cent. of the net income for the first quarter of 2025G before Zakat compared to nil in the three-month period ended 31 March 2024G, as this policy was implemented starting in the fourth quarter of 2024G, and (iii) an increase in the remuneration of the Board of Directors and its subcommittees by SAR 1.2 million due to a rise in the Chairman's compensation, in line with the increase in net income for the three-month period ended 31 March 2025G before Zakat. It is worth noting that all costs related to the Board of Directors and its subcommittees for the financial years ended 31 December 2022G, 2023G, and 2024G were recognised under the "Salaries and Employee Benefits" line item.

6.8.1.5 Selling and Marketing Expenses

Selling and marketing expenses pertained to sales commissions as well as advertising and promotion expenses.

Over the 2022G, and 2023G financial years, selling and marketing expenses decreased by SAR 672 thousand, representing a decrease of 23.1 per cent. on account of the decrease in sales commissions SAR 575 thousand as well as the decrease in advertising and marketing expenses amounted to SAR 97 thousand.

Selling and marketing expenses slightly decreased by SAR 103 thousand in the financial year driven by a reduction in sales commissions amounted to SAR 261 thousand, partially offset by an increase in advertising and marketing expenses amounted to SAR 157 thousand.

Selling and marketing expenses decreased by SAR 194 thousand during the three-month period ended 31 March 2025G compared to the same period ended 31 March 2024G. This decrease is attributable to a reduction in advertising and promotional expenses by SAR 511 thousand, which was partially offset by an increase in sales commissions by SAR 318 thousand.

6.8.1.6 Finance Cost

Finance cost represented those related to loans, lease liabilities and employees' defined benefits obligations.

Finance cost increased from SAR 338 thousand in the financial year ended 31 December 2022G to SAR 2.7 million in the financial year ended 31 December 2023G, representing an increase of 690.7 per cent., mainly driven by the increase in finance cost pertaining to loans amounted to SAR 1.8 million due to the significant loan proceeds obtained during the financial year ended 31 December 2023G.

Finance cost further increased to SAR 4.7 million in the financial year ended 31 December 2024G, representing an increase of 74.4 per cent., driven by the further loan proceeds obtained during the financial year ended 31 December 2024G.

Finance charges decreased from SAR 1.2 million for the three-month period ended 31 March 2024G to SAR 966 thousand for the three-month period ended 31 March 2025G. This was due to (i) a reduction in financing costs on loans by SAR 147 thousand, as most of the additional loan drawdowns occurred in March 2025G, and (ii) a decrease in financing costs related to lease liabilities by SAR 73 thousand.

6.8.1.7 Other Income / (Expenses), Net

Other income / (expenses), net represented gains / (losses) from the disposal of property, plant and equipment, scrap sales, unrealised gains / (losses) from the revaluation of investments measured at the fair value through profit or loss (FVTPL), gains / (losses) from the sale of investments measured at FVTPL, among others.

Other income / (expenses), net decreased from an income of SAR 899 thousand in the financial year ended 31 December 2022G to a loss of SAR 558 thousand in the financial year ended 31 December 2023G, representing a decrease of -162.1 per cent., largely driven by the higher unrealised losses from the revaluation of investments measured at FVTPL amounted to SAR 1.4 million in the financial year ended 31 December 2023G.

Subsequently, the other income / (expenses), net increased to an income of SAR 5.4 million in the financial year ended 31 December 2024G, representing an increase of -1073.9 per cent., largely driven by the increases in gains from the sale of investments measured at FVTPL for an amount of SAR 1.9 million, an increase in scrap sales for an amount of SAR 1.7 million, unrealised gains from the revaluation of investments measured at FVTPL amounted to SAR 1.7 million and gains from the disposal of property, plant and equipment amounted to SAR 559 thousand.

The amount increased from SAR 1.4 million for the three-month period ended 31 March 2024G to SAR 3.1 million for the three-month period ended 31 March 2025G. This was mainly due to an increase in unrealised gains from the revaluation of investments measured at fair value through profit or loss of SAR 1.2 million and an increase in scrap sales of SAR 678 thousand.

6.8.1.8 Zakat

Zakat is calculated as per the requirements of the ZATCA.

Zakat increased from SAR 2.0 million in the financial year ended 31 December 2022G to SAR 4.1 million in the financial year ended 31 December 2023G, representing an increase of 108.2 per cent., and further increased to SAR 4.3 million in the financial year ended 31 December 2024G, representing an increase of 5.1 per cent., in line with the growth in net income.

Zakat expenses remained relatively stable at SAR 1.0 million for the three-month period ended 31 March 2024G, and SAR 987 thousand for the three-month period ended 31 March 2025G.

6.8.1.9 Revenue for the Financial Years Ended 31 December 2022G, 2023G, 2024G, and the Three-Month Periods Ended 31 March 2024G, and 2025G

The following table shows the Revenue for the financial years ended 31 December 2022G, 2023G, 2024G, and the three-month periods ended 31 March 2024G, and 2025G:

Table 6.5: Revenue for the Financial Years Ended 31 December 2022G, 2023G, 2024G, and the Three-Month Periods Ended 31 March 2024G, and 2025G

KPIs	2022G (Audited)	2023G (Audited)	2024G (Audited)	Variance 2022G - 2023G	Variance 2023G - 2024G	CAGR 2022G - 2024G	Three- Month Pe- riod Ended 31 March 2024G (Reviewed)	Three-Month Period Ended 31 March 2025G (Reviewed)	Variance
Sales of construction materials	332,521	383,600	491,624	15.4%	28.2%	21.6%	108,476	141,836	30.8%
Sales of spare parts	96,940	115,093	107,961	18.7%	(6.2%)	5.5%	25,016	28,865	15.4%
Total	429,461	498,693	599,584	16.1%	20.2%	18.2%	133,492	170,701	27.9%
As a % of revenue				PPT.			As a % of revenue		PPT.
Sales of construction materials	77.4%	76.9%	82.0%	(0.5)	5.1	4.6	81.3%	83.1%	1.8
Sales of spare parts	22.6%	23.1%	18.0%	0.5	(5.1)	(4.6)	18.7%	16.9%	(1.8)

Source: The audited special purpose financial statements for the financial year ended 31 December 2022G, the audited consolidated financial statements for the financial year ended 31 December 2024G, the unaudited consolidated financial statements for the three-month period ended 31 March 2025G and management information.

The Group's revenue increased from SAR 429.5 million in the financial year ended 31 December 2022G to SAR 498.7 million in the financial year ended 31 December 2023G, representing an increase of 16.1 per cent., mainly due to growth in building materials sales amounting to SAR 51.1 million, along with an increase in spare parts sales of SAR 18.2 million during the period.

The Group's revenue increased from SAR 498.7 million in the financial year ended 31 December 2023G to SAR 599.6 million in the financial year ended 31 December 2024G, representing an increase of 20.2 per cent., driven by growth in building materials sales of SAR 108.0 million, which was partially offset by a decline in spare parts sales of SAR 7.1 million during the period.

The Group's revenue increased from SAR 133.5 million for the three-month period ended 31 March 2024G to SAR 170.7 million for the three-month period ended 31 March 2025G, due to growth in building materials sales of SAR 33.4 million along with an increase in spare parts sales of SAR 3.8 million during the period.

(a) Sales of Construction Materials

The increase in building materials sales from SAR 332.5 million in the financial year ended 31 December 2022G to SAR 383.6 million in the financial year ended 31 December 2023G, representing an increase of 15.4 per cent. was primarily driven by growth in asphalt sales volume, contributing SAR 9.3 million, and the average selling price, contributing SAR 41.3 million during the period. Specifically, the average selling price of asphalt rose from SAR 98 per tonne in the financial year ended 31 December 2022G to SAR 146 per tonne in the financial year ended 31 December 2023G, largely due to the pass-through of higher bitumen costs to customers. Bitumen costs increased from an average of SAR 850 per tonne in the financial year ended 31 December 2022G to SAR 1.8 thousand per tonne in the financial year ended 31 December 2023G. Bitumen is the primary raw material used in asphalt production. It is noted that the Group's ability to set selling prices for building materials is significantly constrained by prevailing market prices and surrounding conditions. Additionally, asphalt sales volume grew from 772.3 thousand tonnes in the financial year ended 31 December 2022G to 866.9 thousand tonnes in the financial year ended 31 December 2023G, supported by the Group's expanded asphalt production capacity, as the number of asphalt mixing plants owned by the Group increased from two in the financial year ended 31 December 2022G to four in the financial year ended 31 December 2023G, along with rising market demand in the construction sector.

The increase in building materials sales from SAR 383.6 million in the financial year ended 31 December 2023G to SAR 491.6 million in the financial year ended 31 December 2024G, representing an increase of 28.2 per cent., was driven by (i) a higher average selling price of aggregate (contributing to an increase of SAR 62.7 million) and sales volume (contributing to an increase of SAR 14.5 million), and (ii) a higher average selling price of asphalt (contributing to an increase of SAR

11.0 million) and sales volume (contributing to an increase of SAR 19.8 million) during the period. Specifically, the average selling price of aggregate rose from SAR 23 per tonne in the financial year ended 31 December 2023G to SAR 28 per tonne in the financial year ended 31 December 2024G (representing an increase of approximately 23 per cent.), due to the pass-through of rising raw material costs to customers. It is noted that the Group's ability to set selling prices for building materials is significantly constrained by prevailing market prices and conditions. This was mainly influenced by the increase in diesel prices, which rose from SAR 0.75 per litre in January 2023G to SAR 1.15 per litre in January 2024G (representing an increase of approximately 53 per cent.) (noting that the price is set by Saudi Aramco at the beginning of the year and remains fixed throughout the year). Furthermore, sales volume increased from 11.1 million tonnes in the financial year ended 31 December 2023G to 11.8 million tonnes in the financial year ended 31 December 2024G, supported by the full-year contribution of four sites launched in the financial year ended 31 December 2023G, and the launch of a new site in the financial year ended 31 December 2024G, and increased market demand for aggregate in the construction sector. Asphalt sales volume also increased from 866.9 thousand tonnes in the financial year ended 31 December 2023G to 1.0 million tonnes in the financial year ended 31 December 2024G, due to higher production volume, supported by the full-year contribution of two asphalt mixing plants opened in the financial year ended 31 December 2023G, in addition to further growth in market demand for asphalt in the construction sector. The average selling price of asphalt also rose from SAR 146 per tonne in the financial year ended 31 December 2023G to SAR 157 per tonne in the financial year ended 31 December 2024G, as a result of passing on the increase in bitumen costs to customers, with the average reaching SAR 2.0 thousand per tonne in the financial year ended 31 December 2024G compared to SAR 1.8 thousand per tonne in the financial year ended 31 December 2023G.

The growth in building materials sales was driven by (i) an increase in aggregate sales volume (contributing to an increase of SAR 25.6 million) and (ii) a higher average selling price of asphalt (contributing to an increase of SAR 6.5 million) during the period.

Aggregate sales volume increased from 2.7 million tonnes for the three-month period ended 31 March 2024G to 3.6 million tonnes for the three-month period ended 31 March 2025G, representing an increase of approximately 33 per cent. This was primarily driven by rising demand in the construction sector. This demand was particularly notable in Riyadh, fuelled by residential projects in emerging neighbourhoods, park developments (such as the King Salman Park project), airport projects (including the ongoing expansion of King Khalid International Airport and the development of the new King Salman International Airport), as well as other major infrastructure projects such as roads and bridges. As a result, the Group attracted new customers during the three-month periods ended 31 March 2024G, and 31 March 2025G, contributing SAR 23.8 million to aggregate sales revenue, in addition to revenue growth from existing customers amounting to SAR 3.8 million, driven by a cumulative effect of changes in both price and volume.

Additionally, the average selling price of asphalt increased from SAR 139 per tonne during the three-month period ended 31 March 2024G to SAR 168 per tonne during the three-month period ended 31 March 2025G (an increase of approximately 21 per cent.). This was primarily due to: (i) higher market demand for asphalt in the construction sector, as outlined above, which enhanced the Group's overall pricing power, (ii) the pass-through of increased diesel costs to customers, as diesel prices rose from SAR 1.15 per litre in January 2024G to SAR 1.66 per litre in January 2025G (an increase of approximately 44 per cent.), noting that diesel is a key operating cost for asphalt mixing plants (its price is set annually by Saudi Aramco and remains fixed throughout the year), and (iii) the launch of new asphalt products, along with modifications to the asphalt mix of existing products to meet customer specifications—resulting in a higher bitumen concentration per unit produced—which led to increased production costs, despite relatively stable bitumen prices (SAR 1,900 per tonne during the three-month period ended 31 March 2025G versus SAR 2,000 per tonne during the three-month period ended 31 March 2024G), and consequently, a higher average selling price.

(b) Sales of Spare Parts

The increase in spare parts sales was driven by the subcategory of crushers/heavy machinery, which contributed SAR 9.1 million in line with the Group's strategic expansion in this area. Furthermore, the rise in sales of crushers/heavy machinery during the period led to a corresponding increase in demand for aftermarket spare parts, resulting in an increase in revenue from this segment by SAR 9.1 million.

The Sales of Spare Parts decreased from SAR 115.1 million in the financial year ended 31 December 2023G to SAR 108.0 million in the financial year ended 31 December 2024G, contributing to a decrease of 6.2 per cent., mainly due to the decrease of SAR 9.9 million in the market demand for spare parts, partially offset by the increase of SAR 2.8 million in the sales of crushers / heavy machinery.

The Sales of Spare Parts revenue increased from SAR 25.0 million during the three-month period ended 31 March 2024G to SAR 28.9 million during the three-month period ended 31 March 2025G. This was primarily attributed to higher market demand for spare parts (an increase of SAR 4.6 million), partially offset by a decline in crusher/heavy equipment sales (a decrease of SAR 708 thousand).

6.8.1.10 Cost of Revenue

The following table shows the Cost of Revenue for the financial years ended 31 December 2022G, 2023G, 2024G, and the three-month periods ended 31 March 2024G, and 2025G:

Table 6.6: Cost of Revenue for the Financial Years Ended 31 December 2022G, 2023G, 2024G, and the Three-Month Periods Ended 31 March 2024G, and 2025G

SAR in 000s	2022G (Audited)	2023G (Audited)	2024G (Audited)	Variance 2022G - 2023G	Variance 2023G - 2024G	CAGR 2022G - 2024G	Three- Month Pe- riod Ended 31 March 2024G (Reviewed)	Three- Month Pe- riod Ended 31 March 2025G (Reviewed)	Variance
Materials and operating supplies	141,404	175,439	237,020	24.1%	35.1%	29.5%	46,498	69,363	49.2%
Employees' salaries and benefits	41,948	57,883	67,827	38.0%	17.2%	27.2%	16,789	18,223	8.5%
Maintenance expenses	43,665	48,151	58,990	10.3%	22.5%	16.2%	13,889	10,725	(22.8%)
Dep. of property, machinery and eq.	19,881	34,593	49,017	74.0%	41.7%	57.0%	12,362	12,479	0.9%
Transportation expenses	40,318	49,919	34,720	23.8%	(30.4%)	(7.2%)	10,361	5,792	(44.1%)
Governmental expenses	13,683	16,586	22,677	21.2%	36.7%	28.7%	4,863	6,192	27.3%
Rental expenses for equipment and sites	536	9,603	9,214	1,692.9%	(4.1%)	314.8%	2,184	2,608	19.4%
Insurance expenses	1,939	2,827	3,695	45.8%	30.7%	38.0%	866	1,290	49.0%
Service expenses	1,101	1,865	1,683	69.3%	(9.8%)	23.6%	318	310	(2.4%)
Depreciation of right-of-use assets	-	747	1,360	Not Applicable	82.0%	Not Applicable	536	349	(34.8%)
Amortisation of intangible assets	-	65	485	Not Applicable	648.4%	Not Applicable	11	408	3702.9%
Housing expenses	663	-	-	(100.0%)	Not Applicable	(100.0%)	-	-	Not Applicable
Provision for slow-moving inventories	-	248	2,001	Not Applicable	707.2%	Not Applicable	-	883	Not Applicable
Others	3,148	3,415	4,201	8.5%	23.0%	15.5%	907	2,111	132.8%
Total	308,286	401,344	492,890	30.2%	22.8%	26.4%	109,585	130,734	19.3%

Source: The audited special purpose financial statements for the financial year ended 31 December 2022G, the audited consolidated financial statements for the financial year ended 31 December 2024G, and the unaudited consolidated financial statements for the three-month period ended 31 March 2025G.

(a) Materials and Operating Supplies

Materials and operating supplies represents the costs of raw materials used in the mining of aggregates and the production of asphalt, most prominently diesel, bitumen, explosives and chemicals, among others.

Materials and operating supplies increased by SAR 34.0 million during the financial years ended 31 December 2022G–2023G, representing an increase of 24.1 per cent., primarily due to the rise in diesel prices from SAR 0.63 per litre in January 2022G to SAR 0.75 per litre in January 2023G, and bitumen prices from an average of SAR 850 per tonne in the financial year ended 31 December 2022G to SAR 1.8 thousand per tonne in the financial year ended 31 December 2023G. These are key components in the production of aggregate and asphalt. Additionally, the increase in quantities of aggregate and asphalt sold—driven by the expansion of operations from three mining sites to seven mining sites and from two asphalt mixing plants to four, and the growth of the truck fleet from 149 to 315 vehicles—along with rising market demand for building materials, led to higher consumption of diesel and bitumen during the period.

Materials increased by SAR 61.6 million during the financial year ended 31 December 2023G–2024G, representing an increase of 35.1 per cent., primarily due to the additional rise in diesel prices from SAR 0.75 per litre in January 2023G to SAR 1.15 per litre in January 2024G, and bitumen prices from an average of SAR 1.8 thousand per tonne in the financial year ended 31 December 2023G to SAR 2.0 thousand per tonne in the financial year ended 31 December 2024G.

Additionally, (i) the further increase in quantities of aggregate and asphalt sold—resulting from the accelerated ramp-up of mining sites and asphalt mixing plants launched in the financial year ended 31 December 2023G and the continued rise in market demand for building materials—and (ii) the full impact of the new trucks added in the financial year ended 31 December 2023G along with the further expansion of the truck fleet to 576 trucks in the fourth quarter of 2024G, led to sustained growth in the consumption of diesel, bitumen, and other materials during the period.

The cost of materials increased from SAR 46.5 million during the three-month period ended 31 March 2024G to SAR 69.4 million during the three-month period ended 31 March 2025G (an increase of SAR 22.9 million), primarily due to the rise in diesel prices (from SAR 1.15 per litre in January 2024G to SAR 1.66 per litre in January 2025G). Additionally, (i) the increase in aggregate sales volume, (ii) the launch of new asphalt products and modifications to the mix of existing products, and (iii) the expansion of the truck fleet from 315 trucks during the three-month period ended 31 March 2024G to 563 trucks during the three-month period ended 31 March 2025G, led to higher consumption of diesel, bitumen, and other materials such as loose stones, explosives, and more.

(b) Employees' Salaries and Benefits

Employees' salaries and benefits mainly related to basic salaries, allowances (e.g., food, housing, transportation, etc.), overtime, bonuses, end of service benefits, GOSI, among others for the production-related employees.

Salaries and employee benefits increased by SAR 15.9 million during the financial years ended 31 December 2022G–2023G, representing an increase of 38.0 per cent., primarily driven by a significant rise in the number of production-related employees, from an average of 1,137 employees in the financial year ended 31 December 2022G to 1,341 employees in the financial year ended 31 December 2023G. This increase was mainly due to the expansion of operations from three mining sites to seven mining sites and from two asphalt mixing plants to four asphalt mixing plants.

Salaries and employee benefits increased by SAR 9.9 million during the financial years ended 31 December 2023G–2024G, representing an increase of 17.2 per cent., primarily due to the full-year impact of the headcount increase that occurred in the financial year ended 31 December 2023G and the further rise in the number of employees to an average of 1,441 in the financial year ended 31 December 2024G. This growth was driven by the continued increase in market demand for building materials, which required an expansion of the workforce to meet that demand.

Salaries and employee benefits increased from SAR 16.8 million during the three-month period ended 31 March 2024G to SAR 18.2 million during the three-month period ended 31 March 2025G (an increase of SAR 1.4 million), primarily due to the increase in headcount resulting from the hiring of additional truck drivers in line with the expansion of the truck fleet, as well as the launch of a large-scale mining site in Riyadh during the fourth quarter of 2024G.

(c) Maintenance Expenses

Maintenance expenses represented the expenses associated with the maintenance of the Group's transportation trucks, excavators, crushers, dump trucks, caravans, among other machinery and equipment. This also includes the cost of the lubricants, oils, tires, spare parts and other materials used in the maintenance cycles.

Maintenance expenses increased by SAR 4.5 million during the financial years ended 31 December 2022G–2023G, representing an increase of 10.3 per cent., primarily due to the expansion of operations, in addition to the increase in the number of trucks from 149 in the financial year ended 31 December 2022G to 315 in the financial year ended 31 December 2023G, which led to higher maintenance requirements.

Maintenance expenses increased by SAR 10.8 million during the financial years ended 31 December 2023G–2024G, representing an increase of 22.5 per cent., primarily due to the maintenance cycle of the Group's transport trucks, with a strong focus on tire replacements. It is noted that most of the trucks purchased in the financial year ended 31 December 2023G were delivered mid-year, which led to higher associated maintenance costs in the financial year ended 31 December 2024G.

Maintenance expenses decreased from SAR 13.9 million during the three-month period ended 31 March 2024G to SAR 10.7 million during the three-month period ended 31 March 2025G, a decline of SAR 3.2 million. This was due to the replacement and substitution process that took place, which contributed to the reduction in maintenance expenses.

(d) Depreciation of Property, Plant and Equipment

Depreciation of property, plant and equipment mainly represented the depreciation of transportation vehicles, machinery and equipment, buildings and caravans, furniture and fixtures, among others.

The depreciation balance increased by SAR 14.7 million during the 2022G–2023G financial year, representing an increase of 74.0 per cent. and by SAR 14.4 million during the 2023G–2024G financial year, representing an increase of 41.7 per

cent. This was driven by significant additions to property, plant and equipment throughout the review period, primarily related to trucks, equipment and machinery.

Depreciation expense for property, plant and equipment remained relatively stable at SAR 12.4 million during the three-month period ended 31 March 2024G, compared to SAR 12.5 million during the three-month period ended 31 March 2025G. This stability was achieved despite significant additions to property, plant and equipment—particularly those related to the expansion of the truck fleet—during the period. The result is attributed to the impact of revising the estimated useful lives of certain asset categories effective 1 January 2024G, which led to a temporary increase in depreciation expense during the three-month period ended 31 March 2024G. For example, if an asset had a total useful life of ten years and only two years remained as of 1 January 2024G (meaning eight years had been depreciated), and its total useful life was then revised to five years, the remaining book value would be fully expensed during the three-month period ended 31 March 2024G, since the revision reduced the remaining useful life to nil.

(e) Transportation Expenses

Transportation expenses mainly pertained to the costs associated with the hiring of third-party transporters for aggregates and asphalt.

Transportation expenses increased by SAR 9.6 million during the 2022G–2023G financial year, representing an increase of 23.8 per cent., primarily due to the heavy reliance on third-party transportation services during the 2023G financial year to accommodate the operational expansion that occurred during the period. It is worth noting that transportation regulations reduced the maximum load per truck from 50 tonnes per gravel shipment to 28 tonnes per shipment, which led to an increase in the number of trips. Starting from mid-2023G, the Company began expanding its truck fleet to reduce dependence on external carriers and gain better control over costs.

Transportation expenses decreased by SAR 15.2 million during the 2023G–2024G financial year, representing a decrease of 30.4 per cent., as the Group reduced its reliance on external carriers during the 2024G financial year. This aligned with the expansion of the internal truck fleet, which grew from 315 in 2023G to 576 in 2024G.

Transportation expenses declined from SAR 10.4 million during the three-month period ended 31 March 2024G to SAR 5.8 million during the three-month period ended 31 March 2025G, reflecting a decrease of SAR 4.6 million. This reduction is attributed to the Group's decreased reliance on external carriers during the period, in line with the expansion of the truck fleet, which increased from 315 trucks during the three-month period ended 31 March 2024G to 563 trucks during the three-month period ended 31 March 2025G.

(f) Governmental Expenses

Governmental expenses mainly pertained to visa and iqama costs, along with the costs of Government permits, licences necessary for operating the mines.

Government expenses increased by SAR 2.9 million during the 2022G–2023G financial year, representing an increase of 21.2 per cent. and by SAR 6.1 million during the 2023G–2024G financial year, representing an increase of 36.7 per cent. This was driven by (i) the expansion of operations through the addition of new mining sites, (2) an increase in Ministry of Industry and Mineral Resources fees due to higher gravel sales, (iii) and a rise in headcount during the historical period.

Government expenses increased from SAR 4.9 million during the three-month period ended 31 March 2024G to SAR 6.2 million during the three-month period ended 31 March 2025G, reflecting a rise of SAR 1.3 million. This increase is attributed to higher mineral resource fees resulting from increased gravel sales, as well as a rise in headcount (i.e. residency costs) during the same period.

The mineral resource fees paid to the Ministry of Industry and Mineral Resources amounted to approximately SAR 0.67 per tonne of gravel sold from the Group's mining sites.

(g) Rental Expenses for Equipment and Sites

Rental expenses for equipment and sites pertained to the costs incurred for leasing machinery, equipment, tools, among others for use as part of the business' operations.

Equipment and site rental expenses increased from SAR 536 thousand in the 2022G financial year to SAR 9.6 million in the 2023G financial year, representing an increase of 1,692.9 per cent. This was due to their reclassification from "materials and operating supplies" in the 2022G financial year, in addition to the leasing of more equipment in line with the operational expansion during the period.

Equipment and site rental expenses slightly declined to SAR 9.2 million in the 2024G financial year representing a decrease of 4.1 per cent., as part of normal business operations.

Equipment and site rental expenses increased from SAR 2.2 million during the three-month period ended 31 March 2024G to SAR 2.6 million during the three-month period ended 31 March 2025G. This increase aligns with the rise in gravel production volume during the three-month period ended 31 March 2025G compared to the same period in 2024G, in addition to the launch of the Riyadh mining site in the fourth quarter of 2024G.

(h) Insurance Expenses

Insurance expenses relate to medical and vehicle insurance.

Insurance expenses showed an upward trend over the review period, rising from SAR 1.9 million in the 2022G financial year to SAR 2.8 million in the 2023G financial year, representing an increase of 45.8 per cent., and further to SAR 3.7 million in the 2024G financial year, representing an increase of 30.7 per cent. This reflects an increase in headcount and the expansion of the fleet.

Insurance expenses increased from SAR 866 thousand during the three-month period ended 31 March 2024G to SAR 1.3 million during the three-month period ended 31 March 2025G. This was primarily due to the expansion of the truck fleet from 315 trucks in the three-month period ended 31 March 2024G to 563 trucks in the three-month period ended 31 March 2025G.

(i) Service Expenses

Service expenses represented the costs for water, electricity, phones, faxes, stationery, among others.

Utility expenses increased from SAR 1.1 million in the 2022G financial year to SAR 1.9 million in the 2023G financial year, representing an increase of 69.3 per cent., driven by higher water and electricity costs due to the significant expansion of operations throughout the year.

Utility expenses remained relatively stable at SAR 1.7 million in the 2024G financial year, representing a decrease of 9.8 per cent.

Service expenses also held steady at SAR 318 thousand during the three-month period ended 31 March 2024G, and SAR 310 thousand during the three-month period ended 31 March 2025G.

(j) Depreciation of Right-of-Use Assets

It increased from SAR 747 thousand in the financial year ended 31 December 2023G to SAR 1.4 million in the financial year ended 31 December 2024G, representing an increase of 82.0 per cent., mainly due to the full-year impact of additions made in mid-2023G, which were fully reflected in the 2024G financial year, along with new additions during 2024G.

Depreciation of right of use assets decreased by 34.8 per cent. from SAR 536 thousand during the three-month period ended 31 March 2024G to SAR 349 thousand during the three-month period ended 31 March 2025G, primarily due to a reduction in additions during the period.

(k) Amortisation of Intangible Assets

It increased from SAR 65 thousand in the 2023G financial year to SAR 485 thousand in the 2024G financial year, representing an increase of 648.4 per cent., as a result of higher additions during the period, primarily driven by the mining licence obtained as part of the acquisition of Dorra Al-Mobani for Mining Company.

Amortisation expense for intangible assets increased from SAR 11 thousand during the three-month period ended 31 March 2024G to SAR 408 thousand during the three-month period ended 31 March 2025G.

Amortisation of intangible assets increased from SAR 11 thousand during the three-month period ended 31 March 2024G to SAR 408 thousand during the three-month period ended 31 March 2025G. This was primarily due to the acquisition of a quarrying licence as part of the Durat acquisition in the fourth quarter of 2024G, which did not exist during the same period of the previous year.

(l) Housing Expenses

Housing expenses amounted to SAR 663 thousand in the 2022G financial year and was reclassified under "Other" in both the 2023G and 2024G financial years, with values of SAR 774 thousand and SAR 328 thousand respectively.

(m) Provision for Slow-Moving Inventories

Provision for slow-moving inventories amounted to SAR 248 thousand in the 2023G financial year and SAR 2.0 million in the 2024G financial year, representing an increase of 707.2 per cent. The Group follows its provisioning policy, under which inventory aged between 361 and 720 days is provisioned at 25 per cent. of its value, inventory aged between 721 and 1,080 days at 50 per cent., and inventory exceeding 1080 days is fully provisioned at 100 per cent.

Provision for slow-moving inventories increased from nil during the three-month period ended 31 March 2024G to SAR 883 thousand during the three-month period ended 31 March 2025G. This was in accordance with the policy mentioned above, as no provision was recorded as of 31 March 2024G, and the provision was instead recognised at year-end on 31 December 2024G.

(n) Others

Others mainly pertained to housing expenses, security expenses, food expenses, among others.

Other expenses increased from SAR 3.1 million in the financial year ended 31 December 2022G to SAR 3.4 million in the financial year ended 31 December 2023G, and further to SAR 4.2 million in the financial year ended 31 December 2024G, in line with the growth in operating activities.

Other expenses increased from SAR 907 thousand during the three-month period ended 31 March 2024G to SAR 2.1 million during the three-month period ended 31 March 2025G. This was mainly due to professional fees incurred for obtaining licences and permits, which primarily included payments to external consultants contracted to manage and complete the licensing process on behalf of the Group.

6.8.1.11 General and Administrative Expenses

The following table shows the General and administrative expenses for the financial years ended 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2024G, and 2025G:

Table 6.7: General and Administrative Expenses for the Financial Years Ended 31 December 2022G, 2023G, 2024G, and the Three-Month Periods Ended 31 March 2024G, and 2025G

SAR in 000s	2022G (Audited)	2023G (Audited)	2024G (Audited)	Variance 2022G - 2023G	Variance 2023G - 2024G	CAGR 2022G - 2024G	Three-Month Period Ended 31 March 2024G (Reviewed)	Three-Month Period Ended 31 March 2025G (Reviewed)	Variance
Employees' salaries and benefits	35,792	26,348	29,465	(26.4%)	11.8%	(9.3%)	4,796	6,434	34.1%
Provision for impairment of advances to suppliers	-	-	-	Not Applicable	Not Applicable	Not Applicable	-	4,677	Not Applicable
Allowances and bonuses of members of the Board of Directors and its committees	-	-	-	Not Applicable	Not Applicable	Not Applicable	2,175	3,370	54.9%
Professional fees	305	932	2,438	205.3%	161.7%	182.6%	551	250	(54.6%)
Depreciation of Property, plant and equipment	1,229	1,716	2,096	39.6%	22.2%	30.6%	777	518	(33.4%)
Subscription expenses	-	653	1,618	Not Applicable	147.9%	Not Applicable	143	472	231.1%
Government fees	1,344	1,014	1,196	(24.5%)	18.0%	(5.7%)	327	377	15.2%
Insurance expenses	81	990	1,135	1,126.5%	14.7%	275.1%	275	303	10.0%
Provision for expected credit losses	2,826	4,582	(600)	62.1%	(113.1%)	Not Applicable	214	(248)	(215.8%)
Depreciation of right-of-use assets	-	524	766	Not Applicable	46.2%	Not Applicable	-	175	Not Applicable

SAR in 000s	2022G (Audited)	2023G (Audited)	2024G (Audited)	Variance 2022G - 2023G	Variance 2023G - 2024G	CAGR 2022G - 2024G	Three-Month Period Ended 31 March 2024G (Reviewed)	Three-Month Period Ended 31 March 2025G (Reviewed)	Variance
Service expenses	-	581	610	Not Applicable	5.0%	Not Applicable	135	173	28.1%
Maintenance expenses	284	446	297	56.9%	(33.3%)	2.3%	87	73	(15.8%)
Short-term rental expenses	1,133	533	387	(53.0%)	(27.3%)	(41.5%)	-	-	Not Applicable
Bank fees	-	538	608	Not Applicable	13.1%	Not Applicable	82	492	498.4%
Transportation expenses	384	595	320	55.0%	(46.1%)	(8.6%)	141	17	(88.1%)
Amortisation of intangible assets	-	-	115	Not Applicable	Not Applicable	Not Applicable	-	36	Not Applicable
Stationary, internet, and telephone	540	-	-	(100.0%)	Not Applicable	(100.0%)	-	-	Not Applicable
Others	2,151	1,283	900	(40.4%)	(29.9%)	(35.3%)	256	197	(22.8%)
Total	46,070	40,733	41,352	(11.6%)	1.5%	5.3%	9,959	17,316	73.9%
KPIs									
As a % of revenue				PPT.			As a % of revenue		PPT.
Employees' salaries and benefits	8.3%	5.3%	4.9%	(3.1)	(0.4)	(3.4)	3.6%	3.8%	0.2
Provision for impairment of advances to suppliers	0.0%	0.0%	0.0%	-	-	-	0.0%	2.7%	2.7
Allowances and bonuses of members of the Board of Directors and its committees	0.0%	0.0%	0.0%	-	-	-	1.6%	2.0%	0.3
Professional fees	0.1%	0.2%	0.4%	0.1	0.2	0.3	0.4%	0.1%	(0.3)
Depreciation of Property, plant and equipment	0.3%	0.3%	0.3%	0.1	0.0	0.1	0.6%	0.3%	(0.3)
Subscription expenses	0.0%	0.1%	0.3%	0.1	0.1	0.3	0.1%	0.3%	0.2
Government fees	0.3%	0.2%	0.2%	(0.1)	(0.0)	(0.1)	0.2%	0.2%	(0.0)
Insurance expenses	0.0%	0.2%	0.2%	0.2	(0.0)	0.2	0.2%	0.2%	(0.0)
Provision for expected credit losses	0.7%	0.9%	(0.1%)	0.3	(1.0)	(0.8)	0.2%	(0.1%)	(0.3)
Depreciation of right-of-use assets	0.0%	0.1%	0.1%	0.1	0.0	0.1	0.0%	0.1%	0.1
Service expenses	0.0%	0.1%	0.1%	0.1	0.0	0.1	0.1%	0.1%	0.0
Maintenance expenses	0.1%	0.1%	0.0%	0.0	0.0	(0.0)	0.1%	0.0%	(0.0)
Short-term rental expenses	0.3%	0.1%	0.1%	(0.2)	0.0	(0.2)	0.0%	0.0%	-
Bank fees	0.0%	0.1%	0.1%	0.1	0.0	0.1	0.1%	0.3%	0.2
Transportation expenses	0.1%	0.1%	0.1%	0.0	(0.1)	(0.0)	0.1%	0.0%	(0.1)

SAR in 000s	2022G (Audited)	2023G (Audited)	2024G (Audited)	Variance 2022G - 2023G	Variance 2023G - 2024G	CAGR 2022G - 2024G	Three-Month Period Ended 31 March 2024G (Reviewed)	Three-Month Period Ended 31 March 2025G (Reviewed)	Variance
Amortisation of intangible assets	0.0%	0.0%	0.0%	0.0	0.0	0.0	0.0%	0.0%	0.0
Stationary, internet, and telephone	0.1%	0.0%	0.0%	(0.1)	0.0	(0.1)	0.0%	0.0%	-
Others	0.5%	0.3%	0.2%	(0.2)	(0.1)	(0.4)	0.2%	0.1%	(0.1)

Source: The audited special purpose financial statements for the financial year ended 31 December 2022G, the audited consolidated financial statements for the financial year ended 31 December 2024G, and the unaudited consolidated financial statements for the three-month period ended 31 March 2025G.

(a) Salaries, Wages and Benefits

Employees' salaries and benefits mainly related to basic salaries, allowances (e.g., food, housing, transportation, etc.), overtime, bonuses, end of service benefits, among others for the head office employees.

The balance decreased by SAR 9.4 million during the 2022G–2023G financial year, representing a decrease of 26.4 per cent., primarily driven by (i) a reduction in the Chairman's bonus expenses due to the decline in pre-Zakat net income for the 2023G financial year, as the bonus policy stipulates a payout equivalent to approximately 10 per cent. of current pre-Zakat net income in addition to a fixed amount of SAR 2.4 million, and (ii) the departure of senior personnel in finance and logistics roles who had commanded higher salary levels, as part of the normal course of business.

The balance increased by SAR 3.1 million during the financial years ended 31 December 2023G–2024G, representing an increase of 11.8 per cent. This was primarily due to a 4 per cent. salary increase granted to employees, the hiring of senior positions that require higher salary levels—such as Deputy General Manager of the Commercial Sector and Executive Vice President of Operations—and increased bonus expenses for the Chairman of the Board due to the rise in net income before Zakat in the financial year ended 31 December 2024G.

The amount increased from SAR 4.8 million in the three-month period ended 31 March 2024G to SAR 6.4 million in the three-month period ended 31 March 2025G, an increase of SAR 1.6 million. This was mainly due to higher bonuses granted to employees (excluding the Chairman of the Board) (see below "Board of Directors and Committee Bonuses"), which were calculated at approximately 5 per cent. of net income for the first quarter of 2025G before Zakat (compared to nil in the three-month period ended 31 March 2024G).

(b) Provision for Impairment of Advance Payments to Suppliers

The provision for impairment of advance payments to suppliers amounted to SAR 4.7 million for the three-month period ended 31 March 2025G. This is based on a new accounting policy that became effective as of 1 March 2025G (and therefore, there was no provision for this item prior to this period). According to this policy, the provision for advance payments to suppliers was recognized as follows:

1. payments outstanding for 365 to 720 days: 25.0 per cent.;
2. payments outstanding for 721 to 1,080 days: 50.0 per cent.; and
3. payments outstanding for more than 1,080 days: 100.0 per cent..

(c) Board of Directors' Remunerations and Allowances and Committees Emanating Therefrom

The remunerations of the Board of Directors and its committees increased from SAR 2.2 million for the three-month period ended 31 March 2024G to SAR 3.4 million for the three-month period ended 31 March 2025G, an increase of SAR 1.2 million. This was mainly due to the higher remuneration expenses for the Chairman of the Board as a result of the increase in net income before zakat for the three-month period ended 31 March 2025G.

In the financial years 2022G, 2023G and 2024G, all costs related to the Board of Directors and its committees were recorded under "Salaries and Employee Benefits".

(d) Depreciation of Property, Plant and Equipment

Depreciation of property, plant and equipment represented the depreciation of assets used at the head office, regional offices, branches, among others.

The balance increased by SAR 487 thousand during the financial years ended 31 December 2022G–2023G, representing an increase of 39.6 per cent. and by SAR 380 thousand during financial year ended 31 December 2024G, representing an increase of 22.2 per cent., driven by additions to property, plant and equipment related to vehicles during the financial years ended 31 December 2023G and 2024G.

Depreciation decreased by SAR 259 thousand during the three-month period ended 31 March 2025G compared to the same period in 2024G. This was due to a revision of the estimated useful life of certain asset categories effective 1 January 2024G, which had caused a temporary increase in depreciation during the three-month period ended 31 March 2024G.

(e) Bank Fees

Bank fees amounted to SAR 538 thousand and SAR 608 thousand in 2023G and 2024G, respectively.

Bank fees were recorded under “Others” in 2022G, and amounted to SAR 469 thousand. These represented fees on bank-related transactions (e.g., transfers, letters of credit, bank guarantees, etc.).

Bank fees increased from SAR 82 thousand in the three-month period ended 31 March 2024G to SAR 492 thousand in the same period of 2025G, an increase of SAR 410 thousand. This was due to facility management fees related to the loan received from Arab National Bank, which were not present in the three-month period ended 31 March 2024G as per the agreement with the bank.

(f) Professional Fees

Professional fees comprise of legal, audit and consulting fees.

The balance increased by SAR 626 thousand during the financial years ended 31 December 2022G–2023G, representing an increase of 205.3 per cent., primarily driven by consulting fees from SAP. The balance continued to rise by SAR 1.5 million during financial years ended 31 December 2023G–2024G, representing an increase of 161.7 per cent., mainly attributed to systems, applications, and products in data processing (“SAP”) consulting fees, as the Group implemented a new enterprise resource planning (“ERP”) solution in the financial year ended 31 December 2024G, with SAP consultant costs ranging between approximately SAR 100 thousand and SAR 200 thousand per month.

Professional fees decreased by SAR 301 thousand during the financial period ended 31 March 2025G compared to the same period in 2024G. This was due to a reduction in SAP system consulting fees following the completion of most implementation work by the end of the period.

(g) Depreciation of Property, Plant and Equipment

Depreciation of property, plant and equipment represented the depreciation of assets used at the head office, regional offices, branches, among others.

The balance increased by SAR 487 thousand during the financial years ended 31 December 2022G–2023G, representing an increase of 39.6 per cent. and by SAR 380 thousand during financial year ended 31 December 2024G, representing an increase of 22.2 per cent., driven by additions to property, plant and equipment related to vehicles during the financial years ended 31 December 2023G and 2024G.

Depreciation decreased by SAR 259 thousand during the three-month period ended 31 March 2025G compared to the same period in 2024G. This was due to a revision of the estimated useful life of certain asset categories effective 1 January 2024G, which had caused a temporary increase in depreciation during the three-month period ended 31 March 2024G.

(h) Subscription Expenses

Subscription expenses refer to the Enterprise Resource Planning system (SAP) subscription fees, which were first incurred in the 2023G amounting to SAR 653 thousand. Subscription expenses increased by SAR 1 million to SAR 1.6 million in the 2024G financial year 147.9 per cent. This increase is due to the SAP subscription fees in 2023G covering only five months from August to December, as the system was first implemented in August 2023G. In contrast, the 2024G expenses reflect the impact of a full year. Subscription expenses increased by SAR 330 thousand between the three-month periods ended 31 March 2024G, and 31 March 2025G, due to the higher SAP subscription charges, as SAP SuccessFactors fees started only at the end of Q1 2024G after the full implementation of the HR module and were fully applied throughout Q1 2025G.

(i) Government Fees

Government fees mainly related to visa / iqama and work permits issued for the administrative employees.

The balance decreased by SAR 330 thousand, from SAR 1.3 million in the financial year ended 31 December 2022G to SAR 1.0 million in the financial year ended 31 December 2023G, representing a decrease of 24.5 per cent. Subsequently, the balance increased further by SAR 182 thousand to SAR 1.2 million in the financial year ended 31 December 2024G, representing an increase of 18.0 per cent. during the normal course of business, driven by the volume of new joiners and leavers each year.

Government fees and follow-up expenses remained relatively stable at SAR 327 thousand during the three-month period ended 31 March 2024G, and SAR 377 thousand during the three-month period ended 31 March 2025G.

(j) Expected Credit Losses – Trade Receivables

The balance increased by SAR 1.8 million, from SAR 2.8 million in the financial year 2022G to SAR 4.6 million in the financial year 2023G (62.1 percent.). In addition, the change in the expected credit loss provision amounted to SAR 5.2 million, resulting in a gain of SAR 600 thousand in 2024G (113.1 percent). These amounts are calculated based on the Group's expected credit loss model. The expected credit loss provision decreased from SAR 214 thousand in the three-month period ended 31 March 2024G to a reversal of SAR 248 thousand in the three-month period ended 31 March 2025G, consistent with the Group's expected credit loss model.

(k) Insurance Expenses

Insurance expenses pertained to medical and vehicles.

Insurance expenses increased by SAR 909 thousand from SAR 81 thousand in the financial year ended 31 December 2022G to SAR 990 thousand in the financial year ended 31 December 2023G, representing an increase of 1,126.5 per cent. This was driven by the reclassification of medical insurance from "employee salaries and related items" in the financial year ended 31 December 2023G, as the value of medical insurance in financial year ended 31 December 2022G amounted to SAR 888 thousand.

Insurance expenses remained relatively stable in the financial year ended 31 December 2024G at SAR 1.1 million.

Insurance expenses remained relatively stable at SAR 275 thousand in the three-month period ended 31 March 2024G, and SAR 303 thousand in the three-month period ended 31 March 2025G.

(l) Professional Fees

Professional fees and consulting consist of legal, audit and advisory fees. The balance increased by SAR 626 thousand during the financial years 2022G, and 2023G (205.3 per cent), mainly driven by consulting fees provided by "SAP." The balance continued to rise by SAR 1.5 million during the financial years 2023G and 2024G (161.7 per cent), primarily attributable to SAP consulting fees, as the Group implemented a new Enterprise Resource Planning (ERP) system in the financial year 2024G. SAP consultant costs ranged between approximately SAR 100 thousand and SAR 200 thousand per month. Professional fees decreased by SAR 301 thousand in the financial period ended 31 March 2025G compared to the same period in 2024G, due to lower SAP consulting fees after most implementation work was completed by the end of the period.

(m) Depreciation of Right-of-Use Assets

Depreciation of right-of-use assets increased from SAR 524 thousand in the financial year ended 31 December 2023G to SAR 766 thousand in the financial year ended 31 December 2024G, representing an increase of 46.2 per cent., primarily due to the full-year impact of the right-of-use assets added throughout the financial year 2023G, along with the new additions during the financial year ended 31 December 2024G.

Right-of-use asset depreciation amounted to nil during the three-month period ended 31 March 2024G, and SAR 175 thousand during the three-month period ended 31 March 2025G. It was included under "Cost of revenue – Other" during the three-month period ended 31 March 2024G, and was subsequently reclassified under "General and administrative expenses" for better presentation purposes.

(n) Service Expenses

Service expenses represented the costs for water, electricity, phones, faxes, stationery, among others.

Service expenses remained relatively stable at SAR 540 thousand in the financial year ended 31 December 2022G recorded under “Stationery, internet and telephone”, SAR 581 thousand in the financial year ended 31 December 2023G and SAR 610 thousand in the financial year ended 31 December 2024G.

Service expenses remained relatively stable at SAR 135 thousand during the three-month period ended 31 March 2024G, and SAR 173 thousand during the three-month period ended 31 March 2025G.

(o) Maintenance Expenses

Maintenance expenses pertained to car maintenance, building maintenance, maintenance for computers and related equipment, among others.

Maintenance expenses amounted to SAR 284 thousand in the financial year ended 31 December 2022G, SAR 446 thousand in the financial year ended 31 December 2023G and SAR 297 thousand in the financial year ended 31 December 2024G, fluctuating as part of the normal course of business.

Maintenance expenses remained relatively stable at SAR 87 thousand in the three-month period ended 31 March 2024G, and SAR 73 thousand in the three-month period ended 31 March 2025G.

(p) Amortisation of Intangible Assets

Amortisation of intangible assets amounted to SAR 115 thousand in 2024G, and pertained to computer software.

Intangible assets stood at nil as of 31 December 2022G. Amortisation of intangible assets was recorded under “Cost of revenue - Others” in 2023G amounting to SAR 65 thousand.

Amortisation of intangible assets amounted to nil in the three-month period ended 31 March 2024G, and SAR 36 thousand in the three-month period ended 31 March 2025G, as it was recorded under “Cost of revenue – Other” in the three-month period ended 31 March 2024G.

(q) Short-Term Rental Expenses

Short-term rental expenses primarily consisted of the rental charges for employee housing.

Since the adoption of IFRS 16 in 2023G, there has been a declining trend in short-term rental expenses, reaching SAR 387 thousand in 2024G from SAR 1.1 million in 2022G. The Company opted to enter into longer-term agreements that entailed the recognition of a right-of-use asset and subsequent depreciation over the lease term.

Short-term lease expenses amounted to nil in both the three-month period ended 31 March 2024G, and the three-month period ended 31 March 2025G.

(r) Others

Others pertained to fuel, oil and lubricants for vehicles, office supplies, hospitality, among others.

Other expenses decreased from SAR 2.2 million in the financial year ended 31 December 2022G to SAR 1.3 million in the financial year ended 31 December 2023G, representing a decrease of 40.4 per cent., driven by the reclassification of amounts to other general administrative expense items in the financial year ended 31 December 2023G. Other expenses further declined to SAR 900 thousand in the financial year ended 31 December 2024G, representing a decrease of 29.9 per cent. as part of normal business operations.

Other expenses slightly decreased from SAR 256 thousand in the three-month period ended 31 March 2024G to SAR 197 thousand in the three-month period ended 31 March 2025G.

6.8.1.12 Selling and Marketing Expenses for the Financial Years Ended 31 December 2022G, 2023G, 2024G, and the Three-Month Periods Ended 31 March 2024G, and 2025G

The following table shows the Selling and marketing expenses for the financial years ended 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2024G, and 2025G:

Table 6.8: Selling and Marketing Expenses for the Financial Years Ended 31 December 2022G, 2023G, 2024G, and the Three-Month Periods Ended 31 March 2024G, and 2025G

SAR in 000s	2022G (Audited)	2023G (Audited)	2024G (Audited)	Variance 2022G - 2023G	Variance 2023G - 2024G	CAGR 2022G - 2024G	Three-Month Period Ended 31 March 2024G (Reviewed)	Three-Month Period Ended 31 March 2025G (Reviewed)	Variance
Sales commissions	2,209	1,635	1,374	(26.0%)	(15.9%)	(21.1%)	314	632	101.0%
Advertising and promotion	703	606	763	(13.8%)	26.0%	4.2%	545	33	(93.9%)
Total	2,912	2,240	2,137	(23.1%)	(4.6%)	(14.3%)	859	665	(22.5%)
As a % of revenue				PPT			As a % of revenue		PPT
Sales commissions	0.5%	0.3%	0.2%	(0.2)	(0.1)	(0.3)	0.2%	0.4%	0.1
Advertising and promotion	0.2%	0.1%	0.1%	(0.0)	0.0	(0.0)	0.4%	0.0%	(0.4)
Total	0.7%	0.4%	0.4%	(0.2)	(0.1)	(0.3)	0.6%	0.4%	(0.3)

Source: The audited special purpose financial statements for the financial year ended 31 December 2022G, the audited consolidated financial statements for the financial year ended 31 December 2024G, and management information.

(a) Sales Commissions

Sales commissions decreased from SAR 2.2 million in the financial year ended 31 December 2022G to SAR 1.6 million in the financial year ended 31 December 2023G, representing a decrease of 26.0 per cent., and further to SAR 1.4 million in the financial year ended 31 December 2024G, representing a decrease of 15.9 per cent.

During the financial years ended 31 December 2022G–2023G, selling and marketing expenses decreased by SAR 672 thousand, representing a decrease of 23.1 per cent. due to a reduction in sales commissions by SAR 575 thousand, representing a decrease of 26.0 per cent. This was driven by the departure of the spare parts sales manager in September of the financial year ended 31 December 2023G, who had been receiving a 0.5 per cent. commission on net spare parts sales.

Sales commissions decreased by SAR 261 thousand in financial year ended 31 December 2024G during the normal course of business, representing a decrease of 15.9 per cent.

Sales commissions increased from SAR 314 thousand during the three-month period ended 31 March 2024G to SAR 632 thousand during the three-month period ended 31 March 2025G, in line with the overall increase in sales during the period.

(b) Advertising and Promotion

Advertising and promotion expenses pertained to the costs incurred by the Group to market its products.

It decreased from SAR 703 thousand in financial year ended 31 December 2022G to SAR 606 thousand in financial year ended 31 December 2023G, representing a decrease of 13.8 per cent., then increased to SAR 763 thousand in financial year ended 31 December 2024G, representing an increase of 26.0 per cent. as part of the normal course of business.

Advertising and promotion expenses decreased from SAR 545 thousand during the three-month period ended 31 March 2024G to SAR 33 thousand during the three-month period ended 31 March 2025G, due to the Group not participating in any exhibitions during the three-month period ended 31 March 2025G compared to attending two exhibitions during the three-month period ended 31 March 2024G.

6.8.1.13 Finance Cost for the Financial Years Ended 31 December 2022G, 2023G, 2024G, and the Three-Month Periods Ended 31 March 2024G, and 2025G

The following table shows the finance cost for the financial years ended 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2024G, and 2025G:

Table 6.9: Finance Cost for the Financial Years Ended 31 December 2022G, 2023G, 2024G, and the Three-Month Periods Ended 31 March 2024G, and 2025G

SAR in 000s	2022G (Audited)	2023G (Audited)	2024G (Audited)	Variance 2022G - 2023G	Variance 2023G - 2024G	CAGR 2022G - 2024G	Three-Month Period Ended 31 March 2024G (Reviewed)	Three-Month Period Ended 31 March 2025G (Reviewed)	Variance
Finance cost on loans	130	1,949	3,783	1,397.6%	94.1%	439.1%	1,030	883	(14.3%)
Finance cost related to lease liabilities	-	303	496	Not Applicable	64.0%	Not Applicable	156	82	(47.1%)
Finance cost related to employees' defined benefits	207	417	375	101.1%	(10.0%)	34.5%	-	-	Not Applicable
Total	338	2,669	4,655	690.7%	74.4%	271.3%	1,186	966	(18.6%)

Source: The audited special purpose financial statements for the financial year ended 31 December 2022G, the audited consolidated financial statements for the financial year ended 31 December 2024G, and management information.

(a) Finance Cost on Loans

Financial charges on Murabaha financing were recorded under the heading "Finance charges on loans" in financial year ended 31 December 2022G.

Finance charges on Murabaha financing increased from SAR 130 thousand in financial year ended 31 December 2022G to SAR 1.9 million in financial year ended 31 December 2023G, representing an increase of 1,397.6 per cent. due to (i) the rise in the Saudi Interbank Offered Rate (SAIBOR) throughout financial year ended 31 December 2023G and (ii) the significant increase in loan proceeds during financial year ended 31 December 2023G. In financial year ended 31 December 2022G, loan proceeds were nil and the loan balance as of 31 December 2022G was nil, whereas in financial year ended 31 December 2023G, loan proceeds reached SAR 51.8 million and the loan balance as of 31 December 2023G was SAR 35.8 million.

Finance charges on Murabaha financing increased to SAR 3.8 million in the financial year ended 31 December 2024G, representing an increase of 94.1 per cent., primarily due to the significant rise in loan proceeds during the year. Loan proceeds reached SAR 163.9 million, while the loan balance as of 31 December 2024G was SAR 45.1 million.

Finance charges on Murabaha financing decreased from SAR 1.0 million during the three-month period ended 31 March 2024G to SAR 883 thousand during the three-month period ended 31 March 2025G, as most of the loan drawdowns during the three-month period ended 31 March 2025G were obtained in March 2025G.

(b) Finance Cost Related to Lease Liabilities

Finance cost related to lease liabilities represented the interest portion of the lease liabilities pertaining to the assets leased by the Group, as per IFRS 16. The Group commenced the application of IFRS 16 in the financial year ended 31 December 2023G. Accordingly, the finance cost related to lease liabilities amounted to nil in the financial year ended 31 December 2022G. Further, finance cost related to lease liabilities amounted to SAR 303 thousand in the financial year ended 31 December 2023G and SAR 496 thousand in the financial year ended 31 December 2024G.

Finance charges related to lease liabilities decreased from SAR 156 thousand during the three-month period ended 31 March 2024G to SAR 82 thousand during the three-month period ended 31 March 2025G, in line with the reduction in lease liabilities during the three-month period ended 31 March 2025G compared to the three-month period ended 31 March 2024G.

(c) Finance Cost Related to Employees' Defined Benefits

Finance cost related to employees' defined benefits pertained to the interest portion of the employees' defined benefits obligations and amounted to SAR 207 thousand in the financial year ended 31 December 2022G, SAR 417 thousand in the financial year ended 31 December 2023G and SAR 375 thousand in the financial year ended 31 December 2024G. The Company engages an external actuarial valuation expert to assist in calculating this annually.

Finance charges related to employee defined benefits amounted to nil during the three-month period ended 31 March 2024G, and during the three-month period ended 31 March 2025G, as the actuary is only contracted on an annual basis at year-end.

6.8.1.14 Other Income for the Financial Years Ended 31 December 2022G, 2023G, 2024G, and the Three-Month Periods Ended 31 March 2024G, and 2025G

The following table shows the other income for the year for the financial years ended 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2024G, and 2025G:

Table 6.10: Other Income for the Financial Years Ended 31 December 2022G, 2023G, 2024G, and the Three-Month Periods Ended 31 March 2024G, and 2025G

SAR in 000s	2022G (Audited)	2023G (Audited)	2024G (Audited)	Variance 2022G - 2023G	Variance 2023G - 2024G	CAGR 2022G - 2024G	Three-Month Period Ended 31 March 2024G (Reviewed)	Three-Month Period Ended 31 March 2025G (Reviewed)	Variance
Scrap sales	170	363	2,055	114.0%	465.5%	247.9%	502	1,180	135.0%
Gains / (losses) from the sale of Investment in financial instruments at fair value through profit or loss	243	(180)	1,733	(174.2%)	(1,063.6%)	167.3%	331	54	(83.8%)
Gains from the disposal of Property, plant and equipment	229	827	1,3886	261.8%	67.6%	146.3%	685	762	11.2%
Unrealised gains / (losses) from the revaluation of Investment in financial instruments at fair value through profit or loss	(439)	(1,389)	325	216.4%	(123.4%)	Not Applicable	(108)	1,127	(1138.7%)
Gains from the disposal of right-of-use assets	-	-	4	Not applicable	Not Applicable	Not Applicable	-	-	Not Applicable
Bad debts collected	600	-	-	(100.0%)	Not Applicable	(100.0%)	-	-	Not Applicable
Losses from the disposal of intangible assets	-	-	(4)	Not Applicable	Not Applicable	Not Applicable	-	-	Not Applicable
Foreign currency translation differences	97	(180)	(62)	(285.5%)	(65.6%)	Not Applicable	-	(2)	Not Applicable
Total	899	(558)	5,438	(162.1%)	(1,073.9%)	145.9%	1,410	3,120	121.4%

Source: The audited special purpose financial statements for the financial year ended 31 December 2022G, the audited consolidated financial statements for the financial year ended 31 December 2024G, and the unaudited consolidated financial statements for the three-month period ended 31 March 2025G.

(a) Scrap Sales

Scrap sales related to the sale of scrap materials (i.e., items no longer useful in their original form) that resulted from the production process.

Scrap sales increased from SAR 170 thousand in the financial year ended 31 December 2022G to SAR 363 thousand in the financial year ended 31 December 2023G, representing an increase of 114.0 per cent., and then to SAR 2.1 million in the financial year ended 31 December 2024G, representing an increase of 465.5 per cent., driven by the significant expansion in the number of trucks, mining sites, asphalt mixing plants, and other assets, along with the increase in production volume over the historical period. This naturally led to a rise in scrap items and materials, which primarily included tires, batteries, steel scrap, burnt oils, items used at mining sites, and others.

Scrap sales increased from SAR 502 thousand during the three-month period ended 31 March 2024G to SAR 1.2 million during the three-month period ended 31 March 2025G, primarily due to the rise in aggregate production volume and the increase in the number of trucks, which led to a higher quantity of scrap materials.

(b) Gains / (Losses) from the Sale of Investment in Financial Instruments at Fair Value Through Profit or Loss (FVTPL)

Gains / (losses) from the sale of investments measured at FVTPL related to the realised gains or losses pertaining to the sale of the Group's investments in the shares of companies listed on the Exchange.

Gains / (losses) from the sale of investments measured at FVTPL amounted to a gain of SAR 243 thousand in the financial year ended 31 December 2022G, a loss of SAR 180 thousand in the financial year ended 31 December 2023G and a gain of SAR 1.7 million in the financial year ended 31 December 2024G.

Losses (gains) from the sale of investments measured at fair value through profit or loss amounted to SAR 331 thousand during the three-month period ended 31 March 2024G, and SAR 54 thousand during the three-month period ended 31 March 2025G.

(c) Gains from the Disposal of Property, Plant and Equipment

The gain on disposal of property, plant and equipment increased from SAR 229 thousand in financial year ended 31 December 2022G to SAR 827 thousand in the financial year ended 31 December 2023G, representing an increase of 261.8 per cent. in connection with the sale of transport trucks, truck boxes, and other assets.

In the financial year ended 31 December 2024G, a gain of SAR 1.4 million was reported, representing an increase of 67.6 per cent., primarily due to the sale of three caravans valued at SAR 685 thousand and 18 excavators valued at SAR 1.1 million, which were previously used at mining sites and have since been replaced, among other items. These gains were partially offset by losses incurred on the sale of other assets.

The gain on disposal of property, plant and equipment amounted to SAR 685 thousand during the three-month period ended 31 March 2024G, and SAR 762 thousand during the three-month period ended 31 March 2025G.

Unrealised gains / (losses) from the revaluation of investments measured at FVTPL represented the change in the fair value of the Group's investments in the shares of companies listed on the Exchange as of the year-end (i.e., unrealised gains / (losses)). This amounted to losses of SAR 439 thousand in the financial year ended 31 December 2022G, SAR 1.4 million in the financial year ended 31 December 2023G and a gain of SAR 325 thousand in the financial year ended 31 December 2024G.

Unrealised gains (losses) from the revaluation of investments in equity instruments measured at fair value through profit or loss increased by SAR 1.2 million during the three-month period ended 31 March 2025G.

(d) Gains from the Disposal of Right-of-Use Assets

Gains from the disposal of right-of-use assets amounted to nil in the financial year ended 31 December 2022G, and the financial year ended 31 December 2023G, and a gain of SAR 4 thousand in the financial year ended 31 December 2024G.

The gain on disposal of right-of-use assets amounted to nil during the three-month period ended 31 March 2024G, and nil during the three-month period ended 31 March 2025G.

(e) Bad Debts Collected

Bad debts collected pertained to the gain resulting from the recovery of previously written-off receivables. This amounted to SAR 600 thousand in the financial year ended 31 December 2022G, and nil in both the financial years ended 31 December 2023G and 2024G.

Bad debt collection expenses amounted to nil during the three-month period ended 31 March 2024G, and nil during the three-month period ended 31 March 2025G.

(f) Losses from the Disposal of Intangible Assets

Losses from the disposal of intangible assets amounted to nil in the financial years ended 31 December 2022G, and 2023G, and a loss of SAR 4 thousand in the financial year ended 31 December 2024G.

The loss on disposal of intangible assets amounted to nil during the three-month period ended 31 March 2024G, and nil during the three-month period ended 31 March 2025G.

(g) Foreign Currency Translation Differences

Foreign currency translation differences amounted to a gain of SAR 97 thousand in the financial year ended 31 December 2022G, a loss of SAR 180 thousand in the financial year ended 31 December 2023G and a loss of SAR 62 thousand in the financial year ended 31 December 2024G. These arise when transactions in a foreign currency (such as sales or purchases) are converted into the reporting currency at different exchange rates, resulting in gains or losses due to fluctuations in those rates.

Foreign currency translation differences amounted to nil during the three-month period ended 31 March 2024G, and a loss of SAR 2 thousand during the three-month period ended 31 March 2025G.

6.8.1.15 Net Income for the Financial Years Ended 31 December 2022G, 2023G, 2024G, and the Three-Month Periods Ended 31 March 2024G, and 2025G

The following table shows the Net income for the year for the financial years ended 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2024G, and 2025G:

Table 6.11: Net Income for the Financial Years Ended 31 December 2022G, 2023G, 2024G, and the Three-Month Periods Ended 31 March 2024G, and 2025G

SAR in 000s	2022G (Audited)	2023G (Audited)	2024G (Audited)	Variance 2022G - 2023G	Variance 2023G - 2024G	CAGR 2022G - 2024G	Three-Month Period Ended 31 March 2024G (Reviewed)	Three-Month Period Ended 31 March 2025G (Reviewed)	Variance
Net income before Zakat	72,754	51,149	63,988	(29.7%)	25.1%	(6.2%)	13,313	24,140	81.3%
Zakat	(1,965)	(4,090)	(4,300)	108.2%	5.1%	47.9%	(1,023)	(987)	(3.5%)
Net profit for the year/ period	70,789	47,058	59,688	(33.5%)	26.8%	(8.2%)	12,290	23,153	88.4%
Other Comprehensive income									
Item that will not be reclassified to profit or loss in subsequent years:									
Re-measurement gain on end of service benefits	2,262	1,658	(1,684)	(26.7%)	(199.4%)	Not Applicable	-	-	Not Applicable
Total Comprehensive income for the year	73,052	48,716	58,003	(33.3%)	19.1%	(10.9%)	12,290	23,153	88.4%

Source: The audited special purpose financial statements for the financial year ended 31 December 2022G, the audited consolidated financial statements for the financial year ended 31 December 2024G, and the unaudited consolidated financial statements for the three-month period ended 31 March 2025G.

(a) Net Profit

Net profit for the year declined from SAR 70.8 million in the financial year ended 31 December 2022G to SAR 47.1 million in the financial year ended 31 December 2023G, representing a decrease of 33.5 per cent., primarily due to (i) an increase in headcount and the launch of five new aggregate mining sites that were still in the ramp-up phase (meaning costs were incurred while revenues had not yet reached normalised levels), (ii) higher aggregate transportation costs resulting from regulations limiting the maximum weight per shipment, and (iii) increased raw material costs.

Net profit increased to SAR 59.7 million in the financial year ended 31 December 2024G, representing an increase of 26.8 per cent. in line with a 20.2 per cent. rise in revenue during the same period, accompanied by an increase in net profit margin from 9.4 per cent. to 10.0 per cent. over the period.

Net profit increased from SAR 12.3 million during the three-month period ended 31 March 2024G to SAR 23.2 million during the three-month period ended 31 March 2025G, primarily driven by an increase in gross profit from SAR 23.9 million to SAR 40.0 million over the same period, partially offset by a rise in general and administrative expenses from SAR 10.0 million to SAR 17.3 million.

(b) Re-Measurement Gain on End of Service Benefits

The remeasurement of employee defined benefit obligations decreased by 26.7 per cent. from SAR 2.3 million in financial year ended 31 December 2022G to SAR 1.7 million in financial year ended 31 December 2023G. Accordingly, the remeasurement of the defined benefit obligation declined further to a loss of SAR 1.7 million in financial year ended 31 December 2024G, representing a decrease of 201.6 per cent.

(c) Total Comprehensive Income for the Year

Total comprehensive income for the year declined from SAR 73.1 million in the financial year ended 31 December 2022G to SAR 48.7 million in the financial year ended 31 December 2023G, representing a decrease of 33.3 per cent., and then increased to SAR 58.0 million in the financial year ended 31 December 2024G, representing an increase of 19.1 per cent. in line with revenue growth. Comprehensive income also rose from SAR 12.3 million during the three-month period ended 31 March 2024G to SAR 23.2 million during the three-month period ended 31 March 2025G, representing an increase of 88.4 per cent., reflecting the increase in gross profit, partially offset by higher general and administrative expenses.

6.8.2 Historical Balance Sheets

The following table shows the historical Balance sheet as of 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G:

Table 6.12: Balance Sheet as of 31 December 2022G, 2023G, 2024G, and the Three-Month Period Ended 31 March 2025G

SAR in 000s	31 December 2022G (Audited)	31 December 2023G (Audited)	31 December 2024G (Audited)	31 March 2025G (Reviewed)
Assets				
Non-Current assets				
Property, plant and equipment	128,498	193,200	205,742	201,381
Intangible assets	-	226	8,640	8,322
Right-of-use assets	-	6,474	4,382	4,218
Total of Non-Current Assets	128,498	199,900	218,764	213,921
Current Assets				
Inventories	82,584	122,230	129,408	120,197
Amounts due from Related Parties	33,942	20,471	49,934	39,888
Prepayments and other current assets	44,758	22,931	23,240	33,366
Trade receivables and notes receivable	30,860	46,167	54,942	82,896
Investment in financial instruments at fair value through profit or loss	2,843	5,341	4,477	11,109
Cash and cash equivalents	18,339	11,550	25,914	20,617
Total of Current Assets	213,326	228,691	287,915	308,072
Total Assets	341,824	428,591	506,679	521,993
Equity				
Capital	500	186,000	186,000	186,000
Reserve	150	150	150	150
Retained earnings	68,602	121,741	170,444	184,301
Additional share capital	185,500	-	-	-
Total shareholders' equity	254,752	307,891	356,594	370,451
Non-controlling interests	-	-	19	15
Total Equity	254,752	307,891	356,614	370,467
Liabilities				
Non-Current Liabilities				
Employees' defined benefits obligations	9,382	8,214	11,454	11,914
Murabaha financing – non-current portion	-	-	10,667	17,975
Lease liabilities - non-current	-	3,495	1,560	1,307
Total Non- Current Liabilities	9,382	11,710	23,680	31,195
Current Liabilities				
Accounts payable	29,633	39,684	44,652	33,712
Accrued expenses and other current liabilities	42,009	26,037	40,808	34,684

SAR in 000s	31 December 2022G (Audited)	31 December 2023G (Audited)	31 December 2024G (Audited)	31 March 2025G (Reviewed)
Dividends payable	-	-	-	9,300
Lease liabilities - Current portion	-	2,928	2,130	1,887
Murabaha financing - current portion	-	35,824	34,467	39,567
Amounts due to Related Parties	4,058	400	-	-
Zakat	1,990	4,118	4,328	1,182
Total Current Liabilities	77,691	108,990	126,386	120,331
Total Liabilities	87,072	120,700	1050,066	151,527
Total Equity and Liabilities	341,824	428,591	506,679	521,993

Source: The audited special purpose financial statements for the financial year ended 31 December 2022G, the audited consolidated financial statements for the financial year ended 31 December 2024G, and the unaudited consolidated financial statements for the three-month period ended 31 March 2025G.

The following table shows the key performance indicators of the balance sheet as of 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G:

Table 6.13: Key Performance Indicators as of 31 December 2022G, 2023G and 2024G, and the Three-Month Period Ended 31 March 2025G

SAR in 000s	31 December 2022G (Audited)	31 December 2023G (Audited)	31 December 2024G (Audited)	31 March 2025G (Reviewed)
Days inventory outstanding ⁽¹⁾	85	93	93	89
Days Payable outstanding ⁽²⁾	27	32	31	28
Return on average assets ⁽³⁾	23.2%	12.2%	12.8%	13.7%
Return on average equity ⁽⁴⁾	38.9%	16.7%	18.0%	19.4%

Source: The audited special purpose financial statements for the financial year ended 31 December 2022G, the audited consolidated financial statements for the financial year ended 31 December 2024G, the unaudited consolidated financial statements for the three-month period ended 31 March 2025G and management information.

(1) Calculated based on (average total inventory for the previous and current year / net purchases) × 365.

(2) Calculated based on (average total accounts payable for the previous and current year / net purchases) × 365.

(3) Calculated based on (net profit for the year or period / average total assets for the previous and current year) and presented as a percentage.

(4) Calculated based on (net profit for the year or period / average total shareholders' equity for the previous and current year) and presented as a percentage.

6.8.2.1 Non-Current Assets

(a) Property, Plant and Equipment

The value of property, plant, and equipment amounted to SAR 201.4 million as of 31 March 2025G. It primarily consists of transportation assets valued at SAR 104.6 million, machinery and equipment at SAR 63.5 million, buildings and caravans at SAR 20.5 million, land at SAR 6.4 million, and furniture and furnishings at SAR 2.9 million, in addition to other assets.

The balance of property, plant, and equipment increased from SAR 128.5 million as of 31 December 2022G to SAR 193.2 million as of 31 December 2023G, driven by additions during the year amounting to SAR 121.5 million (including SAR 20.8 million transferred from projects under construction), primarily related to transportation vehicles amounting to SAR 54.1 million, machinery and equipment amounting to SAR 38.3 million (including SAR 18.4 million transferred from projects under construction), and projects under construction amounting to SAR 20.4 million, among other items.

This was partially offset by (i) depreciation for the year amounting to SAR 36.3 million, primarily attributable to transportation vehicles at SAR 15.1 million and machinery and equipment at SAR 18.0 million, among other items, and (ii) transfers from projects under construction to other asset categories amounting to SAR 20.8 million.

The balance increased to SAR 205.7 million as of 31 December 2024G, due to (i) additions during the year amounting to SAR 60.6 million (including SAR 600 thousand transferred from projects under construction), primarily related to transportation vehicles valued at SAR 50.3 million, among other items, and (ii) transfers from inventory amounting to SAR 7.9 million. These increases were partially offset by (i) depreciation charges for the year totalling SAR 51.1 million, mainly attributable to machinery and equipment at SAR 32.2 million and transportation vehicles at SAR 14.8 million, and (ii) transfers from projects under construction to intangible assets amounting to SAR 1.1 million.

The balance of property, plant, and equipment decreased to SAR 201.4 million as of 31 March 2025G. This is attributed to (i) recording a depreciation expense during the period amounting to a decrease of SAR 13.0 million, mainly due to depreciation of machinery and equipment amounting to a decrease of SAR 6.7 million, transportation vehicles amounting to a decrease of SAR 5.3 million, and others; and (ii) net disposals during the period amounting to a decrease of SAR 951 thousand. This was partially offset by additions made during the period amounting to an increase of SAR 9.6 million, mainly due to additions related to land amounting to an increase of SAR 4.6 million, transportation vehicles amounting to an increase of SAR 2.4 million, and others.

(b) Intangible Assets

The intangible assets balance amounted to SAR 8.3 million as of 31 March 2025G. It primarily consists of a mining licence, an enterprise resource planning solution system, computer software systems, truck weighing and inspection systems, and crusher systems, among other items. Intangible assets were previously recorded under “property, plant, and equipment” as of 31 December 2022G, with a value of SAR 273 thousand.

The intangible assets balance increased by SAR 8.4 million, from SAR 226 thousand as of 31 December 2023G to SAR 8.6 million as of 31 December 2024G. This increase was primarily driven by newly acquired intangible assets amounting to SAR 7.9 million, representing a quarry licence—which will be amortised over five years—as part of the acquisition of Dorra Al-Mobani for Mining Company in October 2024G.

Additionally, the transfers from projects under construction relate to the implementation of the SAP enterprise resource planning system during the 2024G financial year, amounting to SAR 1.1 million. These increases were partially offset by amortisation for the year totalling SAR 600 thousand.

Intangible assets decreased to SAR 8.3 million as of 31 March 2025G, primarily due to amortisation of the mining licence amounting to SAR 406 thousand and software amortisation of SAR 38 thousand, partially offset by additions related to SAP software and other software totalling SAR 126 thousand.

(c) Right-of-Use Assets

Right-of-use assets as of 31 March 2025G amounted to SAR 4.2 million, including leased vehicles at SAR 2.8 million, buildings at SAR 1.3 million, and land at SAR 154 thousand.

The balance decreased from SAR 6.5 million as of 31 December 2023G to SAR 4.4 million as of 31 December 2024G, driven by the depreciation charges for the year which amounted to SAR 2.1 million.

The balance decreased to SAR 4.2 million as of 31 March 2025G, driven by depreciation expenses for the period amounting to SAR 524 thousand, partially offset by additions to buildings of SAR 360 thousand related to a warehouse in Al Madinah (a three-year lease agreement starting 1 January 2025G with an annual rent of SAR 130 thousand, excluding VAT).

The Group commenced the application of IFRS 16 in the financial year ended 31 December 2023G. Accordingly, the right-of-use assets balance was nil as of 31 December 2022G. Leased assets were recorded under “Prepaid expenses” as of 31 December 2022G.

6.8.2.2 Current Assets

(a) Inventories

Inventory amounted to SAR 120.2 million as of 31 March 2025G, including finished goods at SAR 84.0 million, spare parts at SAR 28.6 million, raw materials at SAR 11.9 million, and work in progress at SAR 6.3 million. The provision for slow-moving inventory stood at SAR 10.6 million as of 31 March 2025G.

The inventory balance increased from SAR 82.6 million as of 31 December 2022G to SAR 122.2 million as of 31 December 2023G, driven by: (i) finished goods at SAR 31.1 million due to increased aggregate production resulting from the expansion of operations from three mining sites in financial year ended 31 December 2022G to seven mining sites in financial year ended 31 December 2023G, in addition to the inclusion of heavy machinery for sale to third parties, including an asphalt mixing plant valued at SAR 5.0 million, (ii) raw materials at SAR 6.5 million mainly due to higher raw material inventory resulting from operational expansion and an increase in bitumen prices between financial years ended 31 December 2022G, and 2023G, and (iii) spare parts at SAR 3.9 million attributed to the increased number of spare parts required for trucks, which rose from 149 trucks as of 31 December 2022G to 315 trucks as of 31 December 2023G, and crushers, which increased from eight crushers as of 31 December 2022G to 11 crushers as of 31 December 2023G, added during the period.

The balance increased to SAR 129.4 million as of 31 December 2024G due to the following: (i) finished goods amounting to SAR 4.3 million, driven by the continued increase in aggregate production, supported by expanded operations at newly launched sites; (ii) spare parts amounting to SAR 8.4 million, resulting from the increase in mining sites and asphalt mixing plants launched in financial year ended 31 December 2023G and financial year ended 31 December 2024G. Additionally, the reserve inventory of imported spare parts was increased from two months to four months due to shipping delays caused by geopolitical tensions in the region. (iii) Furthermore, an asphalt mixing plant valued at SAR 5.0 million was reclassified from “finished goods” to “spare parts” as of 31 December 2024G, as management plans to operate it as part of internal operations rather than selling it externally.

The inventory balance decreased to SAR 120.2 million as of 31 March 2025G, primarily due to a reduction in finished goods by SAR 10.6 million, resulting from the external sale of equipment related to crushers and spare parts during the period from the beginning of the year until 31 March 2025G.

(b) Trade Receivables and Notes Receivable

The balances of Trade receivables and notes receivables amounted to SAR 82.9 million as of 31 March 2025G and consist of (i) gross receivables of SAR 73.1 million, which relate solely to third parties, and an expected credit loss provision of SAR 4.2 million, and (ii) notes receivable amounting to SAR 14.0 million.

The balance increased from SAR 30.9 million as of 31 December 2022G to SAR 46.2 million as of 31 December 2023G, driven by an increase in gross receivables by SAR 13.3 million due to the overall rise in revenue throughout the year. This was accompanied by a decrease in the expected credit loss provision by SAR 2.0 million, which is calculated based on the Group’s expected credit loss model.

Trade receivables and notes receivable increased to SAR 54.9 million as of 31 December 2024G, due to an increase in notes receivable by SAR 9.3 million related to letters of credit opened by a customer for purchases from the Company. The Company received the cash payment in January 2025G. The expected credit loss provision also decreased by SAR 1.6 million over the year. These increases were partially offset by a decrease in gross receivables by SAR 2.1 million due to net collections made during the year.

Trade receivables and notes receivable increased to SAR 82.9 million as of 31 March 2025G, attributed to an increase in gross receivables by SAR 23.0 million resulting from higher outstanding balances from both the top ten customers and all other customers, in line with the rise in revenues during the period from the beginning of the year until 31 March 2025G across both segments. This increase is also due to the extension and improvement of payment terms offered to both existing and new customers. In addition, notes receivable increased by SAR 4.7 million as a result of a letter of credit issued by a customer, which was collected in cash by the Company in April and May 2025G.

(c) Amounts Due from Related Parties

The balances of amounts due from Related Parties amounted to SAR 39.9 million as of 31 March 2025G and consist of receivables from Najd Roads Contracting Company “NRCC” in exchange for the sale of aggregates and asphalt.

The balance decreased from SAR 33.9 million as of 31 December 2022G to SAR 20.5 million as of 31 December 2023G, driven by collections made throughout the year despite the increase in total sales to NRCC from SAR 67.4 million to SAR 106.1 million during financial years ended 31 December 2022G–2023G.

The balance increased to SAR 49.9 million as of 31 December 2024G due to slow collections made throughout the year, in addition to an increase in sales to SAR 116.9 million. No provision has been recorded by the Group for receivables from Related Parties over the historical period.

The balance of other receivables decreased to SAR 39.9 million as of 31 March 2025G. This is due to collections made during the period from NRCC, noting that sales to NRCC amounted to SAR 21.7 million in the period ended 31 March 2025G.

(d) Prepayments and Other Current Assets

The balances of prepaid amounts and other receivables amounted to SAR 33.4 million as of 31 March 2025G, consisting primarily of advance payments to suppliers of SAR 24.6 million, prepaid expenses of SAR 11.5 million, and cash advances of SAR 1.7 million, among others. The provision for impairment losses on advance payments to suppliers amounted to SAR 4.7 million as of 31 March 2025G.

The balance of prepaid amounts and other receivables decreased from SAR 44.8 million as of 31 December 2022G to SAR 22.9 million as of 31 December 2023G, driven by a reduction in advance payments to suppliers by SAR 20.2 million due to the receipt of machinery, trucks, among other items during the period.

The balance remained relatively stable at SAR 23.2 million as of 31 December 2024G.

The balance of prepaid amounts and other receivables increased to SAR 33.4 million as of 31 March 2025G, mainly due to the increase in (i) advance payments to suppliers by SAR 13.6 million, related to the purchase of raw materials, a concrete mixing plant, dump trucks, and other items, and (ii) prepaid expenses by SAR 1.6 million resulting from prepaid vehicle insurance, taking into account the amortisation of prepaid medical insurance. This was partially offset by the initial recognition of a provision for impairment losses on advance payments to suppliers amounting to SAR 4.7 million as of 31 March 2025G.

(e) Investment in Financial Instruments at Fair Value Through Profit or Loss (FVTPL)

The balances of investments in financial instruments measured at fair value through profit or loss amounted to SAR 11.1 million as of 31 March 2025G and consist of the Group's investments in shares of companies listed on the Exchange.

The balance amounted to SAR 2.8 million as of 31 December 2022G, SAR 5.3 million as of 31 December 2023G, SAR 4.5 million as of 31 December 2024G, and SAR 11.1 million as of 31 March 2025G, driven by additions, disposals, and remeasurement gains/(losses) over the review period.

(f) Cash and Cash Equivalents

The balances of cash and cash equivalents amounted to SAR 20.6 million as of 31 March 2025G and consist of cash in banks, cash in the investment portfolio, and cash on hand.

The balance of cash and cash equivalents decreased from SAR 18.3 million as of 31 December 2022G to SAR 11.6 million as of 31 December 2023G, primarily due to net cash used in investing activities amounting to SAR 97.8 million, driven by net additions to property, plant and equipment of SAR 94.3 million and investments measured at fair value through profit or loss of SAR 3.9 million. This was partially offset by (i) net cash generated from operating activities of SAR 56.8 million, resulting from EBITDA for the year of SAR 91.5 million, partially offset by changes in working capital of SAR 36.2 million due to an increase in inventory, and (ii) net cash generated from financing activities of SAR 34.2 million, driven by net proceeds from borrowings. The balance increased to SAR 25.9 million as of 31 December 2024G, due to net cash generated from operating activities of SAR 87.9 million, resulting from EBITDA for the year of SAR 122.5 million, partially offset by (i) changes in working capital of SAR 27.6 million, due to an increase in receivables from Related Parties, and (ii) Zakat payments of SAR 4.1 million and finance costs of SAR 3.8 million. Net cash used in investing activities amounted to SAR 70.2 million, primarily due to (1) net additions to property, plant and equipment of SAR 55.5 million and intangible assets of SAR 7.9 million, and (ii) investments in Subsidiaries of SAR 8.1 million.

The balance decreased to SAR 20.6 million as of 31 March 2025G, due to net cash used in investing activities amounting to SAR 13.5 million, mainly driven by net additions to property, plant and equipment of SAR 7.9 million and additions to investments measured at fair value through profit or loss of SAR 5.6 million, as well as net cash used in operating activities of SAR 3.3 million. These were partially offset by net cash generated from financing activities of SAR 11.5 million, primarily due to net proceeds from borrowings.

6.8.2.3 Equity

(a) Capital

The Capital balance amounted to SAR 186.0 million as of 31 March 2025G and consists of 18.6 million shares with a par value of SAR 10 per share, fully paid.

The Capital increased from SAR 500 thousand as of 31 December 2022G to SAR 186.0 million as of 31 December 2023G due to the transfer of SAR 185.5 million from "additional paid-in capital" to "Capital" on 22 January 2023G.

The balance remained stable at SAR 186.0 million as of 31 December 2024G, and 31 March 2025G.

(b) Additional Share Capital

Additional share capital amounted to SAR 185.5 million as of 31 December 2022G. During 2022G, the shareholders of the Company decided to provide additional contributions to support and finance the Company in the amount of SAR 185.5 million.

During the financial year ended 31 December 2023G, the entire balance was used to increase "Capital," and the balance was nil as of 31 December 2023G, 31 December 2024G, and 31 March 2025G.

(c) Reserve

The reserve balance amounted to SAR 150 thousand as of 31 March 2025G and was established in accordance with the former Companies Law and the Company's previous bylaws, which required the transfer of 10.0 per cent. of net income each year after covering accumulated losses until the reserve reached 30.0 per cent. of share capital. As of 31 December 2022G, the Reserve amounted to SAR 150 thousand, representing 30.0 per cent. of the share capital of SAR 500 thousand as of the same date.

As per the new Companies Law effective as of 19 January 2023G, and the amended Bylaws of the Company adopted in 2023G, this transfer is no longer mandatory. Accordingly, the balance remained unchanged at SAR 150 thousand as of 31 December 2023G, 31 December 2024G, and 31 March 2025G.

(d) Retained Earnings

Retained earnings amounted to SAR 184.3 million as of 31 March 2025G, rising from SAR 68.6 million as of 31 December 2022G to SAR 121.7 million as of 31 December 2023G, driven by net income for the year of SAR 47.1 million.

The balance increased to SAR 170.4 million as of 31 December 2024G, driven by net income for the year of SAR 59.7 million, partially offset by dividend distributions of SAR 9.3 million.

The balance increased to SAR 184.3 million as of 31 March 2025G, as a result of net income for the period amounting to SAR 23.2 million, partially offset by a decrease of SAR 9.3 million due to distributed dividends.

(e) Non-Controlling Interests

The balance of non-controlling interests amounted to SAR 19 thousand as of 31 December 2024G, and SAR 15 thousand as of 31 March 2025G. This relates to the 20.0 per cent. share in Al-Deraa Outni for Mining Company not owned by the Company.

6.8.2.4 Non-Current Liabilities

(a) Employees' Defined Benefits Obligations

The defined benefit obligation for employees amounted to SAR 11.9 million as of 31 March 2025G and relates to post-employment benefits for employees who complete a qualifying service period and are entitled to the stated amounts under the labour law for each year of service. An actuarial valuation is conducted annually at the end of each reporting period, and the obligation is adjusted accordingly.

No actuarial valuation was conducted as of 31 March 2025G, as the valuation will be performed at year-end.

(b) Murabaha Financing – Non-Current Portion

The balance of long-term Murabaha borrowing amounted to SAR 10.7 million as of 31 December 2024G.

The balance increased to SAR 18.0 million as of 31 March 2025G, attributed to obtaining financing of SAR 10.0 million from Arab National Bank, partially offset by a repayment of SAR 2.7 million on the Riyadh Bank loan. It is worth noting that these long-term loans were obtained to finance working capital needs and capital expenditures, and are expected to be fully repaid by 2029G.

(c) Lease Liabilities - Non-Current

Lease liabilities amounted to SAR 3.2 million as of 31 March 2025G, consisting of SAR 2.2 million for leased vehicles and SAR 1.0 million for buildings.

The balance decreased from SAR 6.4 million as of 31 December 2023G to SAR 3.7 million as of 31 December 2024G, driven by (i) payments of SAR 3.3 million and (ii) disposals of SAR 1.1 million during the period. This was partially offset by (i) additions of SAR 1.2 million and (ii) finance costs of SAR 500 thousand for the period.

The balance decreased to SAR 3.2 million as of 31 March 2025G, primarily due to payments totalling SAR 939 thousand during the period, partially offset by additions of SAR 360 thousand related to a warehouse in Medina and finance costs of SAR 82 thousand during the period.

The Group commenced the application of IFRS 16 in 2023G. Accordingly, the lease liability balance was nil as of 31 December 2022G. Leased assets were recorded under "Prepaid expenses" as of 31 December 2022G.

The balance of the non-current portion of lease liabilities amounted to nil as of 31 December 2022G, SAR 3.5 million as of 31 December 2023G, SAR 1.6 million as of 31 December 2024G, and SAR 1.3 million as of 31 December 2025G.

6.8.2.5 Current Liabilities

(a) Accounts Payable

Accounts payable amounted to SAR 33.7 million as of 31 March 2025G, comprising amounts due to suppliers for raw materials, spare parts, machinery, trucks, and equipment, among other items.

Accounts payable increased from SAR 29.6 million as of 31 December 2022G to SAR 39.7 million as of 31 December 2023G, mainly driven by the increase in payables due to: (i) due to supplier amounting to SAR 4.0 million, which supplies explosives and explosive-related services, whereby the increase was attributed to the expansion in the number of mining sites over 2022G-2023G, (ii) due to supplier amounting to SAR 3.9 million in relation to dump boxes and their accompanying parts, which are mounted on delivery trucks, and (iii) increase in payables to the Ministry of Energy, Industry and Mineral Resources amounting to SAR 2.3 million, which related to amounts representing approximately SAR 0.67 per tonne of aggregates sold from the Group's mining sites, mainly in Rumah and Summan (i.e., the largest sites).

The balance increased to SAR 44.7 million as of 31 December 2024G due to a net increase of SAR 10.8 million in payables to the top 15 suppliers, primarily those related to trucks such as tires, oils, and spare parts, in line with the expansion of the truck fleet. This was partially offset by the settlement of SAR 5.9 million in payables to other suppliers.

Accounts payable decreased to SAR 33.7 million as of 31 March 2025G, primarily due to the immediate settlement of balances during the period ended on that date for both the top 15 suppliers and all other suppliers.

(b) Accrued Expenses and Other Current Liabilities

Payables and other liabilities amounted to SAR 34.7 million as of 31 March 2025G, consisting of accrued expenses of SAR 17.7 million, customer advances of SAR 7.5 million, VAT payable of SAR 3.9 million, and others of SAR 5.7 million.

The balance decreased from SAR 42.0 million as of 31 December 2022G to SAR 26.0 million as of 31 December 2023G, driven by the decrease in dividends payable amounting to SAR 15.5 million during the year.

The balance increased to SAR 40.8 million as of 31 December 2024G, driven by the increases in accrued expenses amounting to SAR 6.6 million, advances from customers amounting to SAR 942 thousand, VAT payable amounting to SAR 1.9 million and others amounting to SAR 5.3 million.

The balance decreased to SAR 34.7 million as of 31 March 2025G, primarily due to (i) a SAR 3.8 million decrease in accrued expenses resulting from the settlement of net employee bonuses, despite the recognition of accrued insurance expenses related to heavy trucks and vehicles, and (ii) a SAR 3.0 million decrease in the others due to the settlement of the remaining amount payable for an acquisition completed in the fourth quarter of 2024G, and the settlement of underwriting fees payable to the company's financial advisors. This was partially offset by an increase in the provision for mineral exploitation fees, in line with the higher volume of aggregate sales during the three-month period ended 31 March 2025G.

(c) Dividends Payable

The balance of accrued dividends amounted to SAR 9.3 million as of 31 March 2025G, representing dividends payable to the Group's shareholders for the financial year ended 31 December 2023G, at a rate of SAR 0.5 per share, in accordance with the recommendation and approval issued by the Board of Directors.

(d) Lease Liabilities – Current

Lease liabilities amounted to SAR 3.2 million as of 31 March 2025G, consisting of SAR 2.2 million for leased vehicles and SAR 1.0 million for buildings.

The balance decreased from SAR 6.4 million as of 31 December 2023G to SAR 3.7 million as of 31 December 2024G, driven by (i) payments amounting to SAR 3.3 million and (ii) dispositions amounting to SAR 1.1 million during the period. This was partially offset by (i) additions amounting to SAR 1.2 million and (ii) financial costs amounting to SAR 500 thousand for the period.

The balance decreased to SAR 3.2 million as of 31 March 2025G, primarily due to payments totalling SAR 939 thousand during the period, partially offset by additions of SAR 360 thousand related to a warehouse in Medina and finance costs of SAR 82 thousand during the period.

The Group began applying IFRS 16 in 2020G. Accordingly, the lease liability balance was nil as of 31 December 2022G. Leased assets were recorded under "Prepaid expenses" as of 31 December 2022G.

The balance of the current portion of lease liabilities amounted to nil as of 31 December 2022G, SAR 3.0 million as of 31 December 2023G, SAR 2.1 million as of 31 December 2024G, and SAR 1.9 million as of 31 March 2025G.

(e) Murabaha Financing - Current Portion

The balance of current portion of term loans amounted to SAR 39.6 million as of 31 March 2025G.

The balance of current portion of term loans decreased from SAR 35.8 million as of 31 December 2023G to SAR 34.5 million as of 31 December 2024G. This was driven by the settlement of short-term loans from Arab National Bank amounting to SAR 27.0 million, partially offset by an increase in short-term loans obtained from Riyadh Bank amounting to SAR 13.8 million and Banque Saudi Fransi amounting to SAR 11.8 million.

The balance of current portion of term loans increased to SAR 39.6 million as of 31 March 2025G, attributed to financing obtained from Arab National Bank amounting to SAR 7.9 million and from Banque Saudi Fransi amounting to SAR 1.2 million, partially offset by a repayment of SAR 4.0 million on credit facilities from Riyadh Bank.

The purpose of the current portion of term loans is primarily to finance working capital requirements and capital expenditures. Furthermore, the short-term loans are expected to be settled within one year from 31 December 2024G.

(f) Amounts Due to Related Parties

Related party payables amounted to nil as of 31 March 2025G, having decreased from SAR 4.1 million as of 31 December 2022G to SAR 400 thousand as of 31 December 2023G. This decrease was driven by the settlement of SAR 4.1 million in balances payable to certain shareholders of the Company, related to dividends payable and other non-operating balances. This was partially offset by non-operating balances due from Judeh Sakhour for Mining Company to its former owner and current Chief Operating Officer, amounting to SAR 400 thousand. This balance was settled during the financial year ended 31 December 2024G, resulting in a nil balance as of both 31 December 2024G, and 31 March 2025G.

(g) Zakat Provision

The Zakat provision balance amounted to SAR 1.2 million as of 31 March 2025G, comprising Zakat charges and payments made during the year. Zakat charges are calculated in accordance with the requirements of the Zakat, Tax and Customs Authority.

The balance increased from SAR 2.0 million as of 31 December 2022G to SAR 4.1 million as of 31 December 2023G, driven by Zakat charges for the year amounting to SAR 4.1 million, partially offset by payments made during the year totalling SAR 2.0 million.

The balance increased to SAR 4.3 million as of 31 December 2024G due to annual fees amounting to SAR 4.3 million. This was partially offset by payments made during the year totalling SAR 4.1 million.

The balance decreased to SAR 1.2 million as of 31 March 2025G, attributed to payments made during the period amounting to SAR 4.1 million, partially offset by the recognition of period expenses totalling SAR 987 thousand.

6.8.2.6 Non-Current Assets

The following table shows the Non-Current Assets as of 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G:

Table 6.14: Non-Current Assets as of 31 December 2022G, 2023G, 2024G, and the Three-Month Period Ended 31 March 2025G

SAR in 000s	31 December 2022G (Audited)	31 December 2023G (Audited)	31 December 2024G (Audited)	31 March 2025G (Reviewed)
Property, plant and equipment	128,498	193,200	205,742	201,381
Intangible assets	-	226	8,640	8,322
Right-of-use assets	-	6,474	4,382	4,218
Total of Non-Current Assets	128,498	199,900	218,764	213,921

Source: The audited special purpose financial statements for the financial year ended 31 December 2022G, the audited consolidated financial statements for the financial year ended 31 December 2024G, and the unaudited consolidated financial statements for the three-month period ended 31 March 2025G.

Non-current assets primarily consist of property, plant and equipment, right-of-use assets, and intangible assets. Non-current assets represented 37.6 per cent., 46.6 per cent., 43.2 per cent., and 41.0 per cent. of total assets as of 31 December 2022G, 2023G, 2024G, and 31 March 2025G respectively.

(a) Property, Plant and Equipment

The following table shows the net book value of the property, plant and equipment as of 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G:

Table 6.15: Net Book Value of the Property, Plant and Equipment as of 31 December 2022G, 2023G, 2024G, and the Three-Month Period Ended 31 March 2025G

SAR in 000s	31 December 2022G (Audited)	31 December 2023G (Audited)	31 December 2024G (Audited)	31 March 2025G (Management)
Transportation vehicles	47,674	71,082	108,358	104,568
Machinery and equipment	61,017	91,444	69,417	63,534
Buildings and caravans	14,435	21,994	20,175	20,468
Land	1,752	1,752	1,752	6,377
Furniture and fixtures	1,390	3,019	3,178	2,921
Electrical devices	-	1,679	1,325	1,235
Projects in progress (PUC)	1,947	1,549	429	1,217
Leasehold improvements	-	680	1,107	1,061
Other assets	283	-	-	-
Total	128,498	193,200	205,742	201,381

Source: The audited special purpose financial statements for the financial year ended 31 December 2022G, the audited consolidated financial statements for the financial year ended 31 December 2024G, and management information.

The following table shows the additions, transfers and disposals of the property, plant and equipment as of 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G:

Table 6.16: Additions, Transfers and Disposals of the Property, Plant and Equipment as of 31 December 2022G, 2023G, 2024G, and the Three-Month Period Ended 31 March 2025G

SAR in 000s	31 December 2022G (Audited)	31 December 2023G (Audited)	31 December 2024G (Audited)	31 March 2025G (Management)
Transportation vehicles	32,421	48,514	52,058	1,486
Machinery and equipment	41,815	39,380	10,201	864
Buildings and caravans	2,788	9,657	15	748
Land	-	-	-	4,625
Furniture and fixtures	738	2,927	1,302	76
Electrical devices	-	1,228	414	48
Projects in progress (PUC)	(3,936)	(398)	(1,121)	788
Leasehold improvements	-	(20)	787	-
Other assets	47	-	-	-
Total	73,873	101,287	63,655	8,636

Source: The audited special purpose financial statements for the financial year ended 31 December 2022G, the audited consolidated financial statements for the financial year ended 31 December 2024G, and management information.

The following table shows the accumulated depreciation of the property, plant and equipment as of 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G:

Table 6.17: Accumulated Depreciation of the Property, Plant and Equipment as of 31 December 2022G, 2023G, 2024G, and the Three-Month Period Ended 31 March 2025G

SAR in 000s	31 December 2022G (Audited)	31 December 2023G (Audited)	31 December 2024G (Audited)	31 March 2025G (Management)
Transportation vehicles	63,193	48,750	60,387	64,325
Machinery and equipment	82,619	124,906	134,044	139,935
Buildings and caravans	6,851	8,020	9,415	9,871
Furniture and fixtures	4,223	5,078	5,485	5,818
Electrical devices	-	2,163	2,330	2,466
Leasehold improvements	-	1,350	1,710	1,756
Other assets	1,052	-	-	-
Total	157,938	190,267	213,371	224,171

Source: The audited special purpose financial statements for the financial year ended 31 December 2022G, the audited consolidated financial statements for the financial year ended 31 December 2024G, and management information.

Transportation vehicles

The balance of transportation assets amounted to SAR 104.6 million as of 31 March 2025G, primarily consisting of heavy transport trucks and other standard vehicles.

The balance of transportation assets increased from SAR 47.7 million as of 31 December 2022G to SAR 71.1 million as of 31 December 2023G, driven by additions amounting to SAR 54.1 million related to the purchase of new heavy trucks. This aligns with the Company's strategy to reduce reliance on leased trucks and third-party carriers, as transportation costs have risen due to regulations limiting the load per shipment to 28 tonnes. These increases were partially offset by depreciation charges of SAR 15.1 million and net disposals of SAR 5.5 million for the year.

The value of transportation vehicles increased to SAR 108.4 million as of 31 December 2024G, driven by additions during the year amounting to SAR 50.3 million, as the Group expanded its fleet size to 576 trucks as of 31 December 2024G, up from 315 trucks as of 31 December 2023G—an increase of 261 trucks. These increases were partially offset by depreciation charges of SAR 14.8 million and net asset disposals of SAR 1.0 million during the year. The Group revised the estimated useful life of transportation vehicles, effective 1 January 2024G, to a range of five to seven years instead of five years.

The balance of transportation vehicles decreased to SAR 104.6 million as of 31 March 2025G, due to depreciation expenses for the period amounting to SAR 5.3 million and net disposals of SAR 947 thousand. This was partially offset by additions during the period totalling SAR 2.4 million, primarily consisting of pickup trucks and truck boxes.

Machinery and equipment

The balance of machinery and equipment amounted to SAR 63.5 million as of 31 March 2025G, consisting of crushers, bulldozers, excavators, asphalt mixers, and other related assets.

The balance of machinery and equipment increased from SAR 61.0 million as of 31 December 2022G to SAR 91.4 million as of 31 December 2023G, driven by (i) transfers from projects under construction amounting to SAR 18.4 million, (ii) additions of SAR 19.9 million, and (iii) transfers from inventory totalling SAR 1.0 million—primarily related to crushers valued at SAR 28.3 million and asphalt mixing plants valued at SAR 6.3 million, among others. This increase aligns with the expansion of operations throughout the year, namely the increase in the number of mining sites. These increases were partially offset by depreciation charges of SAR 18.0 million for the year.

The value of machinery and equipment decreased to SAR 69.4 million as of 31 December 2024G, due to depreciation charges for the year amounting to SAR 32.2 million. This was offset by additions during the year totalling SAR 4.6 million and transfers from inventory amounting to SAR 5.1 million. The useful life of machinery and equipment was revised to five years instead of seven years, effective 1 January 2024G.

The balance of machinery and equipment decreased to SAR 63.5 million as of 31 March 2025G, as a result of depreciation expenses for the period amounting to SAR 6.7 million.

Buildings and caravans

Buildings and caravans valued at SAR 20.5 million as of 31 March 2025G primarily consist of the Group's headquarters and other administrative offices, warehouses, sheds, caravans and mobile cabins, employee housing, water wells, and other related facilities.

The balance of buildings and caravans increased from SAR 14.4 million as of 31 December 2022G to SAR 22.0 million as of 31 December 2023G, driven by transfers from inventory amounting to SAR 5.2 million, transfers from projects under construction totalling SAR 2.4 million, and additions of SAR 2.2 million. These primarily related to portable cabins and caravans valued at SAR 6.2 million, in addition to concrete works, structures, and pavement stones at mining sites and for the Group's new headquarters totalling SAR 2.2 million. These increases were partially offset by depreciation charges of SAR 1.4 million for the year.

The value of buildings and caravans decreased to SAR 20.2 million as of 31 December 2024G, due to net asset disposals amounting to SAR 1.6 million and depreciation charges of SAR 1.8 million during the year. This was partially offset by additions during the year totalling SAR 1.6 million. Effective 1 January 2024G, the Group revised the estimated useful life of its buildings and caravans to a range of 10–20 years instead of 20 years.

The balance remained relatively stable at SAR 20.5 million as of 31 March 2025G.

Land

The land balance amounted to SAR 6.4 million as of 31 March 2025G, consisting of four plots in Riyadh used for operational warehouses valued at SAR 4.6 million, one plot in Jeddah designated for the development of the regional head office and spare parts branch valued at SAR 1.2 million, and one plot in Riyadh housing the Group's head office valued at SAR 552 thousand.

The land balance remained unchanged between 31 December 2022G, and 31 December 2024G at SAR 1.8 million, consisting of a plot in Jeddah valued at SAR 1.2 million and a plot in Riyadh valued at SAR 552 thousand.

The value of land increased to SAR 6.4 million as of 31 March 2025G, following the purchase of four plots in Riyadh that include operational warehouses used in the Group's activities. The land was acquired from Abdulaziz Saleh Al Rashed (a shareholder) at fair market value, based on an external valuation conducted by an independent party and approved by the Board of Directors, in accordance with the arm's length transaction principle.

The land located in Jeddah (valued at SAR 1.2 million) is registered under the name of Abdulaziz Saleh Al Rashed (a shareholder), although it was originally paid for by the Group in 2015G. However, after 31 March 2025G, management noted that it was unable to complete the transfer of ownership to the Group's name. Based on the recommendation of the Board of Directors, the land was excluded from the Group's asset records in May 2025G, and the shareholder Abdulaziz Saleh Al Rashed reimbursed the Group an amount of SAR 1.2 million.

Furniture and fixtures

The balance of furniture and fixtures amounted to SAR 2.9 million as of 31 March 2025G, relating to furnishings and fittings for the Group's headquarters, branches, and other locations such as tables, chairs, shelves, and cabinets.

The balance of furniture and fixtures increased from SAR 1.4 million as of 31 December 2022G to SAR 3.0 million as of 31 December 2023G, driven by additions amounting to SAR 2.9 million, primarily related to site fittings, cabinets, fire protection systems, among other items. These increases were partially offset by depreciation charges of SAR 1.3 million for the year.

The value of furniture and fixtures rose to SAR 3.2 million as of 31 December 2024G, mainly due to additions during the year totalling SAR 1.2 million. These increases were partially offset by annual depreciation charges of SAR 1.1 million.

Similar to other assets, the useful life of furniture and fixtures was revised to a range of two to four years instead of ten years, effective 1 January 2024G.

The balance of furniture and fixtures decreased to SAR 2.9 million as of 31 March 2025G, due to depreciation expenses for the period amounting to SAR 333 thousand.

Projects under construction

The balance of projects under construction amounted to SAR 1.2 million as of 31 March 2025G, consisting of capital expenditures and initiatives undertaken by the Group related to machinery and facility upgrades, mining site preparation, spare parts plant works, and digital initiatives such as the implementation of the SAP system, among others. Capitalised items

related to mining site preparation specifically include costs incurred for worker accommodations, warehouses, hangars, offices, workshops, land improvements such as levelling and grading, machinery and equipment, water and sewage systems, vehicles, and other related infrastructure. Assets valued below SAR 1 thousand are expensed, while those exceeding SAR 1 thousand are capitalised and depreciated over their estimated useful lives. As of 31 March 2025G, the balance relates to the expansion of crusher production capacity amounting to SAR 606 thousand, the preparation of a new silica mining site in Tayma, Saudi Arabia amounting to SAR 429 thousand, and the installation of a diesel station amounting to SAR 182.0 thousand.

As of 31 December 2024G, the balance primarily related to the preparation of a new silica mining site in Tayma, Saudi Arabia.

Capital expenditures in progress decreased from SAR 1.9 million as of 31 December 2022G to SAR 1.5 million as of 31 December 2023G, driven by net transfers to other asset categories during the year.

The value of projects under construction decreased to SAR 429 thousand as of 31 December 2024G due to (i) transfers from projects under execution to intangible assets related to the cost of the Group's Enterprise Resource Planning system "SAP" amounting to SAR 1.1 million (ii) transfers to machinery and equipment amounting to SAR 579 thousand and (iii) write-offs recorded as other expenses related to the discontinuation of construction of the spare parts plant for crushers and the caravans plant on Al Kharj Road in Riyadh. This was partially offset by additions to projects under execution amounting to SAR 1.1 million.

The balance of projects under construction increased to SAR 1.2 million as of 31 March 2025G due to additions made during the period amounting to SAR 788 thousand. These additions primarily relate to (i) expansion of the crusher's production capacity by SAR 606 thousand including improvements to the material transfer line and (ii) installation of a diesel station at the mining site in Riyadh by SAR 182.0 thousand aimed at improving diesel monitoring and consumption.

Leasehold improvements

The balance of leasehold improvements amounted to SAR 1.1 million as of 31 March 2025G and represents the works and enhancements primarily carried out within the Group's branches and mining sites. Prior to 1 January 2023G leasehold improvements were accounted for under buildings and caravans.

The balance increased from SAR 680 thousand as of 31 December 2023G to SAR 1.1 million as of 31 December 2024G driven by additions during the year amounting to SAR 787 thousand which primarily related to the Tabuk branch. These increases were partially offset by depreciation charges for the year amounting to SAR 360 thousand.

Leasehold improvements remained relatively stable at SAR 1.1 million as of 31 March 2025G.

Electrical devices

The balance of electrical appliances amounted to SAR 1.2 million as of 31 March 2025G and relates to electrical devices and equipment within the Group's administrative buildings at the headquarters, branches, and sites such as refrigerators, cleaning machines, televisions, printers, among others. Electrical appliances were separated from the furniture and fixtures category effective 1 January 2023G to better align with the nature, useful life, and application of the assets.

The balance of electrical appliances decreased from SAR 1.7 million as of 31 December 2023G to SAR 1.3 million as of 31 December 2024G driven by depreciation charges for the year amounting to SAR 768 thousand. This was partially offset by additions during the year amounting to SAR 441 thousand.

Electrical appliances slightly decreased to SAR 1.2 million as of 31 March 2025G due to net depreciation provisions during the period.

Other assets

Others amounted to SAR 283 thousand as of 31 December 2022G. This asset category was not present as of 31 December 2023G, 31 December 2024G, and 31 March 2025G as the assets were reclassified into other asset categories to better align with their nature, useful life, and application.

(b) Right-of-Use Assets

The following table shows the Right-of-Use Assets as of 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G:

Table 6.18: Right-of-Use Assets as of 31 December 2022G, 2023G, 2024G, and the Three-Month Period Ended 31 March 2025G

SAR in 000s	31 December 2022G (Audited)	31 December 2023G (Audited)	31 December 2024G (Audited)	31 March 2025G (Management)
Cost				
As of 1 January	-	-	7,745	7,679
Additions	-	7,745	1,158	360
Disposals	-	-	(1,125)	-
Accumulated depreciation				
As of 1 January	-	-	1,271	3,296
Charged during the year	-	1,271	2,126	(524)
Disposals	-	-	(100)	-
Net book value:				
As of 31 December/March	-	6,474	4,382	4,218

Source: The audited special purpose financial statements for the financial year ended 31 December 2023G, 2024G, and management information.

Right-of-use assets consist of vehicles, buildings, offices, and factories.

The balance of right-of-use assets amounted to SAR 4.2 million as of 31 March 2025G and includes leased vehicles amounting to SAR 2.8 million, buildings amounting to SAR 1.3 million, and land amounting to SAR 154 thousand.

The balance of right-of-use assets decreased from SAR 6.5 million as of 31 December 2023G to SAR 4.4 million as of 31 December 2024G driven by depreciation charges for the period amounting to SAR 2.1 million.

The balance decreased to SAR 4.2 million as of 31 March 2025G driven by depreciation expenses for the period amounting to SAR 524 thousand, partially offset by additions to buildings amounting to SAR 360 thousand related to a warehouse in Madinah (a three-year lease agreement starting 1 January 2025G with an annual rent of SAR 130 thousand excluding VAT).

The Group commenced the application of IFRS 16 in 2023G. Accordingly, the right-of-use assets balance was nil as of 31 December 2022G. Leased assets were recorded under "Prepaid expenses" as of 31 December 2022G.

6.8.2.7 Current Assets

The following table shows the Current Assets as of 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G:

Table 6.19: Current Assets as of 31 December 2022G, 2023G, 2024G, and the Three-Month Period Ended 31 March 2025G

SAR in 000s	31 December 2022G (Audited)	31 December 2023G (Audited)	31 December 2024G (Audited)	31 March 2025G (Reviewed)
Inventories	82,584	122,230	129,408	120,197
Amounts due from Related Parties	33,942	20,471	49,934	39,888
Prepayments and other current assets	44,758	22,931	23,240	33,366
Trade receivables and notes receivable	30,860	46,167	54,942	82,896
Investment in financial instruments at fair value through profit or loss	2,843	5,341	4,477	11,109
Cash and cash equivalents	18,339	11,550	25,914	20,617
Total of Current Assets	213,326	228,691	287,915	308,072

Source: The audited special purpose financial statements for the financial year ended 31 December 2022G, the audited consolidated financial statements for the financial year ended 31 December 2024G, and the unaudited consolidated financial statements for the three-month period ended 31 March 2025G.

Current assets mainly consist of inventory, trade receivables, prepaid expenses and other current assets, amounts due from Related Parties, investment in financial instruments measured at fair value through profit or loss, and cash and cash equivalents. Current assets represented 62.4 per cent., 53.4 per cent., and 56.8 per cent. of total assets as of 31 December 2022G, 2023G, and 2024G respectively, in addition to 59.0 per cent. of total assets as of 31 March 2025G.

(a) Inventories

The following table shows the Inventories as of 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G:

Table 6.20: Inventories as of 31 December 2022G, 2023G, 2024G, and the Three-Month Period Ended 31 March 2025G

SAR in 000s	31 December 2022G (Audited)	31 December 2023G (Audited)	31 December 2024G (Audited)	31 March 2025G (Reviewed)
Finished goods	59,114	90,198	94,542	83,963
Spare parts	16,168	20,114	28,552	28,636
Raw materials	3,902	10,439	9,349	11,895
Work-in-progress	10,821	9,147	6,635	6,255
Less: provision for slow-moving inventories	(7,420)	(7,668)	(9,669)	(10,553)
Total	82,584	122,230	129,408	120,197

Source: The audited special purpose financial statements for the financial year ended 31 December 2022G, the audited consolidated financial statements for the financial year ended 31 December 2024G, and the unaudited consolidated financial statements for the three-month period ended 31 March 2025G.

The following table shows the Movement in provision for slow-moving inventories as of 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G:

Table 6.21: Movement in Provision for Slow-Moving Inventories as of 31 December 2022G, 2023G, 2024G, and the Three-Month Period Ended 31 March 2025G

SAR in 000s	31 December 2022G (Audited)	31 December 2023G (Audited)	31 December 2024G (Audited)	31 March 2025G (Reviewed)
At the beginning of the year	7,420	7,420	7,668	9,669
Charges for the year	-	248	2,001	883
At the end of the year	7,420	7,668	9,669	10,553

Source: The audited special purpose financial statements for the financial year ended 31 December 2022G, the audited consolidated financial statements for the financial year ended 31 December 2024G, and the unaudited consolidated financial statements for the three-month period ended 31 March 2025G.

Finished goods

The balance of finished goods amounted to SAR 84.0 million as of 31 March 2025G, all of which are sold externally. It consists of various sizes of aggregate, crushers and their components, dump trucks, heavy machinery, and other items.

The finished goods balance increased significantly from SAR 59.1 million as of 31 December 2022G to SAR 90.2 million as of 31 December 2023G, primarily due to the rise in aggregate production driven by operational expansion from three mining sites in financial year ended 31 December 2022G to seven mining sites in financial year ended 31 December 2023G. This increase also reflects the addition of heavy machinery and related components, including an asphalt mixing plant valued at SAR 5.0 million.

The balance increased from SAR 94.5 million as of 31 December 2024G, driven by the continued increase in aggregates' production, supported by the ramp-up in operations at the newly launched sites, coupled with the net additions of crusher-related parts, dump trucks, among others.

Finished goods decreased to SAR 84.0 million as of 31 March 2025G due to the sale of crusher-related equipment to external parties during the year-to-date period of 2025G. Aggregate inventories amounted to SAR 48.3 million as of 31 March 2025G, remaining relatively stable compared to SAR 48.1 million as of 31 December 2024G.

Spare parts

The balance of spare parts amounted to SAR 28.6 million as of 31 March 2025G and is used exclusively as part of the Group's operations. It consists of various spare parts related to trucks, crushers, asphalt mixing plants, and others.

Items such as crushers and asphalt mixing plants are recorded under this category until they are actually put into operational use, after which they are reclassified under "property, plant and equipment."

The balance of spare parts increased from SAR 16.2 million as of 31 December 2022G to SAR 20.1 million as of 31 December 2023G due to the rise in required spare parts for trucks, which increased from 149 trucks as of 31 December 2022G to 315 trucks as of 31 December 2023G, and crushers, which increased from eight crushers as of 31 December 2022G to 11 crushers as of 31 December 2023G that were added during the period.

The balance increased to SAR 28.6 million as of 31 December 2024G due to the acceleration of operations at mining sites and asphalt mixing plants launched during the 2023G financial year, in addition to an increase in the reserve inventory of imported spare parts from two months to four months as a result of shipping delays caused by geopolitical tensions in the region.

Additionally, the asphalt mixing plant amounting to SAR 5.0 million that was recorded under "finished goods" as of 31 December 2023G was reclassified to "spare parts" as of 31 December 2024G, as management plans to operate it as part of its operations instead of selling it externally.

The balance of spare parts remained relatively stable at SAR 28.6 million as of 31 March 2025G.

Raw materials

The balance of raw materials amounted to SAR 11.9 million as of 31 March 2025G and consists primarily of bulk stone, bitumen, and other items.

The balance increased from SAR 3.9 million as of 31 December 2022G to SAR 10.4 million as of 31 December 2023G mainly due to higher raw material inventory requirements resulting from the expansion of operations and the increase in bitumen prices between the 2022G–2023G financial years.

The balance decreased to SAR 9.3 million as of 31 December 2024G due to the consumption of raw materials, namely bitumen and bulk stone, as part of the Group's operations. This was driven by higher production levels of aggregate and asphalt in the fourth quarter of 2024G as a result of continued growth in demand for construction materials in the market, with demand being higher in the fourth quarter of 2024G compared to the previous two quarters.

The balance increased to SAR 11.9 million as of 31 March 2025G mainly due to an increase in raw stone inventory. Raw stone is extracted using explosives and then crushed to produce various sizes of aggregate. This increase resulted from the rise in extraction and processing activities carried out toward the end of the period, aimed at optimising site resource utilisation and preventing potential production interruptions (such as public holidays). The period also saw an increase in diesel inventory used to operate crushers, asphalt mixing plants, trucks, and other equipment, in addition to an increase in vehicle tires beyond those used in truck maintenance cycles and recorded under "spare parts," as well as an increase in other materials used in heavy equipment assembly operations.

Work-in-progress

Work-in-progress "WIP" amounted to SAR 6.3 million as of 31 March 2025G and primarily relates to custom projects requested by clients, in addition to steel structures for crushers and other heavy machinery, mobile caravan components, crushers, crusher parts, and other items, all of which are manufactured at the Group's facilities.

The balance decreased from SAR 10.8 million as of 31 December 2022G to SAR 9.1 million as of 31 December 2023G primarily due to a decline in demand for custom projects requested by clients.

The balance decreased to SAR 6.6 million as of 31 December 2024G due to the capitalisation of several caravans and steel structures used in crushers and other heavy equipment, driven by the acceleration of operations at newly launched mining sites and asphalt mixing plants.

The balance remained relatively stable at SAR 6.3 million as of 31 March 2025G.

Provision for slow-moving inventories

The inventory impairment provision amounted to SAR 10.6 million as of 31 March 2025G. The provision policy was as follows: inventory aged between 361 and 720 days was provisioned at 25 per cent. of its value, while inventory aged between 721 and 1080 days was provisioned at 50 per cent. Inventory older than 1080 days was fully provisioned at 100 per cent.

(b) Trade Receivables and Notes Receivable

The following table shows the trade receivables and notes receivable as of 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G:

Table 6.22: Trade Receivables and Notes Receivable as of 31 December 2022G, 2023G, 2024G, and the Three-Month Period Ended 31 March 2025G

SAR in 000s	31 December 2022G (Audited)	31 December 2023G (Audited)	31 December 2024G (Audited)	31 March 2025G (Reviewed)
Gross receivables	38,911	52,181	50,068	73,063
Less: provision for expected credit losses	(8,051)	(6,013)	(4,415)	(4,167)
Notes receivables	-	-	9,289	14,000
Total	30,860	46,167	54,942	82,896

Source: The audited special purpose financial statements for the financial year ended 31 December 2022G, the audited consolidated financial statements for the financial year ended 31 December 2024G, and the unaudited consolidated financial statements for the three-month period ended 31 March 2025G.

The following table shows the movement in provision for expected credit losses as of 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G:

Table 6.23: Movement in Provision for Expected Credit Losses as of 31 December 2022G, 2023G, 2024G, and the Three-Month Period Ended 31 March 2025G

SAR in 000s	31 December 2022G (Audited)	31 December 2023G (Audited)	31 December 2024G (Audited)	31 March 2025G (Reviewed)
At the beginning of the year	5,224	1,456	6,013	4,415
Charges/(reversals) for the year	2,826	4,582	(600)	(248)
Bad debts written-off during the year	-	(25)	(998)	-
At the end of the year	8,051	6,013	4,415	4,167

Source: The audited special purpose financial statements for the financial year ended 31 December 2022G, the audited consolidated financial statements for the financial year ended 31 December 2024G, and the unaudited consolidated financial statements for the three-month period ended 31 March 2025G.

Trade receivables and notes receivable

Trade receivables and notes receivable balances amounted to SAR 30.9 million as of 31 December 2022G, SAR 46.2 million as of 31 December 2023G, SAR 54.9 million as of 31 December 2024G, and SAR 82.9 million as of 31 March 2025G. As of 31 March 2025G, trade accounts and notes receivable consisted of (i) total receivables from third parties amounting to SAR 73.1 million (ii) expected credit loss provision of SAR 4.2 million, and (iii) notes receivable amounting to SAR 14.0 million.

Provision for expected credit losses

The expected credit loss provision decreased from SAR 8.1 million as of 31 December 2022G to SAR 6.0 million as of 31 December 2023G, then further declined to SAR 4.4 million as of 31 December 2024G, and to SAR 4.2 million as of 31 March 2025G.

These balances were calculated based on the Group's expected credit loss model. As of 31 March 2025G, approximately 100 per cent. of balances aged over 270 days were provisioned.

Notes receivable

Notes receivable amounted to SAR 9.3 million as of 31 December 2024G, and SAR 14.0 million as of 31 March 2025G, and were linked to letters of credit opened by a customer for purchases from the Company. Letters of credit were issued in favour of the Company by Alinma Bank in the amount of SAR 6.0 million and Riyadh Bank in the amount of SAR 3.3 million. The Company received the cash payment in January 2025G. As of 31 March 2025G, letters of credit were issued in favour of the Company by Alinma Bank in the amount of SAR 14.0 million. The Company received the cash payments during April and May 2025G.

(c) Prepayments and Other Current Assets

The following table shows the prepayments and other current assets as of 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G:

Table 6.24: Prepayments and Other Current Assets as of 31 December 2022G, 2023G, 2024G, and the Three-Month Period Ended 31 March 2025G

SAR in 000s	31 December 2022G (Audited)	31 December 2023G (Audited)	31 December 2024G (Audited)	31 March 2025G (Reviewed)
Advances to suppliers	31,892	11,660	10,994	24,571
Prepaid expenses	6,554	5,589	9,853	11,497
Cash advances	2,026	2,946	2,244	1,738
Bank Letters of guarantee	-	-	150	238
Deferred costs	1,367	2,740	-	-
Others	2,918	-	-	-
Less: Provision for impairment of advances to suppliers	-	-	-	(4,677)
Total	44,758	22,931	23,240	33,366

Source: The audited special purpose financial statements for the financial year ended 31 December 2022G, the audited consolidated financial statements for the financial year ended 31 December 2024G, and the unaudited consolidated financial statements for the three-month period ended 31 March 2025G.

Advances to suppliers

Advances to suppliers mainly related to advances paid to the suppliers of raw materials (e.g., diesel and bitumen), heavy machinery, trucks, spare parts, among others.

Advances to suppliers decreased from SAR 31.9 million as of 31 December 2022G to SAR 11.7 million as of 31 December 2023G, mainly driven by the decrease in advances paid to (i) Heavy Duty Automobile Supplier amounting to a decrease of SAR 4.5 million, as the Group received the 160 transportation trucks ordered, (ii) Judeh Sakhour for Mining Company amounting to SAR 3.6 million due to the elimination of the balance upon the company being acquired by the Company in the financial year ended 31 December 2023G, (iii) Machinery supplier amounting to SAR 2.6 million, as the Group received the first batch of bulldozers, (iv) Other supplier amounting to a decrease of SAR 2.3 million due to the receipt of truck boxes, (v) Other supplier amounting to SAR 2.0 million due to the receipt of a crusher to be sold to a client, (vi) Other supplier, amounting to SAR 1.9 million due to the receipt of spare parts for crushers and (vii) Other supplier amounting to SAR 1.9 million due to the receipt of truck boxes.

Subsequently, advances to suppliers remained relatively stable at SAR 11.0 million as of 31 December 2024G.

The balance increased to SAR 24.6 million as of 31 March 2025G, mainly due to higher advance payments related to (i) the purchase of a concrete batching plant from a supplier, as part of the Group's plan to produce and sell ready-mix concrete, with an increase of SAR 3.7 million (ii) the purchase of an asphalt mixing plant from a supplier for resale to a customer, with an increase of SAR 3.0 million (iii) the purchase of 18 dump trucks from a supplier, which were received during the second quarter of 2025G, with an increase of SAR 1.7 million (iv) the purchase of diesel and bitumen from a supplier, with an increase of SAR 1.7 million, and (v) services related to mining operations at the Riyadh site from a supplier, with an increase of SAR 1.0 million, in addition to other payments amounting to SAR 2.6 million.

Prepaid expenses

Prepaid expenses mainly comprised of prepaid IPO expenses, prepaid iqama, prepaid medical insurance, prepaid car insurance, prepaid VAT, among others.

Prepaid expenses decreased from SAR 6.6 million as of 31 December 2022G to SAR 5.6 million as of 31 December 2023G, driven by the decline in prepaid iqama expenses by SAR 1.2 million on account of visa renewals and new visas issued during the year, as evidenced by the increase in the headcount.

The balance increased to SAR 9.9 million as of 31 December 2024G due to the higher (i) prepaid iqama expenses amounting to SAR 1.2 million to cater to the increased headcount and anticipated visa renewals and (ii) prepaid IPO advisory expenses amounting to SAR 2.5 million in relation to the contemplated listing of the Group's shares on Tadawul, this includes the costs of the Group's advisors, including the legal advisor, the financial advisor, among others.

It is noted that these costs will be borne by the selling shareholders via a deduction from the IPO's proceeds and will not impact the Group's income statement.

The balance increased to SAR 11.5 million as of 31 March 2025G, due to an increase in prepaid vehicle insurance expenses by SAR 2.3 million, resulting from the renewal of insurance policies for trucks and heavy vehicles in February 2025G. This was partially offset by a decrease in prepaid medical insurance by SAR 724 thousand, due to the amortisation of approximately half the balance (equivalent to 3 months) as of 31 December 2024G, with the policy scheduled for renewal in July 2025G.

Cash advances

Cash advances related to employee advances and increased from SAR 2.0 million as of 31 December 2022G to SAR 2.9 million as of 31 December 2023G due to a change in the advances policy, whereby the Group offered its employees a housing advance covering six months of rent in 2023G.

This policy was discontinued during 2024G, as the housing allowance was included within the monthly salary, resulting in a decrease in cash advances to SAR 2.2 million as of 31 December 2024G, and further to SAR 1.7 million as of 31 March 2025G.

Bank letters of guarantee

Bank letter of guarantee amounted to SAR 150 thousand as of 31 December 2024G, and later increased to SAR 238 thousand as of 31 March 2025G.

Deferred costs

Deferred costs related to truck boxes, tires and other components and services (e.g., explosives services) that were paid for but not yet received. Once received, they are either capitalised or expensed, depending on their nature.

The balance amounted to SAR 1.4 million as of 31 December 2022G, SAR 2.7 million as of 31 December 2023G, and nil as of 31 December 2024G, and as of 31 March 2025G.

Others

Others amounted to SAR 2.9 million as of 31 December 2022G, and pertained to Project NasJV. In this project, the Group had extracted aggregates but billed the corresponding revenues after the year-end closing due to verification delays on the customer's side.

The balance was nil as of 31 December 2023G and 2024G, and as of 31 March 2025G.

Provision for impairment of advances to suppliers.

The provision for impairment of advances to suppliers amounted to SAR 4.7 million as of 31 March 2025G. It was calculated based on a new accounting policy implemented effective 1 March 2025G (accordingly, no amount was recorded under this item prior to 31 March 2025G). Under this policy, the provision for advances to suppliers is determined as follows: (i) amounts aged between 365 and 720 days: 25.0 per cent., (ii) amounts aged between 721 and 1,080 days: 50.0 per cent., and (iii) amounts aged over 1,080 days: 100.0 per cent.

(d) Amounts Due from Related Parties

The following table shows the amounts due from Related Parties as of 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G:

Table 6.25: Amounts Due from Related Parties as of 31 December 2022G, 2023G, 2024G, and the Three-Month Period Ended 31 March 2025G

SAR in 000s	31 December 2022G (Audited)	31 December 2023G (Audited)	31 December 2024G (Audited)	31 March 2025G (Reviewed)
Najd Roads Contracting Company	33,942	20,471	49,934	39,888
Total	33,942	20,471	49,934	39,888

Source: The audited special purpose financial statements for the financial year ended 31 December 2022G, the audited consolidated financial statements for the financial year ended 31 December 2024G, and the unaudited consolidated financial statements for the three-month period ended 31 March 2025G.

Amounts due from Related Parties pertained to amounts due from the Affiliate that is owned by one of the Company's shareholders, namely Najd Roads Contracting Company "NRCC", which is owned by the Chairman of the Board.

Amounts due from Related Parties decreased from SAR 33.9 million as of 31 December 2022G to SAR 20.5 million as of 31 December 2023G, driven by the collections made over the year from NRCC even though overall sales of aggregates, asphalt and spare parts to NRCC increased from SAR 67.4 million in 2022G to SAR 106.1 million in 2023G.

Amounts due from Related Parties increased to SAR 49.9 million as of 31 December 2024G on account of the lower collections made over the year from NRCC, coupled with an increase in sales to NRCC to SAR 116.9 million in 2024G.

Receivables from Related Parties decreased to SAR 39.9 million as of 31 March 2025G, due to collections made during the period from NRCC. It is noted that sales to that company amounted to SAR 21.7 million during 2025G to date.

It is worth noting that no provision in relation to balances amounts due from Related Parties was recorded by the Group. Further, of the total balance due from NRCC as of 31 December 2024G, SAR 25.0 million was not yet due, SAR 15.9 million was outstanding between 1-30 days and SAR 9.1 million was outstanding between 31-60 days.

(e) Investment in Financial Instruments at Fair Value Through Profit or Loss

The following table shows the investment in financial instruments at fair value through profit or loss as of 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G:

Table 6.26: Investment in Financial Instruments at Fair Value Through Profit or Loss as of 31 December 2022G, 2023G, 2024G, and the Three-Month Period Ended 31 March 2025G

SAR in 000s	31 December 2022G (Audited)	31 December 2023G (Audited)	31 December 2024G (Audited)	31 March 2025G (Management)
Arabian Company for Agricultural and Industrial Investment	-	-	-	5,696
Osool and Bakheet Investment Company	-	1,898	2,509	2,483
Knowledge Net Computer Company	-	1,595	1,356	1,507
Saudi Lime Industries Company	-	658	611	658
Umm Al Qura for Development and Construction Company	-	-	-	149
Al-Saif Stores for Development and Investment Company	1,218	1,189	-	-
Riyadh Cables Group Company	254	-	-	-
Saudi Aramco Base Oil Company - Luberef	1,372	-	-	-
Total	2,843	5,341	4,477	11,109

Source: The audited special purpose financial statements for the financial year ended 31 December 2022G, and the audited financial statements for financial year ended 31 December 2024G, and management information.

the Investment in financial instruments at fair value through profit or loss amounted to SAR 11.1 million as of 31 March 2025G pertained to the Group's investments in the shares of companies listed on the Exchange.

The balance amounted to SAR 2.8 million as of 31 December 2022G, SAR 5.3 million as of 31 December 2023G, SAR 4.5 million as of 31 December 2024G, and SAR 11.1 million as of 31 March 2025G, driven by additions, disposals, and remeasurement gains/(losses) over the review period.

(f) Cash and Cash Equivalents

The following table shows the cash and cash equivalents as of 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G:

Table 6.27: Cash and Cash Equivalents as of 31 December 2022G, 2023G, 2024G, and the Three-Month Period Ended 31 March 2025G

SAR in 000s	31 December 2022G (Audited)	31 December 2023G (Audited)	31 December 2024G (Audited)	31 March 2025G (Management)
Cash at banks	17,827	11,500	25,575	19,419
Cash in investment portfolio	478	50	339	463
Cash on hand	34	-	-	735
Total	18,339	11,550	25,914	20,617

Source: The audited special purpose financial statements for the financial year ended 31 December 2022G, and the audited financial statements for financial year ended 31 December 2024G, and management information.

Cash and cash equivalents amounted to SAR 20.6 million as of 31 March 2025G comprised of cash at banks, cash in investment portfolio and cash on hand.

Cash and cash equivalents decreased from SAR 18.3 million as of 31 December 2022G to SAR 11.6 million as of 31 December 2023G, primarily due to net cash used in investing activities amounting to SAR 97.8 million, driven by net additions to property, plant and equipment of SAR 94.3 million and investments measured at fair value through profit or loss of SAR 3.9 million. This was partially offset by (i) net cash generated from operating activities of SAR 56.8 million, resulting from EBITDA for the year of SAR 91.5 million, partially offset by changes in working capital of SAR 36.2 million due to an increase in inventory, and (ii) net cash generated from financing activities of SAR 34.2 million, driven by net proceeds from borrowings. The balance increased to SAR 25.9 million as of 31 December 2024G, due to net cash generated from operating activities of SAR 87.9 million, resulting from EBITDA for the year of SAR 122.5 million, partially offset by (i) changes in working capital of SAR 27.6 million due to an increase in receivables from Related Parties, and (ii) Zakat payments of SAR 4.1 million and finance costs of SAR 3.8 million. Cash used in investing activities amounted to SAR 70.2 million, mainly due to (i) net additions to property, plant and equipment of SAR 55.5 million and intangible assets of SAR 7.9 million, and (ii) investments in Subsidiaries of SAR 8.1 million.

Cash and cash equivalents decreased to SAR 20.6 million as of 31 March 2025G, due to net cash used in investing activities amounting to SAR 13.5 million, mainly driven by net additions to property, plant and equipment of SAR 7.9 million and additions to investments measured at fair value through profit or loss of SAR 5.6 million, in addition to net cash used in operating activities of SAR 3.3 million. This was partially offset by net cash generated from financing activities of SAR 11.5 million, primarily from net proceeds from borrowings.

6.8.2.8 Equity

The following table shows the equity as of 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G:

Table 6.28: Equity as of 31 December 2022G, 2023G, 2024G, and the Three-Month Period Ended 31 March 2025G

SAR in 000s	31 December 2022G (Audited)	31 December 2023G (Audited)	31 December 2024G (Audited)	31 March 2025G (Reviewed)
Capital	500	186,000	186,000	186,000
Additional share capital	185,500	-	-	-
Reserve	150	150	150	150
Retained earnings	68,602	121,741	170,444	184,301
Total shareholders' equity	254,752	307,891	356,594	370,451
Non-controlling interests	-	-	19	15
Total Equity	254,752	307,891	356,614	370,467

Source: The audited special purpose financial statements for the financial year ended 31 December 2022G, the audited consolidated financial statements for the financial year ended 31 December 2024G, and the unaudited consolidated financial statements for the three-month period ended 31 March 2025G.

(a) Capital

The following table shows the capital as of 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G:

Table 6.29: Capital as of 31 December 2022G, 2023G, 2024G, and the Three-Month Period Ended 31 March 2025G

SAR in 000s	31 December 2022G (Audited)	31 December 2023G (Audited)	31 December 2024G (Audited)	31 March 2025G (Reviewed)
Abdulaziz Saleh Abdulaziz Al Rashed	204	66,644	66,644	66,644
Abdullah Saleh Abdulaziz Al Rashed	104	38,751	38,751	38,751
Abdulaziz Saad Saleh Al Rashed	38	13,950	13,950	13,950
Saud Saad Saleh Al Rashed	38	13,950	13,950	13,950
Noura Saleh Al Rashed	15	10,077	10,077	10,077
Sarah Saleh Al Rashed	15	10,077	10,077	10,077
Arej Saud Al Dhaban	19	6,975	6,975	6,975
Dana Saad Saleh Al Rashed	19	6,975	6,975	6,975
Lulwa Saad Saleh Al Rashed	19	6,975	6,975	6,975
Noura Saad Saleh Al Rashed	19	6,975	6,975	6,975
Maryam Saad Al Rashed	13	4,650	4,650	4,650
Total	500	186,000	186,000	186,000

Source: The audited special purpose financial statements for the financial year ended 31 December 2022G, and the audited financial statements for financial year ended 31 December 2024G, and management information.

Capital

Capital amounted to SAR 186.0 million as of 31 March 2025G, consisting of 18.6 million fully paid shares with a nominal value of SAR 10 per share.

Capital increased from SAR 500 thousand as of 31 December 2022G to SAR 186.0 million as 31 December 2023G on account of the transfer of SAR 185.5 million from “Additional share capital” to “Capital” on 22 January 2023G.

The balance remained stable at SAR 186.0 million as of 31 December 2024G, and 31 March 2025G.

(b) Additional Share Capital

Additional share capital amounted to SAR 185.5 million as of 31 December 2022G. During 2022G, the shareholders of the Company decided to provide additional contributions to support and finance the Company in the amount of SAR 185.5 million.

During the financial year ended 31 December 2023G, the balance was fully utilised to increase Capital, resulting in a nil balance as of 31 December 2023G, 31 December 2024G, and 31 March 2025G.

(c) Reserve

Reserve amounting to SAR 150 thousand as of 31 March 2025G was created in accordance with the old Companies Law and the Company’s previous by-laws, which required the transfer of 10.0 per cent. of net income each year, after covering accumulated losses until the reserve reached 30.0 per cent. of the share capital the “Transfer”. As of 31 December 2022G, Reserve amounted to SAR 150 thousand, equalling 30.0 per cent. of share capital as of the same date amounting to SAR 500 thousand).

As per the new Companies Law effective as of 19 January 2023G, and the amended Articles of Association approved in 2023G, this transfer is no longer mandatory. Accordingly, the balance remained unchanged at SAR 150 thousand as of 31 December 2023G, 31 December 2024G, and 31 March 2025G.

Retained earnings

Retained earnings increased from SAR 68.6 million as of 31 December 2022G to SAR 121.7 million as of 31 December 2023G, primarily due to net income earned during the year increasing to SAR 47.1 million.

The balance continued to increase, reaching SAR 170.4 million as of 31 December 2024G, as a result of net income earned during the year increasing to SAR 59.7 million, partially offset by dividends paid in the amount of SAR 9.3 million.

As of 31 March 2025G, retained earnings increased to SAR 184.3 million, driven by net income earned during the period in the amount of SAR 23.2 million, partially offset by dividends payable in the amount of SAR 9.3 million.

Non-controlling interests

Non-controlling interests amounted to SAR 19 thousand as of 31 December 2024G, and SAR 15 thousand as of 31 March 2025G, and relate to the 20.0 per cent. ownership in National Shield Mining Company not held by the Company.

6.8.2.9 Non-Current Liabilities

The following table shows the non-current liabilities as of 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G:

Table 6.30: Non-Current Liabilities as of 31 December 2022G, 2023G, 2024G, and the Three-Month Period Ended 31 March 2025G

SAR in 000s	31 December 2022G (Audited)	31 December 2023G (Audited)	31 December 2024G (Audited)	31 March 2025G (Reviewed)
Employees' defined benefits obligations	9,382	8,214	11,454	11,914
Murabaha financing – non-current portion	-	-	10,667	17,975
Lease liabilities - non-current	-	3,495	1,560	1,307
Total Non- Current Liabilities	9,382	11,710	23,680	31,195

Source: The audited special purpose financial statements for the financial year ended 31 December 2022G, the audited consolidated financial statements for the financial year ended 31 December 2024G, and the unaudited consolidated financial statements for the three-month period ended 31 March 2025G.

Non-current liabilities mainly consist of lease liabilities – non-current portion, long-term Murabaha financing, and defined employee benefit obligations. Non-current liabilities represented 10.8 per cent., 9.7 per cent., and 15.8 per cent. of total liabilities as of 31 December 2022G, 2023G, and 2024G respectively, and 20.6 per cent. as of 31 March 2025G.

(a) Employees' Defined Benefits Obligations

The following table shows the employees' defined benefits obligations as of 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G:

Table 6.31: Employees' Defined Benefits Obligations as of 31 December 2022G, 2023G, 2024G, and the Three-Month Period Ended 31 March 2025G

SAR in 000s	31 December 2022G (Audited)	31 December 2023G (Audited)	31 December 2024G (Audited)	31 March 2025G (Management)
As of 1 January	9,218	9,382	8,214	11,454
Current service cost	2,809	1,971	2,603	762
Finance Cost	207	417	375	-
Payments	(591)	(1,897)	(1,424)	(302)
Gain on remeasurement (recorded in OCI)	(2,262)	(1,658)	1,684	-
As of 31 December	9,382	8,214	11,454	11,914

Source: The audited special purpose financial statements for the financial year ended 31 December 2022G, the audited consolidated financial statements for the financial year ended 31 December 2024G, and management information.

The following table shows the actuarial assumptions as of 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G:

Table 6.32: Actuarial Assumptions as of 31 December 2022G, 2023G, 2024G, and the Three-Month Period Ended 31 March 2025G

SAR in 000s	31 December 2022G (Audited)	31 December 2023G (Audited)	31 December 2024G (Audited)	31 March 2025G (Management)
Discount rate	4.95%	5.5%	5.5%	-
Rate of Salary increase	4.0%	2.0%	4.0%	-

Source: The audited special purpose financial statements for the financial year ended 31 December 2022G, the audited consolidated financial statements for the financial year ended 31 December 2024G, and management information.

Employees' defined benefits obligations amounting to SAR 11.9 million as of 31 March 2025G pertained to the post-employment benefits for the employees who complete a qualifying period of service and are entitled to receive amounts mentioned under the Labour Law for each year of this service. We understand that an actuarial assessment is conducted annually at the end of each reporting period, with the liability adjusted accordingly.

It should be noted that no actuarial valuation was performed as of 31 March 2025G, as the valuation will be conducted at year-end.

(b) Lease Liabilities- Non-Current

The following table shows the lease liabilities- non-current as of 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G:

Table 6.33: Lease Liabilities- Non-Current as of 31 December 2022G, 2023G, 2024G, and the Three-Month Period Ended 31 March 2025G

SAR in 000s	31 December 2022G (Audited)	31 December 2023G (Audited)	31 December 2024G (Audited)	31 March 2025G (Management)
As of 1 January	-	-	6,424	3,690
Additions	-	7,745	1,158	360
Finance Costs	-	303	496	82
Disposals	-	-	(1,129)	-
Payments	-	(1,624)	(3,260)	(939)
Current portion	-	2,928	2,130	1,887
Non-Current Portion	-	3,495	1,560	1,307
Total	-	6,424	3,690	3,194

Source: The audited special purpose financial statements for the financial year ended 31 December 2022G, the audited consolidated financial statements for the financial year ended 31 December 2024G, and management information.

Lease liabilities amounted to SAR 3.2 million as of 31 March 2025G, consisting of leased vehicles amounting to SAR 2.2 million and buildings amounting to SAR 1.0 million.

The balance decreased from SAR 6.4 million as of 31 December 2023G to SAR 3.7 million as of 31 December 2024G, driven by (i) the payments amounting to SAR 3.3 million and (ii) the disposals amounting to SAR 1.1 million made during the year. These were partly offset by: (i) the additions amounting to SAR 1.2 million and (ii) financial charges amounting to SAR 500 thousand for the year.

The balance declined to SAR 3.2 million as of 31 March 2025G, primarily due to payments totalling SAR 939 thousand during the period, partially offset by additions of SAR 360 thousand related to a warehouse in Madinah and finance costs of SAR 82 thousand incurred during the period.

The Group commenced the application of IFRS 16 in 2023G. Accordingly, the lease liability balance was nil as of 31 December 2022G. Leased assets were recorded under "Prepaid expenses" as of 31 December 2022G.

The balance of the non-current portion of lease liabilities amounted to nil as of 31 December 2022G, SAR 3.5 million as of 31 December 2023G, SAR 1.6 million as of 31 December 2024G, and SAR 1.3 million as of 31 March 2025G.

6.8.2.10 Current Liabilities

The following table shows the current liabilities as of 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G:

Table 6.34: Current Liabilities as of 31 December 2022G, 2023G, 2024G, and the Three-Month Period Ended 31 March 2025G

SAR in 000s	31 December 2022G (Audited)	31 December 2023G (Audited)	31 December 2024G (Audited)	31 March 2025G (Reviewed)
Accounts payable	29,633	39,684	44,652	33,712
Accrued expenses and other current liabilities	42,009	26,037	40,808	34,684
Dividends payable	-	-	-	9,300
Lease liabilities - Current portion	-	2,928	2,130	1,887
Murabaha financing - current portion	-	35,824	34,467	39,567
Amounts due to Related Parties	4,058	400	-	-
Zakat provision	1,990	4,118	4,328	1,182
Total Current Liabilities	77,691	108,990	126,386	120,331

Source: The audited special purpose financial statements for the financial year ended 31 December 2022G, and the audited consolidated financial statements for the financial year ended 31 December 2024G.

Current liabilities mainly comprise Accounts payable, amounts due to Related Parties, accrued expenses and other current liabilities, short-term loans, current portion of lease liabilities, and Zakat provision. Current liabilities represented 89.2 per cent., 90.3 per cent., and 84.2 per cent. of total liabilities as of 31 December 2022G, 2023G, and 2024G, respectively, and 79.4 per cent. as of 31 March 2025G.

(a) Amounts Due to Related Parties

The following table shows the amounts due to Related Parties as of 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G:

Table 6.35: Amounts Due to Related Parties as of 31 December 2022G, 2023G, 2024G, and the Three-Month Period Ended 31 March 2025G

SAR in 000s	31 December 2022G (Audited)	31 December 2023G (Audited)	31 December 2024G (Audited)	31 March 2025G (Reviewed)
Mohamed Abdulaziz Saleh Al Rashed	-	400	-	-
Abdulaziz Saleh Al Rashed	3,339	-	-	-
Saud Sa'ad Al Rashed	324	-	-	-
Noura Saleh Abdulaziz Al Rashed	197	-	-	-
Sara Saleh Abdulaziz Al Rashed	197	-	-	-
Total	4,058	400	-	-

Source: The audited special purpose financial statements for the financial year ended 31 December 2022G, and the audited consolidated financial statements for the financial year ended 31 December 2024G.

The amounts due to Related Parties amounted to nil as of 31 March 2025G, and previously related to amounts payable to the Company's shareholders and the Chief Operating Officer.

The balance decreased from SAR 4.1 million as of 31 December 2022G to SAR 400 thousand as of 31 December 2023G, due to the settlement of amounts payable to certain shareholders totalling SAR 4.1 million, related to dividends payable and other non-operating balances. This was partially offset against the non-operating balance due from Judeh Sakhour for Mining Company to its former owner and the Company's current Chief Operating Officer in the amount of SAR 400 thousand. This balance was settled during the financial year ended 31 December 2024G, resulting in a nil balance as of 31 December 2024G, and 31 March 2025G.

Board Members and key management personnel are defined as individuals who have the authority and responsibility for planning, directing and controlling the activities of the group (either directly or indirectly). Compensation for Board Members and key management personnel includes the following:

The following table shows the remuneration of key management personnel as of 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G:

Table 6.36: Remuneration of Key Management Personnel as of 31 December 2022G, 2023G, 2024G, and the Three-Month Period Ended 31 March 2025G

SAR in 000s	31 December 2022G (Audited)	31 December 2023G (Audited)	31 December 2024G (Audited)	31 March 2025G (Reviewed)
Allowances and rewards - Chairman of the Board of Directors	-	8,083	9,461	3,274
Short-term salaries and benefits - Executive Management	2,305	1,354	1,280	320
Allowances and rewards - Members of the Board of Directors and other Committee	-	300	573	96
Defined benefits obligations - Executive Management	-	217	80	20
Executive Management Allowances and Bonuses	8,792	-	-	-
Total	11,097	9,955	11,393	3,710

Source: The audited special purpose financial statements for the financial year ended 31 December 2022G, and the audited financial statements for financial year ended 31 December 2024G, and management information.

In 2022G, the current Executive Management's allowances and bonuses amounted to SAR 8.8 million, while the current Executive Management's salaries and employee benefits amounted to SAR 1.8 million. These amounts were included in the allowances and benefits expenses of executive management, as he held the position of General Manager at that time and were therefore included in executive management expenses.

(b) Accrued Expenses and Other Current Liabilities

The following table shows the accrued expenses and other current liabilities as of 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G:

Table 6.37: Accrued Expenses and Other Current Liabilities as of 31 December 2022G, 2023G, 2024G, and the Three-Month Period Ended 31 March 2025G

SAR in 000s	31 December 2022G (Audited)	31 December 2023G (Audited)	31 December 2024G (Audited)	31 March 2025G (Management)
Accrued expenses	15,98	14,853	21,468	17,656
Advances from customers	2,914	5,550	6,491	7,466
VAT	2,376	2,261	4,197	3,882
Dividends payable	15,460	-	-	-
Others	5,272	3,373	8,651	5,679
Total	42,009	26,037	40,808	34,684

Source: The audited special purpose financial statements for the financial year ended 31 December 2022G, and the audited financial statements for financial year ended 31 December 2024G, and management information.

Accrued expenses

Accrued expenses primarily comprised of accrued bonuses, accrued vacation allowances, accrued insurance expenses, accrued travel tickets expenses, among others.

Accrued expenses decreased from SAR 16.0 million as of 31 December 2022G to SAR 14.9 million as of 31 December 2023G, mainly due to the decrease in accrued bonuses amounting to SAR 2.6 million. bonus policy for the Executive Management in 2022G, and 2023G represented a payout that equated to approximately 10 per cent. of the current period's net income before Zakat plus SAR 2.4 million fixed. As such, the decline over the period was in-line with the decline in net income before Zakat. This was partly offset by the increases in accrued insurance expenses amounting to SAR 800 thousand, accrued travel tickets expenses amounting to SAR 400 thousand and accrued vacation allowances amounting to SAR 300 thousand on account of the growth in headcount during the period and the length of employee tenure.

Accrued expenses increased to SAR 21.5 million as of 31 December 2024G, primarily due to increases in (i) accrued bonuses amounting to SAR 5.1 million, particularly for the Chairman of the Board due to the increase in net income for the current period before Zakat amounting to SAR 3.8 million, and for all other employees amounting to SAR 1.3 million, calculated at 5 per cent. of net income for the fourth quarter of 2024G before Zakat, and (ii) accrued vacation allowances of SAR 700 thousand, in line with the increase in headcount that occurred during both the financial year ended 31 December 2023G and the financial year ended 31 December 2024G.

Interest accrued on loans was previously recorded under “Other”, a separate line item within “Accrued expenses and other current liabilities,” and amounted to SAR 540 thousand as of 31 December 2023G.

Accrued expenses decreased to SAR 17.7 million as of 31 March 2025G, primarily due to a SAR 5.2 million reduction in accrued employee bonuses resulting from the net settlement of the amount payable to the Chairman of the Board during the period ended 31 March 2025G. This was partially offset by an increase in accrued insurance expenses of SAR 1.3 million related to trucks and heavy vehicles, following the commencement of the new policy in February 2025G.

Advances from customers

Advances from customers represented payments received from cash customers and certain key customers, such as manufacturing clients, that do not have an established credit limit.

Advances from customers grew from SAR 2.9 million as of 31 December 2022G to SAR 5.5 million as of 31 December 2023G, driven by the growth in the business’ operations in terms of new sites launched, the number of trucks, overall revenue, among others, as well as a higher amount of cash sales taking place.

Advances to SAR 6.5 million as of 31 December 2024G, in-line with the continued growth in the business’ operations in terms of the ramp-up of the new sites opened in 2023G, the number of trucks, overall revenue, the production levels, among others. Further, it was noted that the increase was partly attributable to a timing difference, whereby advances were received prior to year-end for orders that were fulfilled in the beginning of the financial year ended 31 December 2025G.

Advance payments from customers increased to SAR 7.5 million as of 31 March 2025G, primarily due to the net impact of newly acquired customers who have not yet been granted credit limits.

VAT

VAT represented amounts owed to ZATCA.

The balance remained relatively stable at SAR 2.4 million as of 31 December 2022G, and SAR 2.3 million as of 31 December 2023G.

VAT increased to SAR 4.2 million as of 31 December 2024G, mainly driven by the higher sales in 2024G.

The balance remained relatively stable at SAR 3.9 million as of 31 March 2025G.

Dividends payable

Dividends payable amounted to SAR 15.5 million as of 31 December 2022G. On 1 November 2022G, the shareholders approved the distribution of dividends in the amount of SAR 20.2 million in relation to 2019G, 2020G and 2021G. Of this, SAR 4.7 million was paid in 2022G, and SAR 15.5 million was paid in 2023G.

The balance amounted to nil as of 31 December 2023G, 31 December 2024G, and 31 March 2025G. It is worth noting that dividends payable was presented as a separate line item in the statement of financial position as of 31 March 2025G.

Others

Others mainly represented mineral fees paid to the Ministry of Energy, Industry and Mineral Resources (the “Ministry”), which related to amounts representing approximately SAR 0.67 per tonne of aggregates sold from the Group’s mining sites, among others.

The balance decreased from SAR 5.3 million as of 31 December 2022G to SAR 3.4 million as of 31 December 2023G, driven by the timely payments made to the Ministry during 2023G.

Others increased to SAR 8.7 million as of 31 December 2024G on account of accruals made for mineral fees expected to be paid on behalf of the aggregates sold from the mining sites, which have not yet been billed by the Ministry amounting to an increase of SAR 2.1 million. Also, on 3 October 2024G, the Company acquired 100.00 per cent. of the voting shares in Durrat Al Mabani Mining Co. “Durrat”. Of the total purchase price of SAR 8.0 million, SAR 3.1 million remained outstanding as of 31 December 2024G, and was recorded under “Others”. This amount was settled as of 31 March 2025G.

The balance decreased to SAR 5.7 million as of 31 March 2025G, due to (i) the settlement of the remaining acquisition consideration, which decreased by SAR 3.1 million, and (ii) the settlement of IPO advisory fees payable to the Group’s advisors, which decreased by SAR 841 thousand. This was partially offset by an increase in the provision for minerals fees, which rose by SAR 1.0 million, in line with the higher volume of aggregate sold as of 31 March 2025G.

(c) Murabaha Financing - Current Portion

The following table shows the Murabaha financing - current portion as of 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G:

Table 6.38: Murabaha Financing - Current Portion as of 31 December 2022G, 2023G, 2024G, and the Three-Month Period Ended 31 March 2025G

SAR in 000s	31 December 2022G (Audited)	31 December 2023G (Audited)	31 December 2024G (Audited)	31 March 2025G (Reviewed)
Current portion of Murabaha borrowings	-	35,824	34,467	39,567
Non- Current Portion of Murabaha borrowings	-	-	10,667	17,975
Total	-	35,824	45,133	57,542

Source: The audited special purpose financial statements for the financial year ended 31 December 2022G, the audited consolidated financial statements for the financial year ended 31 December 2024G, and the unaudited consolidated financial statements for the three-month period ended 31 March 2025G.

The Group’s short-term Murabaha financing decreased from SAR 35.8 million as of 31 December 2023G to SAR 34.5 million as of 31 December 2024G, driven by the settlement of Arab National Bank’s “ANB” short-term loans, settlement amounted to SAR 27.0 million, offset by an increase in short-term loans obtained from Riyadh Bank amounting to an increase of SAR 13.8 million and Bank Saudi Fransi amounting to SAR 11.8 million. The purpose of these short-term loans is mainly to finance working capital requirements and capital expenditures. Furthermore, short-term loans are expected to be settled within 1 year of 31 December 2024G.

The balance of current portion of term loans increased to SAR 39.6 million as of 31 March 2025G, driven by proceeds from financing obtained from Arab National Bank amounting to SAR 7.9 million and from Banque Saudi Fransi amounting to SAR 1.2 million, partially offset by repayments of credit facilities from Riyadh Bank amounting to SAR 4.0 million.

The purpose of these current term loans is primarily to finance working capital requirements and capital expenditures. Furthermore, the short-term loans are expected to be settled within one year from 31 December 2024G.

(d) Lease Liabilities - Current Portion

The following table shows the lease liabilities – current portion as of 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G:

Table 6.39: Lease Liabilities- Current Portion as of 31 December 2022G, 2023G, 2024G, and the Three-Month Period Ended 31 March 2025G

SAR in 000s	31 December 2022G (Audited)	31 December 2023G (Audited)	31 December 2024G (Audited)	31 March 2025G (Management)
As of 1 January	-	-	6,424	3,690
Additions	-	7,745	1,158	360
Finance Costs	-	303	496	82
Disposals	-	-	(1,129)	-
Payments	-	(1,624)	(3,260)	(939)
Current portion	-	2,928	2,130	1,887
Non-Current Portion	-	3,495	1,560	1,307
Total of lease liabilities	-	6,424	3,690	3,194

Source: The audited special purpose financial statements for the financial year ended 31 December 2022G, and the audited financial statements for financial year ended 31 December 2024G, and management information.

The lease liabilities amounted to SAR 3.2 million as of 31 March 2025G, comprising SAR 2.2 million for leased vehicles and SAR 1.0 million for buildings.

The balance decreased from SAR 6.4 million as of 31 December 2023G to SAR 3.7 million as of 31 December 2024G, driven by (i) payments amounting to SAR 3.3 million and (ii) dispositions amounting to SAR 1.1 million during the period. This was partially offset by (i) additions amounting to SAR 1.2 million and (ii) financial costs amounting to SAR 500 thousand for the period.

The Group began applying IFRS 16 in 2020G. Accordingly, the lease liability balance was nil as of 31 December 2022G. Leased assets were recorded under “Prepaid expenses” as of 31 December 2022G.

The balance of the current portion of lease liabilities amounted to nil as of 31 December 2022G, SAR 3.0 million as of 31 December 2023G, SAR 2.1 million as of 31 December 2024G, and SAR 1.9 million as of 31 March 2025G.

(e) Zakat Provision

The following table shows the Zakat movements as of 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G:

Table 6.40: Zakat Movement as of 31 December 2022G, 2023G, 2024G, and the Three-Month Period Ended 31 March 2025G

SAR in 000s	31 December 2022G (Audited)	31 December 2023G (Audited)	31 December 2024G (Audited)	31 March 2025G (Reviewed)
At the beginning of the year	2,060	1,990	4,118	4,328
Accrued for during the year	-	4,090	4,300	987
Provisioned during the year	1,965	-	-	-
Paid during the year	(2,035)	(1,966)	(4,095)	(4,133)
Related to the acquisition of a subsidiary	-	4	5	-
At the end of the year	1,990	4,118	4,328	1,182

Source: The audited special purpose financial statements for the financial year ended 31 December 2022G, the audited consolidated financial statements for the financial year ended 31 December 2024G, and the unaudited consolidated financial statements for the three-month period ended 31 March 2025G.

The Zakat provision balance amounted to SAR 1.2 million as of 31 March 2025G, comprising Zakat charges and payments made during the year. Zakat charges are calculated in accordance with the requirements of the ZATCA.

The balance increased from SAR 2.0 million as of 31 December 2022G to SAR 4.1 million as of 31 December 2023G, driven by the charge for the year of SAR 4.1 million, partly offset by the payments made during the year amounting to SAR 2.0 million.

The balance decreased to SAR 1.2 million as of 31 March 2025G, due to payments made during the period amounting to SAR 4.1 million, partially offset by the recognition of period expense amounting to SAR 987 thousand.

6.8.3 Statement of Cash Flows as of 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2024G, and 2025G

The following table shows the statement of cash flows as of 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2024G, and 2025G:

Table 6.41: Statement of Cash Flows as of 31 December 2022G, 2023G, 2024G, and the Three-Month Period Ended 31 March 2024G, and 2025G

SAR in 000s	31 December 2022G (Audited)	31 December 2023G (Audited)	31 December 2024G (Audited)	31 March 2024G (Reviewed)	31 March 2025G (Reviewed)
Operating Activities					
Net Income before Zakat	72,754	51,149	63,988	13,313	24,140
Adjustments for:					
Depreciation on Property, plant and equipment	21,111	36,312	51,114	13,139	12,997
Amortisation of intangible assets	-	65	600	11	444
Depreciation on right of use assets	-	1,271	2,126	536	524
Finance Cost	338	2,669	4,655	1,186	966
Gains from the disposal of Property, plant and equipment	(229)	(827)	(1,386)	(685)	(762)
Provision for impairment of advances to suppliers	-	-	-	-	4,677
Gains from the sale of Investment in financial instruments at fair value through profit or loss	(243)	-	-	(685)	(762)
Provision / (reversal) for expected credit losses	2,826	4,582	(600)	214	(248)
Provision for slow-moving inventories	-	248	2,001	-	883
Provision for employees' defined benefits obligations	2,809	1,971	2,603	1,232	762
Unrealised (gains) / losses from the revaluation of Investment in financial instruments at fair value through profit or loss	439	1,389	(325)	108	(1,127)
Loss on disposal of intangible assets	-	-	4	-	-
Gain on disposal of right-of-use assets	-	-	(4)	-	-
Total	99,806	98,828	124,774	28,722	43,203
Operating cash flows before working capital changes					
Working capital changes:					
Inventories	(17,021)	(46,090)	(9,179)	(8,023)	8,328
Prepayments and other current assets	(17,599)	22,750	(158)	(2,734)	(14,803)
Trade receivables	(1,199)	(13,387)	(8,174)	(13,376)	(27,706)
Accounts payable	13,387	10,564	4,969	(11,933)	(10,940)
Accrued expenses and other current liabilities	8,633	(18,699)	14,753	2,190	(6,125)
Due from/to Related Parties	(20,831)	8,613	(29,826)	3,662	10,047
Cash generated from Operating Activities	65,176	62,579	97,158	(1,492)	2,004
Zakat paid	(2,035)	(1,966)	(4,095)	-	(4,133)
Finance cost paid	(130)	(1,949)	(3,783)	(1,030)	(883)
Employees' defined benefits obligations paid	(591)	(1,897)	(1,424)	(220)	(302)
Net cash generated from (used in) operating activities	62,420	56,765	87,856	(2,743)	(3,315)
Investing Activities					
Additions to Property, plant and equipment	(80,066)	(100,727)	(59,986)	(2,186)	(9,587)
Additions to intangible assets	-	-	(7,874)	(12)	(126)
Proceeds from disposal of Property, plant and equipment	1,330	6,446	4,484	2,050	1,713

SAR in 000s	31 December 2022G (Audited)	31 December 2023G (Audited)	31 December 2024G (Audited)	31 March 2024G (Reviewed)	31 March 2025G (Reviewed)
Additions to Investment in financial instruments at fair value through profit or loss	(5,873)	(5,513)	(3,679)	-	(5,577)
Proceeds from sale of Investment in financial instruments at fair value through profit or loss	2,833	1,626	4,869	1,303	125
Net cash generated from / (used in) the acquisition of Subsidiaries	-	413	(8,055)	-	-
Net cash generated from (used in) investing activities	(81,776)	(97,755)	(70,242)	1,155	(13,452)
Financing Activities					
Repayment of loans	(6,500)	(15,936)	(154,573)	(35,471)	(24,192)
Proceeds from loans	-	51,760	163,882	34,748	36,600
Lease liabilities paid	-	(1,624)	(3,260)	(1,407)	(939)
Dividends paid	(4,736)	-	(9,300)	-	-
Net cash generated from (used in) financing activities	(11,236)	34,200	(3,250)	(2,130)	11,469
Net change in cash and cash equivalents	(30,592)	(6,789)	14,364	(3,717)	(5,297)
Cash and cash equivalents at beginning of the year	48,931	18,339	11,550	11,550	25,914
Cash and Cash equivalents at end of the year	18,339	11,550	25,914	7,833	20,617

Source: The audited special purpose financial statements for the financial year ended 31 December 2022G, the audited consolidated financial statements for the financial year ended 31 December 2024G, and the unaudited consolidated financial statements for the three-month period ended 31 March 2025G.

Cash flows from (used in) operating activities

Cash flows from operating activities decreased from SAR 62.4 million in the financial year ended 31 December 2022G to SAR 56.8 million in the financial year ended 31 December 2023G, mainly due to (i) a decrease in profit before Zakat of SAR 21.6 million, (ii) an increase in finance cost paid of SAR 1.8 million during the period, and (iii) a decrease in working capital changes of SAR 1.6 million over the period.

Cash flows to SAR 87.9 million in the financial year ended 31 December 2024G, primarily due to an increase in pre-Zakat earnings of SAR 12.8 million. The positive improvement in working capital changes of SAR 8.6 million was offset by a decrease in non-cash adjustments of SAR 5.1 million, an increase in Zakat paid of SAR 2.1 million, and an increase in finance costs paid of SAR 1.8 million.

Cash flows used in operating activities increased from SAR 2.7 million in the financial period ended 31 March 2024G to SAR 3.3 million in the financial period ended 31 March 2025G. This was primarily due to (i) an unfavourable change in working capital amounting to SAR 11.0 million, and (ii) an increase in Zakat paid amounting to SAR 4.1 million during the period. This was partially offset by an increase in (i) earnings before interest, taxes, depreciation, and amortisation (EBITDA) of SAR 10.9 million, and (ii) non-cash adjustments of SAR 3.6 million, mainly related to a provision for impairment of advances to suppliers.

Cash flows from (used in) investing activities

Cash flows used in investing activities increased from SAR 81.8 million in the financial year ended 31 December 2022G to SAR 97.8 million in the financial year ended 31 December 2023G, due to an increase in net additions to property, machinery, and equipment of SAR 15.5 million.

Cash flows used in investing activities decreased to SAR 70.2 million in the financial year ended 31 December 2024G, primarily due to a decrease in net purchases of property, plant and equipment by SAR 38.8 million, partially offset by an increase in cash used in the acquisition of Subsidiaries by SAR 8.5 million during the period.

Cash flows used in investing activities declined to SAR 13.5 million for the financial period ended 31 March 2025G, compared to cash inflows of SAR 1.2 million for the financial period ended 31 March 2024G. This was primarily driven by (i) an increase in net additions to property, plant, and equipment amounting to SAR 7.9 million, (ii) an increase in net additions to investments measured at fair value through profit or loss amounting to SAR 5.5 million.

Cash flows from (used in) financing activities

Cash flows from financing activities increased from cash used in financing activities by SAR 11.2 million in the financial year ended 31 December 2022G to cash flows from financing activities by SAR 34.2 million in the financial year ended 31 December 2023G, due to net loan proceeds of SAR 42.3 million and a decrease in dividends paid by SAR 4.7 million.

Cash flows from financing activities decreased to net cash used in financing activities amounting to SAR 3.3 million in financial year ended 31 December 2024G. This was due to loan repayments of SAR 138.6 million, an increase in dividends paid of SAR 9.3 million, and higher payments on lease liabilities amounting to SAR 1.6 million.

Cash flows from financing activities increased to a net amount of SAR 11.5 million during the financial period ended 31 March 2025G, compared to cash flows used of SAR 2.1 million during the financial period ended 31 March 2024G, due to (i) a decrease in repayments of term loans by SAR 11.3 million, (ii) an increase in proceeds from term loans by SAR 1.9 million, and (iii) a decrease in repayments of lease liabilities by SAR 468 thousand.

6.8.4 Contingent Commitments and Obligations

As of 31 December 2024G, the Group had outstanding letters of guarantee amounting to SAR 12.8 million, with cash collateral of SAR 150 thousand. As of 31 December 2023G, the Group had outstanding letters of guarantee amounting to SAR 12.4 million with no cash collateral, and as of 31 December 2022G, the Group had outstanding letters of guarantee amounting to SAR 9.9 million with no cash collateral.



7

Dividend Distribution Policy

7. Dividend Distribution Policy

Pursuant to Article 107 of the Companies Law, each Shareholder is entitled to the rights attached to each of its Shares, including disposition of shares, attending shareholder assemblies, participating in their deliberations, and voting on their decisions and the right to receive a portion of the declared dividends. The declaration and distribution of dividends will be recommended by the Board of Directors before being approved by the Shareholders at a General Assembly meeting. The Company is under no obligation to declare dividends and any decision to do so will depend on, amongst other things, the Company's historic and anticipated earnings and cash flows, financing and capital requirements and market and general economic conditions, the Company's Zakat position and legal and regulatory considerations.

Pursuant to the Article 30 of the Company's Articles of Association, the Company's annual net profits shall be distributed following a deduction of all general and other expenses as follows:

1. the Company may distribute interim dividends on a semi-annual or quarterly basis, provided the following conditions are met:
 - the General Assembly authorises the Board of Directors to distribute interim dividends by an annual resolution;
 - the Company maintains stable and consistent profitability;
 - the Company has adequate liquidity and can reasonably forecast its profit levels; and
 - the Company must have distributable profits, according to the latest financial statements, sufficient to cover the proposed dividends after deducting any profits already distributed or capitalised from these profits after the date of those statements.
2. Distributable profits consist of the retained earnings balance shown in the statement of financial position prepared at the end of the period immediately preceding the distribution period, in addition to any distributable reserves, after setting aside the designated percentage of net profits for specific reserves, if any.

The following table shows the dividends declared and distributed in the financial years ended 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G:

Table 7.1: Dividends Declared and Distributed in the Financial Years Ended 31 December 2022G, 2023G and 2024G, and the Three-Month Period Ended 31 March 2025G

(SAR)	Financial Year Ended 31 December			Three-Month Period Ended 31 March 2025G
	2022G	2023G	2024G	2025G
Declared Dividends for the Period	9,300,000 ⁽¹⁾	9,300,000 ⁽³⁾	14,880,000 ⁽⁴⁾	-
Dividends Paid during the Period	4,735,722 ⁽²⁾	15,460,111 ⁽²⁾	9,300,000 ⁽¹⁾	-
Net Income for the Period	70,789,326	47,058,246	59,687,563	23,152,916
Declared Dividend Percentage to Net Income for the Period	13.1%	19.8%	24.9%	-

Source: The Company.

(1) Dividends in the amount of SAR 9,300,000 for the financial year ended 31 December 2022G were approved for distribution pursuant to the resolution of the Ordinary General Assembly dated 14 Ramadan 1445H (corresponding to 24 March 2024G). The full amount was distributed to the shareholders during the financial year ended 31 December 2024G.

(2) Dividends were approved for the financial years ended 31 December 2019G, 2020G and 2021G, totalling SAR 20,195,833. Net income for the financial years ended 31 December 2019G, 2020G and 2021G amounted to SAR 18,978,192, SAR 42,230,750 and SAR 70,282,434, respectively. This was approved pursuant to the resolution of the Ordinary General Assembly dated 16 Rabi' al-Awwal 1444H (corresponding to 12 October 2022G). Accordingly, a portion of the declared dividends for the financial year ended 31 December 2022G, amounting to SAR 4,735,722, was distributed. The remaining dividends, amounting to SAR 15,460,111 million, were also distributed during the financial year ended 31 December 2023G.

(3) Dividend distribution to the shareholders amounting to SAR 9,300,000 for the financial year ended 31 December 2023G was approved pursuant to the Ordinary General Assembly resolution dated 26 Ramadan 1446H (corresponding to 26 March 2025G). The full amount was distributed to the shareholders during the second quarter of 2025G.

(4) In accordance with the authorisation granted by the Company's Ordinary General Assembly in a meeting dated 26 Ramadan 1446H (corresponding to 26 March 2025G), the Board of Directors approved on 9 Thul-Qi'dah 1446H (corresponding to 7 May 2025G) the distribution of interim dividends for the year ended 31 December 2024G, totalling SAR 14,880,000. Pursuant to a resolution of the Board of Directors dated 2 Rabi' al-Awwal 1447H (corresponding to 25 August 2025G), the full amount was distributed to the shareholders during August 2025G.

Holders of the Offer Shares are not entitled to any dividends announced prior to the date of this Prospectus. The first entitlement to dividends for the Offer Shares will be limited to dividends declared by the Company from the date of this Prospectus and for subsequent financial years. As of the date of this Prospectus, the Directors undertake that there are no declared or outstanding dividends for the financial years ended 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G, except as set out above.

8

Use of Proceeds



8. Use of Proceeds

The total Offering Proceeds are estimated at [●] (SAR [●]), of which approximately twenty million (SAR 20,000,000) will be applied towards the Offering expenses, which include the fees of the Financial Advisor, the Lead Manager, the Bookrunner, the Underwriter, the Legal Advisors, the Financial Due Diligence Advisor, the Auditor, the Receiving Agents and the Market Consultant, as well as marketing, printing and distribution fees and other costs and expenses related to the Offering.

The Net Offering Proceeds of approximately [●] (SAR [●]) will be distributed to the Selling Shareholders. The Company will not receive any part of the proceeds from the Offering. The Selling Shareholders will bear all fees, costs and expenses in relation to the Offering.

9

Statements by Experts



9. Statements by Experts

All Advisors and the Auditor, whose names are listed starting on pages (vii), (viii) and (ix), have given and, as of the date of this Prospectus, have not withdrawn, their written consent to the publication of their names, logos and statements or their reports (as applicable) attributed to each of them in this Prospectus, and neither they, nor their employees forming part of the team serving the Company or its Subsidiaries, or any of their Relatives, have any shareholding or interest of any kind in the Company or its Subsidiaries as of the date of this Prospectus which would impair their independence.

The background of the page is a grayscale photograph of an industrial facility, likely a water treatment plant. It shows large circular tanks, pipes, and mechanical components. A prominent blue diagonal line runs from the top left towards the bottom right, bisecting the page. The number '10' is printed in a large, bold, dark gray font on the right side. Below it, the word 'Declarations' is written in a smaller, bold, blue font.

10

Declarations

10. Declarations

The Directors declare the following:

1. they have not at any time been declared bankrupt or been subject to bankruptcy proceedings;
2. none of the companies in which any of the Directors, Senior Executives or the Secretary has been employed, in a managerial or supervisory capacity, was declared bankrupt or insolvent during the past five years;
3. except as specified in Section 11.9 (*Related Party Contracts and Transactions*), none of the Directors, Senior Executives, Secretary, or any of their Relatives or affiliates have any material interest in any written or verbal contract or arrangement under consideration or expected to be conducted with the Company and its Subsidiaries as of the date of this Prospectus;
4. all terms and conditions that may affect the decisions of the Investors to invest in Offer Shares have been disclosed;
5. except as otherwise described in Section 5.2.1 (*Composition of the Board of Directors*) and Section 11.9 (*Related Party Contracts and Transactions*), none of the Directors, Senior Executives, Secretary or their Relatives have any shareholding or interest of any kind in the Company or its Subsidiaries in any debt instruments of the Company or its Subsidiaries, and the Company is prohibited from granting a loan to a Director or guaranteeing a loan entered into by a Director;
6. all of the transactions with Related Parties described in Section 11.9 (*Related Party Contracts and Transactions*), including the determination of the financial consideration for contracts, have been carried out in a systematic and legal manner and on appropriate and fair commercial principles used in transactions with third parties;
7. no commissions, discounts, brokerages or other non-cash compensation were granted by the Company or its Subsidiaries within the three years immediately preceding the application for the registration and offer of securities in connection with the issue or sale of any securities;
8. there has been no interruption in the Company's business or that of its Subsidiaries that has or may have significantly affected their financial position during the last 12 months;
9. there is no intention to introduce any material changes to the nature of the Company's business or that of its Subsidiaries;
10. the Directors and Chief Executive Officer will not vote or a decision on General Assembly resolutions that relate to any transaction or contract in which they have a direct or indirect interest;
11. there has been no material adverse change in the financial or trading position of the Group or its Subsidiaries in the three years ended 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G immediately preceding the date of filing the application for registration and the offering of securities that are the subject of this Prospectus and during the period from the end of the period covered in the Auditor's Report to the date of approval of this Prospectus;
12. as of the date of this Prospectus, the Company does not have any employee share schemes in place for its employees or any other similar arrangement involving the employees in the capital of the Company;
13. the Company does not have any securities (contractual or otherwise) or assets, the value of which is subject to fluctuation that would adversely and materially affect its financial position;
14. except as disclosed in Section 2 (*Risk Factors*) and Section 6.7 (*Key Risk Factors*) of this Prospectus, the Company is not aware of any information regarding any Governmental, economic, financial, monetary or political policies or any other factors that have materially affected or may materially affect (directly or indirectly) its operations;
15. except as disclosed in Section 2 (*Risk Factors*) and Section 6.7 (*Key Risk Factors*) of this Prospectus, the Group is not aware of any material seasonal information or business cycles related to its business that would affect the Company's operations and the Subsidiary company or financial position;
16. the statistical information used in Section 3 (*Market Overview*) obtained from third party sources represents the latest information available from each respective source;
17. except as stated in Section 2 (*Risk Factors*), the Group has insurance policies with sufficient insurance coverage to carry out its activities and it renews its insurance policies regularly to ensure continued insurance coverage;
18. all of the contracts and agreements which the Company considers to be material or significant or which may have an impact on a Subscriber's decision to invest in the Offer Shares have been disclosed. There are no other material agreements or contracts that have not been disclosed;
19. except as specified in Section 11.9 (*Related Party Contracts and Transactions*), as of the date of this Prospectus, there are no material Related Party contracts or transactions that have any material impact on the Company's activities or that of its Subsidiaries, and the Company has no intention to enter into any new agreements with Related Parties;

20. the Selling Shareholders will incur all of the expenses and costs related to the Offering, and such costs will be deducted from the Offering Proceeds, including the fees of the Financial Advisor, the Lead Manager, the Bookrunner, the Underwriter, the Legal Advisors, the Financial Due Diligence Advisor, the Market Consultant, the Receiving Agents and the other Advisors, as well as marketing, printing and distribution costs and other expenses related to the Offering;
21. the Company is not involved in any material disputes or objections related to ZATCA. The Selling Shareholders shall, each according to its relevant shares, incur any additional claims that may be filed by ZATCA against the Company and its Subsidiaries for the preceding years until the date of Admission. Relevant Shareholders' undertakings have been given;
22. they have developed procedures, controls and systems that would enable the Company to meet all the requirements of the relevant laws and regulations, including the Companies Law, the CML and its implementing regulations (including the Rules on the Offer of Securities and Continuing Obligations), and the Listing Rules;
23. all of the Company's employees are under its sponsorship;
24. as of the date of this Prospectus, the Selling Shareholders whose names appear in Section 4.3.2 (*Current Group Ownership Structure*) are the legal and beneficial owners, whether direct or indirect owners, of the Shares;
25. all increases in the share capital of the Company are in compliance with the applicable laws and regulations of the Kingdom;
26. except as disclosed in Section 2 (*Risk Factors*), and to the best of their knowledge and belief, there are no other material risks that may affect a prospective investor's decision to invest in the Offer Shares;
27. all the necessary approvals have been obtained for the Company's Shares to be listed on the Exchange and for the Company to become a listed joint stock company as of the date of this Prospectus;
28. except as disclosed in Section 2.2.9 (*Risks Related to Licences and Approvals*), and Section 11.4 (*Government Consents, Licences and Certificates*), as of the date of this Prospectus, the Company has obtained all necessary licences and permits to carry out its business activities;
29. except as disclosed in Section 11.12 (*Litigation*), the Group is not subject party to any pending disputes, claims, lawsuits or investigative procedures that may individually or as a whole materially affect the business of the Group or their financial position;
30. as of the date of this Prospectus, the Company has not issued any debt instruments, nor does it have any term loans or any other outstanding loans or indebtedness (including bank overdrafts, financial liabilities under acceptance, acceptance credits, or purchase commitments);
31. the Company individually or in association with its Subsidiaries, has working capital sufficient for at least 12 months immediately following the date of this Prospectus;
32. no Shares in the Company or in its Subsidiaries are under option;
33. the financial information appearing in this Prospectus has been prepared and the Company's audited financial statements for the financial years ended 31 December 2022G, 2023G and 2024G, and the unaudited consolidated financial statements of the Group for the three-month period ended 31 March 2025G have been prepared in accordance with IFRS that are endorsed in the Kingdom and other standards and pronouncements that are issued by SOCPA;
34. the financial information appearing in this Prospectus has been extracted from the Company's audited consolidated financial statements and no material amendments have been made thereto;
35. the financial information appearing in Section 6 (*Management's Discussion and Analysis of Financial Position and Results of Operations*) has been extracted from the Company's audited consolidated financial statements for the financial years ended 31 December 2022G, 2023G and 2024G, and the unaudited consolidated financial statements of the Group for the three-month period ended 31 March 2025G. Furthermore, the financial information is presented in a manner consistent with the audited annual financial statements of the Company;
36. the Company is capable of preparing the required reports in a timely manner in accordance with the implementing regulations issued by the CMA;
37. all of the material facts regarding the Company and its financial performance have been disclosed in this Prospectus, and there are no other facts the omission of which would make any statement herein misleading;
38. the Directors acknowledge that the Company does not own any other assets outside the Kingdom;
39. the Offering does not violate the relevant laws and regulations of the Kingdom;
40. the Offering does not violate any of the contracts or agreements to which the Company is a party;
41. all material legal information relating to the Company has been disclosed in this Prospectus;
42. the Company's Directors are not to be subject to any legal proceedings or actions that may, individually or collectively, have a material effect on the Company's business, and its Subsidiaries or their financial position; and

In addition to the above, the Directors confirm that:

1. this Prospectus contains all of the information required to be included under the Rules on the Offer of Securities and Continuing Obligations, and no facts that may affect the application for registration and offer of securities were omitted from this Prospectus;
2. they have submitted, and will submit, to the CMA all of the documents required under CML and the Rules on the Offer of Securities and Continuing Obligations;
3. the information and data contained in this Prospectus that were obtained from third parties, including information obtained from the Market Report prepared by the Market Consultant, is reliable and there is no reason for the Company to believe that such information is materially inaccurate;
4. the Company has prepared its internal control policies on sound principles where the Company has implemented a written policy regulating and resolving possible conflicts of interest issues, which include the misuse of the Company's assets and misfeasance due to Related Party transactions. The Company has ensured that its operational and financial policies are sound and that control procedures appropriate for risk management are implemented in accordance with Part 5 of the Corporate Governance Regulations. The Directors review the Company's internal controls on an annual basis;
5. the internal control, accounting, and information technology systems of the Company are sufficient and adequate;
6. except as disclosed in Section 11.9 (*Related Party Contracts and Transactions*), there are no conflicts of interest related to the Directors with respect to contracts or transactions entered into with the Company;
7. except as disclosed in Section 5.7 (*Conflicts of Interest*), none of the Directors has engaged in any activities similar to or competitive with the activities of the Company or its Subsidiaries. The Directors undertake to fulfil this regulatory requirement in the future as per Article 27 of the Companies Law and Chapter 6 of Part 3 of the Corporate Governance Regulations;
8. unless otherwise approved by the General Assembly, a Director may not have a direct or indirect interest in the transactions and contracts entered into by the Company;
9. the Directors shall notify the Board of Directors of any direct or indirect interest they may have in the transactions and contracts entered into by the Company, and this notification will be recorded in the minutes of the Board of Directors meeting;
10. all transactions with Related Parties shall be entered into on an arm's-length basis and all works and contracts with Related Parties shall be subject to a vote in meetings of the Board of Directors and, if required by the Companies Law, the General Assembly. Directors may not vote on any decision related to transactions or contracts with the Company in which they have a direct or indirect interest, whether in the Board of Directors or the General Assembly, in accordance with Article 71 of the Companies Law and Chapter 6 of Part 3 of the Corporate Governance Regulations;
11. the Directors and the Chief Executive Officer shall not have the right to vote on decisions related to their fees and remuneration; and
12. neither the Directors nor any Senior Executive shall obtain a loan from the Company or its Subsidiaries, and the Company shall not guarantee any loan entered into by a Director.

The Directors undertake to:

1. record all Board of Directors resolutions by means of written minutes of meetings, which shall be signed by the Directors;
2. disclose the details of any Related Party transactions in accordance with the Companies Law and the Corporate Governance Regulations;
3. comply with the provisions of Articles 27, 71 and 72 of the Companies Law and Chapter 6 of Part 3 of the Corporate Governance Regulations; and
4. the Company undertakes to provide its latest annual/interim financial statements (as applicable), to be included in the preliminary Prospectus prior to the commencement of the Offering or in the final Prospectus, or announced before the listing of the Company's Shares (as applicable), in accordance with the periods stipulated in the relevant ongoing obligations applicable to listed companies.



شركة صالح عبد العزيز الراشد وأولاده
Saleh Abdulaziz Al-Rashed & Sons Co.

The background of the page is a grayscale photograph of an industrial facility, likely a water treatment plant. It shows large pipes, a motor, and a conveyor system. A large, bold number '11' is positioned in the upper right area. Below it, the text 'Legal Information' is written in a blue font. A diagonal blue line runs from the top left towards the bottom right, passing behind the text. The overall design is clean and professional.

11

Legal Information

11. Legal Information

11.1 Declarations Related to the Legal Information

The members of the Board of Directors hereby certify that:

- the issuance does not constitute a breach of the relevant laws and regulations in Saudi Arabia;
- the issuance does not constitute a breach of any contract/agreement entered into by the Issuer;
- all material legal issues concerning the Issuer have been disclosed in the Prospectus;
- except as disclosed in Section 11.12 (*Litigation*) of this Prospectus, the Group is not subject to any claims, litigious cases or any other type of legal proceedings that could individually or collectively have a material effect on the business of the issuer or its financial position; and
- the members of the Board of Directors of the Issuer are not subject to any claims, litigious cases or any other type of legal proceedings that could individually or collectively have a material effect on the business of the Issuer or its financial position.

11.2 The Company

Saleh Abdulaziz Al Rashed & Sons Company is a Saudi closed joint stock company registered in the Commercial Register under Unified No. 7001683254 dated 12 Rajab 1395H (corresponding to 22 July 1975G) issued in Riyadh, Kingdom of Saudi Arabia. The Group's current capital is one hundred eighty-six million Saudi Arabian Riyals (SAR 186,000,000), divided into eighteen million six hundred thousand (18,600,000) Ordinary shares with a fully paid nominal value of ten Saudi Arabian Riyal (SAR 10) per share. The Company's headquarters is located at 19 Ibn Qasim Road, Al-Aziziya District, P.O. Box 4293, Riyadh 11491, Kingdom of Saudi Arabia. For further details, see Section 4.11 (*Evolution of Capital*).

As of the date of this Prospectus, the Group's activities, according to its main commercial registration certificate, include operating quarries and operating sand or gravel mines, including crushers.

11.3 Ownership Structure

The following table summarises the shareholding structure of the Group pre-and post-Offering:

Table 11.1: Shareholding Structure of the Group Pre-and Post-Offering

Shareholder	Pre-Offering			Post-Offering		
	Number of Shares	Ownership Percentage (%) ⁽¹⁾	Share Capital (SAR)	Number of Shares	Ownership Percentage (%) ⁽¹⁾	Share Capital (SAR)
Abdulaziz Saleh Abdulaziz Al Rashed	6,664,380	35.8%	66,643,800	4,665,066	25.1%	46,650,660
Abdullah Saleh Abdulaziz Al Rashed	3,875,124	20.8%	38,751,240	2,712,587	14.6%	27,125,868
Abdulaziz Saad Saleh Al Rashed	1,395,000	7.5%	13,950,000	976,500	5.3%	9,765,000
Saud Saad Saleh Al Rashed	1,395,000	7.5%	13,950,000	976,500	5.3%	9,765,000
Norah Saleh Abdulaziz Al Rashed	1,007,748	5.4%	10,077,480	705,424	3.8%	7,054,236
Sara Saleh Abdulaziz Al Rashed	1,007,748	5.4%	10,077,480	705,424	3.8%	7,054,236
Norah Saad Saleh Al Rashed	697,500	3.8%	6,975,000	488,250	2.6%	4,882,500
Lulwa Saad Saleh Al Rashed	697,500	3.8%	6,975,000	488,250	2.6%	4,882,500
Areej Saud Hamoud Al Dhaban ⁽²⁾	697,500	3.8%	6,975,000	488,250	2.6%	4,882,500
Danah Saad Saleh Al Rashed	697,500	3.8%	6,975,000	488,250	2.6%	4,882,500

Shareholder	Pre-Offering			Post-Offering		
	Number of Shares	Ownership Percentage (%) ⁽¹⁾	Share Capital (SAR)	Number of Shares	Ownership Percentage (%) ⁽¹⁾	Share Capital (SAR)
Maryam Saad Abdulrahman Al Rashed	465,000	2.5%	4,650,000	325,500	1.8%	3,255,000
Public	-	-	-	5,580,000	30.0%	55,800,000
Total	18,600,000	100.0%	186,000,000	18,600,000	100.0%	186,000,000

Source: The Company.

(1) Ownership percentages are rounded to the nearest decimal place.

(2) Areej Saud Hamoud Al Dhaban holds 697,500 shares, representing 3.8 per cent. of the Company's Shares, prior to the Offering. She is the mother of Saud Saad Saleh Al Rashed (holding 7.5 per cent. of the Company's Shares, prior to the Offering), Norah Saad Saleh Al Rashed (holding 3.8 per cent. of the Company's Shares, prior to the Offering) and Danah Saad Saleh Al Rashed (holding 3.8 per cent. of Company's Shares, prior to the Offering). As the legal guardian of the above shareholders, Areej Saud Hamoud Al Dhaban disposes of their shares by agreement.

For further details regarding the Shareholders and the shareholding structure of the Group, see Section 4.3.2 (*Current Group Ownership Structure*).

11.4 Government Consents, Licences and Certificates

The Group holds several operational and regulatory licences and certificates from relevant competent authorities which are periodically renewed. The Directors declare that the Group obtained all licences and certificates necessary to execute their operations in order to engage in the relevant activities, except for certain operational licences expired or not obtained, as disclosed in tables below. The following tables list licences and certificates held by the Group as of the date of this Prospectus:

Table 11.2: Details of Commercial Registration Certificates Obtained by the Group

Company	Location	Type of Entity	Unified No. / Commercial Registration No.	Registration Date	Expiration Date
1. The Company	Riyadh, Kingdom of Saudi Arabia	Main	7001683254	12 Rajab 1395H (corresponding to 22 July 1975G)	-
	Riyadh, Kingdom of Saudi Arabia	Branch	7011182123	8 Rabi' al-Thani 1437H (corresponding to 18 January 2016G)	-
	Riyadh, Kingdom of Saudi Arabia	Branch	7014916584	8 Rabi' al-Thani 1437H (corresponding to 18 January 2016G)	-
	Riyadh, Kingdom of Saudi Arabia	Branch	7030993633	29 Safar 1444H (corresponding to 25 September 2022G)	-
	Tabuk, Kingdom of Saudi Arabia	Branch	7005804070	25 Jumada al-Ula 1440H (corresponding to 31 January 2019G)	-
	Rumah, Kingdom of Saudi Arabia	Branch	7006385632	12 Safar 1437H (corresponding to 24 November 2015G)	-
	Rumah, Kingdom of Saudi Arabia	Branch	7015531531	6 Thul-Qi'dah 1440H (corresponding to 9 July 2019G)	-
	Khamis Mushait, Kingdom of Saudi Arabia	Branch	7013408047	12 Rabi' al-Thani 1430H (corresponding to 8 April 2009G)	-
	Jazan, Kingdom of Saudi Arabia	Branch	7016398245	6 Rabi' al-Thani 1441H (corresponding to 3 December 2019G)	-
	Alahsa, Kingdom of Saudi Arabia	Branch	7021490383	27 Jumada Al-Akhirah 1442H (corresponding to 9 February 2021G)	-
	Al Madina Al Munawwara, Kingdom of Saudi Arabia	Branch	7021490391	27 Jumada Al-Akhirah 1442H (corresponding to 9 February 2021G)	-
	Al Ula, Kingdom of Saudi Arabia	Branch	7031416824	28 Rabi' al-Awwal 1444H (corresponding to 24 October 2022G)	-
	Tayma', Kingdom of Saudi Arabia	Branch	7033893483	7 Sha'ban 1444H (corresponding to 27 February 2023G)	-
	Almajma'ah, Kingdom of Saudi Arabia	Branch	7038372194	5 Sha'ban 1445H (corresponding to 15 February 2024G)	-

Company	Location	Type of Entity	Unified No. / Commercial Registration No.	Registration Date	Expiration Date
The Company	Dhurma, Kingdom of Saudi Arabia	Branch	7014337948	22 Muharram 1435H (corresponding to 25 November 2013G)	-
	Jeddah, Kingdom of Saudi Arabia	Branch	7023606606	27 Shawwal 1442H (corresponding to 8 June 2021G)	-
2. Judeh Sakhour for Mining Company	Jeddah, Kingdom of Saudi Arabia	Main	7031169332	10 Rabi' al-Awwal 1444H (corresponding to 6 October 2022G)	-
	Riyadh, Kingdom of Saudi Arabia	Branch	7036640584	6 Muharram 1445H (corresponding to 12 July 2023G)	-
3. Dorra Al-Mobani for Mining Company	Riyadh, Kingdom of Saudi Arabia	Main	7030158591	7 Muharram 1444H (corresponding to 5 August 2022G)	-
4. Al-Rammal Al-Hamra for Mining Company	Riyadh, Kingdom of Saudi Arabia	Main	7032432408	9 Jumada al-Ula 1444H (corresponding to 3 December 2022G)	-
5. Al-Deraa Outni for Mining Company	Riyadh, Kingdom of Saudi Arabia	Main	7042613542	18 Jumada al-Ula 1446H (corresponding to 20 November 2024G)	-

Source: The Group.

Table 11.3: Details of Regulatory Licences and Certificates Obtained by the Group

Company	Issuing Authority	Licence Number	Purpose	Issue Date	Expiration Date
The Company	ZATCA	100251144457240	VAT Registration Certificate	30 Thul-Qi'dah 1438H (corresponding to 22 August 2017G)	-
	ZATCA	1116387698	Certificate enabling the Company to finalise all processes	15 Muharram 1447H (corresponding to 10 July 2025G)	13 Thul-Qi'dah 1447H (corresponding to 30 April 2026G)
	Ministry of Human Resource and Social Development (Commercial Register under Unified No. 7001683254)	643251-97560348	Certificate of wage protection	3 Rabi' al-Awwal 1447H (corresponding to 26 August 2025G)	4 Rabi' al-Thani 1447H (corresponding to 26 September 2025G)
	Ministry of Human Resource and Social Development (Commercial Register under Unified No. 7001683254)	126642-47021502	Certificate of compliance with Saudisation requirements	20 Jumada al-Ula 1444H (corresponding to 14 December 2022G)	28 Rabi' al-Thani 1447H (corresponding to 20 October 2025G)
	GOSI (Commercial Register under Unified No. 7001683254)	99140803	Certificate of fulfilment of the GOSI obligations	27 Muharram 1447H (corresponding to 22 July 2025G)	29 Rabi' al-Thani 1447H (corresponding to 21 October 2025G)
	GOSI (Commercial Register under Unified No. 7001683254)	101398374	Health and safety certificate	1 Rajab 1446H (corresponding to 1 January 2025G)	8 Rabi' al-Thani 1447H (corresponding to 30 September 2025G)
	Ministry of Human Resource and Social Development (Commercial Register under Unified No. 7005804070)	171708-45868642	Certificate of wage protection	3 Rabi' al-Awwal 1447H (corresponding to 26 August 2025G)	4 Rabi' al-Thani 1447H (corresponding to 26 September 2025G)
	Ministry of Human Resource and Social Development (Commercial Register under Unified No. 7005804070)	169448-69419838	Certificate of compliance with Saudisation requirements	15 Thul-Qi'dah 1445H (corresponding to 23 May 2024G)	28 Rabi' al-Thani 1447H (corresponding to 20 October 2025G)
	GOSI (Commercial Register under Unified No. 7005804070)	99143465	Certificate of fulfilment of the GOSI obligations	27 Muharram 1447H (corresponding to 22 July 2025G)	29 Rabi' al-Thani 1447H (corresponding to 21 October 2025G)

Company	Issuing Authority	Licence Number	Purpose	Issue Date	Expiration Date
The Company	GOSI (Commercial Register under Unified No. 7005804070)	101399899	Health and safety certificate	1 Rajab 1446H (corresponding to 1 January 2025G)	8 Rabi' al-Thani 1447H (corresponding to 30 September 2025G)
	Ministry of Human Resource and Social Development (Commercial Register under Unified No. 7006385632) ⁽¹⁾	214099-17903215	Certificate of wage protection	3 Rabi' al-Awwal 1447H (corresponding to 26 August 2025G)	4 Rabi' al-Thani 1447H (corresponding to 26 September 2025G)
	Ministry of Human Resource and Social Development (Commercial Register under Unified No. 7006385632) ⁽¹⁾	213786-17205351	Certificate of compliance with Saudisation requirements	8 Shawwal 1446H (corresponding to 6 April 2025G)	28 Rabi' al-Thani 1447H (corresponding to 20 October 2025G)
	GOSI (Commercial Register under Unified No. 7006385632) ⁽¹⁾	100884207	Certificate of fulfilment of the GOSI obligations	3 Rabi' al-Awwal 1447H (corresponding to 26 August 2025G)	3 Rabi' al-Thani 1447H (corresponding to 25 September 2025G)
	GOSI (Commercial Register under Unified No. 7006385632) ⁽¹⁾	101399325	Health and safety certificate	1 Ramadan 1446H (corresponding to 1 March 2025G)	8 Rabi' al-Thani 1447H (corresponding to 30 September 2025G)
	Ministry of Human Resource and Social Development (Commercial Register under Unified No. 7011182123)	861062-13095667	Certificate of wage protection	3 Rabi' al-Awwal 1447H (corresponding to 26 August 2025G)	4 Rabi' al-Thani 1447H (corresponding to 26 September 2025G)
	Ministry of Human Resource and Social Development (Commercial Register under Unified No. 7011182123)	415813-13194433	Certificate of compliance with Saudisation requirements	15 Thul-Qi'dah 1445H (corresponding to 23 May 2024G)	28 Rabi' al-Thani 1447H (corresponding to 20 October 2025G)
	GOSI (Commercial Register under Unified No. 7011182123)	99141221	Certificate of fulfilment of the GOSI obligations	27 Muharram 1447H (corresponding to 22 July 2025G)	29 Rabi' al-Thani 1447H (corresponding to 21 October 2025G)
	GOSI (Commercial Register under Unified No. 7011182123)	101398919	Health and safety certificate	1 Rajab 1446H (corresponding to 1 January 2025G)	8 Rabi' al-Thani 1447H (corresponding to 30 September 2025G)
	Ministry of Human Resource and Social Development (Commercial Register under Unified No. 7014916584) ⁽¹⁾	901316-17201934	Certificate of wage protection	3 Rabi' al-Awwal 1447H (corresponding to 26 August 2025G)	4 Rabi' al-Thani 1447H (corresponding to 26 September 2025G)
	Ministry of Human Resource and Social Development (Commercial Register under Unified No. 7014916584) ⁽¹⁾	133744-11208255	Certificate of compliance with Saudisation requirements	12 Ramadan 1446H (corresponding to 12 March 2025G)	28 Rabi' al-Thani 1447H (corresponding to 20 October 2025G)
	GOSI (Commercial Register under Unified No. 7014916584) ⁽¹⁾	100884521	Certificate of fulfilment of the GOSI obligations	3 Rabi' al-Awwal 1447H (corresponding to 26 August 2025G)	3 Rabi' al-Thani 1447H (corresponding to 25 September 2025G)
	GOSI (Commercial Register under Unified No. 7014916584) ⁽¹⁾	101399413	Health and safety certificate	1 Ramadan 1446H (corresponding 1 March 2025G)	8 Rabi' al-Thani 1447H (corresponding to 30 September 2025G)

Company	Issuing Authority	Licence Number	Purpose	Issue Date	Expiration Date
The Company	Ministry of Human Resource and Social Development (Commercial Register under Unified No. 7013408047)	100646-76625224	Certificate of wage protection	3 Rabi' al-Awwal 1447H (corresponding to 26 August 2025G)	4 Rabi' al-Thani 1447H (corresponding to 26 September 2025G)
	Ministry of Human Resource and Social Development (Commercial Register under Unified No. 7013408047)	379857-14458991	Certificate of compliance with Saudisation requirements	14 Safar 1446H (corresponding to 18 August 2024G)	28 Rabi' al-Thani 1447H (corresponding to 20 October 2025G)
	GOSI (Commercial Register under Unified No. 7013408047)	102012354	Certificate of fulfilment of the GOSI obligations	29 Rabi' al-Thani 1447H (corresponding to 16 September 2025G)	25 Jumada al-Akhirah 1447H (corresponding to 16 December 2025G)
	GOSI (Commercial Register under Unified No. 7013408047)	101399830	Health and safety certificate	1 Rajab 1446H (corresponding to 1 January 2025G)	8 Rabi' al-Thani 1447H (corresponding to 30 September 2025G)
	Ministry of Human Resource and Social Development (Commercial Register under Unified No. 7014337948)	105368-57705618	Certificate of wage protection	3 Rabi' al-Awwal 1447H (corresponding to 26 August 2025G)	4 Rabi' al-Thani 1447H (corresponding to 26 September 2025G)
	Ministry of Human Resource and Social Development (Commercial Register under Unified No. 7014337948)	552944-24232680	Certificate of compliance with Saudisation requirements	16 Sha'ban 1445H (corresponding to 26 February 2024G)	28 Rabi' al-Thani 1447H (corresponding to 20 October 2025G)
	GOSI (Commercial Register under Unified No. 7014337948)	99142890	Certificate of fulfilment of the GOSI obligations	27 Muharram 1447H (corresponding to 22 July 2025G)	29 Rabi' al-Thani 1447H (corresponding to 21 October 2025G)
	GOSI (Commercial Register under Unified No. 7014337948)	101399501	Health and safety certificate	1 Rajab 1446H (corresponding to 1 January 2025G)	8 Rabi' al-Thani 1447H (corresponding to 30 September 2025G)
	Ministry of Human Resource and Social Development (Commercial Register under Unified No. 7031416824)	105368-57705618	Certificate of wage protection	3 Rabi' al-Awwal 1447H (corresponding to 26 August 2025G)	4 Rabi' al-Thani 1447H (corresponding to 26 September 2025G)
	Ministry of Human Resource and Social Development (Commercial Register under Unified No. 7031416824)	101148-19154639	Certificate of compliance with Saudisation requirements	20 Jumada al-Ula 1444H (corresponding to 14 December 2022G)	28 Rabi' al-Thani 1447H (corresponding to 20 October 2025G)
	GOSI (Commercial Register under Unified No. 7031416824)	99141301	Certificate of fulfilment of the GOSI obligations	27 Muharram 1446H (corresponding to 22 July 2025G)	29 Rabi' al-Thani 1447H (corresponding to 21 October 2025G)
	GOSI (Commercial Register under Unified No. 7031416824)	101398838	Health and safety certificate	1 Rajab 1446H (corresponding to 1 January 2025G)	8 Rabi' al-Thani 1447H (corresponding to 30 September 2025G)
	Ministry of Human Resource and Social Development (Commercial Register under Unified No. 7016398245)	210422-21076607	Certificate of wage protection	3 Rabi' al-Awwal 1447H (corresponding to 26 August 2025G)	4 Rabi' al-Thani 1447H (corresponding to 26 September 2025G)

Company	Issuing Authority	Licence Number	Purpose	Issue Date	Expiration Date
The Company	Ministry of Human Resource and Social Development (Commercial Register under Unified No. 7016398245)	156548-19014678	Certificate of compliance with Saudisation requirements	14 Safar 1446H (corresponding to 18 August 2024G)	28 Rabi' al-Thani 1447H (corresponding to 20 October 2025G)
	GOSI (Commercial Register under Unified No. 7016398245)	99143626	Certificate of fulfilment of the GOSI obligations	27 Muharram 1447H (corresponding to 22 July 2025G)	29 Rabi' al-Thani 1447H (corresponding to 21 October 2025G)
	GOSI (Commercial Register under Unified No. 7016398245)	101399968	Health and safety certificate	1 Rajab 1446H (corresponding to 1 January 2025G)	8 Rabi' al-Thani 1447H (corresponding to 30 September 2025G)
	Ministry of Human Resource and Social Development (Commercial Register under Unified No. 7021490383)	162865-12649268	Certificate of wage protection	3 Rabi' al-Awwal 1447H (corresponding to 26 August 2025G)	4 Rabi' al-Thani 1447H (corresponding to 26 September 2025G)
	Ministry of Human Resource and Social Development (Commercial Register under Unified No. 7021490383)	507413-29913180	Certificate of compliance with Saudisation requirements	15 Thul-Qi'dah 1445H (corresponding to 23 May 2024G)	28 Rabi' al-Thani 1447H (corresponding to 20 October 2025G)
	GOSI (Commercial Register under Unified No. 7021490383)	99141454	Certificate of fulfilment of the GOSI obligations	27 Muharram 1447H (corresponding to 22 July 2025G)	29 Rabi' al-Thani 1447H (corresponding to 21 October 2025G)
	GOSI (Commercial Register under Unified No. 7021490383)	101399149	Health and safety certificate	1 Rajab 1446H (corresponding to 1 January 2025G)	8 Rabi' al-Thani 1447H (corresponding to 30 September 2025G)
	Ministry of Human Resource and Social Development (Commercial Register under Unified No. 7021490391)	679268-18826981	Certificate of wage protection	3 Rabi' al-Awwal 1447H (corresponding to 26 August 2025G)	4 Rabi' al-Thani 1447H (corresponding to 26 September 2025G)
	Ministry of Human Resource and Social Development (Commercial Register under Unified No. 7021490391)	133807-19100092	Certificate of compliance with Saudisation requirements	15 Thul-Qi'dah 1445H (corresponding to 23 May 2024G)	28 Rabi' al-Thani 1447H (corresponding to 20 October 2025G)
	GOSI (Commercial Register under Unified No. 7021490391)	99143129	Certificate of fulfilment of the GOSI obligations	27 Muharram 1447H (corresponding to 22 July 2025G)	29 Rabi' al-Thani 1447H (corresponding to 21 October 2025G)
	GOSI (Commercial Register under Unified No. 7021490391)	101399748	Health and safety certificate	1 Rajab 1446H (corresponding to 1 January 2025G)	8 Rabi' al-Thani 1447H (corresponding to 30 September 2025G)
	Ministry of Human Resource and Social Development (Commercial Register under Unified No. 7038372194) ⁽¹⁾	119340-11420187	Certificate of wage protection	3 Rabi' al-Awwal 1447H (corresponding to 26 August 2025G)	4 Rabi' al-Thani 1447H (corresponding to 26 September 2025G)
	Ministry of Human Resource and Social Development (Commercial Register under Unified No. 7038372194) ⁽¹⁾	567008-19780495	Certificate of compliance with Saudisation requirements	12 Ramadan 1446H (corresponding to 12 March 2025G)	28 Rabi' al-Thani 1447H (corresponding to 20 October 2025G)

Company	Issuing Authority	Licence Number	Purpose	Issue Date	Expiration Date
The Company	GOSI (Commercial Register under Unified No. 7038372194) ⁽¹⁾	100885742	Certificate of fulfilment of the GOSI obligations	3 Rabi' al-Awwal 1447H (corresponding to 26 August 2025G)	3 Rabi' al-Thani 1447H (corresponding to 25 September 2025G)
	GOSI (Commercial Register under Unified No. 7038372194) ⁽¹⁾	101399191	Health and safety certificate	1 Ramadan 1446H (corresponding to 1 March 2025G)	8 Rabi' al-Thani 1447H (corresponding to 30 September 2025G)
	Ministry of Human Resource and Social Development (Commercial Register under Unified No. 7030993633)	213519-15934136	Certificate of wage protection	3 Rabi' al-Awwal 1447H (corresponding to 26 August 2025G)	4 Rabi' al-Thani 1447H (corresponding to 26 September 2025G)
	Ministry of Human Resource and Social Development (Commercial Register under Unified No. 7030993633)	195968-25956074	Certificate of compliance with Saudisation requirements	15 Thul-Qi'dah 1445H (corresponding to 23 May 2024G)	28 Rabi' al-Thani 1447H (corresponding to 20 October 2025G)
	GOSI (Commercial Register under Unified No. 7030993633)	99140937	Certificate of fulfilment of the GOSI obligations	27 Safar 1447H (corresponding to 22 July 2025G)	29 Rabi' al-Thani 1447H (corresponding to 21 October 2025G)
	GOSI (Commercial Register under Unified No. 7030993633)	101398679	Health and safety certificate	1 Rajab 1446H (corresponding to 1 January 2025G)	8 Rabi' al-Thani 1447H (corresponding to 30 September 2025G)
	Ministry of Human Resource and Social Development (Commercial Register under Unified No. 7015531531)	675784-23546785	Certificate of wage protection	3 Rabi' al-Awwal 1447H (corresponding to 26 August 2025G)	4 Rabi' al-Thani 1447H (corresponding to 26 September 2025G)
	Ministry of Human Resource and Social Development (Commercial Register under Unified No. 7015531531)	380654-12320237	Certificate of compliance with Saudisation requirements	15 Thul-Qi'dah 1445H (corresponding to 23 May 2024G)	28 Rabi' al-Thani 1447H (corresponding to 20 October 2025G)
	GOSI (Commercial Register under Unified No. 7015531531)	99140991	Certificate of fulfilment of the GOSI obligations	27 Muharram 1447H (corresponding to 22 July 2025G)	29 Rabi' al-Thani 1447H (corresponding to 21 October 2025G)
	GOSI (Commercial Register under Unified No. 7015531531)	101398993	Health and safety certificate	1 Rajab 1446H (corresponding to 1 January 2025G)	8 Rabi' al-Thani 1447H (corresponding to 30 September 2025G)
	Ministry of Human Resource and Social Development (Commercial Register under Unified No. 7033893483) ⁽¹⁾	160149-66582277	Certificate of wage protection	3 Rabi' al-Awwal 1447H (corresponding to 26 August 2025G)	4 Rabi' al-Thani 1447H (corresponding to 26 September 2025G)
	Ministry of Human Resource and Social Development (Commercial Register under Unified No. 7033893483) ⁽¹⁾	187865-16780968	Certificate of compliance with Saudisation requirements	11 Safar 1446H (corresponding to 15 August 2024G)	28 Rabi' al-Thani 1447H (corresponding to 20 October 2025G)
	GOSI (Commercial Register under Unified No. 7033893483) ⁽¹⁾	99141118	Certificate of fulfilment of the GOSI obligations	27 Muharram 1447H (corresponding to 22 July 2025G)	29 Rabi' al-Thani 1447H (corresponding to 21 October 2025G)

Company	Issuing Authority	Licence Number	Purpose	Issue Date	Expiration Date
The Company	GOSI (Commercial Register under Unified No. 7033893483) ⁽¹⁾	101398878	Health and safety certificate	1 Rajab 1446H (corresponding to 1 January 2025G)	8 Rabi' al-Thani 1447H (corresponding to 30 September 2025G)
	Ministry of Human Resource and Social Development (Commercial Register under Unified No. 7023606606) ⁽¹⁾	358269-12655695	Certificate of wage protection	3 Rabi' al-Awwal 1447H (corresponding to 26 August 2025G)	4 Rabi' al-Thani 1447H (corresponding to 26 September 2025G)
	Ministry of Human Resource and Social Development (Commercial Register under Unified No. 7023606606) ⁽¹⁾	184497-21085111	Certificate of compliance with Saudisation requirements	8 Shawwal 1446H (corresponding to 6 April 2025G)	28 Rabi' al-Thani 1447H (corresponding to 20 October 2025G)
	GOSI (Commercial Register under Unified No. 7023606606) ⁽¹⁾	99143027	Certificate of fulfilment of the GOSI obligations	27 Muharram 1447H (corresponding to 22 July 2025G)	29 Rabi' al-Thani 1447H (corresponding to 21 October 2025G)
	GOSI (Commercial Register under Unified No. 7023606606) ⁽¹⁾	101399593	Health and safety certificate	1 Ramadan 1446H (corresponding to 1 March 2025G)	8 Rabi' al-Thani 1447H (corresponding to 30 September 2025G)
Judeh Sakhour for Mining Company	Ministry of Human Resource and Social Development (corresponding to Commercial Register under Unified No. 7031169332)	125457-16337741	Certificate of wage protection	3 Rabi' al-Awwal 1447H (corresponding to 26 August 2025G)	4 Rabi' al-Thani 1447H (corresponding to 26 September 2025G)
	Ministry of Human Resource and Social Development (corresponding to Commercial Register under Unified No. 7031169332)	833067-11675391	Certificate of compliance with Saudisation requirements	14 Safar 1446H (corresponding to 18 August 2025G)	28 Rabi' al-Thani 1447H (corresponding to 20 October 2025G)
	GOSI (corresponding to Commercial Register under Unified No. 7031169332)	99143870	Certificate of fulfilment of the GOSI obligations	27 Muharram 1447H (corresponding to 22 July 2025G)	29 Rabi' al-Thani 1447H (corresponding to 21 October 2025G)
	GOSI (corresponding to Commercial Register under Unified No. 7031169332)	101399957	Health and safety certificate	1 Rajab 1446H (corresponding to 1 January 2025G)	8 Rabi' al-Thani 1447H (corresponding to 30 September 2025G)
	ZATCA	2096171390	Certificate enabling the Company to finalise all processes	3 Shawwal 1445H (corresponding to 1 April 2025G)	13 Thul-Qi'dah 1447H (corresponding to 30 April 2026G)
	ZATCA	100251133253277	VAT registration certificate	12 Jumada al-Ula 1445H (corresponding to 1 April 2025G)	-
	Ministry of Human Resource and Social Development (corresponding to Branch Commercial Register under Unified No. 7036640584) ⁽¹⁾	509541-83963421	Certificate of wage protection	3 Rabi' al-Awwal 1447H (corresponding to 26 August 2025G)	4 Rabi' al-Thani 1447H (corresponding to 26 September 2025G)

Company	Issuing Authority	Licence Number	Purpose	Issue Date	Expiration Date
Judeh Sakhour for Mining Company	Ministry of Human Resource and Social Development (corresponding to Branch Commercial Register under Unified No. 7036640584) ⁽¹⁾	132497-10026151	Certificate of compliance with Saudisation requirements	14 Safar 1446H (corresponding to 18 August 2024G)	28 Rabi' al-Thani 1447H (corresponding to 20 October 2025G)
	GOSI (corresponding to Branch Commercial Register under Unified No. 7036640584) ⁽¹⁾	99144171	Certificate of fulfilment of the GOSI obligations	27 Muharram 1447H (corresponding to 22 July 2025G)	29 Rabi' al-Thani 1447H (corresponding to 21 October 2025G)
	GOSI (corresponding to Commercial Register under Unified No. 7036640584) ⁽¹⁾	101400105	Health and safety certificate	1 Rajab 1446H (corresponding to 1 January 2025G)	8 Rabi' al-Thani 1447H (corresponding to 30 September 2025G)
Dorra Al-Mobani for Mining Company	ZATCA	100241121322435	VAT registration certificate	14 Rabi' al-Thani 1445H (corresponding to 29 October 2023G)	-
	ZATCA	1026170610	Certificate enabling the Company to finalise all processes	26 Sha'ban 1445H (corresponding to 26 March 2024G)	13 Thul-Qi'dah 1447H (corresponding to 30 April 2026G)
	Ministry of Human Resource and Social Development (Commercial Register under Unified No. 7030158591)	117675-98183666	Certificate of wage protection	3 Rabi' al-Awwal 1447H (corresponding to 26 August 2025G)	4 Rabi' al-Thani 1447H (corresponding to 26 September 2025G)
	Ministry of Human Resource and Social Development (Commercial Register under Unified No. 7030158591)	199125-13902754	Certificate of compliance with Saudisation requirements	2 Ramadan 1446H (2 March 2025G)	28 Rabi' al-Thani 1447H (corresponding to 20 October 2025G)
	GOSI (Commercial Register under Unified No. 7030158591)	99144340	Certificate of fulfilment of the GOSI obligations	27 Muharram 1447H (corresponding to 22 July 2025G)	29 Rabi' al-Thani 1447H (corresponding to 21 October 2025G)
	GOSI (Commercial Register under Unified No. 7030158591)	101400128	Health and safety certificate	1 Rajab 1446H (corresponding to 1 January 2025G)	8 Rabi' al-Thani 1447H (corresponding to 30 September 2025G)
Al-Rammal Al-Hamra for Mining Company	ZATCA	100241124831005	VAT registration certificate	21 Muharram 1446H (corresponding to 27 July 2024G)	-
	ZATCA	1026148936	Certificate enabling the Company to finalise all processes	25 Ramadan 1446H (corresponding to 25 March 2025G)	13 Thul-Qidah 1447H (corresponding to 30 April 2026G)
	Ministry of Human Resource and Social Development (Commercial Register under Unified No. 7032432408) ⁽¹⁾	526908-34606650	Certificate of wage protection	3 Rabi' al-Awwal 1447H (corresponding to 26 August 2025G)	4 Rabi' al-Thani 1447H (corresponding to 26 September 2025G)
	Ministry of Human Resource and Social Development (Commercial Register under Unified No. 7032432408) ⁽¹⁾	184936-52315975	Certificate of compliance with Saudisation requirements	19 Shawwal 1446H (corresponding to 17 April 2025G)	28 Rabi' al-Thani 1447H (corresponding to 20 October 2025G)
	GOSI (Commercial Register under Unified No. 7032432408) ⁽¹⁾	99144626	Certificate of fulfilment of the GOSI obligations	27 Muharram 1447H (corresponding to 22 July 2025G)	29 Rabi' al-Thani 1447H (corresponding to 21 October 2025G)

Company	Issuing Authority	Licence Number	Purpose	Issue Date	Expiration Date
Al-Rammal Al-Hamra for Mining Company	GOSI (Commercial Register under Unified No. 7032432408) ⁽¹⁾	101400316	Health and safety certificate	1 Rajab 1446H (corresponding to 1 January 2025G)	8 Rabi' al-Thani 1447H (corresponding to 30 September 2025G)
Al-Deraa Outni for Mining Company	ZATCA	100241124831159	VAT registration certificate	7 Jumada al-Akhirah 1446H (corresponding to 8 December 2024G)	-
	ZATCA	-	Certificate enabling the Company to finalise all processes	-	-
	Ministry of Human Resource and Social Development (Commercial Register under Unified No. 7042613542)	230781-189191600	Certificate of wage protection	3 Rabi' al-Awwal 1447H (corresponding to 26 August 2025G)	4 Rabi' al-Thani 1447H (corresponding to 26 September 2025G)
	Ministry of Human Resource and Social Development (Commercial Register under Unified No. 7042613542)	192282-10735527	Certificate of compliance with Saudisation requirements	9 Thul-Qi'dah 1446H (corresponding to 7 May 2025G)	28 Rabi' al-Thani 1447H (corresponding to 20 October 2025G)
	GOSI (Commercial Register under Unified No. 7042613542)	99144468	Certificate of fulfilment of the GOSI obligations	27 Muharram 1447H (corresponding to 22 July 2025G)	29 Rabi' al-Thani 1447H (corresponding to 21 October 2025G)
	GOSI (Commercial Register under Unified No. 7042613542)	101400249	Health and safety certificate	1 Rajab 1446H (corresponding to 1 January 2025G)	8 Rabi' al-Thani 1447H (corresponding to 30 September 2025G)

Source: The Group.

⁽¹⁾ This branch does not have any employees.

Table 11.4: Summary of Operational Licences Obtained by the Group

Company				
Head Office Commercial Register under Unified No. 7001683254 19 Ibn Qasim, Al-Aziziyah District, Building No. 3492, P.O. Box 4293, Postal Code 14511, Riyadh 7941, Kingdom of Saudi Arabia				
Issuer	Licence Number	Purpose	Issue Date	Expiry Date
General Directorate of Civil Defence, Kingdom of Saudi Arabia	1-001850518-46	Civil defence licence	6 Thul-Qi'dah 1446H (corresponding to 4 May 2025G)	3 Muharram 1448H (corresponding to 18 June 2026G)
Riyadh Municipality, Kingdom of Saudi Arabia, Kingdom of Saudi Arabia	41012551594	Engaging in commercial activity	3 Muharram 1443H (corresponding to 11 August 2021G)	3 Muharram 1448H (corresponding to 18 June 2026G)
Ministry of Industry and Mineral Resources, Kingdom of Saudi Arabia	1437757	Building materials quarry licence	21 Rabi' al-Thani 1445H (corresponding to 5 November 2023G)	27 Jumada Al-Akhirah 1450H (corresponding to 14 November 2028G)
Ministry of Industry and Mineral Resources, Kingdom of Saudi Arabia	1437755	Building materials quarry licence	29 Rabi' al-Thani 1445H (corresponding to 13 November 2023G)	27 Jumada Al-Akhirah 1447H (corresponding to 18 December 2025G)
Ministry of Industry and Mineral Resources, Kingdom of Saudi Arabia	1429753	Building materials quarry licence	11 Rabi' al-Awwal 1445H (corresponding to 26 September 2023G)	4 Rabi' al-Awwal 1450H (corresponding to 23 September 2028G)
Ministry of Industry and Mineral Resources, Kingdom of Saudi Arabia	14447542	Building materials quarry licence	2 Thul-Qi'dah 1444H (corresponding to 22 May 2023G)	2 Thul-Qi'dah 1449H (corresponding to 28 March 2028G)
Ministry of Industry and Mineral Resources, Kingdom of Saudi Arabia	14457620	Building materials quarry licence	9 Jumada al-Ula 1445H (corresponding to 23 November 2023G)	9 Jumada al-Ula 1450H (corresponding to 28 September 2028G)
Ministry of Industry and Mineral Resources, Kingdom of Saudi Arabia	1429744	Building materials quarry licence	11 Rabi' al-Awwal 1445H (corresponding to 26 September 2023G)	4 Rabi' al-Awwal 1450H (corresponding to 23 September 2028G)

Company				
Head Office				
Commercial Register under Unified No. 7001683254 19 Ibn Qasim, Al-Aziziyah District, Building No. 3492, P.O. Box 4293, Postal Code 14511, Riyadh 7941, Kingdom of Saudi Arabia				
Issuer	Licence Number	Purpose	Issue Date	Expiry Date
Ministry of Industry and Mineral Resources, Kingdom of Saudi Arabia	1437752	Building materials quarry licence	17 Jumada al-Ula 1443H (corresponding to 21 December 2021G)	28 Jumada Al-Akhirah 1447H (corresponding to 19 December 2025G)
Ministry of Industry and Mineral Resources, Kingdom of Saudi Arabia	1428760	Building materials quarry licence	6 Thul-Hijjah 1445H (corresponding to 12 June 2024G)	4 Rabi' al-Awwal 1448H (corresponding to 17 August 2026G)
Ministry of Industry and Mineral Resources, Kingdom of Saudi Arabia	14437650	Building materials quarry licence	11 Sha'ban 1443H (corresponding to 14 March 2022G)	11 Sha'ban 1448H (corresponding to 19 January 2027G)
Ministry of Industry and Mineral Resources, Kingdom of Saudi Arabia	1427733	Building materials quarry licence	6 Thul-Hijjah 1445H (corresponding to 12 June 2024G)	20 Ramadan 1448H (corresponding to 27 February 2027G)
Ministry of Industry and Mineral Resources, Kingdom of Saudi Arabia	1445711	Building materials quarry licence	9 Muharram 1445H (corresponding to 27 July 2023G)	9 Muharram 1450H (corresponding to 2 June 2028G)
Ministry of Industry and Mineral Resources, Kingdom of Saudi Arabia	1428758	Building materials quarry licence	6 Thul-Hijjah 1445H (corresponding to 12 June 2024G)	20 Ramadan 1448H (corresponding to 27 February 2027G)
Ministry of Industry and Mineral Resources, Kingdom of Saudi Arabia	1437741	Building materials quarry licence	21 Rabi' al-Thani 1445H (corresponding to 5 November 2023G)	25 Jumada Al-Akhirah 1450H (corresponding to 12 November 2028G)
Ministry of Industry and Mineral Resources, Kingdom of Saudi Arabia	1437756	Building materials quarry licence	21 Rabi' al-Thani 1445H (corresponding to 5 November 2023G)	28 Jumada Al-Akhirah 1450H (corresponding to 15 November 2028G)
Ministry of Industry and Mineral Resources, Kingdom of Saudi Arabia	1437745	Building materials quarry licence	21 Rabi' al-Thani 1445H (corresponding to 5 November 2023G)	27 Jumada Al-Akhirah 1450H (corresponding to 14 November 2028G)
Ministry of Industry and Mineral Resources, Kingdom of Saudi Arabia ⁽¹⁾	14457618	Building materials quarry licence	30 Rabi' al-Thani 1445H (corresponding to 14 November 2023G)	30 Rabi' al-Thani 1446H (corresponding to 2 November 2024G)
Ministry of Industry and Mineral Resources, Kingdom of Saudi Arabia ⁽¹⁾	1443338	Exploration licence for mining areas	12 Rajab 1443H (corresponding to 13 February 2022G)	12 Rajab 1444H (corresponding to 3 February 2023G)
Branch (2)				
Commercial Register under Unified No. 7011182123 Al Aziziyah District, Building No. 3557, Postal Code 14511, Riyadh, Kingdom of Saudi Arabia				
Issuer	Licence Number	Purpose	Issue Date	Expiry Date
Riyadh Municipality, Kingdom of Saudi Arabia	-	Engaging in commercial activity	-	-
General Directorate of Civil Defence, Kingdom of Saudi Arabia	-	Civil defence licence	-	-

Branch (2)
Commercial Register under Unified No. 7014916584
Al Aziziyah District, Building No. 3557, Postal Code 14511, Riyadh, Kingdom of Saudi Arabia

Issuer	Licence Number	Purpose	Issue Date	Expiry Date
General Directorate of Civil Defence, Kingdom of Saudi Arabia	-	Civil defence licence	-	-
Riyadh Municipality, Kingdom of Saudi Arabia	-	Engaging in commercial activity	-	-
Ministry of Industry and Mineral Resources, Kingdom of Saudi Arabia	-	Manufacturing equipment and devices for liquids filtration and gas purification licence	-	-
General Authority for Meteorology and Environmental Protection, Kingdom of Saudi Arabia	-	Maintaining pollution control devices and technologies licence	-	-
General Authority for Meteorology and Environmental Protection, Kingdom of Saudi Arabia	-	Maintaining and operating pollution control equipment licence	-	-
General Authority for Meteorology and Environmental Protection, Kingdom of Saudi Arabia	-	Selling portable pollution control equipment, including imports licence	-	-

Branch (2)
Commercial Register under Unified No. 7030993633
Al Aziziyah District, Building No. 3492, Postal Code 14511, Riyadh, Kingdom of Saudi Arabia

Issuer	Licence Number	Purpose	Issue Date	Expiry Date
General Directorate of Civil Defence, Kingdom of Saudi Arabia	-	Civil defence licence	-	-
Riyadh Municipality, Kingdom of Saudi Arabia	-	Engaging in commercial activity	-	-

Branch

Commercial Register under Unified No. 7005804070
Building No. 3745, Postal Code 47322, Tabuk, Kingdom of Saudi Arabia

Issuer	Licence Number	Purpose	Issue Date	Expiry Date
General Directorate of Civil Defence, Kingdom of Saudi Arabia	1-001717093-46	Civil defence licence	16 Jumada al-Akhirah 1446H (corresponding to 17 December 2024G)	16 Jumada al-Akhirah 1447H (corresponding to 7 December 2025G)
Tabuk Municipality, Kingdom of Saudi Arabia	460517708936	Engaging in commercial activity	16 Jumada al-Akhirah 1446H (corresponding to 17 December 2024G)	16 Jumada al-Akhirah 1447H (corresponding to 7 December 2025G)

Branch (2)
Commercial Register under Unified No. 7006385632
Al Nakheel District, Building No. 2813, Postal Code 15853, Rumah, Kingdom of Saudi Arabia

Issuer	Licence Number	Purpose	Issue Date	Expiry Date
General Directorate of Civil Defence, Kingdom of Saudi Arabia	-	Civil defence licence	-	-
Rumah Municipality, Kingdom of Saudi Arabia	-	Engaging in commercial activity	-	-
Ministry of Interior, Kingdom of Saudi Arabia	2300879	Rock cutting using explosives licence	16 Muharram 1446H (corresponding to 22 July 2024G)	18 Safar 1449H (corresponding to 22 July 2027G)
Ministry of Interior, Kingdom of Saudi Arabia	2301721	Rock cutting using explosives licence	10 Rabi' al-Awwal 1445H (corresponding to 25 September 2023G)	14 Rabi' al-Thani 1448H (corresponding to 25 September 2026G)
Ministry of Interior, Kingdom of Saudi Arabia	2414244	Rock cutting using explosives licence	14 Safar 1446H (corresponding to 18 August 2024G)	16 Rabi' al-Awwal 1449H (corresponding to 18 August 2027G)

Branch (2) Commercial Register under Unified No. 7015531531 As Salam District, Building No. 7197, Postal Code 15857, Rumah, Kingdom of Saudi Arabia				
Issuer	Licence Number	Purpose	Issue Date	Expiry Date
General Directorate of Civil Defence, Kingdom of Saudi Arabia	-	Civil defence licence	-	-
Rumah Municipality, Kingdom of Saudi Arabia	-	Engaging in commercial activity	-	-
Branch Commercial Register under Unified No. 7013408047 Building No. 4369, Postal Code 62458, Khamis Mushait, Kingdom of Saudi Arabia				
Issuer	Licence Number	Purpose	Issue Date	Expiry Date
General Directorate of Civil Defence, Kingdom of Saudi Arabia	1-001716122-46	Civil defence licence	29 Jumada al-Akhirah 1446H (corresponding to 30 December 2024G)	29 Jumada al-Akhirah 1449H (corresponding to 28 November 2027G)
Aseer Municipality, Kingdom of Saudi Arabia	3909670161	Engaging in commercial activity	6 Rabi' al-Thani 1438H (corresponding to 4 January 2017G)	6 Rabi' al-Thani 1449H (corresponding to 7 September 2027G)
Branch Commercial Register under Unified No. 7016398245 Al Zuhoor District, Building No. 6277, Postal Code 82745, Jazan, Kingdom of Saudi Arabia				
Issuer	Licence Number	Purpose	Issue Date	Expiry Date
General Directorate of Civil Defence, Kingdom of Saudi Arabia	1-001295226-45	Civil defence licence	5 Jumada al-Ula 1445H (corresponding to 19 November 2023G)	5 Jumada al-Ula 1447H (corresponding to 27 October 2025G)
Jazan Municipality, Kingdom of Saudi Arabia	450413610654	Engaging in commercial activity	5 Jumada al-Ula 1445H (corresponding to 19 November 2023G)	5 Jumada al-Ula 1447H (corresponding to 27 October 2025G)
Branch (2) Commercial Register under Unified No. 7021490383 Ahmad bin Rushd street, Postal Code 33463, Alahsa, Kingdom of Saudi Arabia				
Issuer	Licence Number	Purpose	Issue Date	Expiry Date
General Directorate of Civil Defence, Kingdom of Saudi Arabia	-	Civil defence licence	-	-
Alahsa Municipality, Kingdom of Saudi Arabia	-	Engaging in commercial activity	-	-
Ministry of Interior, Kingdom of Saudi Arabia	2409999	Rock cutting using explosives licence	9 Thul-Qi'dah 1445H (corresponding to 17 May 2024G)	11 Thul-Hijjah 1448H (corresponding to 17 May 2027G)
Ministry of Industry and Mineral Resources, Kingdom of Saudi Arabia	1437757	Building materials quarry licence	21 Rabi' al-Thani 1445H (corresponding to 5 November 2023G)	27 Jumada al-Akhirah 1450H (corresponding to 14 November 2028G)
Ministry of Industry and Mineral Resources, Kingdom of Saudi Arabia	1437755	Building materials quarry licence	29 Rabi' al-Thani 1445H (corresponding to 13 November 2023G)	27 Jumada al-Akhirah 1447H (corresponding to 18 December 2025G)
Ministry of Industry and Mineral Resources, Kingdom of Saudi Arabia	1437752	Building materials quarry licence	17 Jumada al-Ula 1443H (corresponding to 21 December 2021G)	28 Jumada al-Akhirah 1447H (corresponding to 19 December 2025G)
Ministry of Industry and Mineral Resources, Kingdom of Saudi Arabia	14437650	Building materials quarry licence	11 Sha'ban 1443H (corresponding to 14 March 2022G)	11 Sha'ban 1448H (corresponding to 19 January 2027G)
Ministry of Industry and Mineral Resources, Kingdom of Saudi Arabia	1445711	Building materials quarry licence	9 Muharram 1445H (corresponding to 27 July 2023G)	9 Muharram 1450H (corresponding to 2 June 2028G)
Ministry of Industry and Mineral Resources, Kingdom of Saudi Arabia	1437741	Building materials quarry licence	21 Rabi' al-Thani 1445H (corresponding to 5 November 2023G)	25 Jumada al-Akhirah 1450H (corresponding to 12 November 2028G)
Ministry of Industry and Mineral Resources, Kingdom of Saudi Arabia	1437756	Building materials quarry licence	21 Rabi' al-Thani 1445H (corresponding to 5 November 2023G)	28 Jumada al-Akhirah 1450H (corresponding to 15 November 2028G)

Branch (2) Commercial Register under Unified No. 7021490383 Ahmad bin Rushd street, Postal Code 33463, Alahsa, Kingdom of Saudi Arabia				
Issuer	Licence Number	Purpose	Issue Date	Expiry Date
Ministry of Industry and Mineral Resources, Kingdom of Saudi Arabia	1437745	Building materials quarry licence	21 Rabi' al-Thani 1445H (corresponding to 5 November 2023G)	27 Jumada al-Akhirah 1450H (corresponding to 14 November 2028G)
National Centre for Environmental Compliance, Kingdom of Saudi Arabia	EPOPP-2023-005216	Environmental licence (quarry operations)	25 Muharram 1446H (corresponding to 31 July 2024G)	27 Safar 1449H (corresponding to 31 July 2027G)
National Centre for Environmental Compliance, Kingdom of Saudi Arabia	EPOPP-2023-005213	Environmental licence (quarry operations)	22 Safar 1446H (corresponding to 26 August 2024G)	24 Rabi' al-Awwal 1449H (corresponding to 26 August 2027G)
National Centre for Environmental Compliance, Kingdom of Saudi Arabia	EPOPP-2023-005214	Environmental licence (quarry operations)	10 Safar 1446H (corresponding to 14 August 2024G)	12 Rabi' al-Awwal 1449H (corresponding to 14 August 2027G)
National Centre for Environmental Compliance, Kingdom of Saudi Arabia	EPOPP-2023-005215	Environmental licence (quarry operations)	19 Rabi' al-Thani 1446H (corresponding to 22 October 2024G)	22 Jumada al-Ula 1449H (corresponding to 22 October 2027G)
National Centre for Environmental Compliance, Kingdom of Saudi Arabia	EPOPP-2023-005217	Environmental licence (quarry operations)	17 Safar 1446H (corresponding to 21 August 2024G)	19 Rabi' al-Awwal 1449H (corresponding to 21 August 2027G)
National Centre for Environmental Compliance, Kingdom of Saudi Arabia	EPOPP-2023-004690	Environmental Licence (Operation of sand or gravel mines, including crushers)	27 Thul-Qi'dah 1445H (corresponding to 4 June 2024G)	29 Thul-Hijjah 1448H (corresponding to 4 June 2027G)
National Centre for Environmental Compliance, Kingdom of Saudi Arabia	EPOPP-2024-005850	Environmental licence (quarry operations)	12 Rabi' al-Awwal 1446H (corresponding to 15 September 2024G)	23 Rabi' al-Awwal 1447H (corresponding to 14 April 2027G)

Branch (2) Commercial Register under Unified No. 7021490391 Qubeiba District, Building No. 6527, Postal Code 42263, Al Madina Al Munawwara, Kingdom of Saudi Arabia				
Issuer	Licence Number	Purpose	Issue Date	Expiry Date
General Directorate of Civil Defence, Kingdom of Saudi Arabia	1-00172807-46	Civil defence licence	24 Jumada al-Akhirah 1446H (corresponding to 25 December 2024G)	24 Jumada al-Akhirah 1449H (corresponding to 23 November 2027G)
Al Madina Al Munawwara Municipality, Kingdom of Saudi Arabia	40021695356	Engaging in commercial activity	4 Safar 1440H (corresponding to 13 October 2018G)	4 Safar 1449H (corresponding to 8 July 2027G)

Branch (2) Commercial Register under Unified No. 7031416824 Building No. 6257, Postal Code 43523, Al Ula, Kingdom of Saudi Arabia				
Issuer	Licence Number	Purpose	Issue Date	Expiry Date
General Directorate of Civil Defence, Kingdom of Saudi Arabia	-	Civil defence licence	-	-
Al Ula Municipality, Kingdom of Saudi Arabia	-	Engaging in commercial activity	-	-
National Centre for Environmental Compliance, Kingdom of Saudi Arabia	EPC2-2023-001758	Environmental licence	22 Safar 1445H (corresponding to 7 September 2023G)	-
National Centre for Environmental Compliance, Kingdom of Saudi Arabia	EPOPP-2023-007414	Environmental licence	29 Ramadan 1445H (corresponding to 8 April 2024G)	1 Thul-Qi'dah 1448H (corresponding to 8 April 2027G)

Branch(2) Commercial Register under Unified No. 7033893483 King Abdulaziz Ibn Abdulrahman Saud, Ukaz District, Building No. 7753, Postal Code 45411, Tayma', Kingdom of Saudi Arabia				
Issuer	Licence Number	Purpose	Issue Date	Expiry Date
General Directorate of Civil Defence, Kingdom of Saudi Arabia	-	Civil defence licence	-	-
Tyma Municipality, Kingdom of Saudi Arabia	-	Engaging in commercial activity	-	-
National Centre for Environmental Compliance, Kingdom of Saudi Arabia	EPC2-2023-000207	Environmental Licence	13 Shawwal 1444H (corresponding to 3 May 2023G)	-
Branch(2) Commercial Register under Unified No. 7038372194 Al Qitar District, Building No. 4646, Postal Code 15368, Almajma'ah, Kingdom of Saudi Arabia				
Issuer	Licence Number	Purpose	Issue Date	Expiry Date
General Directorate of Civil Defence, Kingdom of Saudi Arabia	-	Civil defence licence	-	-
Almajma'ah Municipality, Kingdom of Saudi Arabia	-	Engaging in commercial activity	-	-
National Centre for Ministry of Interior, Kingdom of Saudi Arabia	2405926	Rock cutting using explosives licence	4 Sha'ban 1445H (corresponding to 14 February 2024G)	7 Ramadan 1448H (corresponding to 14 February 2027G)
Ministry of Industry and Mineral Resources, Kingdom of Saudi Arabia	14447542	Operating sand or gravel mines, including crushers licence	2 Thul-Qi'dah 1444H (corresponding to 22 May 2023G)	2 Thul-Qi'dah 1449H (corresponding to 28 March 2028G)
National Centre for Environmental Compliance, Kingdom of Saudi Arabia	EPOPP-2024-004688	Environmental Licence	17 Thul-Hijjah 1445H (corresponding to 23 June 2024G)	18 Muharram 1449H (corresponding to 23 June 2027G)
Branch (2) Commercial Register under Unified No. 7014337948 Al Aziziyah District, Building No. 3492, Postal Code 14511, Dhurma, Kingdom of Saudi Arabia				
Issuer	Licence Number	Purpose	Issue Date	Expiry Date
General Directorate of Civil Defence, Kingdom of Saudi Arabia	-	Civil defence licence	-	-
Dhurma Municipality, Kingdom of Saudi Arabia	-	Engaging in commercial activity	-	-
Transport General Authority Kingdom of Saudi Arabia	11/00000496	Road Freight Transport	8 Sha'ban 1440H (corresponding to 13 April 2019G)	6 Rabi' al-Awwal 1449H (corresponding to 8 August 2027G)
Branch (2) Commercial Register under Unified No. 7023606606 Al Nakheel District, Building No. 3557, Postal Code 23241, Jeddah, Kingdom of Saudi Arabia				
Issuer	Licence Number	Purpose	Issue Date	Expiry Date
Jeddah Municipality, Kingdom of Saudi Arabia	42115844347	Engaging in commercial activity	29 Jumada al-Ula 1443H (corresponding to 2 January 2022G)	29 Jumada al-Ula 1447H (corresponding to 20 November 2025G)
General Directorate of Civil Defence, Kingdom of Saudi Arabia	2-001389257-46	Civil defence licence	3 Thul-Qi'dah 1446H (corresponding to 1 May 2025G)	3 Thul-Qi'dah 1448H (corresponding to 10 April 2027G)

Judeh Sakhour for Mining Company
Head Office (2)
Commercial Register under Unified No. 7031169332
Old Makkah Road, Ath Thagr District, Building No. 4932, Postal Code 22338, Jeddah, Kingdom of Saudi Arabia

Issuer	Licence Number	Purpose	Issue Date	Expiry Date
Jeddah Municipality, Kingdom of Saudi Arabia	-	Engaging in commercial activities	-	-
General Directorate of Civil Defence, Kingdom of Saudi Arabia	-	Civil defence licence	-	-
Ministry of Industry and Mineral Resources, Kingdom of Saudi Arabia	-	Building Material Quarry licence	-	-

Branch (3)
Commercial Register under Unified No. 7036640584
Al Aziziyah District, Building No. 3492, Postal Code 14511, Riyadh, Kingdom of Saudi Arabia

Issuer	Licence Number	Purpose	Issue Date	Expiry Date
Riyadh Municipality, Kingdom of Saudi Arabia	-	Engaging in commercial activities	-	-
General Directorate of Civil Defence, Kingdom of Saudi Arabia	-	Civil defence licence	-	-
Transport General Authority Kingdom of Saudi Arabia	11/00046025	Road freight transport	22 Muharram 1445H (corresponding to 9 August 2023G)	25 Muharram 1448H (corresponding to 10 July 2026G)

Dorra Al-Mobani for Mining Company
Head Office
Commercial Register under Unified No. 7030158591
king Fahd road, Al Olaya District, Postal Code 12333, Riyadh 3817, Kingdom of Saudi Arabia

Issuer	Licence Number	Purpose	Issue Date	Expiry Date
Riyadh Municipality, Kingdom of Saudi Arabia	-	Engaging in commercial activities	-	-
General Directorate of Civil Defence, Kingdom of Saudi Arabia	-	Civil defence licence	-	-
Ministry of Industry and Mineral Resources, Kingdom of Saudi Arabia	14467677	Building Materials Quarry Licence	13 Rabi' al-Awwal 1446H (corresponding to 16 September 2024G)	13 Rabi' al-Awwal 1451H (corresponding to 25 July 2029G)
Ministry of Interior, Kingdom of Saudi Arabia	2418823	Rock cutting using explosives licence	25 Rabi' al-Thani 1446H (corresponding to 28 October 2024G)	28 Jumada al-Ula 1449H (corresponding to 28 October 2027G)
National Centre for Environmental Compliance, Kingdom of Saudi Arabia	EPC2-2023-003169	Environmental Licence	13 Rajab 1445H (corresponding to 25 January 2024G)	-

Al-Rammal Al-Hamra for Mining Company
Head Office (3)
Commercial Register under Unified No. 7032432408
Bahr Al Arab, Al Khaleej District, Postal Code 13224, Riyadh 3400, Kingdom of Saudi Arabia

Issuer	Licence Number	Purpose	Issue Date	Expiry Date
Riyadh Municipality, Kingdom of Saudi Arabia	-	Engaging in commercial activities	-	-
General Directorate of Civil Defence, Kingdom of Saudi Arabia	-	Civil defence licence	-	-
Ministry of Industry and Mineral Resources, Kingdom of Saudi Arabia	1445211	Exploration Licence	20 Shawwal 1445H (corresponding to 29 April 2024G)	30 Shawwal 1446H (corresponding to 28 April 2025G)

Al-Deraa Outni for Mining Company Head Office (3) Commercial Register under Unified No. 7042613542 19 Ibn Qasim Road, Al-Aziziya District, Building No. 3492, P.O. Box 4293, Postal Code 14511, Riyadh 7941, Kingdom of Saudi Arabia				
Issuer	Licence Number	Purpose	Issue Date	Expiry Date
Riyadh Municipality, Kingdom of Saudi Arabia	-	Engaging in commercial activities	-	-
General Directorate of Civil Defence, Kingdom of Saudi Arabia	-	Civil defence licence	-	-

Source: The Group.

- (1) The licence has expired, and the Group is currently in the process of renewing it.
- (2) The branch is non-operational and does not have a physical location; therefore, obtaining an operational licence is not required.
- (3) The branch is located within residential area; accordingly, the operational licences are not required.

11.5 Material Agreements

The Group has entered into a number of agreements for the purpose of its business. The following is a summary of those agreements which the Group considers material or important or which may otherwise influence a Subscriber's decision to invest in the Offer Shares. The Group believes that all such agreements, in addition to the key provisions thereunder, have been included in this Section and that there are no other agreements, which are material in the context of the Group's business, that have not been disclosed. As of the date of this Prospectus, the Group has not breached any of provisions of the material business agreements during the relevant term of such agreements and is not aware of any event which with the passing of time may become a breach or default under any such agreements. These summaries do not purport to describe all the applicable provisions of such agreements. For further details on the Group's leases and insurance policies, see Section 11.8.2 (*Leases*), and Section 11.7 (*Insurance Policies*). The following table sets out the material agreements (except for leases agreements and insurance policies) entered into by the Group for the purposes of its business:

Table 11.5: Details of Material Agreements with Key Clients

Supply Agreement between the Company (as supplier) and Al Hossain and Al Afaliq Company (as client)	
Date	11 Shawwal 1446H (corresponding to 9 April 2025G).
Purpose and Scope	The Company has entered into the agreement for the purpose of supplying aggregate materials of all types (3/4, 4/3, 8/3, 16/3) to the client, using the tonne as the standard unit of measurement for production. The cubic metre shall be calculated based on an average density of 1.38 tonnes for 4/3 materials and 1.37 tonnes for 8/3 and 16/3 materials, in accordance with the quantities and specifications detailed in the purchase orders issued by the Company and based on the prices specified in the agreement. The contents of these purchase orders shall be considered an integral part of the agreement and shall govern the contractual relationship between the two parties.
Term and Renewal Mechanism	- The agreement shall commence 11 Shawwal 1446H (corresponding to 9 April 2025G) and is for a term of one year. - The agreement will automatically renew unless one party notifies the other of their intention not to renew. This notification must be made in writing and sent to the other party at least 30 days before the agreement expiration date.
Financial Obligations	- There is no specific value under this agreement. - The revenues generated: SAR 15,678,996.20, SAR 17,843,824.82, SAR 26,489,788 and SAR 7,473,566 for the financial years ended 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G. - The client shall send a monthly statement to the client detailing the quantities supplied, with payment to be made within 60 days from the date of receiving the statement.
Confidentiality Obligations	This agreement, and all information related to it or exchanged during its implementation, shall remain confidential between the parties, and neither party may disclose it in any form whatsoever except with the express written consent of the other party.
Change of Control	N/A.
Consent	The agreement concluded with Al Hossain and Al Afaliq Company contains a confidentiality clause, whereby parties are required to hold the information provided to them in confidence. On 14 Shawwal 1446H (corresponding to 12 April 2025G), the Company obtained Al Hossain and Al Afaliq Company's prior written consent to disclose contractual arrangements entered into with Al Hossain and Al Afaliq in this Report and in the Prospectus.
Exclusivity	N/A.
Governing Law and Disputes	The agreement shall be interpreted and executed in accordance with the applicable regulations, bylaws, and decisions in force in the Kingdom. In the event of a dispute, the parties shall endeavour to resolve it amicably. If an amicable resolution is not possible, the matter shall be referred to the competent judicial authorities in Riyadh.
Sale Agreement for aggregate and asphalt materials between the Company (as supplier) and Najd Roads Contracting Company (as customer)	
Date	12 Sha'ban 1443H (corresponding to 15 March 2022G).

Purpose and Scope	The Company has entered into the agreement for the purpose of supplying all types of asphalt and aggregate materials for the customer's projects in Kingdom.
Term and Renewal Mechanism	The agreement shall remain in effect for an indefinite term, unless and until terminated by either party upon the provision of thirty 30 days' prior written notice. Termination shall be contingent upon the full settlement of all outstanding credit amounts prior to the effective date of termination.
Financial Obligations	The value of the agreement amounted to SAR 67,358,314, SAR 106,091,964, SAR 116,930,704 and SAR 21,700,200 for the financial years ended 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G.
Confidentiality Obligations	N/A.
Change of Control	N/A.
Consent	The Company and Najd Roads Contracting Company are Related Parties pursuant to the Corporate Governance Regulations. Further, Najd Roads Contracting Company is wholly owned by Abdulaziz Saleh Al Rashed & Sons Company and the Chairman of the Board and Shareholder Abdulaziz Saleh Al Rashed has an indirect interest in Najd Roads Contracting Company in his capacity as a Shareholder of Abdulaziz Saleh Al Rashed & Sons Company. This agreement has been approved by the Company's General Assembly in the meeting dated 26 Ramadan 1446H (corresponding to 26 March 2025G).
Exclusivity	N/A.
Governing Law and Disputes	N/A.

Aggregate Supply Agreement between the Company (as supplier) and Green Concrete Company (as client)

Date	11 Shawwal 1444H (corresponding to 1 May 2023G).
Purpose and Scope	The Company has entered into the agreement for the purpose of supplying and delivering aggregate materials to the client's ready-mix plants at various locations in the Kingdom.
Term and Renewal Mechanism	- The term of the agreement is five years, starting from the signing date, unless terminated earlier in accordance with the provisions of the agreement, as outlined below: - the client may terminate the agreement by providing a 90 days written notice to the other party; - the client may terminate the agreement immediately, without any liability, if the Company fails to meet the quality or delivery requirements outlined in the agreement, after receiving two notices to rectify the quality issues, without any improvement from the supplier within 14 days; and - upon termination, the supplier shall cease all deliveries of aggregates. The client shall pay the Company for all aggregates delivered and accepted up to the date of termination. - The agreement can be renewed for additional terms by written consent of both parties.
Financial Obligations	- There is no specific value under this agreement. - The revenues generated: SAR 32,462,724.01, SAR 34,946,637.72, SAR 58,334,257.93 and SAR 20,061,422 for the financial years ended 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G. - Payment shall be made within 90 days of the client's approval of the Company's submitted monthly invoice for the approved quantity supplied during the month. The invoice approval process shall not take more than two working days from the date of receiving the invoice. - The Company will provide a credit limit of SAR 12,000,000 for the first three months of the agreement, subject to review after the initial three months from the agreement start date.
Confidentiality Obligations	- Both parties agree to maintain the confidentiality of all information exchanged in connection with the agreement. - Neither party shall disclose any confidential information to any third party without the prior written consent of the other party.
Change of Control	N/A.
Consent	On 4 Ramadan 1446H (corresponding to 4 March 2025G), the Company obtained Green Concrete Company prior written consent to disclose contractual arrangements entered into with Green Concrete Company in this Report and in the Prospectus.
Exclusivity	N/A.
Governing Law and Disputes	- The agreement is subject to the applicable laws and regulations of the Kingdom, as well as its implementing regulations, in terms of application and interpretation. - Any dispute arising between the parties regarding the interpretation or implementation of the agreement or any of its clauses shall first be resolved amicably through negotiation between parties. If this is not possible, the dispute will be resolved through the Saudi courts.

Crushers Material Sale Agreement between Judeh Sakhour for Mining Company (as seller) and Sorouh Al Masharee Ready Mix (as buyer)

Date	11 Shawwal 1443H (corresponding to 1 May 2023G) and renewed on 29 Jumada al-Ula 1446H (corresponding to 1 December 2024G).
Purpose and Scope	The Company has entered into the agreement with the buyer for the purpose of selling to the buyer the specified types and quantities of crusher products.

Term and Renewal Mechanism	- The term of the agreement is 12 months starting from the signature date. - The agreement will automatically renew unless one party notifies the other of their intention not to renew. This notification must be made in writing and sent to the other party officially (registered) at least 30 days before the agreement expiration date.
Financial Obligations	- There is no specific value under this agreement. - The revenues generated: SAR 8,331,809, SAR 7,144,019 and SAR 1,210,469 for the financial years ended 31 December 2023G and 2024G, and the three-month period ended 31 March 2025G. - Prices: - type 1 - aggregate 3/4: the prices differ depending on the location: for Sulay - SAR 29 per tonne, Mulham - SAR 32 per tonne, An Narjis - SAR 30 per tonne, Airport - SAR 30 per tonne, Dammam Road - SAR 25 per tonne; - type 2 - aggregate 3/8: the prices differ depending on the location: for Sulay - SAR 34 per tonne, Mulham - SAR 35 per tonne, An Narjis - SAR 34 per tonne, Airport - SAR 33 per tonne, Dammam Road - SAR 28 per tonne; and - type 3 - aggregate 3/16: the prices differ depending on the location, for Sulay - SAR 34 per tonne, Mulham - SAR 35 per tonne, An Narjis - SAR 34 per tonne, Airport - SAR 33 per tonne, Dammam Road - SAR 28 per tonne. - The seller reserves the right to adjust the prices, whether by increase or decrease, by providing the buyer with no less than 30 days' prior written notice. Any such price adjustment shall not take effect unless and until the buyer provides written acceptance of the proposed change.
Confidentiality Obligations	N/A.
Consent	N/A.
Change of Control	N/A.
Exclusivity	N/A.
Governing Law and Disputes	- This agreement is subject to the applicable laws and regulations of the Kingdom, as well as its implementing regulations, in terms of application and interpretation. - Any dispute arising between the parties regarding the interpretation or implementation of the agreement or any of its clauses shall first be resolved amicably. If this is not possible, the dispute will be resolved through the Saudi courts and the relevant Saudi regulations governing such matters.

Source: The Group.

Table 11.6: Summary of Material Agreements Entered into with Key Suppliers

Purchase Order between the Company (as client) and Barooq AlMaamar Establishment Trading (as supplier)	
Date	19 Jumada al-Akhirah 1445H (corresponding to 1 January 2024G).
Purpose and Scope	N/A.
Term and Renewal Mechanism	N/A.
Financial Obligations	- There is no specific value under this purchase order. - The costs generated under the agreement: SAR 9,476,702.01 and SAR 1,481,760 as of 31 December 2024G, and the three-month period ended 31 March 2025G.
Confidentiality Obligations	N/A.
Consent	N/A.
Change of Control	N/A.
Exclusivity	N/A.
Governing Law and Disputes	N/A.
Petroleum Derivatives Supply Agreement between the Company (as customer) and Najd Roads Contracting Company (as supplier)	
Date	14 Jumada al-Akhirah 1446H (corresponding to 15 December 2024G)
Purpose and Scope	The Company has entered into the agreement with the supplier for the purpose of supply to the Company of petroleum derivatives by Najd Roads Contracting Company on behalf of Saudi Aramco (as the main supplier).
Term and Renewal Mechanism	This agreement is for a term of one year from the of execution. The agreement renews automatically unless either party notifies the other with their intention to not renew based upon a written notice 30 days before the expiry of the agreement.
Financial Obligations	- The Company shall pay the outstanding amounts in consideration of the quantities of petroleum-derived products directly to Saudi Aramco on behalf of Najd Roads Contracting Company. - The costs generated under the agreement: SAR 9,105,204 for the three-month period ended 31 March 2025G.
Confidentiality Obligations	Both parties agree to maintain the confidentiality of all information exchanged in connection with the agreement and continue to uphold the agreement in confidentiality for a period of ten years from the expiry date of the agreement, unless agreed in writing to do so.
Change of Control	N/A.
Consent	- On 26 Thul-Hijjah 1446H (corresponding to 22 June 2025G), the Company obtained Najd Roads Contracting Company's prior written consent to disclose contractual arrangements entered into with Najd Roads Contracting Company in this Report and in the Prospectus. - This Agreement was approved by the Company's Board on 10 Jumada al-Akhirah 1446H (corresponding to 08 November 2025G) pursuant to the authorization granted to it by the General Assembly.
Exclusivity	N/A.
Governing Law and Disputes	- The agreement is subject to the applicable laws and regulations of the Kingdom, as well as its implementing regulations, in terms of application and interpretation. - Any dispute arising between the parties regarding the interpretation or implementation of the agreement or any of its clauses shall first be resolved amicably through negotiation between parties, failing which the dispute shall be resolved through the Saudi courts.

Equipment Rental Agreement between the Company (as client) and Rawasi Namas General Contract Company (as supplier)

Date	3 Rabi' al-Thani 1445H (corresponding to 16 April 2022G).
Purpose and Scope	The Company has entered into the agreement with the supplier for renting supplies and equipment for the purposes of the Company's business.
Term and Renewal Mechanism	The agreement shall remain in effect indefinitely unless terminated by either party.
Financial Obligations	- There is no specific value under this agreement. - The costs generated under the agreement: SAR 2,891,450.79, SAR 5,134,769.83, SAR 5,411,880.17 and SAR 1,700,532.52 for the financial years ended 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G. - The fee is calculated based on the linear metre of rock that has been broken by explosion, below mentions the prices: - the price per linear metre for the Rumah crusher is SAR 4.75; - the price per linear metre for a diameter of 89 millimetres is SAR 9.5; - the price per linear metre for the Suman crusher is SAR 5.25 and for a diameter of 64 millimetres; and - the price per linear metre for a diameter of 89 millimetre is SAR 9.5. - The amounts payable to the service provider are calculated on a monthly basis and are paid at the end of each Gregorian month. - The amounts payable to the service provider are delivered via checks made out to Rawasi Namas General Contract Company or transferred to their account at Alinma Bank.
Confidentiality Obligations	N/A.
Consent	N/A.
Change of Control	N/A.
Exclusivity	N/A.
Governing Law and Disputes	Any dispute, conflict, or claim arising from or related to the agreement, or resulting from its execution, termination, or invalidity, the parties agree to attempt to resolve it through amicable means. If reconciliation is not possible, the competent court in Riyadh shall have jurisdiction to adjudicate the dispute.

Civil Explosives Supply Agreement between the Company (as Client) and Saudi Chemical Company Limited (as Supplier)

Date	28 Rabi' al-Awwal 1446H (corresponding to 1 October 2024G).
Purpose and Scope	The Company has entered into the agreement with the supplier for the purpose of purchasing explosives, ignition material and accessories to use and consume it at the projects which the Company executes in the Kingdom.
Term and Renewal Mechanism	- The agreement is for a term of one Gregorian year, commencing from the effective date. - Termination of the agreement: - either party shall have the right to terminate the agreement in the event of a breach by the other party, provided that the breaching party fails to remedy such breach within 45 days from the date of written notice thereof issued by the non-breaching party. In such case, the non-breaching party shall be entitled to seek compensation, if applicable, for any losses or damages incurred as a result of the breach; and - termination of the agreement for any reason shall not affect the parties' rights under the agreement. Upon the termination of the agreement for any reason, the Company shall immediately settle all amounts due to the supplier.
Financial Obligations	- The total value of the agreement is SAR 46,279,115. - The costs generated under the agreement: SAR 24,126,775.26 and SAR 7,797,164.73 as of 31 December 2024G, and the three-month period ended 31 March 2025G. - Pricing: - the payment shall be made according to the price that is defined in the agreement and should be calculated based on the due amounts and receivables in accordance with the actual delivered quantities with the Company accepted. - the parties agree and acknowledge that the agreement may not be limited to certain amount to be paid by the Company for the benefit of the supplier, thus the calculation between the parties shall be determined regularly according to the invoices issued by the supplier to the Company. - the Company adheres to pay any invoice correlated to any goods purchase from the supplier as per the agreed payment mechanism defined in the agreement. - The Company shall have no right to offset or make any deductions between multiple purchase orders or among the supplier's various invoices. - The supplier grants the Company credit limit of SAR 5,000,000 only. - In the event that the Company exceeds the established credit limit, the supplier shall issue a written notice informing the Company of such exceedance and requesting that the matter be remedied within 15 days from the date of the notice. Should the Company fail to rectify the issue within the specified period, any subsequent orders exceeding the credit limit shall be processed on a cash payment basis only, until the credit limit is duly reinstated.
Confidentiality Obligations	Neither party shall disclose any confidential information to any third party without the prior written consent of the other party.

Change of Control	N/A.
Consent	The agreement entered into with Saudi Chemical Company includes a confidentiality clause under which both parties undertake to maintain the confidentiality of the information provided to them. On 22 Rajab 1446H (corresponding to 22 January 2025G), the Company obtained Saudi Chemical Company Limited's prior written consent to disclose contractual arrangements entered into with Saudi Chemical Company Limited in this Report and in the Prospectus.
Exclusivity	N/A.
Governing Law and Disputes	- The agreement and any non-contractual obligations arising out of or in connection with it shall be exclusively governed by and construed in accordance with the applicable laws in the Kingdom excluding any choice of law rules would refer the matter to the laws of another jurisdiction. - Any dispute or claim between the parties arising or in connection to the agreement regarding its existence, validity, breach, or termination shall be resolved amicably between parties via direct negotiations. - If the parties failed to achieve amicably solution within 30 days from the date of commencing negotiation, any party is entitled to referral the dispute to the competent courts in Riyadh.

Supply Agreement of Car Tires and Equipment between the Company (as client) and Al Rashed Tires (as supplier)

Date	3 Sha'ban 1446H (corresponding to 2 February 2025G).
Purpose and Scope	The Company has entered into the agreement for the purpose of purchasing tires ("Goodyear", "Kelly" and "Regular" brands) for use in its trucks and equipment and to be supplied based on purchase orders.
Term and Renewal Mechanism	- The term of the agreement is ten months starting from 3 Sha'ban 1446H (corresponding to 2 February 2025G). - The agreement shall be considered valid and effective from the signature date.
Financial Obligations	- The value of the tires specified under the agreement is SAR 64,588 excluding VAT. - The costs generated under the agreement: SAR 5,831,819.05, SAR 9,639,649.60, SAR 9,529,425.55 and SAR 1,126,733.20 for the financial years ended 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G. - In the event that an order or regulation is issued requiring a change in the tax rate, the parties to the agreement shall comply with the provisions set by the relevant regulatory authority. The terms of this agreement shall not prevent or override the application of any such tax changes. - The fixed pricing for the tires shall remain valid throughout the term of this agreement. Upon expiry of the agreement term, if the supply has not been completed, the Supplier reserves the right to revise the pricing in accordance with its internal policy. Consequently, the Company shall no longer be entitled to request purchases at the previously agreed prices if they have been adjusted. - The amounts payable to the supplier are calculated based on the quantities stated in the purchase order and received from the Company. - The supplier shall issue the invoices due based on the purchase orders provided by the supplier to the Company. The Company is obligated to settle the amount within 90 days from the invoice date. - If the Company fails to make the payment within the period mentioned in the above paragraph, the supplier has the right to suspend the supply.
Confidentiality Obligations	N/A.
Consent	N/A.
Change of Control	N/A.
Exclusivity	N/A.
Governing Law and Disputes	- The agreement shall be governed by and construed in accordance with the laws and regulations of the Kingdom. - In the event of any dispute or controversy arising between the client and the supplier, which cannot be settled amicably, the matter in dispute shall be referred for final settlement to the competent Saudi court in Riyadh.

Supply Agreement between the Company (as client) and Rubberyong International (HK) Limited (as supplier)

Date	12 Rabi' al-Thani 1446H (corresponding to 15 October 2024G).
Purpose and Scope	The Company has entered into the agreement with supplier for the purpose of purchasing conveyor rubber belt and other supplies related to crusher as specified in the purchase orders issued by the Company.
Term and Renewal Mechanism	- The agreement is made on a purchase order basis. - Either party may terminate the agreement by giving 90 days written notice to the other party.
Financial Obligations	- There is no specific value under this agreement. - The costs generated under the agreement: SAR 7,660,578.0 and SAR 914,153.4 as of 31 December 2024G, and the three-month period ended 31 March 2025G. - Prices: - The prices for the products will be as mutually agreed upon each purchase order and will remain fixed unless otherwise agreed upon in writing by both parties. - Payment Terms: - payment will be made by wire transfer to the supplier's designated account; and - the Company agrees to pay 100 per cent. of the purchase price upon receiving the copy of the bill of lading).

Confidentiality Obligations	Both parties agree to keep confidential all terms of the agreements and any business information exchanged during its performance.
Change of Control	N/A.
Consent	On 1 Rajab1446H (corresponding to 1 January 2025G), the Company obtained Rubberyong International (HK) Limited's prior written consent to disclose contractual arrangements entered into with Rubberyong International (HK) Limited in this Report and in the Prospectus.
Exclusivity	N/A.
Governing Law and Disputes	The agreement shall be governed by and construed in accordance with the laws of the Kingdom. Any disputes arising out of or in connection with the agreement shall be resolved by arbitration under the rules of the International Chamber of Commerce (ICC), with the arbitration proceedings to be held in Riyadh, the Kingdom. The arbitration shall be conducted in English.

Sale Agreement of petroleum products for domestic use between the Company (as client) and Supplier 1 (as supplier)

Date	15 Safar 1441H (corresponding to 14 October 2019G).
Purpose and Scope	The Company has entered into the agreement with supplier for the purpose of purchasing specific petroleum products.
Term and Renewal Mechanism	- The agreement is for a term of one year, commencing from the effective date. - The agreement will automatically renew unless one party notifies the other of their intention not to renew. This notification must be made in writing and sent to the other party at least 30 days before the agreement expiration date.
Financial Obligations	- There is no specific value under this agreement. - The costs generated under the agreement: SAR 20,656,160.93, SAR 27,751,565.61, SAR 75,021,489.05 and SAR 18,507,936.93 for the financial years ended 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G. - Prices: - The cash price paid by the Company for the products shall be determined based on the prevailing prices on the date of delivery of the products to the Company at the place of production or the supplier's warehouses. The price shall include any additional costs, if any. - The supplier undertakes to deliver the products within the agreed-upon period, ensuring that the specifications match what is stated in the invoice or the agreement. - Method of Payment: - The Company shall pay the full value of the products or any part thereof using one of the payment methods that is legally and financially acceptable. - Payment Terms: - The Company must pay the value of the quantities of products purchased using any of the accepted payment methods agreed upon by both parties in the agreement. - Cash / Advance Payment: The Company shall settle the value of the requested products immediately or within the timeframe specified in the agreement. In this case, the supplier is entitled to issue a receipt or invoice detailing the sale transaction. - Deferred Payment: It may be agreed that the Company will pay the value of the products within a certain period after their delivery. This period begins on the date the Company receives the products, or according to what is agreed upon in the agreement. In such cases, the supplier may require guarantees such as postdated checks or letters of guarantee. - The supplier shall be entitled to impose the agreed-upon late fees specified in the agreement, without prejudice to the supplier's right to take any other action deemed appropriate to safeguard its rights, including withholding the products or resorting to legal action. - If the Company is late in making the payment for at least ten days beyond the specified due date, the supplier may take the necessary measures to protect its interests, including terminating the agreement, suspending delivery, or claiming compensation.
Confidentiality Obligations	The Company undertakes to treat the contents of the agreement with strict confidentiality and shall not disclose any of its terms or information to any third party, except insofar as is necessary to implement the agreement. In the event that the Company breaches this obligation, the supplier shall have the right to terminate the agreement immediately without any liability on the part of the supplier towards the Company, and the Company shall bear any damages or losses arising from such breach. Termination made under this clause shall not prejudice any other rights of the supplier established by applicable laws or the provisions of the agreement.
Change of control	N/A.
Consent	Written consent has not yet been obtained. Therefore, the supplier's name will be anonymised in the Prospectus and will not be disclosed unless written consent is received.
Exclusivity	N/A.
Governing Law and Disputes	- In the event of any dispute concerning the price or costs, reference shall be made to the laws and regulations in force in the Kingdom. - The agreement shall be governed by and construed in accordance with the laws of the Kingdom. - In the event of any dispute or disagreement relating to the agreement or its termination or any part thereof or any of its provisions, and if the Parties are unable to reach an amicable settlement, the dispute shall be settled by the competent court in the Kingdom.

Supply Agreement between the Company (as client) and OMA International Company LTD (as supplier)

Date	12 Rabi' al-Thani 1446H (corresponding to 15 October 2024G).
Purpose and Scope	The Company has entered into the agreement with supplier for the purpose of purchasing crushers parts and other supplies related to crusher as specified in purchase orders issued by the Company.
Term and Renewal Mechanism	- The agreement is made on a purchase order basis. - Either party may terminate the agreement by giving 90 days written notice to the other party.
Financial Obligations	- There is no specific value under this agreement. - The costs generated under the agreement: SAR 29,195,238.53, SAR 15,280,686.95, SAR 25,443,083.72 and SAR 3,963,909.52 for the financial years ended 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G. - Prices: - The prices for the products will be as mutually agreed upon each purchase order and will remain fixed unless otherwise agreed upon in writing by both parties. - Payment Terms: - Payment will be made by wire transfer to the supplier's designated account. - The Company agrees to pay 50 per cent. of the total amount upon receipt of a copy of the bill of lading, with the remaining 50 per cent. payable upon receipt of the goods. - The credit limit is USD 1,500,000 (approximately SAR 5,625,000). This is based on the total annual order amount being no less than USD 5,400,000 (approximately SAR 20,250,000) from the Company. If it is less than this amount, the credit limit will be reduced proportionally. For example, if the total amount of the Company's order is only USD 3,600,000 (approximately SAR 13,500,000), the credit limit will be reduced to USD 1,000,000 (approximately SAR 3,750,000).
Confidentiality Obligations	Both parties agree to keep confidential all terms of the agreement and any business information exchanged during its performance.
Change of control	N/A.
Consent	On 1 Rajab 1446H (corresponding to 1 January 2025G), the Company obtained OMA International Company LTD's prior written consent to disclose contractual arrangements entered into with OMA International Company LTD in this Report and in the Prospectus.
Exclusivity	N/A.
Governing Law and Disputes	- The agreement shall be governed by and construed in accordance with the laws of the Kingdom. - Any disputes arising out of or in connection with the agreement shall be resolved by arbitration under the rules of the International Chamber of Commerce (ICC), with arbitration proceedings to be held in Riyadh, the Kingdom. The arbitration shall be conducted in English.

Sales Agreement between the Company (as client) and Sany International Development Trading Company Ltd. (as supplier)

Date	6 Sha'ban 1446H (corresponding to 5 February 2025G).
Purpose and Scope	The Company has entered into the agreement with supplier for the purpose of purchasing heavy equipment from the supplier.
Term and Renewal Mechanism	- The agreement does not specify the term. - The parties agree that if there is any breach or default by the Company of any provisions of the agreement (including a default by the Company to make any payment to the supplier as per the provisions and timelines stipulated under the agreement), and/or the Company is unable to pay its debts as they fall due and/or enters into any insolvency event, the supplier shall have a right, at the sole discretion of the supplier, to demand immediate payment of the price in full and/or require the equipment to be immediately returned to the Company in a fit and proper condition. - In the event of agreement termination by the supplier, the Company is obligated to fulfil all contractual obligations stipulated herein. The supplier reserves the right to enforce such obligations against the Company.
Financial Obligations	- The total value of the agreement is SAR 15,525,000. - The costs generated under the agreement: SAR 3,795,000 and SAR 702,435.7 as of 31 December 2024G, and the three-month period ended 31 March 2025G. - Payment Terms: - The Company shall pay 10 per cent. of the equipment price (SAR 1,552,500) upon issuing the purchase order. - An additional 15 per cent. (SAR 2,328,750) shall be paid before delivery, following inspection in the Kingdom, to the Supplier's designated bank account. - This payment is non-refundable and shall not be considered a deposit. Total down payment: SAR 3,881,250. - The Company undertakes to pay the remaining 75 per cent. of the total price of the equipment, an amount of SAR 11,643,750 for the wide body dump truck on a monthly average instalment basis, at an amount of SAR 970,312.5 per month as within 12 months from the date of the delivery.
Confidentiality Obligations	The parties undertake to keep the information which they may have by reason of applying the agreement or what may arise from it, whether be orally or in writing strictly confidential, and may not disclose such secrets to any third party until after obtaining the prior written consent of the other party, for a period of six years.
Change of control	N/A.

Consent	The agreement entered into with Sany International Development Trading Company Ltd includes a confidentiality clause under which both parties undertake to maintain the confidentiality of the information provided to them. On 25 Ramadan 1446H (corresponding to 25 March 2025G), the Company obtained Sany International Development Trading Company Ltd. prior written consent to disclose contractual arrangements entered into with Sany International Development Trading Company Ltd. in this Report and in the Prospectus.
Exclusivity	N/A.
Governing Law and Disputes	- All that is not provided for in the agreement is subject to the laws, regulations, and customs in force in the Kingdom. - Any dispute arise between the parties to the agreement shall be resolved amicably as possible, otherwise it shall be submitted to the competent judicial authorities in the Kingdom.

Supply Agreement between the Company (as client) and Shanghai Shanyue Machinery Co. Ltd (as supplier)

Date	12 Rabi' al-Thani 1446H (corresponding to 15 October 2024G).
Purpose and Scope	The Company has entered into the agreement with supplier for the purpose of purchasing crushers parts and other supplies related to crusher as specified in purchase orders issued by the Company.
Term and Renewal Mechanism	- The agreement is made on a purchase order basis. - Either party may terminate the agreement by giving 90 days written notice to the other party.
Financial Obligations	- There is no specific value under this agreement. - The costs generated under the agreement: SAR 8,534,224.23, SAR 8,736,918.05, SAR 7,808,752.66 and SAR 428,326.1 for the financial years ended 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G. - Prices: - The prices for the products will be as mutually agreed upon each purchase order and will remain fixed unless otherwise agreed upon in writing by both parties. - Payment Terms: - Payment will be made by wire transfer to the supplier's designated account. - The Company agrees to pay 90 days from bill of lading date. - The credit limit is USD 1,500,000 (approximately SAR 5,625,000).
Confidentiality Obligations	Both parties agree to keep confidential all terms of the agreement and any business information exchanged during its performance.
Change of Control	N/A.
Consent	On 1 Rajab 1446H (corresponding to 1 January 2025G), the Company obtained Shanghai Shanyue Machinery Co. Ltd's prior written consent to disclose contractual arrangements entered into with Shanghai Shanyue Machinery Co. Ltd in this Report and in the Prospectus.
Exclusivity	N/A.
Governing Law and Disputes	- The agreement shall be governed by and construed in accordance with the laws of the Kingdom. - Any disputes arising out of or in connection with the agreement shall be resolved by arbitration under the rules of the International Chamber of Commerce (ICC), with arbitration proceedings to be held in Riyadh, the Kingdom. The arbitration shall be conducted in English.

Supply Agreement Based on Purchase Order between the Company (as client) and Ningbo Kilomega International Trade (as supplier)

Date	12 Rabi' al-Thani 1446H (corresponding to 15 October 2024G).
Purpose and Scope	The Company has entered into the agreement for the purpose of purchasing crushers parts and other supplies related to crushers as specified in purchase orders issued by the Company.
Term and Renewal Mechanism	- The agreement is made on a purchase order basis. - Either party may terminate the agreement by giving 90 days written notice to the other party.
Financial Obligations	- There is no specific value under this agreement. - The costs generated under the agreement: SAR 6,595,678.56, SAR 7,169,738.71, SAR 6,297,187.90 and SAR 259,590.4 for the financial years ended 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G. - Prices: - The prices for the products will be as mutually agreed upon each purchase order and will remain fixed unless otherwise agreed upon in writing by both parties. - Payment Terms: - Payment will be made by wire transfer to the supplier's designated account. - The Company agrees to pay the purchase price within 90 days from receipt of the bill of lading). - The credit limit: - USD 1,500,000 (approximately SAR 5,625,000).
Confidentiality Obligations	Both parties agree to keep confidential all terms of the agreement and any business information exchanged during its performance.
Change of Control	N/A.

Consent	On 1 Rajab 1446H (corresponding to 1 January 2025G), the Company obtained Ningbo Kilomega International Trade prior written consent to disclose contractual arrangements entered into with Ningbo Kilomega International Trade in this Report and in the Prospectus.
Exclusivity	N/A.
Governing Law and Disputes	- The agreement shall be governed by and construed in accordance with the laws of the Kingdom. - Any disputes arising out of or in connection with the agreement shall be resolved by arbitration under the rules of the International Chamber of Commerce (ICC), with arbitration proceedings to be held in Riyadh, the Kingdom. The arbitration shall be conducted in English.

Sales Agreement between the Company (as client) and Shaanxi Heavy Duty Automobile Import & Export Co. Ltd. Limited (as supplier)

Date	12 Sha'ban 1446H (corresponding to 11 February 2025G).
Purpose and Scope	The Company has entered into the agreement with supplier for the purpose of purchasing heavy machinery.
Term and Renewal Mechanism	There is no specified term and renewal mechanism provision under this agreement. Either party may terminate the agreement by giving 90 days written notice to the other party.
Financial Obligations	- The total value for the agreement: USD 873,000 (approximately SAR 3,273,750). - The Company shall pay 25 per cent. of the total agreement value (USD 218,250, approximately SAR 818,437.25) as an advance payment by bank transfer within ten days of signing the agreement. - For the remaining 75 per cent. (USD 654,750, approximately SAR 2,455,312.50), the Company shall, no later than ten days before delivery, open an irrevocable, non-transferable letter of credit valid for 90 days from the date of the bill of lading, in favour of the supplier through a bank acceptable to the supplier.
Confidentiality Obligations	N/A.
Change of Control	N/A.
Consent	N/A.
Exclusivity	N/A.
Governing Law and Disputes	- The agreement shall be under the domination of the laws of People's Republic of China. - If the event of disputes arising in the course of the performance of the agreement, the parties shall resolve it by friendly negotiation. in case no settlement can be reached through negotiation, the case shall be submitted to the China International Economic and Trade Arbitration Commission for arbitration in accordance with the provisions of its arbitration procedures. The decision of this committee is final and binding on both parties.

Supply Agreement between the Company (as client) and CHONGQING HUADUAN and Export Co. Ltd. (as supplier)

Date	12 Rabi' al-Thani 1446H (corresponding to 15 October 2024G).
Purpose and Scope	The Company has entered into the agreement with supplier for the purpose of purchasing casting crushers parts and other supplies related to crusher as specified in purchase orders issued by the Company.
Term and Renewal Mechanism	- The agreement is made on a purchase order basis. - Either party may terminate the agreement by giving 90 days written notice to the other party.
Financial Obligations	- There is no specific value under this agreement. - The costs generated under the agreement: SAR 5,926,609.33, SAR 5,716,096.79, SAR 4,163,970.46 and SAR 142,684 for the financial years ended 31 December 2022G 2023G and 2024G, and the three-month period ended 31 March 2025G. - Prices: - The prices for the products will be as mutually agreed upon each purchase order and will remain fixed unless otherwise agreed upon in writing by both parties. - Payment Terms: - Payment will be made by wire transfer to the supplier's designated account. - The Company agrees to pay 100 per cent. of the purchase price upon receipt of a copy of the bill of lading.
Confidentiality Obligations	Both parties agree to keep confidential all terms of the agreement and any business information exchanged during its performance.
Change of Control	N/A.
Consent	On 19 Shawwal 1446H (corresponding to 17 April 2025G), the Company obtained CHONGQING HUADUAN and Export Co.'s prior written consent to disclose contractual arrangements entered into with CHONGQING HUADUAN and Export Co. in this Report and in the Prospectus.
Exclusivity	N/A.
Governing Law and Disputes	- The agreement shall be governed by and construed in accordance with the laws of Peoples Republic of China. - The agreement shall be governed by and construed in accordance with the laws of People's Republic of China. Any disputes arising out of or in connection with this Agreement shall be resolved by arbitration under the rules of the International Chamber of Commerce (ICC), with the arbitration proceedings to be held in Chongqing, China.

Other Agreements	
Lease Agreement between the Company (as lessee) and AlSoqor AlMuhajra for Transportation (as lessor)	
Date	28 Rabi' al-Awwal 1446H (corresponding to 1 October 2024G).
Purpose and Scope	The Company has entered into the agreement for the purpose of the lessor transporting aggregates from crushing site in Rumah to project sites and the lessee's project sites in Riyadh and its suburbs.
Term and Renewal Mechanism	The term of the agreement is valid for six months from signing date and renewable, unless either party notifies the other in writing of their intention not to renew.
Financial Obligations	- There is no specific value under this agreement. - The costs generated under the agreement: SAR 5,551,223.39, SAR 11,797,750.35, SAR 8,320,552.26 and SAR 1,596,604.76 for the financial years ended 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2025G. - The invoice shall be paid within five days from the date of issuing the monthly invoice. - Transportation prices depend on the approval on the service provider offer.
Confidentiality Obligations	N/A.
Change of Control	N/A.
Consent	N/A.
Exclusivity	N/A.
Governing Law and Disputes	N/A.
Lease Agreement between the Company (as lessee) and Mohammed Awadh AlRuwaiti Establishment (as lessor)	
Date	14 Shawwal 1446H (corresponding to 12 April 2025G).
Purpose and Scope	The Company has entered into the agreement for the purpose of the lessor transporting aggregates from crushing site in Rumah to project sites and the lessee's project sites in Riyadh and its suburbs.
Term and Renewal Mechanism	- The term of the agreement is valid for 12 months from signing date. - There is no renewal mechanism provision in the agreement.
Financial Obligations	- There is no specific value under this agreement. - The costs generated under the agreement: SAR 2,762,761 and SAR 352,744 as of 31 December 2024G, and the three-month period ended 31 March 2025G. - The invoice shall be paid within ten days from the date of issuing the monthly invoice. - Transportation prices depend on the approval on the service provider offer.
Confidentiality Obligations	N/A.
Change of Control	N/A.
Consent	N/A.
Exclusivity	N/A.
Governing Law and Disputes	N/A.

Source: The Company.

11.6 Financing Agreements

The Company has entered into six financing agreements for purposes of its business. The following is a summary of these agreements, which the Company deems material, significant, or may have the potential to influence an investor's decision regarding the Offer Shares. The Company has not breached any of the terms or covenants stipulated in these agreements. The summary below includes only the material provisions and does not purport to encompass all the terms and conditions of the agreements. This summary should not be considered a substitute for the full terms and conditions as set forth therein.

The financing agreements to which the Company is a party include provisions that require the submission of a prior notification or obtaining prior written consent in connection with any change of control or change in the ownership structure of the Group. The Company has obtained all the required consents from the lenders.

The following tables summarise the financing agreements concluded by the Company in connection with its business:

Table 11.7: Financing Agreement between Banque Saudi Fransi and the Company

Date of Agreement and Termination	The agreement was concluded on 7 Sha'ban 1446H (corresponding to 6 February 2025G) and shall expire on 12 Sha'ban 1447H (corresponding to 31 January 2026G).
Value of Facilities and Purpose	- Banque Saudi Fransi agreed to provide the Company with financing amounting to SAR 65,000,000 in total. These facilities comprises a SAR 65,000,000 multi-purpose financing for Islamic documentary letters of credit and Tawarruq with a commission of SAIBOR + 2 per cent. p.a., at the applicable tariff and it also includes: - a SAR 20,000,000 sub-limit from the above facility for financing the payroll of the Company with a commission of SAIBOR + 2 per cent. p.a.; and - a SAR 15,000,000 sub-limit for the issuance of Islamic preliminary and final letters of guarantee, Islamic advance payment bond and/or payment letter of guarantee at the applicable tariff.
Amount of Facilities Utilised	- As of 31 March 2025G, the total amount utilised under the financing was SAR 13,000,000. - As of 31 March 2025G, the amount used from the guarantees limit was SAR 311,091.
Financing Limit	Total limit: SAR 65,000,000.
Guarantees	- The guarantees/security provided in connection with the agreement are as follows: - a personal guarantee from Abdulaziz Saleh Al Rashed for an amount of SAR 65,000,000 in favour of Banque Saudi Fransi in respect of the Company's obligations; - a promissory note for an amount SAR 65,000,000 from the Company in favour of Banque Saudi Fransi; and - an assignment in favour of Banque Saudi Fransi of all proceeds from agreements for projects valued at SAR 50,000,000 or more, with an acknowledgment of acceptance by the project owner.
Main Financial and Non-Financial Covenants	- The main financial and non-financial covenants given by the Company under the agreement include the following: - maintain no less than 31 per cent. of annual sales revenues for the year 2024G in its account with Banque Saudi Fransi; and - leverage ratio to no exceed 1.5x.
Governing Law	The agreement is governed by the laws of the Kingdom and any disputes arising from the agreement shall be referred to by competent courts, committees and judicial authorities in the Kingdom.
Consent	On 24 Ramadan 1446H (corresponding to 24 March 2025G), Banque Saudi Fransi consented to the Offering and the waiver of the guarantees once the CMA's approval is obtained.
Confidentiality Obligations	N/A.

Source: The Company.

Table 11.8: Credit Facilities Agreement between Arab National Bank and the Company

Date of Agreement and Termination	The agreement was concluded on 18 Rabi' al-Thani 1445H (corresponding to 2 November 2023G) and renewed on 25 Rabi' al-Thani 1446H (corresponding to 28 October 2024G) and shall expire on 11 Rajab 1447H (corresponding to 31 December 2025G).
Value of Facilities and Purpose	- Arab National Bank agreed to provide the Company with facilities amounting to SAR 110,000,000. The facilities were provided for the purpose of financing the Company's business and are comprised of: - SAR 40,000,000 short-term Tawarruq financing with a commission of SAIBOR + 2 per cent. p.a., at the applicable tariff; - SAR 20,000,000 for the purpose of issuing Islamic letters of guarantee with cash margin at SAMA tariff + 0.5 per cent. p.a.; - SAR 50,000,000 for the purpose of issuing letters of credit for beneficiaries (local and foreign) with an opening fee at SAMA tariff + 0.5 per cent., and financing of appropriations at a profit margin of SAIBOR + 2 per cent. p.a.; and - SAR 20,000,000 fixed term Tawarruq financing to finance direct transfers against invoices (for purchasing heavy trucks and production lines) with a profit margin at SAIBOR (3 months) + 2 per cent. p.a.
Amount of Facilities Utilised	- As of 31 March 2025G, the total amount utilised under the financing was SAR 17,875,000. - As of 31 March 2025G, the amount used from the guarantees limit was SAR 13,112,500.
Financing Limit	Total limit: SAR 110,000,000.
Guarantees	- The guarantees/security provided in connection with the agreement are as follows: - a promissory note for an amount of SAR 110,000,000; - a joint performance guarantee from Abdulaziz Saleh Al Rashed; and - any further guarantees Arab National Bank may require.
Main Financial and Non-Financial Covenants	- The main financial and non-financial covenants given by the Company under the agreement include the following: - to maintain its financial, administrative and legal status, as well as the ownership of the entity, and not to change its business activities as of the date of the agreement; - it shall not declare or pay any dividends or distributions to partners/shareholders, nor repay any loans to partners/shareholders in the event of any breach; - it shall not incur any financial indebtedness beyond the permitted liabilities (noting that "permitted liabilities" has not been defined in the agreement), nor assume any other financial obligations except in the ordinary course of its business operations; - it shall not guarantee or become, directly or indirectly, or potentially liable for any loss, damage, or expenses resulting from the non-payment of any debt or obligation by any person, or from a breach thereof, except as may be necessary while conducting its ordinary business operations; and - the Company agrees to have the property/properties appraised by valuation firms accredited by the bank, with the property/properties being appraised by three appraisal firms in the first year, and thereafter, appraised by one appraisal firm annually in the following years. The Company also agrees to pay the property appraisal fees by charging any of their accounts in the bank
Governing Law	The agreement is governed by the laws of the Kingdom and any disputes arising from the agreement shall be referred to a competent court in the Kingdom or to the Banking Committee, without prejudice to Arab National Bank right to refer the dispute to any court outside of the Kingdom.
Consent	On 24 Thul-Hijjah 1445H (corresponding to 30 June 2024G), Arab National Bank consented to the Offering and the waiver of the joint performance guarantee once the CMA's approval is obtained.
Confidentiality Obligations	N/A.

Source: The Company.

Table 11.9: Islamic Financing Agreement between Riyadh Bank and the Company

Date of Agreement and Termination	The agreement was concluded on 26 Muharram 1445H (corresponding to 13 August 2023G) and shall expire on 11 Rabi' al-Awwal 1449H (corresponding to 13 August 2027G).
Value of Facilities and Purpose	Riyad Bank agreed to provide the Company with a Tawarruq facility of SAR 30,000,000 with an agency commission of 0.02 per cent. to 0.05 per cent.
Amount of Facilities Utilised	As of 31 March 2025G, the total amount utilised under the financing was SAR 16,666,667.
Financing Limit	Total limit: SAR 30,000,000.
Guarantees	The facilities were secured by a guarantee granted by Abdulaziz Saleh Al Rashed in favour Riyadh Bank for an amount of SAR 100,500,000.
Main Financial and Non-Financial Covenants	N/A.
Governing Law	The provisions of this agreement are subject to the applicable Saudi Arabian regulations, laws, and instructions of the Kingdom, as well as the circulars and directives from the Saudi Arabian Monetary Authority directed to Riyadh Bank from time to time, insofar as they do not conflict with the provisions of Islamic Shari'ah. Furthermore, its interpretation concerning documentary credits is subject to the rules and practices issued by the International Chamber of Commerce. In the event of a dispute between the two parties regarding the interpretation or execution of any provision of this agreement, it shall be resolved amicably. If this is not possible, the matter shall be referred to the competent judicial authority. Both parties agree that the retention period for the original of this document, in accordance with the instructions of the Saudi Arabian Monetary Authority, is ten years from the date of expiration of the agreement.
Consent	On 20 Ramadan 1446H (corresponding to 20 March 2025G), Riyad Bank consented to the Offering and the waiver of the guarantees once the CMA's approval is obtained.
Confidentiality Obligations	N/A.

Source: The Company.

Table 11.10: Islamic Financing Agreement between Riyadh Bank and the Company

Date of Agreement and Termination	The agreement was concluded on 26 Muharram 1445H (corresponding to 13 August 2023G) and shall expire on 30 Safar 1448H (corresponding to 13 August 2026G).
Value of Facilities and Purpose	- SAR 49,000, 000 Tawarruq (full/partial) with an agency commission of 0.02 per cent. to 0.05 per cent.; - SAR 20,000,000 total direct credit alternatives; - SAR 20,000,000 for letters of guarantee (full/partial); and - profit swap/ treasury goods limit of SAR 1,500,000
Amount of Facilities Utilised	As of 31 March 2025G, the total amount utilised under the financing was SAR 10,000,000.
Financing Limit	Total limit: SAR 70,500,000.
Guarantees	- The guarantees/security provided in connection with the agreement are as follows: - a joint performance guarantee granted by Abdulaziz Saleh Al Rashed in favour Riyadh Bank for an amount of SAR 100,500,000; and - a promissory note granted by the Company for an amount of SAR 117,000,000.
Main Financial and Non-Financial Covenants	N/A.
Governing Law	The provisions of this agreement are subject to the applicable Saudi Arabian regulations, laws, and instructions of the Kingdom, as well as the circulars and directives from the Saudi Arabian Monetary Authority directed to the first party from time to time, insofar as they do not conflict with the provisions of Islamic Shari'ah. Furthermore, its interpretation concerning documentary credits is subject to the rules and practices issued by the International Chamber of Commerce. In the event of a dispute between the two parties regarding the interpretation or execution of any provision of this agreement, it shall be resolved amicably. If this is not possible, the matter shall be referred to the competent judicial authority. Both parties agree that the retention period for the original of this document, in accordance with the instructions of the Saudi Arabian Monetary Authority, is ten years from the date of expiration of the agreement.
Consent	On 20 Ramadan 1446H (corresponding to 20 March 2025G), Riyad Bank consented to the Offering and the waiver of the guarantees once the CMA's approval is obtained.
Confidentiality Obligations	N/A.

Table 11.11: Notification Letter of the Limits and Terms of the Facilities between Riyadh Bank and the Company

Date of Agreement and Termination	The agreement was concluded on 26 Muharram 1445H (corresponding to 13 August 2023G) and shall expire on 30 Safar 1448H (corresponding to 13 August 2026G).
Value of Facilities and Purpose	- IRS treasury goods limit of SAR 1,500,000; - SAR 15,000,000 additional medium-term non-revolving Tawarruq facilities for the purpose of establishment of a silica mine with a profit margin of SAIBOR + 2 per cent. p.a.; - SAR 10,000,000 additional facilities for the purpose of a revolving financing the Company's general investments with a profit margin of SAIBOR + 1.8 per cent. p.a.; - SAR 10,000,000 additional financing with as part of SAR 20,000,000 for the purpose of financing the operating cycle and supplying spare parts, with a profit margin of SAIBOR + 1.8 per cent. p.a.; - SAR 10,000,000 Tawarruq financing limit (a partial limit of direct credit alternatives) with a profit margin of SAIBOR + 1.8 per cent. p.a.; - SAR 10,000,000 direct credit alternatives with a commission at the applicable tariff + an additional commission of 0.5 per cent. and an acceptance commission applied by Ryad Bank at a rate of 1 per cent.; - SAR 10,000,000 direct credit alternatives with a commission at the applicable tariff + an additional commission of 0.5 per cent. and an acceptance commission applied by Riyadh Bank at a rate of 1 per cent.; - in respect of facility number 3839632, an additional SAR 4,000,000 to the issuance of guarantee letters (a partial part of a multi-purpose facility) with a commission at the applicable tariff + an additional commission of 1.5 per cent.; - SAR 20,000,000 limit related to operations (as part of the multi-purpose facility) with a commission at the applicable tariff + an additional commission of 1 per cent. in addition to: - an applicable tariff on preliminary and final letters of guarantee; and - an additional commission of 1.75 per cent. on advance payment guarantee letters; and - SAR 30,000,000 additional facilities for financing capital expansions with a profit margin of SAIBOR + 2 per cent. p.a.
Amount of Facilities Utilised	As of 31 March 2024G, no amount was utilised under the financing.
Financing Limit	Total limit: SAR 100,500,000.
Guarantees	A guarantee for an amount of SAR 100,500,000 was granted by Abdulaziz Saleh Al Rashed in favour Riyadh Bank.
Main Financial and Non-Financial Covenants	N/A.
Governing Law	N/A.
Consent	On 22 Thul-Qi'dah 1446H (corresponding to 20 May 2025G), Riyadh Bank consented to the Offering and the waiver of the guarantees once the CMA's approval is obtained.
Confidentiality Obligations	N/A.

Source: The Company.

Table 11.12: Facilities Offer Letter Agreement between Saudi Awwal Bank and the Company

Date of Agreement and Termination	The agreement was concluded on 4 Sha'ban 1446H (corresponding to 3 February 2025G) and shall expire on 15 Sha'ban 1447H (corresponding to 3 February 2026G).
Value of Facilities and Purpose	- Combined limit of SAR 50,000,00 for the purpose of import or purchase of goods comprising: - a letter of credit facility for an amount of SAR 50 million for the purpose of import or purchase of goods with an opening commission of SAMA tariff plus 0.5 per cent. p.a. with minimum charge of SAR 500 and an acceptance commission of 0.375 per cent. per quarter or part thereof with minimum of SAR 500 payable in advance. The validity of sight letter of credit is 150 days; and - import credit facility for an amount of SAR 50,000,000 from the above facility for the purpose of financing payment obligations to import supplier in respect of an import invoice with a service charge of 1.75 per cent. p.a. over 3 months SAIBOR as per SAMA tariff subject to a termination date of one year.
Amount of Facilities Utilised	As of 31 March 2024G, no amount was utilised under the financing.
Financing Limit	Total limit: SAR 500,000,000.
Guarantees	- a personal guarantee from Mr. Abdulaziz Saleh Alrashed for an amount of SAR 50,000,000 in favour of Saudi Awwal Bank in respect of the Company's obligations; - a promissory note for an amount SAR 50,000,000 from the Company in favour of Saudi Awwal Bank.

Main Financial and Non-Financial Covenants	- The Company's financial covenants under the agreement include the following: - current assets shall not be less than 1 for each relevant period; - the ratio of total liabilities to tangible net worth shall not exceed 1.5 for each relevant period; - undertaking to route of sales to SAB account; - tangible net worth shall not exceed 1 for each relevant period; - submission of audited financial for the year ended 31 December 2024G; - Company to route 80 per cent. of sales thorough SAB account; and - the ratio of EBITDA to debt service for each relevant period shall not fall below 1.5 to 1. - The 'relevant period' is each consecutive period of six months during a financial year and in addition, each period of 12 months ending on the last day of the financial year. The financial covenants shall be tested first by reference to the unaudited half-year management accounts and the audited financial statements. The Company shall submit a compliance certificate signed by a director evidencing compliance of the same.
Governing Law	The agreement is governed by the laws of the Kingdom and any disputes arising from the agreement shall be referred to a competent courts, committees and judicial authorities in the Kingdom.
Consent	On 24 Thul-Qi'dah 1446H (corresponding to 22 May 2025G), Saudi Awwal Bank consented to the Offering once the CMA's approval is obtained.
Confidentiality Obligations	N/A.

Source: The Company.

11.7 Insurance Policies

The Group maintains insurance covering different types of risks they may be exposed to. These insurance policies have been concluded with several insurers. The following table sets out the key particulars of the insurance policies held by the Group as of the date of this Prospectus:

Table 11.13: Details of Insurance Policies

	Policy No	Type of Insurance Coverage	Insurer	Validity	Maximum Insurance Coverage
The Company	9016580	Medical Group Insurance	Malath Cooperative Insurance Company	From 17 Muharram 1447H (corresponding to 12 July 2025G) to 26 Muharram 1448H (corresponding to 11 July 2026G)	SAR 1,000,000.00 per person
	Q-2025-411-0000999	Motor Commercial Fleet Insurance	Wataniya Insurance Company	From 9 Sha'ban 1446H (corresponding to 8 February 2025G) to 19 Sha'ban 1447H (corresponding to 7 February 2026G)	SAR 100,524,435.00
Judeh Sakhour for Mining Company	Q-2025-411-0450843	Comprehensive Motor Insurance	Wataniya Insurance, SNIC Insurance (formerly known as Saudi National Insurance Company) ⁽¹⁾	From 5 Safar 1447H (corresponding to 30 July 2025G) to 15 Safar 1448H (corresponding to 29 July 2026G)	SAR 3,600,000.00
	9016591	Medical Health Insurance	Malath Cooperative Insurance Company	From 17 Muharram 1447H (corresponding to 12 July 2025G) to 26 Muharram 1448H (corresponding to 11 July 2026G)	SAR 1,000,000.00 per person annually
	9016592	Medical Health Insurance	Malath Cooperative Insurance Company	From 17 Muharram 1447H (corresponding to 12 July 2025G) till 26 Muharram 1448H (corresponding to 11 July 2026G)	SAR 1,000,000.00 per person annually.

Source: The Company.

⁽¹⁾ The insurance policy was renewed based on a signed quotation. The Company is currently receiving the final policy from the insurance company.

11.8 Real Estate

11.8.1 Real Estate Owned by the Company

The following table sets out a description of the properties owned by the Company:

Table 11.14: Description of the Properties Owned by the Company

Title Deed Particulars	Location	Description and Purpose	Net Book Value As of 31 March 2025G	Rights of Third Parties/ Disputes
Title deed number 21989001356 dated 6 Sha'ban 1446H (corresponding to 5 February 2025G)	Al Aziziya District, Riyadh, Kingdom of Saudi Arabia.	A plot of land with a total area of 10,000 sqm for the Company's head office.	SAR 552,000	N/A
Title deed number 760002929019 dated 11 Sha'ban 1446H (corresponding to 10 February 2025G)	Al Aziziya District, Riyadh, Kingdom of Saudi Arabia.	A plot of land with a total area of 625 sqm for warehouse.	SAR 1,156,250	N/A
Title deed number 760002929020 dated 11 Sha'ban 1446H (corresponding to 10 February 2025G)	Al Aziziya District, Riyadh, Kingdom of Saudi Arabia.	A plot of land with a total area of 625 sqm for warehouse.	SAR 1,156,250	N/A
Title deed number 160002933733 dated 7 Sha'ban 1446H (corresponding to 2 February 2025G)	Al Aziziya District, Riyadh, Kingdom of Saudi Arabia.	A plot of land with a total area of 625 sqm for warehouse.	SAR 1,156,250	N/A
Title deed number 760002929021 dated 11 Sha'ban 1446H (corresponding to 10 February 2025G)	Al Aziziya District, Riyadh, Kingdom of Saudi Arabia.	A plot of land with a total area of 625 sqm for warehouse.	SAR 1,156,250	N/A

Source: The Company.

11.8.2 Leases

As of the date of this Prospectus, the Group has entered into a number of lease agreements in connection with its operations. Under these agreements, and in its capacity as the lessee, the Group undertakes to pay the annual rent as specified in each agreement. The lease terms vary from one agreement to another but generally range from one to fifteen years, with some agreements providing for the execution of a new lease agreement upon expiry of the original term. Most lease agreements include provisions allowing either party to terminate the agreement by giving notice of no less than fifteen days to one month prior to the end of the lease term. The following table sets out the details of the lease agreements entered into by the Group:

Table 11.15: Details of Lease Agreements

#		Lessor	Property Location	Size of Leased Premises (sqm)	Rent	Term of Lease/ Renewal Mechanism	Right to Terminate/ Post Termination Procedures	Purpose
1.	The Company	Abdulkhkim Mohammed Abdulmohsin Al Odhaib	Al Safa Road, Riyadh, Kingdom of Saudi Arabia	300 sqm.	SAR 72,000 annually.	(364) days starting from 11 Safar 1446H (corresponding to 15 August 2024G) to 20 Safar 1447H (corresponding to 14 August 2025G). The agreement is terminated at the end of the initial term. If the parties wish to renew, a new agreement shall be signed.	The lessor has the right to terminate the agreement if the lessee fails to pay the rent within thirty (30) or sixty (60) days after the grace period granted by the lessor. The affected party has the right to terminate the agreement if the other party has breached its obligations under the agreement and fails to remedy it within thirty (30) days of receiving a notice by the affected party. The agreement will be automatically terminated upon the occurrence of one or more of the following cases: a) It has been proven that the property is at risk of collapse according to a report approved by the Civil Defence or the competent Government authorities. b) If Government decisions require amendments to building regulations, making it impossible to use the rented units. c) The state acquires the property or part of it, making it impossible to use the rented units. d) The occurrence of a force majeure event as determined by the competent court. e) If the lessee makes changes that endanger the safety of the property in a way that cannot be restored to its original condition, or if the lessee causes intentional damage to the property, or due to gross negligence in taking the correct precautionary measures, or if the lessee allows others to cause such damage according to an expert's technical report.	Accommodation.

#		Lessor	Property Location	Size of Leased Premises (sqm)	Rent	Term of Lease/ Renewal Mechanism	Right to Terminate/ Post Termination Procedures	Purpose
2.	The Company	Abdulrahman Fahhad Ghalfees Al Ajmi	Main Road, Al Oyoun, Kingdom of Saudi Arabia	150 sqm.	SAR 9,600 semi-annually.	(364) days starting from 2 Sha'ban 1446H (corresponding to 1 February 2025G) to 12 Sha'ban 1447H (corresponding to 31 January 2026G). The agreement is terminated at the end of the initial term. If the parties wish to renew, a new agreement shall be signed.	The lessor has the right to terminate the agreement if the lessee fails to pay the rent within thirty (30) or sixty (60) days after the grace period granted by the lessor. The affected party has the right to terminate the agreement if the other party has breached its obligations under the agreement and fails to remedy it within thirty (30) days of receiving a notice by the affected party. The agreement will be automatically terminated upon the occurrence of one or more of the following cases: a) It has been proven that the property is at risk of collapse according to a report approved by the Civil Defence or the competent Government authorities. b) If Government decisions require amendments to building regulations, making it impossible to use the rented units. c) The state acquires the property or part of it, making it impossible to use the rented units. d) The occurrence of a force majeure event as determined by the competent court. e) If the lessee makes changes that endanger the safety of the property in a way that cannot be restored to its original condition, or if the lessee causes intentional damage to the property, or due to gross negligence in taking the correct precautionary measures, or if the lessee allows others to cause such damage according to an expert's technical report.	Accommodation.

#		Lessor	Property Location	Size of Leased Premises (sqm)	Rent	Term of Lease/ Renewal Mechanism	Right to Terminate/ Post Termination Procedures	Purpose
3.	The Company	Fatimah Abdulaziz Omar Al Amoudi	Al Aziziya Road, Riyadh, Kingdom of Saudi Arabia	250 sqm.	SAR 65,000 semi-annually.	(364) days starting from 10 Muharram 1446H (corresponding to 5 July 2054G) to 19 Muharram 1448H (corresponding to 4 July 2026G). The agreement is terminated at the end of the initial term. If the parties wish to renew, a new agreement shall be signed.	The affected party has the right to terminate the agreement if the other party has breached its obligations under the agreement and fails to remedy it within fifteen (15) days of receiving a notice by the affected party. In the event of the lessee's insolvency, bankruptcy, or liquidation for any reason whatsoever, the agreement shall be deemed terminated as of the date the lessor becomes aware of it, or upon the expiration of the original or any renewed term, whichever is earlier. Such termination shall not prejudice the lessor's right to demand payment for the period preceding said termination.	Accommodation.
4.	The Company	Farah Abdulaziz Omar Al Amoudi	Al Aziziya Road, Riyadh, Kingdom of Saudi Arabia	350 sqm.	SAR 65,000 semi-annually.	(364) days starting from 3 Shawwal 1446H (corresponding to 1 April 2025G) to 12 Shawwal 1447H (corresponding to 31 March 2026G). The agreement is terminated at the end of the initial term. If the parties wish to renew, a new agreement shall be signed.	The affected party has the right to terminate the agreement if the other party has breached its obligations under the agreement and fails to remedy it within fifteen (15) days of receiving a notice by the affected party. In the event of the lessee's insolvency, bankruptcy, or liquidation for any reason whatsoever, the agreement shall be deemed terminated as of the date the lessor becomes aware of it, or upon the expiration of the original or any renewed term, whichever is earlier. Such termination shall not prejudice the lessor's right to demand payment for the period preceding said termination.	Accommodation.

#		Lessor	Property Location	Size of Leased Premises (sqm)	Rent	Term of Lease/ Renewal Mechanism	Right to Terminate/ Post Termination Procedures	Purpose
5.	The Company	Abdullah Sulaiman Abdullah Alshahrani	Khamis Mushait, Kingdom of Saudi Arabia	800 sqm.	SAR 150,000 annually.	(1,095) days starting from 26 Rabi' al-Awwal 1444H (corresponding to 22 October 2022G) to 29 Rabi' al-Thani 1447H (corresponding to 21 October 2025G). The agreement is terminated at the end of the initial term. If the parties wish to renew, a new agreement shall be signed.	The affected party has the right to terminate the agreement if the other party has breached its obligations under the agreement and fails to remedy it within fifteen (15) days of receiving a notice by the affected party. In the event of the lessee's insolvency, bankruptcy, or liquidation for any reason whatsoever, the agreement shall be deemed terminated as of the date the lessor becomes aware of it, or upon the expiration of the original or any renewed term, whichever is earlier. Such termination shall not prejudice the lessor's right to demand payment for the period preceding said termination.	Warehouse.
6.	The Company	Ayman Saleh Lafi Al Ghamdi	Jazan, Kingdom of Saudi Arabia	460 sqm.	SAR 70,000 annually.	(730) days starting from 17 Rabi' al-Thani 1445H (corresponding to 1 November 2023G) to 9 Jumada al-Ula 1447H (corresponding to 31 October 2025G). The agreement is terminated at the end of the initial term. If the parties wish to renew, a new agreement shall be signed.	The affected party has the right to terminate the agreement if the other party has breached its obligations under the agreement and fails to remedy it within fifteen (15) days of receiving a notice by the affected party. In the event of the lessee's insolvency, bankruptcy, or liquidation for any reason whatsoever, the agreement shall be deemed terminated as of the date the lessor becomes aware of it, or upon the expiration of the original or any renewed term, whichever is earlier. Such termination shall not prejudice the lessor's right to demand payment for the period preceding said termination.	Warehouse.

#		Lessor	Property Location	Size of Leased Premises (sqm)	Rent	Term of Lease/ Renewal Mechanism	Right to Terminate/ Post Termination Procedures	Purpose
7.	The Company	Ohoud Abdulaziz Omar Al Amoudi	Al Aziziya Road, Riyadh, Kingdom of Saudi Arabia	400 sqm.	SAR 65,000 semi-annually.	(364) days starting from 5 Muharram 1447H (corresponding to 30 June 2025G) to 4 Muharram 1448H (corresponding to 29 June 2026G). The agreement is terminated at the end of the initial term. If the parties wish to renew, a new agreement shall be signed.	The affected party has the right to terminate the agreement if the other party has breached its obligations under the agreement and fails to remedy it within fifteen (15) days of receiving a notice by the affected party. In the event of the lessee's insolvency, bankruptcy, or liquidation for any reason whatsoever, the agreement shall be deemed terminated as of the date the lessor becomes aware of it, or upon the expiration of the original or any renewed term, whichever is earlier. Such termination shall not prejudice the lessor's right to demand payment for the period preceding said termination.	Accommodation.
8.	The Company	Abdulaziz Saleh Ibrahim Al Abdullatif Trading and Contracting Company	Al Madina Al Munawwara, Kingdom of Saudi Arabia	903 sqm.	SAR 149,500 annually.	(1,094) days, starting from 1 Rajab 1446H (corresponding to 1 January 2025G) to 3 Sha'ban 1449H (corresponding to 31 December 2027G). The agreement is terminated at the end of the initial term. If the parties wish to renew, a new agreement shall be signed.	The lessor has the right to terminate the agreement and shall reimburse the lessee for all costs related to developing the estate.	Warehouse.

#		Lessor	Property Location	Size of Leased Premises (sqm)	Rent	Term of Lease/ Renewal Mechanism	Right to Terminate/ Post Termination Procedures	Purpose
9.	The Company	Abdullah Mutlaq Huwaimel Al Subooti Al Atawi	Tabuk, Kingdom of Saudi Arabia	630 sqm.	Lump-sum of SAR 180,000 for the first five years. SAR 80,000 annually for the second five years. SAR 100,000 annually for the last five years.	15 years starting from 19 Jumada al- Akhirah 1445H (corresponding to 1 January 2024G).	The affected party has the right to terminate the agreement if the other party has breached its obligations under the agreement and fails to remedy it within fifteen (15) days of receiving a notice by the affected party. In the event of the lessee's insolvency, bankruptcy, or liquidation for any reason whatsoever, the agreement shall be deemed terminated as of the date the lessor becomes aware of it, or upon the expiration of the original or any renewed term, whichever is earlier. Such termination shall not prejudice the lessor's right to demand payment for the period preceding said termination.	Accommodation.
10.	The Company	Talal Abdulwahab Abdulaziz Merza	Jeddah, Kingdom of Saudi Arabia	1,840 sqm.	SAR 150,000 semi- annually.	(1,825) days starting from 17 Jumada al-Ula 1442H (corresponding to 1 January 2021G) to 11 Rajab 1447H (corresponding to 31 December 2025G). The agreement is terminated at the end of the initial term. If the parties wish to renew, a new agreement shall be signed.	The affected party has the right to terminate the agreement if the other party has breached its obligations under the agreement and fails to remedy it within fifteen (15) days of receiving a notice by the affected party. In the event of the lessee's insolvency, bankruptcy, or liquidation for any reason whatsoever, the agreement shall be deemed terminated as of the date the lessor becomes aware of it, or upon the expiration of the original or any renewed term, whichever is earlier. Such termination shall not prejudice the lessor's right to demand payment for the period preceding said termination.	Warehouse.

#		Lessor	Property Location	Size of Leased Premises (sqm)	Rent	Term of Lease/ Renewal Mechanism	Right to Terminate/ Post Termination Procedures	Purpose
11.	The Company	Mohammed Sweilem Al Shareef Sons Company	Jazan, Kingdom of Saudi Arabia	460 sqm.	SAR 70,000 annually.	(730) days starting from 17 Rabi' al-Thani 1445H (corresponding to 1 November 2023G) to 9 Jumada al-Ula 1447H (corresponding to 31 October 2025G). The agreement is terminated at the end of the initial term. If the parties wish to renew, a new agreement shall be signed.	If the Company delays the payment of the due rent for thirty (30) or sixty (60) days after the expiration of the payment deadline granted to them under Article 4 of the agreement, the lessor has the right to terminate the agreement, unless both parties agree to set another payment deadline through ejar platform. The affected party has the right to terminate the agreement based on a ruling issued by the competent judicial authority if either the lessor or the Company fails to fulfill any of their obligations arising from the agreement and the defaulting party does not adhere to their obligations or remedy the resulting damage within thirty (30) days from the date of their breach, following a notice sent through ejar platform.	Warehouse.
12.	The Company	Hasan Abdu Ali Eskander	Jazan, Kingdom of Saudi Arabia	80 sqm.	SAR 7,800 semi-annually.	(364) days, starting from 1 Rajab 1446H (corresponding to 1 January 2025G) to 11 Rajab 1447H (corresponding to 31 December 2025G). Automatically renewable, unless either party notifies the other of its intention not to renew at least sixty (60) days prior to the expiry of the agreement.	If the Company delays the payment of the due rent for thirty (30) or sixty (60) days after the expiration of the payment deadline granted to them under Article 4 of the agreement, the lessor has the right to terminate the agreement, unless both parties agree to set another payment deadline through ejar platform. The affected party has the right to terminate the agreement based on a ruling issued by the competent judicial authority if either the lessor or the Company fails to fulfill any of their obligations arising from the agreement and the defaulting party does not adhere to their obligations or remedy the resulting damage within thirty (30) days from the date of their breach, following a notice sent through ejar platform.	Accommodation

#		Lessor	Property Location	Size of Leased Premises (sqm)	Rent	Term of Lease/ Renewal Mechanism	Right to Terminate/ Post Termination Procedures	Purpose
13.	The Company	Saeed Za'ed Ali AlShahrani	Khamis Mushait, Kingdom of Saudi Arabia	200 sqm.	The total value of the agreement is SAR 20,001	364 days, starting from 1 Rajab 1446H (corresponding to 1 January 2025G) to 11 Rajab 1447H (corresponding to 31 December 2025G). The agreement is terminated at the end of the initial term. If the parties wish to renew, a new agreement shall be signed.	The lessor has the right to terminate the agreement if the lessee fails to pay the rent within thirty (30) or sixty (60) days after the grace period granted by the lessor. The affected party has the right to terminate the agreement if the other party has breached its obligations under the agreement and fails to remedy it within thirty (30) days of receiving a notice by the affected party. The agreement will be automatically terminated upon the occurrence of one or more of the following cases: a) It has been proven that the property is at risk of collapse according to a report approved by the Civil Defence or the competent Government authorities. b) If Government decisions require amendments to building regulations, making it impossible to use the rented units. c) The state acquires the property or part of it, making it impossible to use the rented units. d) The occurrence of a force majeure event as determined by the competent court. e) If the lessee makes changes that endanger the safety of the property in a way that cannot be restored to its original condition, or if the lessee causes intentional damage to the property, or due to gross negligence in taking the correct precautionary measures, or if the lessee allows others to cause such damage according to an expert's technical report.	Accommodation.

#		Lessor	Property Location	Size of Leased Premises (sqm)	Rent	Term of Lease/ Renewal Mechanism	Right to Terminate/ Post Termination Procedures	Purpose
14.	Judeh Sakhour for Mining Company	Super Office Company	Al Safa Road, Riyadh, Kingdom of Saudi Arabia	18 sqm.	SAR 15,000 lump-sum.	(364) days starting from 18 Shawwal 1446H (corresponding to 16 April 2025G) to 27 Shawwal 1447H (corresponding to 15 April 2026G). The agreement is terminated at the end of the initial term. If the parties wish to renew, a new agreement shall be signed.	The affected party has the right to terminate the agreement if the other party has breached its obligations under the agreement and fails to remedy it within fifteen (15) days of receiving a notice by the affected party. In the event of the lessee's insolvency, bankruptcy, or liquidation for any reason whatsoever, the agreement shall be deemed terminated as of the date the lessor becomes aware of it, or upon the expiration of the original or any renewed term, whichever is earlier. Such termination shall not prejudice the lessor's right to demand payment for the period preceding said termination.	Office

Source: The Company.

11.9 Related Party Contracts and Transactions

This section provides a summary of the Company's contracts and transactions with Related Parties. The Company's Directors confirm that all contracts with Related Parties mentioned in this section do not include any preferential terms and have been conducted on appropriate commercial bases. In compliance with Article 71 of the Companies Law.

The following table sets out the contracts and transactions between the Group and Related Parties:

Table 11.16: Contracts and Transactions with Related Parties

#	Parties	Nature of Agreement/ Transaction	The value for the Agreement for the financial year ended 31 December			For the Three-Month Period Ended 31 March 2025G	Interest	Approval
			2022G	2023G	2024G			
1	The Company (as supplier) and Najd Roads Contracting Company (as customer)	Sale Agreement for aggregate and asphalt materials	SAR 67,358,314	SAR 106,091,964	SAR 116,930,704	SAR 21,700,200	Najd Roads Contracting Company is wholly owned by Abdulaziz Saleh Al Rashed & Sons Company and the Chairman of the Board and Shareholder Abdulaziz Saleh Al Rashed has an indirect interest in Najd Roads Contracting Company in his capacity as a Shareholder of Abdulaziz Saleh Al Rashed & Sons Company.	This agreement has been approved by the Company's General Assembly in the meeting dated 26 Ramadan 1446H (corresponding to 26 March 2025G).

#	Parties	Nature of Agreement/ Transaction	The value for the Agreement for the financial year ended 31 December			For the Three-Month Period Ended 31 March 2025G	Interest	Approval
			2022G	2023G	2024G			
2	The Company (as Customer) and Najd Roads Contracting Company (as Supplier)	Petroleum derivatives supply agreement	-	-	-	SAR 9,105,204	Najd Roads Contracting Company is wholly owned by Abdulaziz Saleh Al Rashed & Sons Company and the Chairman of the Board and Shareholder Abdulaziz Saleh Al Rashed has an indirect interest in Najd Roads Contracting Company in his capacity as a Shareholder of Abdulaziz Saleh Al Rashed & Sons Company.	This agreement was approved by the Company's board of directors on 10 Thul-Qi'dah 1446H (corresponding to 8 May 2025G) pursuant to the authorisation granted to it by the General Assembly.

Source: The Company.

11.10 Conflicts of Interest

As of the date of this Prospectus, the Directors confirm that they do not have any conflict of interests in relation to contracts and/or transactions entered into by the Group except as disclosed in Section 5.7 (*Conflicts of Interest*) and Section 11.9 (*Related Party Contracts and Transactions*), and none of them has been engaged in any activities similar to, or competing with, the Group's activities.

11.11 Intellectual Property

11.11.1 Trademarks

The Company has registered one trademark on which it relies as a proprietary brand for its business operations. The Company relies on this trademark to ensure the success of its business activities and to bolster its competitive position in the market. Therefore, the inability of the Company to protect its trademark, or the need to undertake legal action to protect it, may have a materially adverse impact on its ability to use the trademark, which could, in turn, negatively affect its business operations and results.

The following table provides key details related to the trademarks registered by the Company:

Table 11.17: Details of Registered Trademarks

Country of Registration	Trademark Registration Certificate No.	Validity/ Expiration Date	Category	Logo
The Kingdom	14430116338	Registered on 28 Rajab 1443H (corresponding to 1 March 2022G) valid until 9 Jumada al-Ula 1450H (corresponding to 28 September 2028G).	37	 شركة صالح عبد العزيز الراشد وأولاده Saleh Abdulaziz Al Rashed & Sons Co.

Source: The Company.

11.11.2 The Company's Other Intellectual Property

The Company owns one internet domain registered under its name. The following table provides details of this domain:

Table 11.18: Details of Internet Domain Names

Internet Domain	Expiration Date
salrashed.com.sa	2 Sha'ban 1449H (corresponding to 30 December 2027G)

Source: The Company.

11.12 Litigation

As of the date of this Prospectus, the Group has confirmed that it is not a party to any ongoing or potential lawsuits, claims, or ongoing investigations that could, individually or collectively, have a material impact on the Group. The Group considers any case or claim to be material if its value reaches five per cent. of the revenue for the financial year ended 31 March 2025G, or if the Group deems it material by its nature.

The Company is involved in a number of non-material lawsuits and claims that arose in the ordinary course of its business. The following table sets out an overview of the non-material lawsuits and claims filed by and against the Company as of 31 March 2025G:

Table 11.19: Details of the Company's Legal Proceedings

Type of Claim	Total Number of Claims	Estimated Total Value of Claims	Total Amounts Provisioned
Non-material ongoing claims and legal proceedings initiated by the Company.	18	SAR 3,797,936	-
Non-material ongoing and legal proceedings initiated against the Company.	2	SAR 8,262	-

Source: The Company.

11.13 Summary of Bylaws

11.13.1 Name of the Company

The name of the Company is "Saleh Abdulaziz Al Rashed & Sons Company", a joint stock Company.

11.13.2 Head Office of the Company

The head office of the Company is in the city of Riyadh, Kingdom of Saudi Arabia. The Company may establish branches, offices or agencies for the Company within or outside the Kingdom by a resolution of the Board of Directors.

11.13.3 Objectives of the Company

The Company's objects are:

- quarrying for the extraction of stones, sand, and clay;
- manufacturing of structural metal products;
- metal forming by forging, pressing, casting, and rolling, powder metallurgy;
- treatment and plating of machined metals;
- manufacturing machinery for mining, quarrying, and construction operations;
- repair of machinery;
- repair of transportation equipment excluding motor vehicles;
- repair of other equipment;
- steam fuel delivery and air conditioning;
- sanitation;
- building construction;
- construction of roads and railways;
- site preparation;
- other structural installations;
- wholesale trade on a fee or agreement basis;
- land freight transport;
- storage;
- activities of services related to land transport;

- catering services for events;
- other food service activities;
- other communication activities;
- real estate activities on a fee or agreement basis;
- other professional, scientific, and technical activities not classified elsewhere;
- rental of other machinery, equipment, and tangible goods;
- activities of tour operators;
- educational support activities;
- social work activities without accommodation for the elderly and disabled;
- other amusement and recreation activities not classified elsewhere; and
- other personal service activities not classified elsewhere.

11.13.4 Duration of the Company

The term of the Company is unspecified.

11.13.5 Capital of the Company

The Company's issued share capital shall be one hundred eighty-six million Saudi Arabian Riyals (SAR 186,000,000), divided into eighteen million six hundred thousand (18,600,000) Shares, with an equal nominal value of ten Saudi Arabian Riyals (SAR 10) each, all of which are ordinary Shares against cash contributions. The cash amounts paid from the issued capital amounting to one hundred eighty-six million Saudi Arabian Riyals (SAR 186,000,000) have been deposited in one of the licensed banks.

11.13.6 Share Subscription

The Shareholders have subscribed to the entirety of the issued share capital, totalling one hundred eighty-six million Saudi Arabian Riyals (SAR 186,000,000), fully paid.

11.13.7 Purchase, Sale, and Pledge of the Company's Own Shares

1. In accordance with the Companies Law, its Bylaws, and the regulations set by the relevant authority, the Company may repurchase its shares with the approval of the Extraordinary General Assembly.
2. The shares to be repurchased must be fully paid, and the purpose of the repurchase should either be to reduce the Company's capital or to hold the repurchased shares as treasury shares. The percentage of treasury shares held by the Company should not exceed 10 per cent. of the total issued shares at any given time.
3. The debit balance of treasury shares should not exceed the Company's retained earnings.
4. The shares repurchased by the Company shall not have voting rights in shareholders' meetings.
5. The Company may purchase its shares for the following purposes:
 - (a) To fulfil the rights of holders of debt instruments or convertible sukuk according to the terms and conditions of such instruments or sukuk.
 - (b) For exchange as part of an acquisition of shares, equity interests, or purchase of assets.
 - (c) To allocate shares to employees within an employee stock programme.
 - (d) If the Board of Directors considers that the market value of the share is below its fair value.
 - (e) To cancel the shares in accordance with capital reduction provisions.
 - (f) For any other purpose determined by the minister.
6. The Company may purchase its shares to allocate them to employees within an employee stock programme, following the approval of the Extraordinary General Assembly on the employee share programme. The General Assembly may authorise the Board of Directors to set the terms of this programme, including the allocation price for each share offered to employees, provided that non-executive board members are excluded from the programme and executive board members do not participate in the voting on board decisions related to the employee share programme.
7. The Company may sell treasury shares in one or multiple stages, in accordance with the Companies Law, its Bylaws, and the regulations set by the relevant authority.

8. The Company may pledge its shares in accordance with the Companies Law, its bylaws, and the regulations set by the relevant authority. The pledged creditor shall have the right to receive dividends and exercise the rights associated with the share unless otherwise agreed in the pledge agreement. The pledged creditor shall not be allowed to attend or vote in General Assembly meetings.

11.13.8 Debt Instruments and Financing Sukuk

1. The Company may issue debt instruments or financing Sukuk in accordance with the Capital Market Law. To issue debt instruments or financing Sukuk convertible into shares, a resolution must be passed by the Extraordinary General Assembly specifying the maximum number of shares that may be issued in exchange for such instruments or Sukuk, whether issued at once, through a series of issuances, or through one or more programmes. The Board of Directors, without needing further approval from the General Assembly, may issue new shares in exchange for these instruments or Sukuk upon reaching the conditions for their conversion or at the end of the conversion request period for all such instruments or Sukuk. The Board will take the necessary actions to amend the Company's bylaws regarding the number of issued shares and capital.
2. The Board of Directors must record any capital increase with the commercial registry upon completing the required procedures.
3. The Company may convert debt instruments or financing Sukuk into shares in accordance with the Capital Market Law, with the holder's approval, whether this approval is pre-given as part of the issuance terms or through a subsequent agreement.
4. Any interested party may request the competent judicial authority to invalidate any transaction carried out in violation of Articles (117) or (118) of the Company's bylaws and seek compensation for holders of debt instruments or financing Sukuk for any damage incurred.
5. Resolutions of the shareholders' general assemblies shall apply to holders of debt instruments and financing Sukuk; however, these assemblies may not amend the rights granted to them without the approval of a special assembly of such holders, convened in accordance with Article (89) of the Companies Law.

11.13.9 Increase of Share Capital

1. The Extraordinary General Assembly may resolve to increase the Company's capital, provided that the issued capital has been fully paid. If the unpaid portion of the capital pertains to shares issued in exchange for the conversion of debt instruments or financing Sukuk into shares and the period for conversion has not expired, a partial payment may be allowed.
2. The Extraordinary General Assembly may, in all cases, allocate shares issued during a capital increase to employees of the Company and its Subsidiaries, either in part or in full. Shareholders may not exercise pre-emptive rights when the Company issues shares specifically allocated to employees. The relevant authority may set guidelines and procedures for the allocation of shares to employees in the Company or its Subsidiaries, either in full or in part.
3. A shareholder holding shares at the time of the Extraordinary General Assembly's resolution approving a capital increase has pre-emptive rights to subscribe to new shares issued in exchange for cash contributions. The shareholder shall be notified of their pre-emptive rights via registered mail at their address in the shareholder register, by announcement on the Company's website, or through modern technological means regarding the capital increase resolution, subscription terms, methods, and subscription start and end dates.
4. The Extraordinary General Assembly may waive the shareholders' pre-emptive rights to subscribe to a capital increase in exchange for cash contributions or grant pre-emptive rights to non-shareholders if deemed in the Company's best interests.
5. Shareholders have the right to sell or transfer their pre-emptive rights within the period from the issuance of the Extraordinary General Assembly's resolution approving the capital increase to the last day of subscription to new shares associated with these rights, following guidelines set by the relevant authority.
6. Considering the provisions of point (4) above, shareholders with pre-emptive rights who wish to subscribe may subscribe proportionately to the new shares issued, based on their pre-emptive rights from the total pre-emptive rights resulting from the capital increase, provided that the number of shares they receive does not exceed what they have requested. Any remaining shares may be allocated to shareholders with pre-emptive rights who have requested more than their proportionate entitlement, in proportion to their pre-emptive rights from the total pre-emptive rights resulting from the capital increase, if they do not exceed the number they have requested. Any further remaining shares may be offered to others, unless the Extraordinary General Assembly or the Capital Market Law provides otherwise.

11.13.10 Trading in Shares

The Company's shares shall be traded by recording them in the Shareholders' Register. The transfer of ownership of the share is not recognised by the Company or others except from the date of its entry in the mentioned register.

11.13.11 Sale of Unpaid Shares

1. A shareholder shall pay the remaining value of the shares on the dates specified for such. If they fail to pay on the due date, the Board of Directors may, after notifying them by registered letter or by any means of modern technology, sell the share at public auction or on the Exchange, as the case may be, in accordance with the controls determined by the competent authority, provided that other shareholders have priority in purchasing the shares of the defaulting shareholder.
2. The Company shall collect the amounts due to it from the sale proceeds and return the remainder to the shareholder. If the sale proceeds are not sufficient to satisfy these amounts, the Company may collect the remainder from all the shareholder's funds.
3. The rights related to shares whose payment is in default shall be suspended upon the passage of the specified date for such until they are sold or the payment due is made in accordance with the provisions of Paragraph 1 of this Article. These include the right to obtain a share of the net profits to be distributed and the right to attend assemblies and vote on their decisions. However, a shareholder in default may, up until the day of the sale, pay the amount due plus the expenses that the Company incurred in this regard. In this case, the shareholder shall have the right to request the dividends declared for distribution
4. The Company shall cancel the certificate of a share sold in accordance with the provisions of this Article, give the buyer a new certificate for the share bearing the same number and mark the sale in the Share Register including the necessary information for the new owner.

11.13.12 Reduction of Share Capital

1. The Extraordinary General Assembly may resolve to reduce the capital if it exceeds the Company's needs or if it incurs losses. In the latter case only, the capital may be reduced below the limit stipulated in Article 59 of the Companies Law. The reduction resolution shall not be passed unless a statement prepared by the Board of Directors is read at the General Assembly explaining the reasons for the reduction, the Company's liabilities and the impact of the reduction on the fulfilment thereof, and provided that a report from the Company's Auditor is attached to this statement.
2. If the reduction is because the capital exceeds the Company's needs, the creditors shall be invited to raise their objections, if any, to the reduction at least forty-five (45) days prior to the date set for the Extraordinary General Assembly meeting to pass a resolution on the reduction. A statement shall be attached to the invitation explaining the amount of capital before and after the reduction, the date of the meeting to be held, and the effective date. If any creditor objects to the reduction and submits their documents to the Company within the specified period, the Company shall pay their debt if it is due or provide them with sufficient guarantee to fulfil it in the event that it is due in the future.
3. Equality shall be observed among holders of shares of the same type and class when reducing capital.

11.13.13 Preferred Shares

The Company may, by resolution of the Extraordinary General Assembly and after fulfilling the relevant regulatory requirements, issue preferred shares, decide to purchase them or convert preferred shares into ordinary shares or ordinary shares into preferred shares. Preferred shares do not confer voting rights at General Assemblies of Shareholders. These shares entitle their owners to a higher percentage of the Company's net profits than ordinary shareholders, after setting aside the statutory reserve.

11.13.14 Management of the Company

The Company shall be managed by a Board of Directors consisting of six (6) members to be natural persons and elected by the Ordinary General Assembly for a term not exceeding four years. The working procedures of the Board of Directors are defined as follows:

- The Board determines the location of its meetings, and meetings may be held using modern technological means.
- The quorum for a valid meeting requires the presence of 50 per cent. of the Board members, and decisions are legally valid if approved by 51 per cent. of the members.
- Board members may delegate others to attend meetings on their behalf.
- The method of communication for Board members includes written invitations, personal delivery, mail, fax, or through modern technological means

11.13.15 Membership Termination or Expiry

Board membership shall expire upon the expiration of the Board's term, or the expiration of the Board member's term, in accordance with any law or directives applicable in the Kingdom. The Ordinary General Assembly may, at the recommendation of the Board, terminate the membership of Board members that fail to attend three (3) consecutive meetings, or a total of five (5) meetings during their term, without a valid excuse which is satisfactory to the Board.

11.13.16 Powers of the Board

Without prejudice to the powers conferred on the General Assembly, the Board shall be vested with the widest powers to manage the Company, formulate its policy, determine its investments, conduct its business and manage its funds and all its affairs within and outside the Kingdom in a manner that accomplishes its purposes. such powers may include:

1. the right to sell and mortgage the Company's properties and assets, including the Company's store and headquarters. The Board of Directors shall obtain the approval of the General Assembly when selling assets whose value exceeds 50 per cent. of the total value of the Company's assets, whether the sale is made in a single or several transactions. In this case, the transaction leading to exceeding 50 per cent. of the assets' value is considered the transaction requiring General Assembly approval. This percentage shall be calculated from the date of the first transaction concluded during the previous twelve months. If the sale of the Company's assets and real estate represents less than 50 per cent. of the total value of its assets, whether the sale is made in a single or several transactions, the minutes of the Board of Directors and the rationale for its disposal decision shall consider the following:
 - (a) the Board shall specify the reasons and justifications for the sale in the sale resolution;
 - (b) the sale price shall be close to the fair market price;
 - (c) the sale shall be immediate, except in cases specified by the Board and with sufficient guarantees; and
 - (d) such disposal shall not result in the cessation of some of the Company's activities or impose other obligations on the Company.
2. it shall have the right to appoint and dismiss attorneys and lawyers; issue powers of attorney and authorisations and cancel them in whole or in part; sign all types of contracts, documents, instruments, agreements, powers of attorney, concessions, deals and tenders on behalf of the Company; enter into Governmental and non-Governmental tenders and auctions as public and individual institutions, on behalf of the Company, without limitation; sign before the notary public the articles of association of companies in which the Company holds shares and the amendment annexes thereto, whether to increase or decrease capital, the inclusion of new partners or the dismissal of partners, amending the management clause or activities, changing names, amending the legal form of companies or their branch(es) or making any other amendments of any kind thereto or liquidating them, as well as establishing companies and entering into existing companies and signing their articles of association and amendment annexes thereto, whether by decreasing or increasing capital, the inclusion of new partners or the dismissal of partners, amending the management clause or activities, changing names, amending the legal form of companies or their branches or making any other amendments thereto or liquidating them; signing merger, acquisition and purchase resolutions; cancelling memoranda of association, annexes and partner resolutions; buying and selling shares, stocks, bonds and units in real estate and non-real estate funds and assigning them; accepting the assignment of shares, stocks and capital; conveying shares and stocks; signing deeds and title transfers before the notary public and official authorities; buying and selling plots and all types of real estate; conveying and accepting conveyance, receipt and delivery; paying the price; collecting the price; participating for the benefit of the Company with third parties; converting agricultural plots to residential or industrial plots; converting industrial plots to residential plots; requesting amendments to deeds, including their boundaries and areas; assigning deeds in whole or in part; conveying them; cancelling and adding; merging deeds; partitioning; dividing; sorting and adjoining properties and deeds; requesting amendments to the use of plans and plots; adding, cancelling, assigning and accepting shares, if any; amending the owner's name and civil registry number; amending plot boundaries, lengths, areas, numbers, plans, deeds, their dates and district names; updating deeds and entering them into the comprehensive system; renting and leasing; and signing, amending or terminating leases; opening, managing and operating current and investment accounts, stock and investment portfolios in the Company's name with all banks inside and outside the Kingdom; closing and liquidating them; withdrawing from and depositing into them; opening lines of credit; making transfers; issuing guarantees and providing pledges related to the Company's business; signing all financial instruments, documents, cheques and all types of banking transactions, including commercial instruments related to the Company's business; transferring between accounts; transferring from investment accounts to current accounts and vice versa; transferring from stock portfolio accounts to current and investment accounts and vice versa; activating accounts; updating account details; requesting account statements and cheques; disbursing bank guarantees in favour of the Company; guaranteeing companies in which the Company holds shares or stocks commensurate with the Company's ownership in these companies; providing financial support, except for loans, to any of the companies in which the Company holds shares or to any of its Subsidiaries or sister companies; signing all financial instruments,

documents, cheques and all types of banking transactions; issuing promissory notes and other commercial instruments; carrying out all transactions; concluding all agreements and deals without limitation; enquiring about credit records; and attending before, following up on and completing all necessary procedures with the Saudi Credit Bureau (SIMAH); collecting the Company's dues from third parties; paying its liabilities; contracting with advisory offices; requesting visas from labour and recruitment offices; issuing and renewing residencies and work permits; transferring and waiving sponsorships; granting exit, return and final exit visas; requesting visit visas; mortgaging and release mortgage, signing mortgages in favour of banks, funds, institutions, Government entities, private banks, real estate, industrial, agricultural and investment funds; borrowing and requesting financing and credit facilities; requesting scheduling from all banks, financing companies, financial institutions and Government institutions and entities; signing contracts therewith; receiving and repaying loans in accordance with Sharia controls; signing promissory notes, bills of exchange and all documents, including but not limited to concluding and signing contracts, approving the Company's business plan, approving its operational plans and annual capital budget and the Company's internal, financial, administrative and technical regulations, policies and regulations for its employees, and authorising the Company's management staff to sign on behalf of the Company within the limits of the rules set by the Board of Directors; appointing managers, employees and workers, determining their powers, authorities, salaries and benefits; dismissing and terminating them; renewing commercial registration certificates and making all amendments thereto or cancelling them; extracting and renewing licences and making all amendments thereto or cancelling them; reserving and assigning trade names; attending the meetings of the founding assemblies, transformation assemblies, ordinary and extraordinary assemblies and boards of directors of companies in which the Company holds shares; voting on behalf of the Company and signing all necessary documents for the same, noting that all these powers and authorities are inside and outside the Kingdom; delegating or authorising one or more Directors to perform specific work(s); cancelling powers of attorney or authorisations in whole or in part; concluding loans with Government financing funds and institutions, regardless of term and commercial loans with banks, financial institutions and credit companies whose terms do not exceed the Company's for any period, including loans whose terms exceed three years. However, in the case of concluding commercial loans whose terms exceed three years, the following conditions shall be met:

- (a) the Board of Directors shall specify in its resolution the uses of the loan and the method of its repayment; and
- (b) the loan terms and guarantees provided shall ensure that they do not harm the Company, its shareholders or the general guarantees of creditors.
- (c) appointing a Board secretary based on the Chairman's proposal;
- (d) approving the internal, financial, administrative and technical regulations of the Company, as well as the policies and regulations pertaining to its employees, or authorising such approval based on administrative powers;
- (e) appointing the Chief Executive Officer, Deputy Chief Executive Officer and Executive Directors with experience and competence, as deemed appropriate by the Board, and determining their duties and remuneration;
- (f) delegating the Company's management officials with the authority to sign on behalf of the Company within the limits of the rules established by the Board;
- (g) forming committees and granting them the powers the Board deems appropriate, and coordinating among these committees with the aim of expediting the resolution of matters brought before them;
- (h) approving the establishment of Subsidiaries, branches, offices and agencies of the Company, as well as subscriptions and contributions to any of the companies;
- (i) approving the Company's business and operational plans and capital budget, and preparing and approving financial and administrative powers; and
- (j) the Company's Board of Directors shall have the right, in cases it deems appropriate, to discharge the Company's debtors from their obligations as per its interests, provided that the minutes of the Board shall include the rationale for its resolution on the matter, taking into account the following conditions:
 - (i) the discharge shall be made at least one full year after the debt has arisen;
 - (ii) the discharge shall be for a specified maximum amount per year for each debtor; and
 - (iii) the discharge is a right of the Board that may not be delegated or granted to any other party.

The Board of Directors may, within the limits of its powers, authorise or delegate on its behalf one or more of its Directors or a third party to take a specific action, conduct or perform specific work(s).

11.13.17 Remuneration of Directors

1. The Board of Directors' remuneration shall consist of a percentage of net profits, benefits in kind, attendance allowance for meetings, a fixed amount or whatever the Ordinary General Assembly determines.
2. The Board of Directors' report to the Ordinary General Assembly at its annual meeting shall include a comprehensive statement of all remuneration, attendance allowance for meetings, expense allowance and other benefits received or deserved by each Director during the financial year.

11.13.18 Powers of the Chairman, Vice Chairman, Managing Director and Secretary

The Board of Directors shall appoint from among its members a chairman of the Board, and it may appoint from among its members a managing director or vice chairman of the Board. The Board of Directors shall also appoint a Chief Executive Officer from among its members or others.

The Chairman shall have the following powers:

- **In relation to commercial registrations:** main and branch: Issue, renew and cancel.
- **In relation to companies that the Company enters as a partner:** signing companies' agreements, buying equities, liquidating the Company, selling equities and representing the Company before the subsidiary.
- **In relation to incorporating companies by the Company's name:** In relation to commercial registrations: Issuing, renewing and cancelling them; registering them at the ministry; representing before the notary; signing the Company's articles of association; and signing Shareholders' decisions.
- **In relation to banks:** opening accounts, opening credits, depositing, withdrawing, issuing cheque books, updating accounts, issuing accounts statements, requesting facilities, requesting guarantees, signing loans agreements, signing commercial papers, signing promissory notes, applying for any application or service from the applications or the services under Communications Space and Technology Commission's scope and the right to delegate for anyone -as per the Applicable Laws- to apply for any application or service from the applications or the services under Communications Space and Technology Commission's scope.
- **In relation to managing properties:** purchasing, selling and transferring. Property: real estate: purchasing, selling and transferring. Plots: purchasing, selling and transferring. Shares: purchasing, selling. Mortgaging: mortgaging, releasing of mortgage and collecting against mortgage.
- **In relation to amending the agreements of the companies that the Company enters as a partner:** Approval of the Shareholders' decisions: amending the legal form; increasing or decreasing capital; accepting the assignment of shares; purchasing shares; including and dismissing shareholders; signing the shareholder resolution for merger; amending the remaining terms of the articles of association; liquidating the Company; and converting the Company into an institution.
- **In relation to the judiciary:** Representing before Sharia courts: hearing and responding to claims, reconciling, rejecting and accepting arbitration, rejecting and accepting settlement, acknowledging, denying, waiving, pleading, defending, claiming and litigating, appointing arbitrators, appointing lawyers, representing before notaries; using and executing all Ministry of Justice electronic services, delegating and authorising others on executing Ministry of Justice electronic services, signing loan agreement and its addendums and all related documents, signing following agreements, signing advisory agreements, signing before the notary in relation to the industrial mortgage regarding pledging on the Company's properties, receiving loans, assigning a loan, requesting a loan waiver, paying the loan, signing documentary credit agreement, signing guarantee of legal capacity, signing transfer of liabilities and amending loan agreement, signing on behalf of the Company and the Shareholders on debt arrangement agreement, issuing, amending and cancelling waivers.
- **In relation to the following other powers:** converting the establishment branch; opening branch registration certificates. buying establishment, signing all documents at the commercial chamber, selling establishment, following up with the Department of Commercial Registration, extracting records, transferring commercial registration, managing records, cancelling records, supervising records, opening subscriptions at the Chamber of Commerce, approving signature at the Chamber of Commerce, cancelling signature at the Chamber of Commerce, entering tenders and receiving forms, converting the Company's branch establishment, following up with the GOSI, following up with the ZATCA, managing the commercial registration, cancelling the commercial registration, following up with the Civil Defence, amending registrations, adding activity, reserving commercial name, renewing the Chamber of Commerce subscription, amending the commercial registration, transferring the commercial registration, issuing replacement for damaged or lost records, registering trademark, waving trademark, waving commercial name, issuing permits, buying boats, issuing replacement for damaged or lost hunting permit, importing boats, cancelling boats licences, renewing licences, amending licences, adding activity, reserving commercial name, cancelling licences, issuing hunting permits,

issuing boat licence, renewing boat licence, transferring boat licence, selling the boat, renewing hunting permit, cancelling hunting permit, issuing replacement for damaged or lost boat licence, opening branch for the licence, transferring the licence, incorporating a Company, signing on articles of association and amendment addendums, cancelling articles of association and amendment addendums, signing shareholders decisions, appointing and removing managers, amending Company's activities, liquidating the Company, converting the Company from joint stock Company to limited liability Company, converting the Company from limited liability Company to joint stock Company, converting the Company from general partnership to limited liability Company, increasing capital, decreasing capital, entry and exit of Shareholders, joining established companies, transferring equities, shares and bonds, determining capital, receiving allocation surplus, selling equities and shares and receiving value, assigning equities and shares from capital, selling Company branch, amending a Shareholder's nationality in the agreement, approving the waiver of equities shares and capital, buying equities and shares and paying cost, closing accounts with the Company's name in banks, opening accounts with the Company's name in banks, signing deals, registering the Company, registering power of attorneys and trademarks, attending general assemblies, opening branches for the Company, opening files for the Company, signing articles of association and amendment addendums in the notary, issuing commercial registrations and renewing it for the Company, subscribing to the Chamber of Commerce, and renewing the membership, following up with the Ministry of Investment and signing before it, following up with the quality management and the Saudi Standards, Metrology and Quality Organisation, following up with the CMA, issuing and renewing licences for the Company, converting the establishment to a Company, converting the Company's branch to establishment, converting the Company's branch to a Company, publishing the article of association, the amendment addendums and its abstracts and the bylaws in the official newspaper, following up with the telecommunication companies and the establishment of landlines or mobile phones in the name of the Company, signing the Company's agreement with others, waiving the trademark or cancelling it, amending the Company's name, issuing visas, receiving visas' compensations, updating workers' information, opening agreement and sub files, renewing and cancelling them, filtering workers and cancelling them, reporting fleeing workers, cancelling workers' fleeing reports, transferring sponsorships, amending professions, transferring the ownership of establishments, liquidating them and cancelling them, following up with the private recruitment agencies, following up with the computer management in the manpower, issuing work permits and renewing them, receiving Saudisation certifications, issuing data statement (print), adding and removing Saudis, recruitment, opening file, activating the Saudi gate, recruiting workers abroad, finalising workers procedures at the GOSI, cancelling visas, refunding visas amounts, amending nationalities, issuing family visits visas, issuing family recruiting visas, following up with the embassy, extending entry and re-entry visas, extending visitors visas, issuing data statement (print), cancelling visas, refunding visa fees, amending arrival destination, issuing iqamas, renewing iqamas, issuing exit and re-entry, issuing final exit, issuing replacement for damaged or lost iqamas, finalising deceased labour procedures, transferring information and updating data, settling and waiving workers, following up with the general department of expatriate, issuing labour data statement (print), dropping labour, managing A'maly, transferring labour's sponsorship to the labour, adding a newborn, department of borders affaires, issuing replay scenes, adding dependents, adding children to parents' passports, separating children from parents' passports, cancelling exit and re-entry visas, cancelling final exit visas, issuing lost or damaged travelling visas replacement, issuing visitor visas extension, issuing hajj permits, amending professions, following up with house maids centre, registering in the electronic service, following up with the Ministry of Environment, Water and Agriculture, following up with the notary or the court to approve title registration, transferring agricultural report, receiving salaries, receiving retirement salaries, receiving indemnity and vacations compensation, transferring the salary, receiving the compensation, issuing salary certificate, receiving dues, opening Shari'ah compliant accounts, closing and settling accounts, withdrawing from accounts, issuing ATM cards, issuing Shari'ah compliant credit cards, receiving and spending transfers, cashing cheques, issuing certified cheques, issuing cheque books, issuing account statement, transferring from accounts, applying for Shari'ah compliant bank loans, opening Shari'ah compliant account, depositing in the accounts, resubscribing in safe deposit boxes, opening deposit boxes, subscribing in safe deposit boxes, applying for a loans waiver, reject cheques, updating data, activating accounts, receiving cheques, recovering safe deposit boxes, following up, rescheduling instalments, requesting points of sales, requesting bank credit, requesting bank guarantee, subscribing in joint stock companies, receiving subscription certificates, buying Shari'ah compliant shares, selling Shari'ah compliant shares, receiving shares value, receiving dividends, receiving surplus, opening Shari'ah compliant investment portfolios editing and amending and cancelling orders, subscribing to stocks, buying stocks, selling stocks, recovering investment funds units, transferring shares from the portfolio, subscribing in Shari'ah compliant investment funds units, managing investment portfolios, issuing obligation letter, liquidating portfolios, opening shops, issuing health certifications, dividing agricultural lands into residential, following up with the general administration for urban planning, opening shops, issuing licence, updating licence, cancelling licence, transferring licence, issuing building and restoration permits, planning lands, issuing a building completion certificate, issuing fencing licences, issuing a demolition permit, signing lease agreement, waving the agreement, planning owned property, following up with a municipality, dividing agricultural lands into residential, supervising the construction, signing agreement with construction establishments and agreements, selling and registering the title to the buyer, buying, accepting the title registration and pay it, receiving title deeds, leasing, receiving the rent, signing rent agreements, renewing rent agreements, terminating lease agreements, pledging, mortgage redemption, segmenting and sorting, amending borders, lengths, areas, parts numbers, schemes

numbers, title deeds and their numbers and districts' names, selling, accepting mortgage, updating title deeds and uploading it into the comprehensive system, selling share from, buying, buying share from, renting, amending the owner's name and the ID number, giveaway and title registration, accepting giveaway and title registration, waiving the lack of space, merging title deeds, accepting waiving and title registration, issuing lost replacement for a group of title deeds, issuing damaged replacement for a group of title deeds, selling and title registration for heirs, waiving the share of, building proof, issuing a damaged replacement title deed, that is for real estates located in, dividing agricultural lands into residential or industrial, entering into estate contributions, buying estate contributions shares, selling estate contributions shares, waiving a leased land, updating title deeds and uploading it into the comprehensive system, issuing a lost replacement title deed, building the land, converting the legal form of the Company, converting Company from a limited partnership Company into a limited liability Company, dividing shares among heirs and transferring them to their portfolios.

The Vice-Chairman shall have the following powers:

- **In relation to the judiciary:** Appointment of Arbitrators

The Board shall appoint a Secretary from the Directors or others.

The Chairman of the Board of Directors may delegate (by a written decision) some of his powers to other members or directly to others to carry out certain acts. The Deputy Chairman shall assume the chairman's duties in his absence in case the Board of Directors does have a Deputy Chairman.

11.13.19 Powers of the Board Secretary

The Board of Directors shall appoint a secretary from the Directors or others. The Secretary shall be responsible for documenting Board meetings and preparing minutes thereof, which include discussions and deliberations and state the place, date and time of the meeting. They also document Board resolutions and voting results, keeping them in a special organised register, recording the names of the Directors present and any reservations they expressed, if any, and having these minutes signed by all present Directors. They also coordinate with the Chief Executive Officer with respect to the Board's work, including agenda proposals submitted by the Company's departments or other Board committees. They prepare draft agendas for Board meetings and present them to the Chairman for approval. They also prepare Board meeting agendas and provide Directors therewith along with work papers, documents and information related thereto, subject to the Chairman's approval. They also provide any additional documents or information requested by any Director in relation to the items included in the meeting agenda. The Secretary shall verify that the Directors comply with the obligations stipulated in the Companies Law and its Regulations. They shall inform the Chief Executive Officer of the Board's resolution for implementation thereof, prepare a schedule for monitoring the implementation of Board resolutions, update it periodically and present it to the Board. They shall also coordinate between the Board and its committees and Directors, provide them with assistance and advice and organise the Directors' disclosure register. The Secretary shall have other powers and duties, as well as their remuneration, to be determined by the Board of Directors.

11.13.20 Term of Membership

The term of membership of the Chairman, Vice Chairman, the Chief Executive Officer and the Secretary who are Directors shall not exceed the term of membership of each of them as a Director. They may always be re-elected, and the Board may at any time remove all or any of them without prejudice to their membership in the Board of Directors.

11.13.21 Non-Competition

Directors shall notify the Board of any direct or indirect personal interest they have in the business and contracts concluded for the Company's account. Their notice shall be recorded in the minutes of the Board meeting. The interested Director may not participate in voting on the resolution issued in this regard.

11.13.22 Board Meetings

The Board of Directors shall hold at least four meetings a year upon invitation from its Chairman. The invitation shall be in writing, delivered by hand, mail, fax or modern technology at least 48 hours prior to the scheduled meeting date, unless the Directors agree otherwise. The Chairman shall call for the Board meeting to convene whenever requested in writing by any Director to discuss one or more matters.

The Board of Directors shall determine the place for convening its meetings, and they may be held using modern technological means.

11.13.23 Board Meetings and Resolutions

A Board meeting shall not be valid unless attended by at least half the number of members, in person or by proxy. A Director may delegate another Director to attend Board meetings as their proxy, subject to the following conditions:

- a Director may not delegate more than one Director to attend the same meeting;
- a proxy shall be appointed in writing;
- a Director acting by proxy may not vote on resolutions on which their principal is prohibited from voting; and
- a Director acting by proxy may not vote on resolutions on which their principal is prohibited from voting.

Board resolutions shall be made by absolute majority of the members present or represented in the meeting. In case of a tie, the Chairman shall have a casting vote. The Board resolution shall be valid from the date of its issuance, unless it stipulates that it will be effective on another date or when certain conditions are met.

11.13.24 Issuing Board Resolutions on Urgent Matters

The Board of Directors may pass its resolutions on urgent matters by submitting them to all Directors for approval by circulation, unless any Director requests, in writing, a Board meeting to be convened to discuss them. Such resolutions shall be passed by the approval of an absolute majority. These resolutions shall be presented to the Board at its first subsequent meeting to be recorded in the minutes of that meeting.

11.13.25 Board Deliberations

The deliberations and resolutions of the Board shall be recorded in minutes signed by the Chairman of the Board, the Directors present, and the Secretary. These minutes shall be recorded in a special register and signed by the Chairman of the Board and the Secretary. The use of modern technology is permitted for signing and documenting deliberations and resolutions, as well as recording minutes.

11.13.26 Powers of the Chairman

The Chairman of the Board shall manage the Board's business and supervise its performance. They shall represent the Company before third parties and judicial and administrative authorities. In particular, they shall have the following powers and terms of reference:

1. convening and presiding over meetings of the Board as well as managing its deliberations;
2. ensuring that Directors have access to complete and timely information, data and documents;
3. supervising the work of the Board and its committees and ensuring that they carry out their duties efficiently and effectively;
4. representing the Company in its relations with third parties and before the judiciary, the Ministry of Justice, courts of various degrees, the Board of Grievances, judicial and quasi-judicial bodies, committees of all types, the Ministry of Interior, provincial and governorate emirates, police stations, Government and quasi-Government departments, private entities, the Ministry of Commerce and Investment, the General Investment Authority, the CMA, ZATCA, the General Authority for Competition and all ministries and Government entities;
5. signing all types of contracts, agreements, instruments and deeds on behalf of the Company and issuing and revoking powers of attorney and authorisation;
6. representing the Company at the general assemblies of companies in which the Company is a shareholder, voting on its behalf and attending their board meetings; and
7. any other duties or powers delegated thereto by the Board of Directors or stipulated in the Company's internal regulations.

The Chairman may delegate or authorise others to exercise some of their powers.

11.13.27 Powers of the Chief Executive Officer

The Chief Executive Officer shall manage the Company's daily affairs and implement its policies and plans as approved by the Board. They shall exercise the powers assigned thereto pursuant to the Company's internal regulations or as delegated by the Board of Directors. In particular, they shall have the following powers:

1. managing the Company's day-to-day operations and making the necessary administrative and organisational decisions within the limits of the approved policies;
2. implementing the Board resolutions and monitoring the progress of work in the Company's various verticals;
3. preparing operational plans and executive programmes and monitoring their implementation after their approval;
4. signing contracts, agreements and documents within their competence;
5. supervising the preparation of the annual budget and final accounts and presenting them to the Board of Directors;
6. appointing and dismissing employees, determining their powers and remuneration in accordance with the powers granted thereto;
7. supervising the financial, administrative and technical activities of the Company and ensuring their proper execution;
8. representing the Company before Governmental and private entities in matters within their competence; and
9. any other powers or duties delegated thereto by the Board of Directors.

The Chief Executive Officer shall be responsible towards the Board of Directors for the execution of their duties, and the Board of Directors may impose certain restrictions on the exercise of their powers.

11.13.28 Shareholders' Register

The Company shall prepare a special register of shareholders' names, nationalities, details, places of residence and professions, their shareholding, the serial numbers of the shares and the value paid up on such shares. The Company may contract for the preparation of this register, which must be kept in the Kingdom.

The Company shall provide the Commercial Registry with the data of the register referred to in Paragraph 1 of this Article and any amendments thereto within fifteen days from the registration date of the Company with the Commercial Registry or from the amendment date, as the case may be.

11.13.29 Shareholder General Assembly Meetings

1. Shareholder General Assembly meetings shall be chaired by the Chairman of the Board, or the Vice Chairman if the Chairman is absent, or a Director designated by the Board if both are absent. In the event that this is not possible, the meeting shall be chaired by a person designated by the shareholders from among the Directors or from outside the Board through a vote.
2. Each shareholder shall have the right to attend the General Assembly meeting in person or by proxy. Each shareholder shall also have the right to delegate another shareholder who is not a Director or an employee of the Company to attend the General Assembly on their behalf.
3. The General Assembly meeting may be held and shareholders may participate in deliberations and vote on resolutions through the use of modern technology.

11.13.30 Convening Assemblies

1. General Assemblies whether general or special shall convene at the invitation of the Board of Directors, and the Board of Directors must call for an Ordinary General Assembly to convene within (30) days from the date on which it is requested to do so by the Auditor or by several Shareholders representing at least ten per cent. (10%) of the Company's voting shares. The Auditor may also call for the General Assembly to convene if the Board fails to do so within (30) days from the date of the Auditor's request.
2. The request specified in paragraph 1 of this article must specify the matters on which the shareholders are required to vote.
3. The call for a General Assembly meeting shall be made at least twenty-one (21) days prior to the date set for the meeting, in accordance with the provisions of the Companies Law, after taking the following into consideration:
 - (a) Notifying the shareholders via registered letters sent to the addresses present in the shareholders' register, or the announcement of the call via means of modern technology.
 - (b) A copy of the invitation and the meeting's agenda shall be sent to the commercial register, and to the CMA.

4. The invitation for the General Assembly meeting must contain the following at least:
 - (a) Notifying the shareholders via registered letters sent to the addresses present in the shareholders' register, or the announcement of the call via means of modern technology.
 - (b) A statement of the Shareholders who have the right to attend the meeting, and such Shareholders' right to delegate non-Board members to attend, and a statement of the Shareholders' right to deliberate the items listed on the agenda and to raise questions, and the manner of voting.
 - (c) The place, date, and time of the meeting.
 - (d) Type of assembly (general or special).
 - (e) The agenda of the meeting containing the items which the Shareholders are required to vote on.

11.13.31 Voting in Assemblies

Members of the Board of Directors shall be elected by cumulative voting. Members of the Board of Directors may not vote on General Assembly resolutions relating to transactions and agreements in which they have a direct or indirect interest, or which involve a conflict of interest.

11.13.32 Ordinary General Assembly Quorum

An Ordinary General Assembly meeting shall only be valid if attended by shareholders representing at least one quarter of the Company's voting shares. If the quorum required to hold this meeting is not met, a second meeting shall be convened under the same conditions as those set forth in Article 91 of the Companies Law within 30 days of the date set for the previous meeting. However, the second meeting may be held one hour after the end of the period specified for the first meeting, provided that the invitation to the first meeting includes a statement that such a meeting may be held. In all cases, the second meeting shall be valid regardless of the number of voting shares represented therein.

11.13.33 Extraordinary General Assembly Quorum

An Extraordinary General Assembly meeting shall only be valid if attended by shareholders representing at least half of the Company's voting shares. If the quorum required to hold this meeting in accordance with paragraph 1 of this article is not met, a second meeting shall be convened under the same conditions as those stipulated in Article 91 of the Companies Law. However, the second meeting may be held one hour after the end of the period specified for the first meeting, provided that the invitation to the first meeting includes a statement that such a meeting may be held. In all cases, the second meeting shall be valid if attended by shareholders representing at least one quarter of the Company's voting shares. If the quorum required to hold the second meeting is not met, a notice shall be sent for a third meeting to be held under the same conditions as those specified in Article 91 of the Companies Law, and the third meeting shall be valid regardless of the number of voting shares represented therein.

11.13.34 Assembly Meeting Minutes

Minutes of assembly meetings shall indicate the number of shareholders in attendance, whether in person or by proxy; the number of shares held by each attendee, whether personally or by proxy; the number of votes designated thereto; the decisions made; the number of consenting and dissenting votes; and a summary of meeting discussions. The minutes shall be recorded after every meeting in a special register and signed by the assembly's chairman and secretary and by the vote counters.

11.13.35 Assembly Resolutions

1. Resolutions of the Ordinary General Assembly shall be issued by a majority of the voting rights represented at the meeting.
2. Resolutions of the Extraordinary General Assembly shall be issued by a two-thirds majority of the voting rights represented at the meeting, unless the resolution relates to an increase or decrease in the Company's capital, an extension of the Company's term, its dissolution before the end of the term specified in its Bylaws, its merger with another company, or its division into two or more companies, in which case a three-quarters majority of the voting rights represented at the meeting shall be required for validity.

11.13.36 Discussion at the General Assembly

Every shareholder shall have the right to discuss the items on the agenda of the General Assembly meeting and to direct questions concerning them to the Directors and the Auditor. The Board of Directors or the Auditor shall answer shareholders' questions to the extent that such does not prejudice the Company's interests. If a shareholder considers the answer to their question to be unsatisfactory, they may appeal to the General Assembly, whose decision on the matter shall be final.

11.13.37 Functions of the Ordinary General Assembly

The Ordinary General Assembly is responsible for all matters related to the Company, particularly the following:

1. Electing and dismissing members of the Board of Directors.
2. Appointing one or more auditors for the Company, as required by the Companies Law, determining their fees, reappointing, and dismissing them.
3. Reviewing and discussing the Board of Directors' report.
4. Reviewing and discussing the Company's financial statements.
5. Discussing the auditor's report, if any, and making decisions regarding it.
6. Establishing the Company's reserves and determining their uses.

11.13.38 Annual Ordinary General Assembly

1. The annual Ordinary General Assembly shall convene at least once within six (6) months following the end of the Company's financial year. Additional Ordinary General Assemblies may be called as needed.
2. The agenda of the annual Ordinary General Assembly meeting must specifically include the following items:
 - (a) Reviewing and discussing the Board of Directors' report for the past financial year.
 - (b) Reviewing and discussing the financial statements for the past financial year.
 - (c) Discussing the auditor's report for the past financial year, if any, and deciding regarding it.

11.13.39 Functions of the Extraordinary General Assembly

The Extraordinary General Assembly shall be competent to amend the provisions of the Bylaws, to the extent permitted under the law. Furthermore, the Extraordinary General Assembly shall be empowered decide on the continuation or dissolution of the Company, approve the Company's purchase of its own shares, and handle any other powers stipulated by the Companies Law or its executive regulations. It may also issue resolutions on matters originally within the powers of the Ordinary General Assembly, under the same terms and conditions set for the Ordinary General Assembly.

11.13.40 Issuance of General Assembly Resolution by Circulation

1. The Chairman of the Board has the authority to propose a resolution to be presented to shareholders by circulation, without convening a General Assembly meeting unless any shareholder requests a meeting in writing to deliberate the matter. However, resolutions related to the election or dismissal of board members, the appointment or dismissal of the Company's auditor (if any), and the review and discussion of the financial statements for the past financial year must be approved through a formal General Assembly meeting in accordance with the relevant regulations.
2. For a proposed resolution to be valid, the Company must send it along with the relevant documents to all shareholders, specifying the steps shareholders should follow to approve it and the date by which the resolution should be passed.
3. Resolutions by circulation are issued as follows:
 - (a) Resolutions under the authority of the Ordinary General Assembly require approval from one or more shareholders representing the majority of voting rights.
 - (b) Resolutions under the authority of the Extraordinary General Assembly require approval from one or more shareholders representing 75 per cent. of voting rights.
4. Resolutions issued by circulation, as outlined in paragraph (3) of this article, shall be recorded in minutes and documented in the register specified under Article (97) of the Companies Law.

11.13.41 Formation of Reserves

The Ordinary General Assembly, when determining the portion of net profits to be allocated to shares, may resolve to form reserves in an amount that will serve the Company's interest or ensure, as far as possible, the distribution of fixed dividends to shareholders. The aforementioned assembly may also deduct from the net profits amounts to be used for social purposes benefiting the Company's employees. The General Assembly shall determine the percentage of net profits to be distributed to shareholders after deducting the reserves, if any.

11.13.42 Appointment and Dismissal of the Company's Auditor

1. The Company shall have one or more auditors from among those licensed in the Kingdom, appointed by the General Assembly, which also determines their fees, term, and scope of work. The auditor may be reappointed, provided the term does not exceed the legally prescribed period.
2. The General Assembly has the authority to dismiss the auditor by resolution. The Chairman of the Board must notify the relevant authority of the dismissal and its reasons within five (5) days from the date of the resolution.
3. The auditor may resign by submitting a written notice to the Company, with their duties concluding on the date of submission or on a later date specified in the notice. This does not affect the Company's right to claim compensation for damages, if applicable. The resigning auditor must provide a statement to the Company and the relevant authority explaining the reasons for resignation. The Board of Directors must call for a General Assembly meeting to consider the resignation reasons, appoint a new auditor, and set their fees, term, and scope of work.

11.13.43 Auditor's Powers

The auditor has the right to access the Company's documents, accounting records, and supporting documents at any time. The auditor may request information and clarifications deemed necessary to verify the Company's assets, liabilities, and other items within their scope of work. The Board of Directors must facilitate the auditor's duties. If the auditor encounters difficulties, they shall report them to the Board. Should the Board fail to facilitate the auditor's work, the auditor may request that the Board call a General Assembly meeting to address the matter. If the Board does not issue this call within thirty (30) days of the auditor's request, the auditor has the right to issue the call directly.

11.13.44 Financial Year

The Company's financial year begins on the first day of January and ends on the last day of December each year. The first financial year shall commence on January 1 of the same year the Company is converted into a joint-stock Company and end on 31 December of that same year. The first financial year shall not be less than six (6) months and shall not exceed eighteen (18) months.

11.13.45 Interim Profit Distribution

1. The Company may distribute interim dividends on a semi-annual or quarterly basis, provided the following conditions are met:
 - (a) The General Assembly authorises the Board of Directors to distribute interim dividends by an annual resolution.
 - (b) The Company maintains stable and consistent profitability.
 - (c) The Company has reasonable liquidity and can reasonably forecast its profit levels.
 - (d) The Company has distributable profits, according to the latest financial statements, sufficient to cover the proposed dividends after deducting previously distributed or capitalised profits since those financial statements.
2. Distributable profits consist of the retained earnings balance shown in the statement of financial position prepared at the end of the period immediately preceding the distribution period, in addition to any distributable reserves, after setting aside the designated percentage of net profits for specific reserves, if any.

11.13.46 Company Losses

If the losses of the joint-stock Company reach half of the issued capital, the Board of Directors must disclose this and present its recommendations regarding the losses within sixty (60) days from the date it became aware of reaching this threshold. The Extraordinary General Assembly must then be called to meet within one hundred eighty (180) days from that date to consider whether the Company should continue, taking any necessary actions to address the losses, or to decide on dissolving the Company.

11.13.47 Financial Documents

At the end of each financial year, the Board of Directors shall prepare the Company's financial statements and a report on its operations and financial position for the preceding financial year. This report shall include a proposed method for dividend distribution. The Board shall make these documents available to the Auditor, if any, at least forty-five (45) days prior to the date set for the annual Ordinary General Assembly meeting. The documents referred to in Paragraph 1 of this Article shall be signed by the Chairman of the Board of Directors, the Chief Executive Officer and the Chief Financial Officer, if any. Copies of these documents shall be deposited at the Company's head office and made available to the shareholders. The Chairman shall provide

the shareholders with the Company's financial statements, the Board's report signed by the Board and the Auditor's report, if any, unless they are published through any modern technological means, at least twenty-one (21) days prior to the date of the annual Ordinary General Assembly meeting. The Chairman shall also file these documents in accordance with the provisions of the Implementing Regulations of the Companies Law.

11.13.48 Entitlement to Dividends

A shareholder shall be entitled to their share of the profits in accordance with the resolution of the General Assembly issued in this regard. The resolution shall set out the entitlement date for dividends and the distribution date. Owners of shares registered in the shareholders' register at the end of the entitlement date shall be entitled to dividends. The Board of Directors shall implement the resolution of the General Assembly regarding the dividend distribution to shareholders.

11.13.49 Termination and Liquidation of the Company

The Company shall terminate for one of the reasons for termination stipulated in Article 243 of the Companies Law. Upon termination, the Company shall enter a liquidation phase in accordance with the provisions of Chapter 12 of the Companies Law. If the Company terminates and its assets are insufficient to settle its debts or if it is insolvent in accordance with the Bankruptcy Law, it shall apply to the competent judicial authority to initiate any of the liquidation procedures under the Bankruptcy Law.

11.14 Share Description

11.14.1 Ordinary Shares

The Shares shall be nominal Shares and may not be issued at less than their nominal value. However, the Shares may be issued at a value higher than their nominal value, in which case the difference in value shall be added to the statutory reserve, even if such reserve has reached its maximum limit. Each Share shall be indivisible vis-à-vis the Company. In the event that a Share is owned by several persons, they shall select one person from amongst themselves to exercise, on their behalf, the rights pertaining to such Share, and they shall be jointly responsible for the obligations arising from the ownership of such Share.

11.14.2 Repurchase of Shares

According to Article 104 of the Companies Law, a company may buy its shares in accordance with the rules set by the competent authority, provided that the Shares purchased by the Company do not entitle it to votes in the Shareholders' assemblies.

11.14.3 Rights of Ordinary Shareholders

Pursuant to Article 110 of the Companies Law, Shares confer on the Shareholder all rights attached to the Shares, in particular the right to receive a share of the profits to be distributed, to receive a share of the Company's assets surplus upon liquidation, to attend the General Assemblies, to participate in its deliberations, to vote on its resolutions, to dispose of the shares, to request access to the Company's books and documents, to monitor the work of the Board of Directors, to file a claim of responsibility against the Directors, and to challenge the validity of the resolutions of the General Assembly in accordance with the conditions and restrictions contained in the Companies Law and the Bylaws.

Each Shareholder shall have the right to discuss the matters stated in the agenda of the General Assembly and direct related questions to the Directors and the external auditors. The Board of Directors or the external auditors shall answer the questions of the Shareholders to the extent that it does not put the interests of the Company at risk. If a Shareholder is not satisfied with the answer, he/she may refer the issue to the General Assembly whose resolution shall be binding in this regard.

11.14.4 Voting Rights

A General Assembly duly convened shall be deemed to represent all of the Shareholders and shall be held in the city where the Company's Head Office is located. Each Subscriber, regardless of the number of his/her shares, shall have the right to attend the Constituent Assembly, whether in person or by proxy.

Each Shareholder shall have a vote for every Share represented by him/her in the constituent General Assembly, and each Shareholder shall have a vote for every Share represented by him/her in the General Assemblies. The cumulative voting method shall be used in electing the Directors in accordance with the Corporate Governance Regulations issued by the CMA and any amendments thereto made from time to time.

11.14.5 Amendment to the Rights of Shareholders

Shareholders' rights related to receiving a share of the dividends to be distributed, receiving a share of the Company's surplus assets upon liquidation, attending the General Assemblies, participating in its deliberations, voting on its resolutions, disposing of Shares, requesting access to the Company's books and documents, monitoring the work of the Board of Directors, filing a claim of responsibility against the Directors, and challenging the validity of the resolutions of the General Assembly (under the conditions and restrictions set out in the Companies Law and the Bylaws) are granted under the Companies Law and therefore may not be amend.

11.14.6 Right to Repurchase Shares

The Company may purchase its shares with the approval of the Extraordinary General Assembly, in accordance with the Companies Law and its Implementing Regulations, and the controls set by the competent authority in this regard.

11.14.7 Entitlement to Surplus Assets upon Liquidation and Amendments to Shareholders' Rights

The following Shareholders' rights are granted under the Companies Law and therefore may not be amended:

1. receiving a portion of the dividends to be distributed;
2. receiving a portion of the Company's surplus assets upon liquidation;
3. attending the General Assemblies, participating in their deliberations, and voting on their resolutions;
4. disposing of Shares in accordance with the provisions of the Companies Law; and
5. requesting access to the Company's books and documents, monitoring the work of the Board of Directors, filing a liability claim against the Directors, and challenging the validity of the resolutions of the General Assembly (under the conditions and restrictions set out in the Companies Law and the Bylaws).

11.14.8 Redemption Rights and Share Repurchase

Pursuant to Article 114 of the Companies Law, a joint stock company may purchase, mortgage, or sell its ordinary, preferred, or redeemable shares in accordance with the guidelines imposed by the competent authority. The shares purchased by the Company shall not entitle it to votes in the Shareholders' assemblies. The Company may purchase its shares for the purpose of allocating them to its employees under an employee share scheme and in accordance with the regulations issued by the competent authority.

The background of the page is a grayscale photograph of an industrial facility, likely a power plant or refinery. It shows large pipes, machinery, and a conveyor system. A large, bold number '12' is superimposed on the right side of the image. Below the number, the word 'Underwriting' is written in a blue, sans-serif font. A thin blue diagonal line runs from the top left towards the bottom right, passing behind the text.

12

Underwriting

12. Underwriting

The Underwriter, ANB Capital Company has undertaken to fully underwrite the Offering of five million five hundred eighty thousand (5,580,000) Offer Shares pursuant to the underwriting agreement (the “**Underwriting Agreement**”) between the Company and the Selling Shareholders, subject to the conditions stated therein. The name and address of the Underwriter are set out below:

12.1 Underwriter

ANB Capital Company

King Faisal Street, Al Murabba District, ANB Capital Company Building 3851
P.O. Box 220009
Riyadh 11311
Kingdom of Saudi Arabia



The principal terms of the Underwriting Agreement are set out below:

12.2 Summary of Underwriting Arrangements

Under the terms and subject to the conditions contained in the Underwriting Agreement:

- (a) The Selling Shareholders undertakes to the Underwriter that, on the first Business Day after the allocation of the Offer Shares following the end of the Offering Period, they shall:
 - (i) sell and allocate the Offer Shares to any Individual Subscriber or Participating Party whose application for Offer Shares has been accepted by the Receiving Agents; and
 - (ii) sell and allocate to the Underwriter the Offer Shares that have not been subscribed by the Individual Subscribers or Participating Parties pursuant to the Offering.
- (c) The Underwriter undertakes to the Selling Shareholders that at the date of allocation, it will purchase any Offer Shares that have not been subscribed by the Individual Subscribers or Participating Parties, in accordance with that mentioned below:

Table 12.1: Underwritten Shares

Underwriter	Number of Offer Shares to be Underwritten	Percentage of Offer Shares Underwritten
ANB Capital Company	5,580,000	100.0%

The Company and the Selling Shareholders have committed to satisfying all the provisions of the Underwriting Agreement.

12.3 Underwriting Costs

The Selling Shareholders will pay the Underwriter an underwriting fee based on the total value of the Offering, as well as the Underwriter’s costs and expenses in connection with the Offering.

The background of the slide is a grayscale photograph of an industrial facility. On the left, a large horizontal pipe or conveyor is visible, with a thick stream of dark, granular material (likely coal or gravel) falling from it into a rectangular metal tray or hopper below. In the upper left corner, there are industrial motors and structural supports. The right side of the slide is a light gray area with faint white geometric lines. A large, bold, dark gray number '13' is positioned in the upper right. Below it, the word 'Expenses' is written in a smaller, bold, blue font. A thin blue diagonal line runs from the top left towards the bottom right, passing behind the text.

13

Expenses

13. Expenses

The Selling Shareholders will be responsible for all costs and expenses associated with the Offering, which are estimated at approximately twenty million Saudi Arabian Riyals (SAR 20,000,000). This figure includes the fees of the Financial Advisor, the Lead Manager, the Bookrunner, the Underwriter, the Legal Advisors, the Financial Due Diligence Advisor, the Receiving Agents and the Market Consultant, as well as marketing, printing and distribution fees and other costs and expenses related to the Offering. The Offering expenses will be deducted from the Offering Proceeds and will be apportioned to the Selling Shareholders on a pro rata basis according to the number of Offer Shares being sold by each of them.

14

Undertakings Following Admission



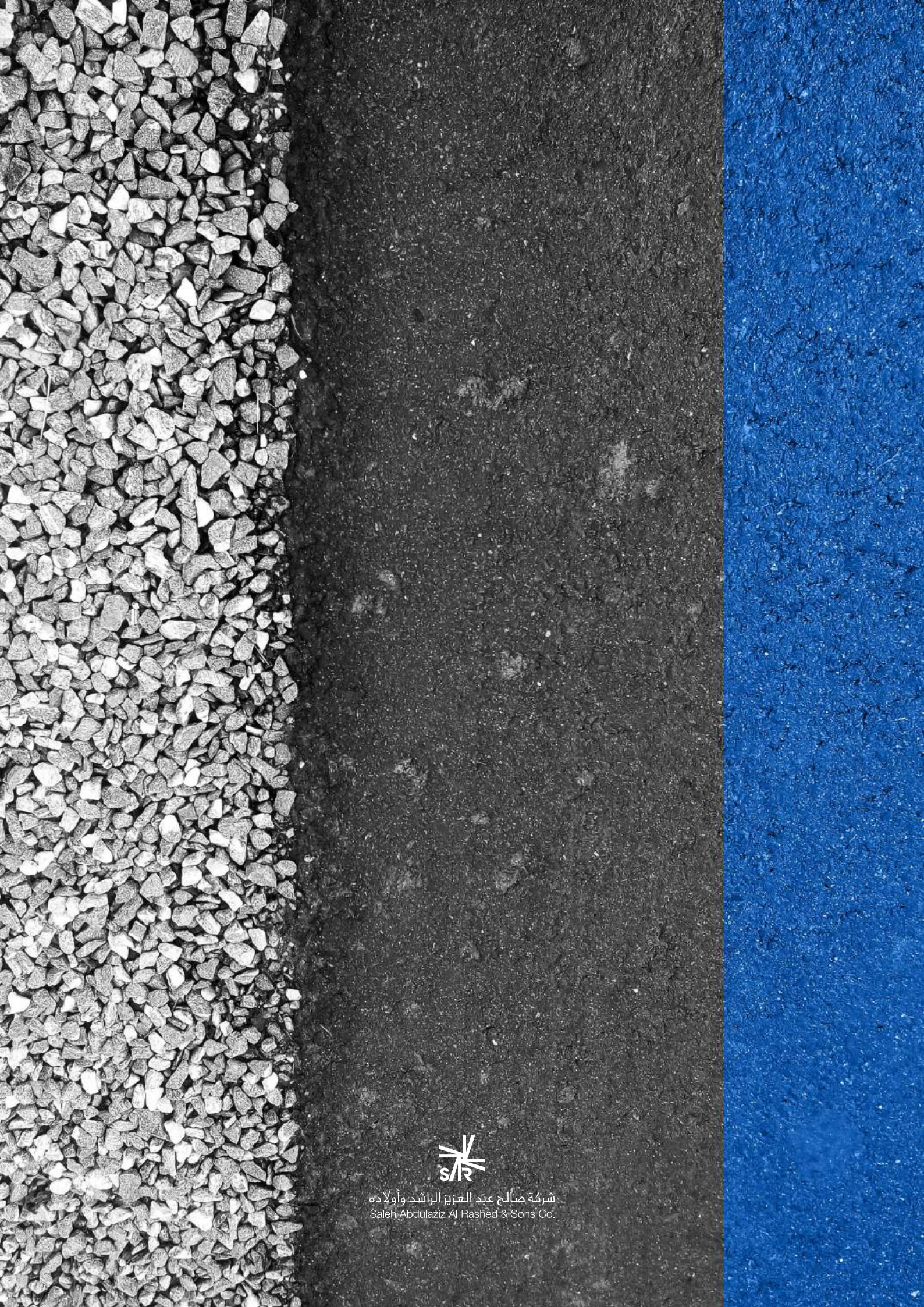
14. Undertakings Following Admission

Following Admission, the Company undertakes to:

1. complete Form 8 (related to compliance with the Corporate Governance Regulations) and, in the event that the Company does not comply with any of the requirements of the Corporate Governance Regulations, to present justification for such non-compliance;
2. provide the CMA with the date on which the first General Assembly will be held following Admission so that a representative thereof may attend;
3. submit transactions and contracts in which a Director has a direct or indirect interest for authorisation by the General Assembly (in accordance with the Companies Law and Corporate Governance Regulations) and renew such authorisation on an annual basis, provided that the interested Director is prohibited from voting on the relevant resolution (whether in the Board or the General Assembly) (for further details regarding Related Party contracts and transactions, see Section 11.9 (*Related Party Contracts and Transactions*));
4. comply with all the mandatory provisions of the Rules on the Offer of Securities and Continuing Obligations, the Listing Rules and the Corporate Governance Regulations immediately upon Admission;
5. the Company undertakes, after its listing and upon holding the first General Assembly, to amend the legal entity in the Company's regulatory documents (including the commercial register and the articles of association) to become a public joint stock company; and

Similarly, following Admission, the Directors undertake to:

1. record all Board of Directors resolutions by means of written minutes of meetings, which shall be signed by the Chairman and the Secretary; and
2. disclose the details of any Related Party transactions in accordance with the Companies Law and the Corporate Governance Regulations.



شركة صالح عبد العزيز الراشد وأولاده
Saleh Abdulaziz Al Rashed & Sons Co.

The background of the page is a grayscale photograph of an industrial facility, likely a water treatment plant. It shows large circular tanks, pipes, and mechanical components. A prominent diagonal blue line runs from the top left towards the bottom right, bisecting the page. The number '15' is printed in a large, bold, dark gray font on the right side. Below it, the word 'Waivers' is written in a smaller, bold, blue font. The overall design is clean and professional, with a focus on industrial infrastructure.

15

Waivers

15. **Waivers**

The Company has not applied to the CMA for any waivers from any of its regulatory requirements.

A black and white photograph of industrial machinery, likely a large rotating drum or conveyor system, with a large amount of material (possibly gravel or coal) being processed. The image is partially obscured by a large, light gray triangular graphic element that points towards the bottom right corner. A thin blue line runs diagonally across the page, starting from the top left and ending near the bottom right.

16

**Subscription
Terms and
Conditions**

16. Subscription Terms and Conditions

The Company has made an application to the CMA for the registration and offer of the Shares under the Rules on the Offer of Securities and Continuing Obligations, and an application for the listing of the Shares on the Exchange in accordance with the Listing Rules.

All Subscribers must carefully read the subscription terms and conditions before completing the Subscription Application Form. Signing the Subscription Application Form and delivering it to a Bookrunner or to the Receiving Agent, as applicable, is deemed as acceptance and approval of the subscription terms and conditions.

16.1 Subscription to Offer Shares

The Offering will consist of five million five hundred eighty thousand (SAR 5,580,000) Offer Shares with a fully paid nominal value of ten Saudi Arabian Riyals (SAR 10) per Share at an Offer Price of SAR [●] per Offer Share. The Offer Shares represent thirty per cent. (30%) of the Company's share capital with a total value of fifty-five million eight hundred thousand (SAR 55,800,000). The CMA also has the right to suspend the Offering if, at any time after its approval of this Prospectus and before the registration of and admission to the listing of the Shares on the Exchange, a material adverse change occurs in respect of the Company's operations.

The Offering is restricted to the following groups of Investors:

Tranche (A): Participating Parties

Comprising the parties entitled to participate in the book-building process as specified under the Book-Building Instructions, including investment funds, companies, GCC and foreign companies. Participating Entities will provisionally be allocated five million five hundred eighty thousand (SAR 5,580,000) Offer Shares, representing one hundred per cent. (100%) of Offer Shares. The final allocation for the Participating Entities will be made upon the expiry of Individual Subscriber's subscription period, using the discretionary allocation mechanism. As a result, some of the Participating Entities may not be allocated any Offer Shares. If there is sufficient demand by Individual Subscribers, the Financial Advisor, in coordination with the Company shall have the right to reduce the previously allocated Offer Shares to Participating Entities to three million nine hundred and six thousand (3,906,000) Offer Shares, representing seventy per cent. (70%) of the total Offer Shares.

Tranche (B): Individual Subscribers

Comprising Saudi Arabian natural persons (including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi person who can subscribe for her own benefit or in the names of her minor children, on the condition that she proves that she is a divorcee or widow and the mother of her minor Saudi Arabian children), GCC natural persons, foreign natural persons either residing or not residing in the Kingdom. A subscription for Offer Shares made by a person in the name of his divorced wife shall be deemed invalid and the applicant shall be subject to the sanctions prescribed by law. If a duplicate subscription is made, the second subscription will be considered void and only the first subscription will be accepted. A maximum of one million six hundred and seventy-four thousand (1,674,000) Offer Shares, representing thirty per cent. (30%) of the total Offer Shares shall be allocated to Individual Subscribers. If the Individual Subscribers do not subscribe in full to the Offer Shares allocated to them, the Financial Advisor in coordination with the Company, may reduce the number of Offer Shares allocated to Individual Subscribers in proportion to the number of Offer Shares subscribed by them.

16.2 Book-Building and Subscription by Participating Parties

1. The Financial Advisor shall determine the price range for the purposes of book-building, which will be made available to all Participating Parties.
2. Each of the Participating Parties shall submit a Bidding Participation Application during the book-building period. The Participating Entities may change or cancel their Bidding Participation Application at any time during the book-building period, provided that such change is made by submitting an amended or additional Bidding Participation Application, where applicable, prior to the conclusion of fixing the Offer Price, which precedes the commencement of the Offering Period. The number of Offer Shares to be subscribed by each Participating Entity shall be no less than one hundred thousand (100,000) Offer Shares and no more than nine hundred twenty-nine thousand nine hundred ninety-nine (929,999) Offer Shares, and in relation only to public investment funds, without exceeding the maximum amount specified for each participating fund that is determined in accordance with Book-Building Instructions. The number of requested shares shall be subject to allocation. The Bookrunner will inform the Participating Entities of the Offer

Price and the number of Offer Shares provisionally allocated to them, using the discretionary allocation mechanism. As a result, some of the Participating Entities may not be allocated any Offer Shares. Subscriptions by the Participating Entities shall commence during the Offering Period, which also includes the Individual Subscribers, according to the subscription terms and conditions set out in the Subscription Application Forms.

3. All Participating Entities must submit genuine and allocable applications, avoiding any exaggerated or non-genuine subscription applications aimed at obtaining a larger allocation. They must have the capacity to cover the application either through available funds or arrangements to cover the value of the application from the submission of the application form until the final allocation.
4. The Bookrunner will notify the Participating Entities regarding the Offer Price and the number of Offer Shares initially allocated to them using the discretionary allocation mechanism. Consequently, some participating entities may not be allocated any of the Offer Shares. The subscription process for participating entities must commence during the Offering Period, which also includes retail investors, in accordance with the terms and subscription instructions detailed in the Subscription Application Forms.
5. After book-building for the Participating Entities is completed, the Bookrunner will announce the coverage percentage for the Participating Entities.
6. The Financial Advisor and the Company will have the power to determine the Offer Price based on the supply and demand for the Offer Shares, provided that it does not exceed the price set out in the Underwriting Agreement and provided that the Offer Price is in accordance with the tick size applied by the Exchange.

16.3 Subscription by Individual Subscribers

Each Individual Subscriber shall subscribe for a minimum of ten Offer Shares and a maximum of two hundred fifty thousand (250,000) Offer Shares. Changes to or withdrawals of the subscription application shall not be permitted once the Subscription Application Form has been submitted.

Subscription Application Forms will be provided during the Offering Period by the Receiving Agents. Subscription Application Forms shall be completed in accordance with the instructions mentioned below. Individual Subscribers can also subscribe through the websites and platforms of the Receiving Agents that offer any or all such services to its customers, provided that, the following requirements are satisfied:

- (a) the Individual Subscriber has an investment account and an active portfolio with one of the Receiving Agents which offers such services; and
- (b) there have been no changes in the personal information or data of the Individual Subscriber since their subscription in a recent initial public offering.

A signed Subscription Application Form represents a legally binding agreement between the Company, the Selling Shareholders and the relevant Individual Subscriber submitting the application to the Receiving Agents.

Individual Subscribers may obtain a copy of this Prospectus from the websites of the Company (www.salrashed.com.sa), the CMA (www.cma.gov.sa) or the Financial Advisor (www.anbcapital.com.sa) and the Subscription Application Forms from the websites of the following Receiving Agents providing such service:

Table 16.1: Receiving Agents

Receiving Agents	
ANB Capital Company King Faisal Street, Al Murabba District, ANB Capital Company Building 3851 P.O. Box 220009 Riyadh 11311 Kingdom of Saudi Arabia Tel: +966 (11) 406 2500 Fax: +966 (11) 406 2548 Website: www.anbcapital.com.sa E-mail: investment.banking@anbcapital.com.sa	

Receiving Agents

Alinma Capital Company

Al Anood Tower 2, King Fahd Road
P.O. Box 55560
Riyadh 11544
Kingdom of Saudi Arabia
Tel: +966 (11) 218 5999
Fax: +966 (11) 218 5970
Website: www.alinmacapital.com
Email: info@alinmacapital.com

الإنماء المالية
alinma capital



Saudi Fransi Capital Company

King Fahad Road 8092
P.O. Box 23454
Riyadh 12313-3735
Kingdom of Saudi Arabia
Tel: +966 (11) 282 6666
Fax: +966 (11) 282 6823
Website: www.bsfcapital.sa
E-mail: IPO_BSFC@bsfcapital.sa

BSF Capital



Al Rajhi Capital Company

Head Office, King Fahd Road, Al Murouj District
P.O. Box 5561
Riyadh 12263
Kingdom of Saudi Arabia
Tel: +966 (92) 000 5856
Fax: +966 (11) 460 0625
Website: www.alrajhi-capital.com
Email: arcipo@alrajhibank.com.sa

الراجحي المالية
alrajhi capital



Riyad Capital Company

2414 - Al Shahada District, Unit No. 69
P.O. Box 13241
Riyadh 7279
Kingdom of Saudi Arabia
Tel: +966 (11) 486 5649
Fax: +966 (11) 486 5908
Website: www.riyadcapital.com
Email: ask@riyadcapital.com

الرياض المالية
Riyad Capital



Al Bilad Investment Company

King Fahd Road - Al Olaya
P.O. Box 140
Riyadh 11411
Kingdom of Saudi Arabia
Tel: +966 (92) 000 3636
Fax: +966 (11) 290 6299
Website: www.albilad-capital.com
Email: investmentbanking@albilad-capital.com

البلاد المالية
Albilad Capital



Al Jazira Capital Company

King Fahd Street, Al Rahmaniya
P.O. Box 20438
Riyadh 11455
Kingdom of Saudi Arabia
Tel: +966 (11) 225 6000
Fax: +966 (11) 225 6182
Website: www.aljaziracapital.com.sa
Email: IPO-RB@aljaziracapital.com.sa

الجزيرة كابيتال
aljazira capital



Receiving Agents

Alistithmar for Financial Securities and Brokerage Company

King Fahd Road
P.O. Box 6888
Riyadh 11452
Kingdom of Saudi Arabia
Tel: +966 (11) 254 7666
Fax: +966 (11) 489 6253
Website: www.icap.com.sa
Email: WebEcare@icap.com.sa



Derayah Financial Company

Al-Takhasusi Street - Prestige Centre - Third Floor
P.O. Box 28654
Riyadh 12331
Kingdom of Saudi Arabia
Tel: +966 (11) 299 8000
Fax: +966 (11) 419 5498
Website: www.derayah.com
Email: support@derayah.com



SNB Capital

King Saud Street, Al Murabba District,
Building No. 7347
P.O. Box 22216
Riyadh 11495
Kingdom of Saudi Arabia
Tel: +966 (92) 000 0232
Fax: +966 (11) 406 0052
Website: www.alahlicapital.com
Email: IPOService@alahlicapital.com



Yaqeen Capital Company

Al-Wurud District - Al-Olaya Street
P.O. Box 884
Riyadh 11421
Kingdom of Saudi Arabia
Tel: 800 122 2992
Fax: +966 (11) 205 4827
Website: www.yaqeen.sa
Email: addingvalue@yaqeen.sa



Al Khabeer Capital Company

Madinah Road, Al Nuzhah District
P.O. Box 128289
Jeddah 21362
Kingdom of Saudi Arabia
Tel: 800 124 7555
Fax: +966 (12) 658 6663
Website: www.alkhabeer.com
Email: info@alkhabeer.com



Al-Awwl Investment Company (SAB Invest)

King Fahad Road, Al Yasmin District, Building 7383
P.O. Box 13325
Riyadh 11431
Kingdom of Saudi Arabia
Tel: 800 124 2442
Fax: +966 (12) 216 9102
Website: www.sabinvest.com
Email: customercare@sabinvest.com



Receiving Agents

Sahm Capital Financial Company

Building 3.05 - KAFD
Riyadh 13519
Kingdom of Saudi Arabia
Tel: +966 (11) 4145260
Website: www.sahmcapital.com
Email: cs@sahmcapital.com



GIB Capital Company

Low Rise Building 1 Granada Business & Residential Park Eastern Ring Road
P.O. Box 89589
Riyadh 11692
Kingdom of Saudi Arabia
Tel: 800 124 0121
Fax: +966 (11) 834 8400
Website: www.gibcapital.com
Email: GIBC.IB@gibcapital.com



Musharaka Capital

Prince Turkey Street, Alkurnaish,
Al Khobar 34413,
Kingdom of Saudi Arabia,
Tel: +966 92000 6811
Fax: +966 13 881 8412
Website: www.musharaka.sa
Email: receiving-entity@musharaka.sa



EFG Hermes KSA

Third Floor, Northern Tower, Sky Towers,
King Fahd Road, Al Olaya, Riyadh
P.O. Box 300189, Riyadh 11372
Kingdom of Saudi Arabia
Tel: +966 11 2938048
Fax: +966 11 2938032
Website: www.efghermesksa.com
Email: ksareipo@efg-hermes.com



Awaed Alosool Capital

AlUrubah Road 2163, AlMathar Ash Shamali 12334,
Home Offices, Riyadh,
Kingdom of Saudi Arabia
Tel: 8001111870
Website: www.awaed.capital
Email: ipo_awaed@awaed.co



Dinar Investment Company

Northern Ring Branch 4538, Al Wadi District 6880
P.O. Box 13313, Riyadh
Kingdom of Saudi Arabia
Tel: +966 920006151
Website: www.dinar.sa
Email: DTC@dinar.sa



The Receiving Agents will commence receiving Subscription Application Forms electronically through the Receiving Agent's websites and platforms that provide this service or through any other means provided by the Receiving Agents, beginning on Thursday, 24 Sha'ban 1447H (corresponding to 12 February 2026G) until the end of Tuesday, 29 Sha'ban 1447H (corresponding to 17 February 2026G). If the information provided in the Subscription Application Form is incomplete or inaccurate, or not stamped by the relevant Receiving Agent, it will be considered void. Individual Subscribers do not have the right to claim any compensation for damages incurred due to such cancellation.

Each Individual Subscriber is required to specify the number of Offer Shares applied for in the Subscription Application Form, and the total subscription amount will be equal to the number of Offer Shares applied for multiplied by the Offer Price of SAR [●] per Offer Share.

Subscriptions by Individual Subscribers for less than ten Offer Shares or fractional Shares will not be accepted. Increments are to be made in multiples of such minimum number, while the maximum number of Offer Shares to be applied for is two hundred fifty thousand (250,000) Offer Shares.

Subscribers must fulfil and complete all subscription requirements described in this Prospectus and agree to all relevant terms and conditions. The Company and the Lead Manager reserve the right to reject any Subscription Application Form in part or in full, in case of failure to meet any of the terms and conditions of the Subscription or failure to follow the necessary instructions. No amendments may be made to the Subscription Application Form and it may not be withdrawn after receipt of it except after the approval of the Lead Manager, as the Subscription Application Form, once completed, represents a legally binding agreement between the Company and the Subscriber.

16.4 Allocation and Refunds

The Lead Manager shall open and operate escrow accounts for the purpose of depositing and keeping subscription monies collected from Participating Entities and Receiving Agents (on behalf of Individual Subscribers). Each of the Receiving Agents shall deposit all amounts received from the Subscribers into escrow accounts, the details of which shall be specified in the Subscription Application Forms.

The Lead Manager and Receiving Agents, as applicable, will notify the Subscribers of the final number of Offer Shares allocated together with the amounts to be refunded. Excess subscription monies, if any, will be refunded to the Subscribers in whole without any deductions or fees and will be deposited in the Subscribers' accounts specified in the Subscription Application Forms. The announcement of final allocation shall be made on Tuesday, 7 Ramadan 1447H (corresponding to 24 February 2026G) and the excess subscription monies, if any, will be refunded to the Subscribers in whole without any deductions or fees and deposited into the Subscribers' accounts specified in the Subscription Application Forms. The refunds shall be processed no later than Thursday, 9 Ramadan 1447H (corresponding to 26 February 2026G) (for further details, see "*Key Dates and Subscription Procedures*", page (xix) and Section 16 (*Subscription Terms and Conditions*)).

16.4.1 Allocation of Offer Shares to Participating Entities

After completion of the allocation of the Offer Shares to Individual Subscribers, a final allocation of the Offer Shares to the Participating Entities will be made as the Financial Advisor deems appropriate, in coordination with the Company, using the discretionary allocation mechanism. The number of Offer Shares to be initially allocated to the Participating Entities is five million five hundred eighty thousand (5,580,000) ordinary Shares, representing a hundred per cent. (100%) of the Offer Shares. The percentage of Offer Shares allocated to public funds shall be at least thirty per cent. (30%) of the total number of Offer Shares, if there is sufficient demand by public funds. The Offer Shares will be allocated to each public fund initially pro rata based on the ratio of what was requested by each public fund to the total number of shares requested by each public fund. If the Individual Subscribers subscribe to the Offer Shares allocated thereto, the Financial Advisor, in coordination with the Company, shall have the right to reduce the number of Offer Shares allocated to the Participating Entities to three million nine hundred and six thousand (3,906,000) Offer Shares, representing seventy per cent. (70%) of the Offer Shares after the completion of the Individual Subscribers' subscription process. Initially, one million six hundred and seventy-four thousand (1,674,000) Offer Shares will be allocated to public funds, representing thirty per cent. (30%) of the total number of Offer Shares, provided there is sufficient demand from public funds. If there is sufficient demand by Individual Subscribers to subscribe to the Offer Shares, the Lead Manager may reduce the number of Offer Shares allocated to public funds to one million one hundred seventy-one thousand eight hundred (1,171,800) Offer Shares as a minimum, representing twenty-one per cent. (21%) of the total number of Offer Shares, after the completion of the Individual Subscribers' subscription process.

16.4.2 Allocation of Offer Shares to Individual Subscribers

There will be an allocation of a maximum of one million six hundred and seventy-four thousand (1,674,000) Offer Shares, representing thirty per cent. (30%) of the Offer Shares, to Individual Subscribers. The minimum allocation per Individual Subscriber is ten Offer Shares and the maximum allocation per Individual Subscriber is two hundred fifty thousand (250,000) Offer Shares; the balance of the Offer Shares (if available) will be allocated on a pro rata basis of the percentage applied for by each Individual Subscriber to the number of Offer Shares applied for by each Individual Subscriber. If there are more than one hundred sixty-seven thousand four hundred (167,400) Individual Subscribers, the Company will not guarantee the minimum allocation. The Offer Shares will be allocated at the discretion of the Financial Advisor in coordination with the Company. Excess subscription monies, if any, will be refunded to the Individual Subscribers by the Receiving Agents without any charge or withholding.

16.5 Circumstances Where Trading and Listing May be Suspended or Cancelled

16.5.1 Power to Suspend Trading or Cancel Listing

1. The CMA may suspend trading in listed securities or cancel the listing at any time as it deems fit, in any of the following circumstances:
 - (i) the CMA considers it necessary for the protection of investors or the maintenance of an orderly market;
 - (ii) the issuer fails, in a manner which the CMA considers material, to comply with the CML, its implementing regulations or the Listing Rules;
 - (iii) the issuer fails to pay on time any fees due to the CMA or the Exchange or any fines due to the CMA;
 - (iv) if it considers that the issuer or its business, the level of its operations or its assets are no longer suitable for the continued listing of its securities on the Exchange;
 - (v) if a reverse takeover announcement does not contain sufficient information about the proposed transaction. If the issuer announces sufficient information regarding the target and the CMA is satisfied, following the issuer's announcement, that there will be sufficient information available for the public about the proposed transaction of the reverse takeover, the CMA may decide not to suspend trading at this stage;
 - (vi) if information about the proposed transaction of reverse takeover is leaked and the issuer cannot accurately assess its financial position and the Exchange cannot be informed accordingly;
 - (vii) if an application for the financial restructuring of the issuer in the event of its accumulated losses reaching fifty per cent. (50%) or more of its capital is registered with the court under the Bankruptcy Law;
 - (viii) if a request for liquidation procedure or the administrative liquidation of the issuer is registered with the court under the Bankruptcy Law;
 - (ix) upon the issuance of a final judgment closing the financial restructuring and initiating the liquidation procedure or the administrative liquidation procedure of the issuer in court under the Bankruptcy Law; or
 - (x) upon issuance of a final judgment initiating the liquidation procedure or the administrative liquidation procedure of the issuer in court under the Bankruptcy Law.
2. Lifting of the trading suspension under paragraph 1 above is subject to the following:
 - (i) the issuer adequately addressing the conditions that led to the suspension and the lack of the need to continue the suspension for the protection of investors;
 - (ii) the lifting of the suspension is unlikely to affect the normal activity of the Exchange;
 - (iii) the issuer complies with any other conditions that the CMA may require;
 - (iv) upon the issuance of a final judgment initiating financial restructuring for the issuer under the Bankruptcy Law, unless it was suspended from its activities by the relevant competent authority, if the suspension is made in accordance with paragraph 1((vii)) above; and
 - (v) upon the issuance of a final judgment rejecting the commencement of liquidation procedure or administrative liquidation of the issuer under the Bankruptcy Law, unless the issuer was suspended from its activities by the relevant competent authority, if the suspension is made in accordance with paragraph 1((viii)) above.
3. The Exchange shall suspend the trading of securities of the Company in any of the following cases:
 - (i) if the issuer does not comply with the deadlines for the disclosure of its periodic financial information within the periods specified in accordance with applicable implementing regulations;
 - (ii) if the external auditor's report on the financial statements of the issuer contains an adverse opinion or an abstention from expressing an opinion;
 - (iii) if the liquidity requirements in Part 2 of the Listing Rules are not satisfied after listing after the time limit set by the Exchange for the issuer to rectify its conditions, unless the CMA agrees otherwise; or
 - (iv) upon the issuance of a resolution by an Extraordinary General Assembly of the issuer to reduce its capital for the two trading days following the issuance of such resolution.
4. The Exchange shall remove the suspension referred to in subparagraphs ((i)) and ((ii)) of paragraph 3 above after one trading session has passed after the cause of suspension ceases to exist. In the event that over-the-counter trading of the

issuer's shares is allowed, the Exchange shall lift the suspension within a period of not more than five trading sessions after the end of the suspension circumstances.

5. The Exchange may at any time propose to the CMA the suspension of trading of any listed security or cancel its listing where, in its opinion, it is likely that any of the circumstances set out in paragraph 1 above were to occur.
6. The issuer whose securities are subject to a trading suspension must continue to comply with the Capital Market Law, its implementing regulations and the Listing Rules.
7. If the listing suspension continues for six (6) months with no appropriate procedure made by the issuer to correct such suspension, the CMA may cancel the listing.
8. Upon the issuer's completion of a reverse takeover, the issuer's shares shall be de-listed. If the issuer wishes to re-list its shares, it must submit a new application for the registration and admission to listing in accordance with the requirements stipulated in the Rules on the Offer of Securities and Continuing Obligations and the Listing Rules.
9. This paragraph shall not prejudice the suspension of trading and the cancellation of listing resulting from the losses of the issuer pursuant to the relevant implementing regulations of the CML and the Listing Rules.

16.5.2 Voluntary Cancellation of Listing

1. After its shares have been listed on the Exchange, an issuer may not cancel the listing without the prior approval of the CMA. To obtain CMA's approval, the issuer must submit a cancellation application to the CMA along with a simultaneous notice to the Exchange. The application must include the following:
 - (i) the specific reasons for the request for cancellation;
 - (ii) a copy of the disclosure described in paragraph (d) below;
 - (iii) a copy of the relevant documentation and a copy of all related communication to shareholders if the cancellation is to take place as a result of a takeover or another corporate action by the issuer; and
 - (iv) the names and contact information of the financial advisor and legal advisor appointed according to the Rules on the Offer of Securities and Continuing Obligations.
2. The CMA may, at its discretion, approve or reject the cancellation request.
3. The issuer must obtain the consent of the Extraordinary General Assembly for the cancellation of the listing after obtaining the CMA's approval.
4. Where cancellation is made at the issuer's request, it must disclose this to the public as soon as possible. The disclosure must include the reason for the cancellation, the nature of the event resulting in the cancellation, and the extent to which it affects the issuer's activities.

16.5.3 Temporary Trading Suspension

1. An issuer may request from the Exchange a temporary trading suspension of its securities upon the occurrence of an event during trading hours which requires immediate disclosure under the CML, its implementing regulations or the Listing Rules, and where the issuer cannot maintain the confidentiality of this information until the end of the trading period. The Exchange shall suspend the trading of the securities of that issuer immediately upon receiving such request.
2. When trading is temporarily suspended at the issuer's request, the issuer must disclose to the public as soon as possible the reason for the suspension, the nature of the event that gave rise to it, the anticipated length of the suspension and the extent to which it affects the issuer's activities.
3. The CMA may impose a temporary trading suspension without a request from the issuer where the CMA becomes aware of information or circumstances affecting the issuer's activities which the CMA considers would be likely to interrupt the operation of the Exchange or jeopardise the protection of investors. If its securities are subject to temporary trading suspension, the issuer must continue to comply with the CML, its implementing regulations and the Listing Rules.
4. The Exchange may propose to the CMA to exercise its powers in accordance with paragraph 3 above if it becomes aware of information or circumstances affecting the issuer's activities which would be likely to interrupt the operation of the Exchange or jeopardise the protection of investors.
5. A temporary trading suspension will be lifted following the elapse of the period referred to in paragraph (b) above, unless the CMA or the Exchange decides otherwise.
6. If the listing suspension continues for six (6) months or more with no appropriate procedure made by the issuer to correct such suspension, CMA may cancel the listing of issuer.

16.5.4 Re-Registering and Listing After Cancellation of Listing

After the cancellation of an issuer's securities listing, if the issuer wishes to re-list such securities, it must submit new applications in accordance with the procedures set out in the Rules on the Offer of Securities and Continuing Obligations and the Listing Rules.

16.6 Approvals and Decisions under Which the Shares are Offered

The following are the decisions and approvals under which the Offer Shares are publicly offered:

1. the Company's Board of Directors' resolution recommending the Offering dated 29 Jumada al-Akhirah 1446H (corresponding to 30 December 2024G);
2. the Company's General Assembly resolution approving the Offering dated 26 Ramadan 1446H (corresponding to 26 March 2025G);
3. the conditional approval of Tadawul to list the Shares dated 28 Thul-Hijjah 1446H (corresponding to 24 June 2025G); and
4. the CMA's approval of the Shares Offering dated 30 Rabi' al-Awwal 1447H (corresponding to 22 September 2025G).

16.7 Lock-up Period

The Substantial Shareholders and the Shareholder Acting in Concert specified in (Substantial Shareholders, Shareholder Acting in Concert and the Number of their Shares in the Company Pre- and Post-Offering) may not dispose of any of their Shares for a period of six (6) months from the date on which trading of the Shares commences on the Exchange.

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Acknowledgments and Declarations by Subscribers



17. Acknowledgments and Declarations by Subscribers

By completing and delivering the Subscription Application Form, each Subscriber:

1. agrees to subscribe to the number of Offer Shares specified in the Subscription Application Form;
2. warrants that he/she has read this Prospectus and has understood all of its content;
3. accepts the Bylaws and all Offering instructions and terms mentioned in this Prospectus and the Subscription Application Form, and subscribes to the Offer Shares accordingly;
4. declares that neither he/she nor any of his/her family members included in the Subscription Application Form have previously subscribed for any Shares and that the Company has the right to reject any or all duplicate applications;
5. accepts the number of Offer Shares allocated to him/her (up to the maximum of the amount subscribed for) as per the Subscription Application Form;
6. warrants not to cancel or amend the Subscription Application Form after submitting it to the Receiving Agents or the Bookrunner, as applicable; and
7. retains his/her right to sue the Company for damages caused directly by incorrect or incomplete information contained in this Prospectus, or by omitting material information that should have been part of this Prospectus and could affect his/her decision to purchase the Shares.

For further details on the allocation process, see Section 16.4 (*Allocation and Refunds*).

17.1 Shares' Record and Trading Arrangements

Tadawul shall keep a Shareholders' Register containing the Shareholders' names, nationalities, addresses, professions, the Shares held by them and the amounts paid for these Shares.

17.2 Saudi Exchange (Tadawul)

In 1990G, full electronic trading of shares in the Kingdom was introduced. Tadawul was founded in 2001G as a successor to the Electronic Securities Information System. Trading in shares occurs on the "Tadawul" system through a fully integrated trading system covering the entire trading process from the execution of the trade transaction through to settlement. Trading occurs on each Business Day of the week between 10:00 a.m. and 3:00 p.m. from Sunday to Thursday, during which orders are executed. However, orders can be entered, amended or cancelled from 9:30 a.m. to 10:00 a.m. at other times. Trading times change during the month of Ramadan and are announced by Tadawul's management. Transactions take place through the automatic matching of orders. Each valid order is accepted and generated according to the price level. In general, market orders (orders placed at the best price) are executed first, followed by limit orders (orders placed at a price limit), provided that, if several orders are generated at the same price, they are executed according to the time of entry. Tadawul distributes a comprehensive range of information through various channels, including, in particular, the "Tadawul" website and the "Tadawul" Information Link, which supplies trading data in real time to information providers such as Reuters. Exchange transactions are settled on a T+2 basis, meaning that share ownership is transferred two working days after the trade transaction is executed.

Listed companies are required to disclose all material decisions and information that are important for the investors via Tadawul. Surveillance and monitoring are the responsibility of Tadawul, as the operator of the market, to ensure fair trading and an orderly market.

17.3 Securities Depository Centre (Edaa)

Securities Depository Centre Company (Edaa) was established in 2016G as a closed joint stock company in accordance with the Companies Law issued by Royal Decree No. M/3 dated 28 Muharram 1437H (corresponding to 10 November 2015G) with a capital of four hundred million Saudi Arabian Riyals (SAR 400,000,000), divided into forty million (40,000,000) shares, with a fully paid nominal value of SAR 10 per share, and is fully owned by the Exchange.

The establishment of Edaa was based on the CMA's approval of Tadawul's board of directors request in relation to the conversion of the Securities Depository Centre into a joint stock company in accordance with the Capital Market Law issued by Royal Decree No. M/30 dated 2 Jumada al-Akhirah 1424H (corresponding to 2 July 2003G).

The activities of Edaa are to conduct businesses related to depositing, registering, transferring, settling and clearing of securities, as well as recording any ownership restrictions on the deposited securities. Further, it deposits and manages the records of the issuers of securities, and organises issuers' general assemblies, including remote voting services (e-Voting), reporting, notifications, and information, as well as providing other related services that Edaa may provide in accordance with the CML and its implementing regulations.

17.4 Trading of the Company's Shares

Trading of the Shares is expected to commence on the Exchange after finalisation of the allocation process and the announcement of the trading start date by Tadawul. Following Admission, Saudi natural persons, non-Saudi natural persons either residing or not residing in the Kingdom, GCC natural persons, companies, GCC and foreign companies, banks, and investment funds will be permitted to trade in the Offer Shares once they are available for trading on the Exchange. Moreover, Strategic Foreign Investors and foreign natural and juridical persons either residing or not residing in the Kingdom will be permitted to trade in the Shares in accordance with the Rules for Foreign Investment in Securities. Moreover, foreign investors which are clients of a Capital Market Institution authorised by the CMA to conduct managing activities will be permitted to trade in the Shares in accordance with the Rules for Foreign Investment in Securities, provided that the Capital Market Institution has been appointed on conditions that enable it to make all investment decisions on the client behalf without obtaining prior approval from the client.

Furthermore, Shares can only be traded after the allocated Offer Shares have been credited to Subscribers' accounts at Tadawul, the Company has been registered in the Main Market and its Shares have been listed on the Exchange. Pre-trading in Shares is strictly prohibited and Subscribers entering into any pre-trading activities will be acting at their own risk. The Company and the Shareholders shall have no legal responsibility in connection with any pre-trading activities.

17.5 Miscellaneous

The Subscription Application Form and all related terms, conditions, provisions, covenants and undertakings shall be binding upon and inure to the benefit of their parties and their respective successors, permitted assigns, executors, administrators and heirs; provided that, neither the Subscription Application Form nor any of the rights, interests or obligations arising pursuant thereto shall be assigned or delegated by any of the parties to the subscription without the prior written consent of the other party.

These instructions and conditions and the receipt of any Subscription Application Forms or related contracts shall be governed, construed and enforced in accordance with the laws of the Kingdom.

This Prospectus has been released in both Arabic and English languages and the Arabic version is the only one approved by the CMA. In the event of a discrepancy between the English and the Arabic texts, the Arabic text of this Prospectus shall prevail.

Subject to the requirements of the Rules on the Offer of Securities and Continuing Obligations and the Listing Rules, the Company must submit a supplementary prospectus to the CMA if, at any time after the publication of this Prospectus, and before completion of the Offering, the Company becomes aware of: (i) a significant change in any material information contained in this Prospectus or any document required under the Rules on the Offer of Securities and Continuing Obligations or the Listing Rules; or (ii) the occurrence of additional significant matters which would have been required to be included in this Prospectus. Except in the aforementioned circumstances, the Company does not intend to update or otherwise revise any industry or market information or forward-looking statements in this Prospectus, whether as a result of new information, future events or otherwise. As a result of the aforementioned and other risks, uncertainties and assumptions, the expectations of future events and circumstances set forth in this Prospectus may not occur as expected by the Company or may not occur at all. Consequently, the prospective investors should consider all forward-looking statements in light of these explanations and should not place undue reliance on them.

A black and white photograph of industrial machinery, likely a large rotating drum or conveyor system, with a large amount of material (possibly gravel or coal) being processed. The image is partially obscured by a large, light gray triangular graphic element that points towards the bottom right corner. A thin blue line runs diagonally across the page, starting from the top left and ending near the bottom right.

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**Documents
Available for
Inspection**

18. Documents Available for Inspection

- the following documents will be available for inspection at the Company's head office located at 19 Ibn Qasim Road, Al-Aziziya District, P.O. Box 4293, Riyadh 11491, Kingdom of Saudi Arabia, between 9:00 a.m. and 5:00 p.m. from 2 Sha'ban 1447H (corresponding to 21 January 2026G) until 29 Sha'ban 1447H (corresponding to 17 February 2026G) for a period of not less than 20 days prior to the end of the Offering Period:
 - the CMA announcement of the approval of the Offering dated 30 Rabi' al-Awwal 1447H (corresponding to 22 September 2025G);
 - the conditional approval of the Saudi Stock Exchange (Tadawul) for the listing of the Company's shares dated 28 Thul-Hijjah 1446H (corresponding to 24 June 2025G);
 - the Company's Board of Directors' resolution approving the Offering dated 29 Jumada al-Alkhirah 1446H (corresponding to 30 December 2024G);
 - the Company General Assembly's approval of the Offering dated 26 Ramadan 1446H (corresponding to 26 March 2025G);
 - the Company's Bylaws and the amendments made to it;
 - the Company's articles of association;
 - the Company's commercial registration certificate issued by the Ministry of Commerce;
 - the audited financial statements of the Group for the financial years ended 31 December 2022G, 2023G and 2024G, and the unaudited consolidated financial statements of the Group for the three-month period ended 31 March 2025G;
 - the Market Report prepared by the Market Consultant;
 - all other reports, letters, documents, value and data assessments prepared by any expert, including any part thereof mentioned in this Prospectus;
 - the contracts and agreements disclosed in Section 11.9 (*Related Party Contracts and Transactions*); and
 - letters of consent from:
 - a. the Financial Advisor, Bookrunner, Underwriter and Lead Manager (ANB Capital Company) for the inclusion of its name, logo, and statements in this Prospectus;
 - b. the Legal Advisor (STAT Law Firm), for the inclusion of its name, logo and statements, in this Prospectus;
 - c. the Financial Due Diligence Advisor (PricewaterhouseCoopers Public Accountants) for the inclusion of its name, logo and statements in this Prospectus;
 - d. the Market Consultant (Euromonitor International Limited Company) for the inclusion of its name, logo and statements, in this Prospectus;
 - e. a. the Legal Advisor to the Financial Advisor, Lead Manager, Bookrunner and Underwriter (The Law Firm of Latham & Watkins) has agreed to include its name, logo and statements in this Prospectus; and
 - f. the Auditor (Maham Professional Services Company) for the inclusion herein of its names, logos, statements, the audited financial statements of the Group for the financial year ended 31 December 2022G, 2023G and 2024G, and the unaudited consolidated financial statements of the Group for the three-month period ended 31 March 2025G in this Prospectus.

The background of the slide features a grayscale photograph of an industrial facility, likely a power plant or refinery, showing large pipes and machinery. A large, bold, dark gray number '19' is positioned on the right side. A thin blue diagonal line runs from the top left towards the bottom right, passing behind the text.

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Financial Statements and the Auditor's Report

19. Financial Statements and the Auditor's Report

This section contains the Company's audited special purpose financial statements for the financial year ended 31 December 2022G, the Group's audited consolidated financial statements for the financial year ended 31 December 2023G and the Group's audited consolidated financial statements for the financial year ended 31 December 2024G, and the unaudited consolidated financial statements of the Group for the three-month period ended 31 March 2025G and the nine-month period ended 30 September 2025G, along with the accompanying notes.

The audited special purpose financial statements of the Company for the financial year ended 31 December 2022G, and the audited consolidated financial statements of the Group for the financial year ended 31 December 2024G, including the comparative financial information of the Group for the financial year ended 31 December 2023G, have been prepared in accordance with the IFRS as endorsed in the Kingdom and other standards and pronouncements issued by SOCPA and have been audited by the Auditor. The unaudited consolidated financial statements of the Group for the three-month period ended 31 March 2025G, which include the financial statements for the three-month period ended 31 March 2024G, have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as endorsed in the Kingdom and other standards and pronouncements that are issued by SOCPA and have been reviewed by the Auditor.

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

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
AND INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30
SEPTEMBER 2025**

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

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2025

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**Independent Auditor's Review Report on the Interim Condensed Consolidated Financial Statements
To the Shareholders of Saleh Abdulaziz Al Rashed and Sons Company
(A Saudi Closed Joint Stock Company)**

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Saleh Abdulaziz Al Rashed and Sons Company (A Saudi Closed Joint Stock Company) ("the Company") and its subsidiaries ("the Group") as at 30 September 2025, and the interim condensed consolidated statement of profit or loss and the other comprehensive income for the three-month and nine-month periods ended 30 September 2025, and the interim condensed consolidated statements for changes in equity and cash flows for the nine-month period then ended, and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standards on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", that is endorsed in the Kingdom of Saudi Arabia. A review of interim financial information requires inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical procedures and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

For Maham Company for Professional Services



Abdulaziz Saud Al Shabeebi
Certified Public Accountant
License no. (339)
8 Jumada Al Ula 1447H
30 October 2025



Maham Company for Professional Services (A Professional limited liability company) CR: 2050240744 Capital: SAR 1,000,000, a member firm of the PCI network, which constitutes of legally independent companies.
National address: Dammam, EDGB4292, Landline Number: +966 - 33 - 858 - 9800 Website: maham.com

شركة محام للاستشارات المحاسبية (شركة ذات مسؤولية محدودة مصرية)، س.م.ك. 2050240744، رأسمال: 1.000.000 ريال سعودي، عضو في شبكة PCI الدولية من شركات مستقلة قانونياً، الختامي الوطني، العنوان: الدمام، EDGB4292، الهاتف: +966 - 33 - 858 - 9800، الموقع الإلكتروني: maham.com

Saleh Abdulaziz Al Rashed and Sons Company
(A Saudi Closed Joint Stock Company)
Interim condensed consolidated statement of financial position
As at 30 September 2025

	Note	30 September 2025 (Unaudited) ﷲ	31 December 2024 (Audited) ﷲ
Assets			
Non-current assets			
Property, plant and equipment	4	210,482,894	205,741,535
Intangible assets		7,428,634	8,640,267
Right-of-use assets		5,792,203	4,382,276
Total non-current assets		223,703,731	218,764,078
Current assets			
Inventory	5	116,701,792	129,407,966
Amounts due from related parties	6	77,791,884	49,934,444
Prepayments and other current assets	7	36,625,553	23,239,889
Trade receivables and notes receivable	8	75,160,876	54,942,005
Investment in financial instruments at fair value through profit or loss		19,607,709	4,476,665
Cash and cash equivalents		18,622,148	25,914,252
Total current assets		344,509,962	287,915,221
Total assets		568,213,693	506,679,299
Equity and liabilities			
Shareholders' equity			
Capital	9	186,000,000	186,000,000
Reserves		150,000	150,000
Retained earnings		212,385,176	170,444,464
Total shareholders' equity		398,535,176	356,594,464
Non-controlling interests		9,361	19,270
Total equity		398,544,537	356,613,734
Liabilities			
Non-current liabilities			
Employees defined benefit liabilities		13,358,073	11,453,509
Long-term loans		-	10,666,668
Lease liabilities non-current portion		1,758,182	1,559,728
Total non-current liabilities		15,116,255	23,679,905
Current liabilities			
Trade payables		43,660,446	44,652,404
Accrued expenses and other current liabilities		50,350,771	40,808,325
Lease liabilities-current portion		2,213,673	2,130,339
Short-term loans		54,996,828	34,466,798
Zakat provision	10	3,331,183	4,327,794
Total current liabilities		154,552,901	126,385,660
Total liabilities		169,669,156	150,065,565
Total equity and liabilities		568,213,693	506,679,299

The accompanying notes from 1 to 24 form an integral part of these interim condensed consolidated financial statements.

Saleh Abdulaziz Al Rashed and Sons Company
(A Saudi Closed Joint Stock Company)

Interim condensed consolidated statement of profit or loss and other comprehensive income
For the three-months and nine-months periods ended 30 September 2025

	Note	For the three-month period ended 30 September		For the nine-month period ended 30 September	
		30 September 2025 (Unaudited) ﷲ	30 September 2024 (Unaudited) ﷲ	30 September 2025 (Unaudited) ﷲ	30 September 2024 (Unaudited) ﷲ
Revenue	11	184,567,453	153,030,644	545,449,536	424,569,775
Cost of revenue	12	(140,844,911)	(128,740,654)	(426,836,076)	(351,622,911)
Gross profit		43,722,542	24,289,990	118,613,460	72,946,864
Expenses					
Selling and marketing	13	(312,335)	(226,277)	(1,794,511)	(1,619,878)
General and administrative	14	(13,575,294)	(10,563,824)	(43,776,594)	(31,824,435)
Total expenses		(13,887,629)	(10,790,101)	(45,571,105)	(33,444,313)
Profit from operations		29,834,913	13,499,889	73,042,355	39,502,551
Finance costs		(1,009,761)	(1,149,051)	(3,098,084)	(3,333,279)
Other (expenses) income	15	(2,751,501)	594,472	(696,750)	4,903,907
Profit before zakat		26,073,651	12,945,310	69,247,521	41,073,179
Zakat	10	(1,110,342)	(1,022,579)	(3,136,718)	(3,067,737)
Net profit for the period		24,963,309	11,922,731	66,110,803	38,005,442
Total comprehensive income for the period		24,963,309	11,922,731	66,110,803	38,005,442
Total comprehensive income attributable to:					
Shareholders of the Company		24,966,213	11,922,731	66,120,712	38,005,442
Non-controlling interest		(2,904)	-	(9,909)	-
Total comprehensive income for the period		24,963,309	11,922,731	66,110,803	38,005,442
Earnings per share					
Basic and diluted earnings per share	16	1.34	0.64	3.55	2.04

The accompanying notes from 1 to 24 form an integral part of these interim condensed consolidated financial statements.

Saleh Abdulaziz Al Rashed and Sons Company
(A Saudi Closed Joint Stock Company)

Interim condensed consolidated statement of changes in equity
For the nine-month period ended 30 September 2025

	Attributable to Shareholders of the Company				Non-controlling Interests ـ.س	Total equity ـ.س
	Share capital ـ.س	Reserve ـ.س	Retained earnings ـ.س	Total ـ.س		
Balance as at 1 January 2025 (Audited)	186,000,000	150,000	170,444,464	356,594,464	19,270	356,613,734
Net profit for the period	-	-	66,120,712	66,120,712	(9,909)	66,110,803
Total comprehensive income for the period	-	-	66,120,712	66,120,712	(9,909)	66,110,803
Dividends	-	-	(24,180,000)	(24,180,000)	-	(24,180,000)
As at 30 September 2025 (Unaudited)	186,000,000	150,000	212,385,176	398,535,176	9,361	398,544,537
Balance as at 1 January 2024 (Audited)	186,000,000	150,000	121,740,560	307,890,560	-	307,890,560
Net profit for the period	-	-	38,005,442	38,005,442	-	38,005,442
Total comprehensive income for the period	-	-	38,005,442	38,005,442	-	38,005,442
Dividends	-	-	(9,300,000)	(9,300,000)	-	(9,300,000)
As at 30 September 2024 (Unaudited)	186,000,000	150,000	150,446,002	336,596,002	-	336,596,002

The accompanying notes from 1 to 24 form an integral part of these interim condensed consolidated financial statements.

Saleh Abdulaziz Al Rashed and Sons Company
(A Saudi Closed Joint Stock Company)
Interim condensed consolidated statement of cash flows
For the nine-month period ended 30 September 2025

	For the nine-month period ended 30 September 2025 (Unaudited) ﷲ	30 September 2024 (Unaudited) ﷲ
OPERATING ACTIVITIES		
Profit before zakat	69,247,521	41,073,179
Adjustments for:		
Depreciation of property, plant and equipment	40,483,918	37,310,792
Amortization of intangible assets	1,337,662	78,139
Depreciation of a right-of-use asset	1,595,275	1,597,126
Finance cost	3,098,084	3,333,279
Gain on sale of investment in financial instruments at fair value through profit or loss	(53,662)	(491,260)
Gain on disposal of right-of-use assets	(23,367)	(4,427)
Gain on disposal of property, plant and equipment	(2,395,362)	(1,735,429)
Expected credit losses expense – trade receivables	139,594	1,508,982
Impairment loss expense on advances to suppliers	4,660,563	-
Provision for slow-moving inventory	682,055	335,878
Employees defined benefit liabilities	2,761,401	2,808,544
Loss (gain) from revaluation of investment in financial instruments at fair value through profit or loss	5,315,575	(1,592,471)
	126,849,257	84,222,332
Change in operating assets and liabilities		
Inventory	12,024,119	(21,505,577)
Prepayments and other current assets	(18,046,227)	(15,722,940)
Trade receivables and notes receivable	(20,358,465)	545,826
Trade payables	(991,958)	3,447,148
Accrued expenses and other current liabilities	9,811,272	4,014,459
Amounts due from / to related party	(27,857,440)	(31,233,019)
Cash from operations	81,430,558	23,768,229
Zakat paid	(4,133,329)	(4,090,314)
Finance cost paid	(3,124,594)	(2,930,260)
Employee defined benefit liabilities paid	(856,837)	(959,481)
Net cash from operating activities	73,315,798	15,788,174
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(51,920,046)	(8,691,777)
Additions to intangible assets	(126,029)	(527,500)
Proceeds from disposal of property, plant, and equipment	9,090,131	3,998,977
Proceeds from disposal of right-of-use assets	104,100	-
Additions to investments in financial instruments at fair value through profit or loss	(20,517,495)	(3,444,440)
Proceeds from sale of investments in financial instruments at fair value through profit or loss	124,538	5,765,097
Net cash used in investing activities	(63,244,801)	(2,899,643)

The accompanying notes from 1 to 24 form an integral part of these interim condensed consolidated financial statements.

Saleh Abdulaziz Al Rashed and Sons Company
(A Saudi Closed Joint Stock Company)

Interim condensed consolidated statement of cash flows (continued)
For the nine-month period ended 30 September 2025

	For the nine-month period ended 30 September 2025 (Unaudited) ﷲ	30 September 2024 (Unaudited) ﷲ
FINANCING ACTIVITIES		
Loans paid	(85,358,914)	(75,265,276)
Loans received	95,222,276	108,697,659
Amounts due to shareholder	-	(21,000,000)
Payment of lease obligations	(3,046,463)	(2,781,052)
Dividends	(24,180,000)	(9,300,000)
Net cash (used in) from financing activities	(17,363,101)	351,331
Net change in cash and cash equivalents	(7,292,104)	13,239,862
Cash and cash equivalent at the beginning of the year	25,914,252	11,550,030
Cash and cash equivalents at end of the year	18,622,148	24,789,892
Non-cash transactions		
Increase in right-of-use assets against increase in lease liability	3,085,935	1,158,454
Transferred from Projects Under Progress to Intangible Assets	-	648,750

The accompanying notes from 1 to 24 form an integral part of these interim condensed consolidated financial statements.

Saleh Abdulaziz Al Rashed and Sons Company
(A Saudi Closed Joint Stock Company)

Notes to the interim condensed consolidated financial statements
30 September 2025

1- GENERAL INFORMATION

Saleh Abdulaziz Al-Rashed and Sons Company (the "Company") is a closed 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-Aziziya 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 Company has the following branches:

Branch	Commercial Registration 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	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	4651103758	28/03/1444 H	Al-Ola
Saleh Abdulaziz Al-Rashed and Sons Company	1010829013	29/02/1444 H	Riyadh
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
Saleh Abdulaziz Al-Rashed and Sons 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	5855032113	12/04/1430 H	Khamis Mushait
Saleh Abdulaziz Al-Rashed and Sons Company	4650227710	27/06/1442 H	Medina
Saleh Abdulaziz Al-Rashed and Sons Company	3554102049	07/08/1444 H	Tayma

The following are the details of the subsidiaries included in these consolidated financial statements:

Company	Direct and actual ownership percentage	
	30 September 2025 (Unaudited) ﷲ	31 December 2024 (Audited) ﷲ
Quality Rocks Mining Company (One Person Company)	100%	100%
Durrat Al-Mabani Mining Company (One Person Company) (a)	100%	100%
Red Sands Mining Company (One Person Company) (b)	100%	100%
National Shield Mining Company (Limited Liability Company) (c)	80%	80%

a) On 3 October 2024, the Company acquired 100% of the voting shares of Durrat Al Mabani Mining Company (a one-person company), a company specializing in the construction of roads, streets, sidewalks, and road supplies, operating quarries, and selling Aggregates and sand, registered under Commercial Registration No. 1010817100 dated 7 Muharram 1444 H (corresponding to 5 August 2022) (Note 17).

Saleh Abdulaziz Al Rashed and Sons Company
(A Saudi Closed Joint Stock Company)

Notes to the interim condensed consolidated financial statements (continued)
30 September 2025

1- GENERAL INFORMATION (continued)

b) On 4 October 2024, the Company acquired 100% of the voting shares of Red Sands Company (a one-person company), a company specializing in the operation of quarries and sand or Aggregates mines, registered under Commercial Registration No. 1010849331 dated 3 Jumada Al-Awwal 1444 H (corresponding to 22 December 2022) (Note 17).

c) On 20 November 2024, the Company decided to establish the National Shield Mining Company (a limited liability company). The company specializes in operating quarries, sand or Aggregates mines, crushers, and land freight transportation, and is registered under Commercial Registration No. 1009138756 dated 18 Jumada Al-Awwal 1446 H, corresponding to 20 November 2024.

2- BASIS OF PREPARATION

2-1 Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard "Interim Financial Report" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

These condensed consolidated interim financial statements should be read in conjunction with the annual audited consolidated financial statements of the Group as at and for the year ended 31 December 2024.

2-2 Basis of measurement

The interim condensed consolidated financial statements have been prepared on the historical cost basis, except for financial assets held at fair value through profit or loss which are measured at fair value.

2-3 Functional and presentation currency

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

2-4 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries as of 30 September 2025. The financial statements of the subsidiary are prepared for the same reporting period as the company, using consistent accounting policies.

Control is achieved when the Group is exposed to, or has rights to, variable returns from its relationship with the investee, and has the ability to affect the returns by exercising its power over the investee. In particular, the Group controls an investee only when the Group has:

- Control over the investee company;
- Exposure to risks, and has rights to obtain different returns through its relationship with the investee company.
- The ability to use its power over the investee company to affect its returns.

The Group conducts a reassessment to ascertain whether or not it exercises control over an investee when facts and circumstances indicate that there is a change in one or more of the three elements of control mentioned above.

Saleh Abdulaziz Al Rashed and Sons Company
(A Saudi Closed Joint Stock Company)

Notes to the interim condensed consolidated financial statements (continued)
30 September 2025

2- BASIS OF PREPARATION (continued)

2-4 Basis of consolidation (continued)

When the Group has less than a majority of the voting rights of an investee, it has control over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee individually.

The Group considers all relevant facts and circumstances when determining whether it exercises control over an investee, including:

- The size of the Group's voting rights in proportion to the size of the voting rights owned by other parties.
- Potential voting rights owned by the Group or voting rights owned by other parties.
- Rights arising from other contractual arrangements.
- Any additional facts and circumstances indicating that the Group has, or does not have, the current ability to direct the relevant activities when decisions need to be made, including voting methods at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group ceases to exercise such control. Specifically, the income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss and other comprehensive income from the date on which control is transferred to the Group until such control ceases.

All assets and liabilities, as well as equity, revenues, expenses and cash flows relating to intra-group transactions are eliminated in full when consolidating the financial statements.

2-5 Material accounting policies

The accounting policies applied in these interim condensed financial statements are the same policies applied to the Group's annual financial statements as of 31 December 2024 and for the year ended on that date.

2-6 New and amended standards and interpretation

New standards and a number of amendments have been issued, which became effective on 1 January 2025, and were disclosed in the Group's annual consolidated financial statements. However, these standards and amendments do not have a material impact on the Group's condensed interim consolidated financial statements.

3- SIGNIFICANT ASSUMPTIONS AND ESTIMATES

In preparing these interim condensed consolidated financial statements, requires management to make judgments, estimates, and assumptions as of the date of the interim condensed consolidated financial statements, which affect the reported amounts of revenue, expenses, assets, and liabilities, as well as the disclosure of contingent assets and liabilities. However, due to the inherent uncertainty of these assumptions and estimates, actual results may differ and may require a material adjustment to the carrying amounts of the affected assets or liabilities in future periods. Estimates and judgments are reviewed on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future, and as a result, the accounting estimates may differ from the actual outcomes related to those estimates.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were consistent with those disclosed in the annual consolidated financial statements for the year ended 31 December 2024.

Saleh Abdulaziz Al Rashed and Sons Company
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Notes to the interim condensed consolidated financial statements (continued)
30 September 2025

4- PROPERTY, PLANT AND EQUIPMENT

	For the nine-month period ended 30 September 2025 (Unaudited) ﷲ	For the year ended 31 December 2024 (Audited) ﷲ
Cost:		
At the beginning of the period / year	419,112,134	383,467,448
Additions	51,920,046	59,986,170
Transferred from projects under construction	-	(1,144,250)
Transferred from inventory	-	7,911,276
Transferred to expenses	-	(472,897)
Disposals	(17,289,167)	(30,635,613)
As at the end of the period / year	453,743,013	419,112,134
Accumulated depreciation:		
At the beginning of the period / year	213,370,599	190,267,318
Charged for the year / period	40,483,918	51,113,650
Disposals	(10,594,398)	(28,010,369)
	243,260,119	213,370,599
Net book value		
As at the end of the period / year	210,482,894	205,741,535

The depreciation is charged to condensed consolidated statement of profit or loss and the other comprehensive income as follows:

	For the nine-month period ended 30 September 2025 (Unaudited) ﷲ	30 September 2024 (Unaudited) ﷲ
Cost of revenue	38,871,479	35,618,880
General and administrative expenses	1,612,439	1,691,912
	40,483,918	37,310,792

5- INVENTORY

	30 September 2025 (Unaudited) ﷲ	31 December 2024 (Audited) ﷲ
Finished goods	81,887,562	94,541,500
Spare parts	31,268,974	28,551,926
Raw materials	8,657,024	9,349,385
Production in progress	5,239,749	6,634,617
	127,053,309	139,077,428
Less: Provision for impairment of inventory	(10,351,517)	(9,669,462)
	116,701,792	129,407,966
	For the nine-month period ended 30 September 2025 (Unaudited) ﷲ	For the year ended 31 December 2024 (Audited) ﷲ
At the beginning of the period / year	9,669,462	7,668,133
Charged for the period / year	682,055	2,001,329
At the end of the period / year	10,351,517	9,669,462

Saleh Abdulaziz Al Rashed and Sons Company
(A Saudi Closed Joint Stock Company)

Notes to the interim condensed consolidated financial statements (continued)
30 September 2025

6- TRANSACTIONS WITH RELATED PARTIES

Related parties include shareholders, affiliates, executive management personnel, and entities controlled, (jointly controlled or significantly influenced by such parties). The processes with the relevant parties and their terms are approved by the Company's management. The following are the statements of transactions with related parties and their balances:

Related Party	Relationship
Najd Roads Contracting Company	Owned by a shareholder

6-1 The following is a statement of significant transactions with related parties:

Related party	Nature of transaction	Transaction Amount for the nine-month period ended	
		30 September 2025 (Unaudited) ﷲ	30 September 2024 (Unaudited) ﷲ
Najd Roads Contracting Company	Sales	97,785,344	87,929,781
	purchases	26,066,048	-
	payment on behalf	26,691,195	-

6-2 Amounts due from related parties are reflected in the consolidated statement of financial position:

	30 September 2025 (Unaudited) ﷲ	31 December 2024 (Audited) ﷲ
Najd Roads Contracting Company	77,791,884	49,934,444

Compensation of key management personnel:

	For the nine-month period ended	
	30 September 2025 (Unaudited) ﷲ	30 September 2024 (Unaudited) ﷲ
Allowances and remunerations of the chairman of the board	9,504,371	6,400,000
Short-term salaries and benefits - executive management	960,000	960,000
Allowances and remuneration of members of the board of directors and other committees	403,752	225,000
Employees defined benefit liabilities – executive management	59,835	59,178
	10,927,958	7,644,178

Saleh Abdulaziz Al Rashed and Sons Company
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Notes to the interim condensed consolidated financial statements (continued)
30 September 2025

7- PREPAYMENTS AND OTHER CURRENT ASSETS

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
	ﷲ	ﷲ
Advance payments to suppliers	22,616,067	10,993,653
Prepaid expenses	16,529,473	9,852,736
Cash advances and covenants	1,903,076	2,243,500
Amounts held as insurance for letters of guarantee	237,500	150,000
	41,286,116	23,239,889
Provision for impairment loss on advances to suppliers	(4,660,563)	-
	36,625,553	23,239,889

8- TRADE RECEIVABLES AND NOTES RECEIVABLES

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
	ﷲ	ﷲ
Trade receivables	69,405,691	50,068,245
Less: provision for expected credit losses	(4,554,874)	(4,415,280)
	64,850,817	45,652,965
Notes receivables	10,310,059	9,289,040
	75,160,876	54,942,005

The movement in the expected credit loss provision during the year was as follows:

	For the nine-month period ended 30 September 2025 (Unaudited)	For the year ended 31 December 2024 (Audited)
	ﷲ	ﷲ
At the beginning of the period / year	4,415,280	6,013,282
Charged (reversal) for the period / year	139,594	(600,308)
Bad debts for the period / year	-	(997,694)
At the end of the period / year	4,554,874	4,415,280

	Days past due – trade receivables					Total
	0-90 days	SR 91-180 days	181-270 days	271-360 days	More than 1 year	
30 September 2025 (Unaudited)	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ
Trade receivables	61,439,827	4,031,838	1,068,399	217,461	2,648,166	69,405,691
Expected credit loss	503,070	761,553	424,624	217,461	2,648,166	4,554,874
31 December 2024 (Audited)						
Trade receivables	43,264,769	2,149,415	2,412,231	976,512	1,265,318	50,068,245
Expected credit loss	684,725	454,280	1,039,135	972,072	1,265,068	4,415,280

9- SHARE CAPITAL

The Company's capital consists of 18,600,000 shares, each share value 10 ﷲ as at 30 September 2025 (18,600,000 shares, each share value 10 ﷲ as at 31 December 2024).

Saleh Abdulaziz Al Rashed and Sons Company
(A Saudi Closed Joint Stock Company)

Notes to the interim condensed consolidated financial statements (continued)
30 September 2025

10- ZAKAT

Zakat expense for the period is determined in accordance with the regulation of the Zakat, Tax and Customs Authority ("ZATCA") and is charged to the interim condensed consolidated statement of profit and loss and other comprehensive income and differences if any, are adjusted in the period in which these differences are determined and in accordance with the requirements of International Accounting Standard No. (8) "Accounting Policies, Changes in Accounting Estimates, and Errors.

Zakat provision movement

The movements in zakat provision were as follows:

	For the nine-month period ended 30 September 2025 (Unaudited)	For the year ended 31 December 2024 (Audited)
	ﷲ	ﷲ
At the beginning of the period / year	4,327,794	4,118,000
Charged during the period / year	3,136,718	4,300,062
Payments during the period / year	(4,133,329)	(4,094,950)
Related to acquisition of a subsidiary	-	4,682
At the end of the period / year	3,331,183	4,327,794

10-1 Zakat assessments

Saleh Abdulaziz Al-Rashed and Sons Company

The Company submitted its Zakat returns to the Zakat, Tax and Customs Authority ("ZATCA") for all years until 2024, and paid the zakat due accordingly, and obtained the zakat certificates. The Company obtained Zakat assessments up to 2015 and paid its zakat dues

Rock Quality Mining Company

The Company has submitted its zakat returns to ZATCA for the years from 2021 to 2024, settled the zakat dues accordingly, and obtained the zakat certificates. The zakat assessments for the previous years have not yet been received from ZATCA.

Red Sands Mining Company

The Company has submitted its zakat returns to ZATCA for the period ended 14 November 2023 and the period ended 31 December 2024, settled the zakat dues accordingly, and obtained the zakat certificates. The zakat assessments for the previous periods have not yet been received from ZATCA.

Durrat Al-Mabani Mining Company

The Company submitted its Zakat returns to ZATCA for all years until 2024, paid its due zakat and obtained Zakat certificates. Zakat assessments for previous years have not yet been received from ZATCA.

National Shield Mining Company

The Company was established in 20 November 2024, and therefore the Company has not yet filed any zakat returns.

11- REVENUES

The Group recognizes revenue at a point in time (upon delivery of goods to customers), and all revenue is generated from operations within the Kingdom of Saudi Arabia.

	For the nine-month period ended 30 September 2025 (Unaudited)	30 September 2024 (Unaudited)
	ﷲ	ﷲ
Sales of building materials	470,286,338	345,545,046
Spare parts sales	75,163,198	79,024,729
Sales are recognized at a point in time	545,449,536	424,569,775

Saleh Abdulaziz Al Rashed and Sons Company
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Notes to the interim condensed consolidated financial statements (continued)
30 September 2025

12- COSTS OF REVENUE

	For the nine-month period ended	
	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)
	ﷲ	ﷲ
Materials and operating supplies	223,421,968	163,715,400
Employees salaries and related benefits	57,313,742	50,255,289
Maintenance	39,740,279	43,978,799
Depreciation of property, plant and equipment	38,871,479	35,618,880
Government expenses	24,508,982	16,594,800
Transportation expenses	22,109,931	26,888,778
Equipment rental and sites rental expenses	8,997,926	6,350,578
Insurance expenses	3,973,480	2,609,203
Service expenses	1,227,015	1,202,366
Amortization of intangible assets	1,225,359	-
Depreciation of right-of-use assets	971,777	1,032,474
Slow-moving inventory provision	682,055	335,878
Others	3,792,083	3,040,466
	426,836,076	351,622,911

13- SELLING AND MARKETING EXPENSES

	For the nine-month period ended	
	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)
	ﷲ	ﷲ
Sale commissions	1,761,281	865,751
Advertising	33,230	754,127
	1,794,511	1,619,878

14- GENERAL AND ADMINISTRATIVE EXPENSES

	For the nine-month period ended	
	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)
	ﷲ	ﷲ
Employees salaries and related benefits	19,296,918	14,204,470
Board of directors and committees' remunerations and allowances	9,908,123	6,625,000
Provision for impairment loss on advances to suppliers	4,660,563	-
Depreciation of property, plant and equipment	1,612,439	1,691,912
Government expenses	1,378,078	867,303
Subscriptions expenses	1,080,162	1,209,783
Bank expenses	942,289	458,983
Insurance expenses	918,223	876,252
Professional fees	882,299	1,823,948
Depreciation of right-of-use assets	623,498	564,652
Short-term lease expenses	464,021	303,263
Service expenses	432,737	452,689
Maintenance expenses	388,914	212,150
Provision for expected credit losses	139,594	1,508,982
Amortizations of intangible assets	112,303	78,139
Transportation expenses	73,265	274,317
Other	863,168	672,592
	43,776,594	31,824,435

Saleh Abdulaziz Al Rashed and Sons Company
(A Saudi Closed Joint Stock Company)

Notes to the interim condensed consolidated financial statements (continued)
30 September 2025

15- OTHER INCOME

	For the nine-month period ended	
	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)
	ﷲ	ﷲ
Gain on disposal of property, plant and equipment	2,395,362	1,735,429
Scrape sale	2,095,570	1,125,667
Profit on the sale of investment in financial instruments at fair value through profit or loss	53,662	491,260
Dividends from investment in financial instruments at fair value through profit or loss	83,577	-
Gains (losses) on disposal of right-of-use assets	23,367	4,427
Exchange rate losses	(32,713)	(45,347)
(Losses) gains of revaluation of investment in financial instruments at fair value through profit or loss	(5,315,575)	1,592,471
	(696,750)	4,903,907

16- BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share is calculated by dividing the net profit attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is the same as basic earnings per share since the Company has no diluted shares issued.

	For the three-month period		For the nine-month period	
	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)
	ﷲ	ﷲ	ﷲ	ﷲ
Profit for the period attributable to shareholders	24,966,213	11,922,731	66,120,712	38,005,442
number of Shars	18,600,000	18,600,000	18,600,000	18,600,000
Basic and diluted earnings per share	1.34	0.64	3.55	2.04

17- BUSINESS COMBINATIONS

Acquisition of Durrat Al-Mabani Mining Company

In 3 October 2024, the company acquired 100% of the voting shares in Durrat Al-Mabani Mining Company (a one-person company), a company specialized in the construction of roads, streets, sidewalks, road supplies, quarrying operations, and the sale of Aggregates and sand. The company acquired Durrat Al-Mabani Mining Company as it plans to expand products in the mining sector.

Saleh Abdulaziz Al Rashed and Sons Company
(A Saudi Closed Joint Stock Company)

Notes to the interim condensed consolidated financial statements (continued)
30 September 2025

17-BUSINESS COMBINATIONS (continued)

Assets acquired and liabilities assumed

The fair value of the identifiable assets and liabilities assumed for the acquisition of Durrat Al-Mabani Mining Company as of the acquisition date was as follows:

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

The acquisition resulted in the following intangible assets:

- 1- An intangible asset amounting to ﷲ 7,842,248, representing the purchase price allocation for the quarrying license, which is amortized over five years from the license date.
- 2- Goodwill amounting ﷲ 73,425. The company fully amortized the goodwill in the consolidated statement of profit or loss and other comprehensive income during for the year ended 31 December 2024.

Acquisition of Red Sand Mining Company

On 4 October 2024, the Company acquired 100% of the voting equity interest in Red Sand Mining Company (a One Person Company), which specializes in quarry operations and the extraction of sand and Aggregates. The Company acquired Red Sand Mining Company as part of its strategic expansion in the mining sector, significantly broadening the range of products that can be offered to its customers.

Assets Acquired and Liabilities Assumed

The fair value of the identifiable assets and liabilities of Red Sand Mining Company as at the acquisition date was as follows:

	Recognized fair value upon acqui- sition ﷲ
Assets	
Amounts due from related parties	100,000
Total Assets	100,000
Liabilities	
Accrued expenses and other current liabilities	8,099
Total Liabilities	8,099
Net assets recognizable at book value	91,901
Goodwill	8,099
Consideration Paid	100,000

Saleh Abdulaziz Al Rashed and Sons Company
(A Saudi Closed Joint Stock Company)

Notes to the interim condensed consolidated financial statements (continued)
30 September 2025

17-BUSINESS COMBINATIONS (continued)

Goodwill arising from the acquisition amounted to ₪ 8,099. The Company fully impaired the goodwill in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2024.

18- FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the value in which assets are exchanged or liabilities are settled between willing parties in an arm's length transaction. Financial instruments consist of financial assets and financial liabilities. The Group's financial assets consist of investment in financial instruments at fair value through profit or loss, trade receivables and notes receivables, cash and cash equivalent, amounts due to related parties, and financial liabilities consist of term loans, trade payables, accrued expenses and other current liabilities, and lease liabilities.

Management has assessed that the fair values of cash and cash equivalents, trade receivables and notes receivable, amounts due from related parties, term loans, trade payables, accrued expenses and other current liabilities, and lease contract liabilities approximate their carrying amounts, which is largely due to the short-term maturities of these instruments.

Investments in equity instruments measured at fair value through profit or loss are classified within Level 1 of the fair value hierarchy. During the current period and previous year, there were no transfers between levels 1, 2 or 3.

19- SEGMENT INFORMATION

The Group's operations mainly consist of one operating segment, which is building materials activities of all types. Accordingly, the presentation of information by different segments is not applicable. The Group's geographical revenue information is disclosed in Note 11.

20- INTERIM RESULTS

The operating results for the nine-month period ended 30 September 2025 are not necessarily indicative of the annual results of the Company.

21- DIVIDENDS

The shareholders, in the Ordinary General Assembly meeting held on 26 Ramadan 1446H (corresponding to 26 March 2025), approved dividends amounting to ₪ 9,300,000 for the year ended 31 December 2023, which were paid in cash (for the period ended 30 September 2024: ₪ 9,300,000 for the year ended 31 December 2023).

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

22- COMPARATIVE FIGURES

Certain amounts relating to the prior period have been reclassified to match with the current period presentation.

23- SUBSEQUENT EVENTS

The management is not aware of any significant subsequent events that would have a material impact on the interim condensed consolidated financial statements.

24- APPROVALS OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements for the period ended 30 September 2025 were approved by the board of directors on 7 Jumada Al Ula 1447H (corresponding to 29 October 2025).

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

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
AND INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025**

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

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) AND
INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025

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Independent Auditor's Review Report on the Interim Condensed Consolidated Financial Statements To the Shareholders of Saleh Abdulaziz Al Rashed and Sons Company (A Saudi Closed Joint Stock Company)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Saleh Abdulaziz Al Rashed and Sons Company (A Saudi Closed Joint Stock Company) ("the Company") and its subsidiaries (collectively referred to as "the Group") as at 31 March 2025, and the interim condensed consolidated statements of profit or loss and the other comprehensive income, changes in equity and cash flows for the three-month period ended, and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standards on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", that is endorsed in the Kingdom of Saudi Arabia. A review of interim financial information requires inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical procedures and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

For Maham Company for Professional Services



Abdulaziz Saud Al Shabeebi
Certified Public Accountant
License no. (339)
2 Thul-Qi'dah 1446H
30 April 2025



Maham Company For Professional Services (A Professional limited liability company) CR:2050240744, Capital: 1,000,000 SAR, is a member firm of the PCI network, which constitutes of legally independent companies.
 شركة مهام للاستشارات المهنية (شركة ذات مسؤولية محدودة مهنية)، برخصة رقم: 2050240744، رأسمال: 1,000,000 ريال سعودي، عضو في شبكة (PCI) المتكونة من شركات مستقلة قانونياً، المهنيون الوطنيون.
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Saleh Abdulaziz Al Rashed and Sons Company
(A Saudi Closed Joint Stock Company)
Interim condensed consolidated statement of financial position
As at 31 March 2025

		31 March 2025 (Unaudited) SR	31 December 2024 (Audited) SR
Notes			
Assets			
Non-current assets			
Property, plant and equipment	4	201,380,610	205,741,535
Intangible assets		8,322,413	8,640,267
Right-of-use assets		4,217,901	4,382,276
Total non-current assets		213,920,924	218,764,078
Current assets			
Inventory	5	120,196,532	129,407,966
Amounts due from related parties	6	39,887,904	49,934,444
Prepayments and other current assets	7	33,365,830	23,239,889
Trade receivables and notes receivable	8	82,895,829	54,942,005
Investment in equity instruments at fair value through profit or loss		11,109,366	4,476,665
Cash and cash equivalents		20,616,954	25,914,252
Total current assets		308,072,415	287,915,221
Total assets		521,993,339	506,679,299
Equity and liabilities			
Shareholders' equity			
Capital	9	186,000,000	186,000,000
Reserves		150,000	150,000
Retained earnings		184,301,195	170,444,464
Total shareholders' equity		370,451,195	356,594,464
Non-controlling interests		15,455	19,270
Total equity		370,466,650	356,613,734
Liabilities			
Non-current liabilities			
Employees defined benefit liabilities		11,913,730	11,453,509
Term loans - non-current portion		17,975,000	10,666,668
Lease liabilities - non-current portion		1,306,520	1,559,728
Total non-current liabilities		31,195,250	23,679,905
Current liabilities			
Trade payables		33,712,146	44,652,404
Accrued expenses and other current liabilities		34,683,644	40,808,325
Dividends payable	19	9,300,000	-
Lease liabilities-current portion		1,887,343	2,130,339
Term loans - current portion		39,566,667	34,466,798
Zakat provision	10	1,181,639	4,327,794
Total current liabilities		120,331,439	126,385,660
Total liabilities		151,526,689	150,065,565
Total equity and liabilities		521,993,339	506,679,299

The accompanying notes from 1 to 22 form an integral part of these interim condensed consolidated financial statements.

Saleh Abdulaziz Al Rashed and Sons Company
(A Saudi Closed Joint Stock Company)

Interim condensed consolidated statement of profit or loss and other comprehensive income
For the three-months period ended 31 March 2025

		For the three-month period ended	
		31 March 2025	31 March 2024
		(Unaudited)	(Unaudited)
	Notes	SR	SR
Revenue	11	170,701,208	133,491,953
Cost of revenue	12	(130,734,498)	(109,585,117)
Gross profit		39,966,710	23,906,836
Expenses			
Selling and marketing		(665,198)	(858,818)
General and administrative	13	(17,316,224)	(9,958,706)
Total expenses		(17,981,422)	(10,817,524)
Profit from operations		21,985,288	13,089,312
Finance costs		(965,637)	(1,186,069)
Other income	14	3,120,439	1,409,526
Profit before zakat		24,140,090	13,312,769
Zakat	10	(987,174)	(1,022,579)
Net profit for the period		23,152,916	12,290,190
Net profit attributable to:			
Shareholders of the Company		23,156,731	12,290,190
Non-controlling interest		(3,815)	-
Total comprehensive income for the period		23,152,916	12,290,190
Earnings per share			
Basic and diluted earnings per share	15	1.24	0.66

The accompanying notes from 1 to 22 form an integral part of these interim condensed consolidated financial statements.

Saleh Abdulaziz Al Rashed and Sons Company
(A Saudi Closed Joint Stock Company)

Interim condensed consolidated statement of changes in equity

For the three-month period ended 31 March 2025

	Attributable to Shareholders of the Company				Non-controlling interests	Total equity
	Share capital	Reserve	Retained earnings	Total		
	SR	SR	SR	SR	SR	SR
Balance as at 1 January 2025 (Audited)	186,000,000	150,000	170,444,464	356,594,464	19,270	356,613,734
Net profit for the period	-	-	23,156,731	23,156,731	(3,815)	23,152,916
Total comprehensive income for the period	-	-	23,156,731	23,156,731	(3,815)	23,152,916
Dividends	-	-	(9,300,000)	(9,300,000)	-	(9,300,000)
As at 31 March 2025 (Unaudited)	186,000,000	150,000	184,301,195	370,451,195	15,455	370,466,650
Balance as at 1 January 2024 (Audited)	186,000,000	150,000	121,740,560	307,890,560	-	307,890,560
Net profit for the period	-	-	12,290,190	12,290,190	-	12,290,190
Total comprehensive income for the period	-	-	12,290,190	12,290,190	-	12,290,190
As at 31 March 2024 (Unaudited)	186,000,000	150,000	134,030,750	320,180,750	-	320,180,750

The accompanying notes from 1 to 22 form an integral part of these interim condensed consolidated financial statements.

Saleh Abdulaziz Al Rashed and Sons Company
(A Saudi Closed Joint Stock Company)
Interim condensed consolidated statement of cash flows
For the three-month period ended 31 March 2025

	For the three-month period ended	
	31 March 2025	31 March 2024
	(Unaudited)	(Unaudited)
	SR	SR
OPERATING ACTIVITIES		
Profit before zakat	24,140,090	13,312,769
Adjustments for:		
Depreciation of property, plant and equipment	12,996,624	13,138,520
Amortization of intangible assets	443,883	10,736
Depreciation of a right-of-use asset	524,436	536,117
Finance cost	965,637	1,186,069
Gains on disposal of property, plant and equipment	(762,108)	(685,386)
Impairment loss expense on advances to suppliers	4,677,428	-
Gains on sale of investment in equity instruments at fair value through profit or loss	(53,663)	(330,739)
(Reversal of) provision of expected credit losses expense – trade receivables	(247,907)	214,143
Provision for slow-moving inventory	883,415	-
Employees defined benefit liabilities	762,207	1,231,792
(Gain) loss from revaluation of investment in equity instruments at fair value through profit or loss	(1,126,596)	108,463
	43,203,446	28,722,484
Change in operating assets and liabilities:		
Inventory	8,328,019	(8,023,282)
Prepayments and other current assets	(14,803,369)	(2,734,424)
Trade receivables and notes receivable	(27,705,917)	(13,375,561)
Trade payables	(10,940,258)	(11,933,145)
Accrued expenses and other current liabilities	(6,124,681)	2,190,490
Amounts due from / to related party	10,046,540	3,661,637
Cash from (used in) operations	2,003,780	(1,491,801)
Zakat paid	(4,133,329)	-
Finance cost paid	(883,143)	(1,030,219)
Employee defined benefit liabilities paid	(301,986)	(220,484)
Net cash used in operating activities	(3,314,678)	(2,742,504)
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(9,587,026)	(2,185,727)
Additions to intangible assets	(126,029)	(12,000)
Proceeds from disposal of property, plant, and equipment	1,713,435	2,050,000
Additions to investment in equity instruments at fair value through profit or loss	(5,576,980)	-
Proceeds from sale of investment in equity instruments at fair value through profit or loss	124,538	1,303,162
Net cash (used in) from investing activities	(13,452,062)	1,155,435

The accompanying notes from 1 to 22 form an integral part of these interim condensed consolidated financial statements.

Saleh Abdulaziz Al Rashed and Sons Company
(A Saudi Closed Joint Stock Company)

Interim condensed consolidated statement of cash flows (continued)
For the three-month period ended 31 March 2025

	For the three-month period ended	
	31 March 2025	31 March 2024
	(Unaudited)	(Unaudited)
	SR	SR
FINANCING ACTIVITIES		
Term loans paid	(24,191,799)	(35,470,667)
Term loans received	36,600,000	34,747,659
Payment of lease liabilities	(938,759)	(1,406,540)
Net cash from (used in) financing activities	11,469,442	(2,129,548)
Net decrease in cash and cash equivalents	(5,297,298)	(3,716,617)
Cash and cash equivalent at the beginning of the year	25,914,252	11,550,030
Cash and cash equivalents at end of the period	20,616,954	7,833,413
Non-cash transactions		
Increase in right-of-use assets against increase in lease liability	360,059	-
Accrued dividends	9,300,000	-

The accompanying notes from 1 to 22 form an integral part of these interim condensed consolidated financial statements.

Saleh Abdulaziz Al Rashed and Sons Company
(A Saudi Closed Joint Stock Company)

Notes to the interim condensed consolidated financial statements
31 March 2025

1- GENERAL INFORMATION

Saleh Abdulaziz Al Rashed & Sons Company (the "Company") is a closed 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-Aziziya 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 gravel; 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 Company has the following branches:

Branch	Commercial Registration No	Date	City
Saleh Abdulaziz Al-Rashed and Sons Company's branch	1010440978	08/04/1437 H	Riyadh
Saleh Abdulaziz Al-Rashed and Sons Company's branch	1120100785	06/11/1440 H	Rumah
Saleh Abdulaziz Al-Rashed and Sons Company's branch	2031105350	27/06/1442 H	Al-Ahsa
Saleh Abdulaziz Al-Rashed and Sons Company's branch	1010624636	05/06/1441H	Riyadh
Saleh Abdulaziz Al-Rashed and Sons Company's branch	1110000810	22/01/1435 H	Dhurma
Saleh Abdulaziz Al-Rashed and Sons Company's branch	1010829013	29/02/1444 H	Riyadh
Saleh Abdulaziz Al-Rashed and Sons Company's branch	1011149858	29/02/1444 H	Al-Kharj
Saleh Abdulaziz Al-Rashed and Sons Company's branch	1010773510	14/10/1443H	Riyadh
Saleh Abdulaziz Al-Rashed and Sons Company's branch	4651103758	28/03/1444 H	Al-Ola
Saleh Abdulaziz Al-Rashed and Sons Company's branch	4030417830	27/10/1442 H	Jeddah
Saleh Abdulaziz Al-Rashed and Sons Company's branch	1120001936	12/02/1437 H	Rumah
Saleh Abdulaziz Al-Rashed and Sons Company's branch	1010440977	08/04/1437 H	Riyadh
Saleh Abdulaziz Al-Rashed and Sons Company's branch	4030246026	25/05/1434 H	Jeddah
Saleh Abdulaziz Al-Rashed and Sons Company's branch	5900120939	06/04/1441 H	Jizan
Saleh Abdulaziz Al-Rashed and Sons Company's branch	3550126764	25/05/1444 H	Tabuk
Saleh Abdulaziz Al-Rashed and Sons Company's branch	5855032113	12/04/1430 H	Khamis Mushait
Saleh Abdulaziz Al-Rashed and Sons Company's branch	4650227710	27/06/1442 H	Medina
Saleh Abdulaziz Al-Rashed and Sons Company's branch	3554102049	07/08/1444 H	Taymah
Saleh Abdulaziz Al-Rashed and Sons Company's branch	1011153066	03/11/1444 H	Al-Kharj

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

Company	Direct and actual ownership percentage	
	31 March 2025 (Unaudited) ٣١	31 December 2024 (Audited) ٣١
Quality Rocks Mining Company (One Person Company)	100%	100%
Durrat Al-Mabani Mining Company (One Person Company) (a)	100%	100%
Red Sands Mining Company (One Person Company) (b)	100%	100%
National Shield Mining Company (Limited Liability Company) (c)	80%	80%

a) On 3 October 2024, the Company acquired 100% of the voting shares of Durrat Al Mabani Mining Company (a one-person company), a company specializing in the construction of roads, streets, sidewalks, and road supplies, operating quarries, and selling Aggregates and sand, registered under Commercial Registration No. 1010817100 dated 7 Muharram 1444 H (corresponding to 5 August 2022) (Note 16).

Saleh Abdulaziz Al Rashed and Sons Company
(A Saudi Closed Joint Stock Company)

Notes to the interim condensed consolidated financial statements (continued)
31 March 2025

1- GENERAL INFORMATION (continued)

b) On 4 October 2024, the Company acquired 100% of the voting shares of Red Sands Mining Company (a one-person company), a company specializing in the operation of quarries and sand or Aggregates mines, registered under Commercial Registration No. 1010849331 dated 3 Jumada Al-Awwal 1444 H (corresponding to 22 December 2022) (Note 16).

c) On 20 November 2024, the Company decided to establish the National Shield Mining Company (a limited liability company). The company specializes in operating quarries, sand or Aggregates mines, crushers, and land freight transportation, and is registered under Commercial Registration No. 1009138756 dated 18 Jumada Al-Awwal 1446 H, corresponding to 20 November 2024.

2- BASIS OF PREPARATION

2-1 Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard "Interim Financial Report" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

These condensed interim consolidated financial statements do not include all the information and disclosures required for full annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2024.

2-2 Basis of measurement

The interim condensed consolidated financial statements have been prepared on the historical cost basis, except for financial assets held at fair value through profit or loss which are measured at fair value and defined benefit obligations for employees that are measured using the projected unit credit method.

2-3 Functional and presentation currency

The interim condensed consolidated financial statements are presented in Saudi Riyals, which is also the functional currency of the Group.

2-4 Basis of consolidation

The interim condensed consolidated financial statements include the financial statements of the Company and its subsidiaries as of 31 March 2025. The financial statements of the subsidiary are prepared for the same reporting period as the company, using consistent accounting policies.

Control is achieved when the Group is exposed to, or has rights to, variable returns from its relationship with the investee, and has the ability to affect the returns by exercising its power over the investee. In particular, the Group controls an investee only when the Group has:

- Control over the investee company;
- Exposure to risks, and has rights to obtain different returns through its relationship with the investee company.
- The ability to use its power over the investee company to affect its returns.

The Group conducts a reassessment to ascertain whether or not it exercises control over an investee when facts and circumstances indicate that there is a change in one or more of the three elements of control mentioned above.

Saleh Abdulaziz Al Rashed and Sons Company
(A Saudi Closed Joint Stock Company)

Notes to the interim condensed consolidated financial statements (continued)
31 March 2025

2- BASIS OF PREPARATION (continued)

2-4 Basis of consolidation (continued)

When the Group has less than a majority of the voting rights of an investee, it has control over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee individually.

The Group considers all relevant facts and circumstances when determining whether it exercises control over an investee, including:

- The size of the company's voting rights in proportion to the size of the voting rights owned by other parties.
- Potential voting rights owned by the Group or voting rights owned by other parties.
- Rights arising from other contractual arrangements.
- Any additional facts and circumstances indicating that the Group has, or does not have, the current ability to direct the relevant activities when decisions need to be made, including voting methods at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group ceases to exercise such control. Specifically, the income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss and other comprehensive income from the date on which control is transferred to the Group until such control ceases.

All assets and liabilities, as well as equity, revenues, expenses and cash flows relating to intra-group transactions are eliminated in full when consolidating the financial statements.

2-5 Material accounting policies

The accounting policies applied in these interim condensed financial statements are the same policies applied to the Company's annual financial statements as of 31 December 2024 and for the year ended on that date.

2-6 New and amended standards and interpretation

The Group has not early adopted any standard, interpretation, or amendment that has been issued but is not yet effective. The following amendment was applied for the first time in 2025; however, it has no impact on the Group's interim condensed consolidated financial statements.

- Amendments to IAS 21: The Effects of Changes in Foreign Exchange Rates — Lack of Exchangeability between a Currency and a Foreign Currency.

3- SIGNIFICANT ASSUMPTIONS AND ESTIMATES AND JUDGEMENTS

Estimates and judgments are continuously evaluated and 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; accounting estimates resulting from these rarely equal the related actual results. The estimates and assumptions that involve significant risk and may lead to a material adjustment to the carrying amounts of assets and liabilities within the next financial period are as follows:

Useful lives of property, plant and equipment, and intangible assets

The Group's management determines the estimated useful lives of its property, plant, equipment, and intangible assets for the purpose of calculating depreciation and amortization. These estimates are determined based on the expected usage of the assets or their physical wear and tear. Management reviews the residual values and useful lives when necessary, and future depreciation and amortization charges are adjusted if management believes the useful lives differ from previous estimates.

Saleh Abdulaziz Al Rashed and Sons Company
(A Saudi Closed Joint Stock Company)

Notes to the interim condensed consolidated financial statements (continued)
31 March 2025

3- SIGNIFICANT ASSUMPTIONS AND ESTIMATES AND JUDEMENTS (continued)

Key sources of estimation uncertainty (continued)

Inventory impairment

Inventory is stated at the lower cost or net realizable value. When inventory becomes obsolete or outdated, an estimate of its net realizable value is made. For individually significant amounts, this estimate is performed on an item-by-item basis. For amounts that are not individually significant but are considered obsolete or outdated, a collective assessment is performed, and a provision is made based on the type, age, or degree of obsolescence of the inventory, using historical selling prices as a reference.

Expected credit losses on trade receivables

The Group uses a provision matrix to calculate expected credit losses on trade receivables. The provision rates are determined based on the number of days payment due.

The provision matrix is initially based on the Group's historically observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For example, if forecast economic conditions (such as gross domestic product) are expected to deteriorate over the next year, leading to an increased number of defaults, the historical default rates are adjusted accordingly. At each reporting date of the condensed interim consolidated financial statements, the observed historical default rates are updated and changes in forward-looking estimates are analyzed. Assessing the interrelationship between historical default rates, expected economic conditions, and expected credit losses represents a significant estimate. The amount of expected credit losses is sensitive to changes in expected economic conditions. The Group's historical credit loss experience and forecast of economic conditions may not necessarily be indicative of actual customer default in the future

Impairment of non-financial assets

An impairment occurs when the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of fair value, less costs to sell and value in use. Fair value-less costs to sell is determined based on available data from binding sale transactions conducted on an arm's length basis for similar assets, or observable market prices, less the incremental costs of disposing of the asset. Value in use is calculated using the discounted cash flow method. Cash flows are based on a five-year forecast and do not include restructuring activities to which the Group is not yet committed, or significant future investments that would enhance the assets' performance or the performance of the cash-generating unit being tested for impairment. The recoverable amount is sensitive to the discount rate used in the DCF model, the expected future cash inflow, and the growth rate applied for extrapolation purposes.

Contingent liabilities

By their nature, contingent liabilities can only be confirmed by the occurrence or non-occurrence of one or more future events. The assessment of such liabilities inherently involves the exercise of significant judgment and estimation regarding the outcome of future events.

Going concern principle

These condensed interim consolidated financial statements have been prepared on a going concern basis. The Group's management has assessed the Group's ability to continue as a going concern and believes that the Group has sufficient resources to continue its operations for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.

Saleh Abdulaziz Al Rashed and Sons Company
(A Saudi Closed Joint Stock Company)

Notes to the interim condensed consolidated financial statements (continued)
31 March 2025

4- PROPERTY, PLANT AND EQUIPMENT

	For the three-month period ended 31 March 2025 (Unaudited) SR	For the year ended 31 December 2024 (Audited) SR
Cost:		
At the beginning of the period / year	419,112,134	383,467,448
Additions	9,587,026	59,986,170
Transferred from projects under construction	-	(1,144,250)
Transferred from inventory	-	7,911,276
Transferred to expenses	-	(472,897)
Disposals	(3,147,897)	(30,635,613)
	425,551,263	419,112,134
Accumulated depreciation:		
At the beginning of the period / year	213,370,599	190,267,318
Charged for the year / period	12,996,624	51,113,650
Disposals	(2,196,570)	(28,010,369)
	224,170,653	213,370,599
Net book value		
As at the end of the period / year	201,380,610	205,741,535

Property, plant and equipment include land amounting to SR 6,377,000 as (31 December 2024: SR 1,752,000), of which land with a value of SR 1,200,000 (31 December 2024: SR 1,200,000) is registered in the name of Abdulaziz Saleh Al-Rashed (a shareholder). The legal procedures to transfer the ownership of this land to the Group have not been completed as of the date of issuance of the condensed interim consolidated financial statements.

5- INVENTORY

	31 March 2025 (Unaudited) SR	31 December 2024 (Audited) SR
Finished goods	83,962,977	94,541,500
Spare parts	28,636,289	28,551,926
Raw materials	11,895,390	9,349,385
Production in progress	6,254,753	6,634,617
	130,749,409	139,077,428
Less: Provision for impairment of inventory	(10,552,877)	(9,669,462)
	120,196,532	129,407,966

The movement in provision for slow-moving inventories are as follows:

	For the three-month period ended 31 March 2025 (Unaudited) SR	For the year ended 31 December 2024 (Audited) SR
At the beginning of the period / year	9,669,462	7,668,133
Charged for the period / year	883,415	2,001,329
At the end of the period / year	10,552,877	9,669,462

Saleh Abdulaziz Al Rashed and Sons Company
(A Saudi Closed Joint Stock Company)

Notes to the interim condensed consolidated financial statements (continued)
31 March 2025

6- TRANSACTIONS WITH RELATED PARTIES

Related parties include shareholders, affiliates, executive management personnel, and entities controlled, (jointly controlled or significantly influenced by such parties). The processes with the relevant parties and their terms are approved by the Company's management. The following are the statements of transactions with related parties and their balances:

Related Party	Relationship
Najd Roads Contracting Company	Owned by a shareholder

6-1 The following is a statement of significant transactions with related parties:

Related party	Nature of transaction	Transaction Amount for the three-month period ended	
		31 March 2025 (Unaudited) SR	31 March 2024 (Unaudited) SR
Najd Roads Contracting Company	Sales	21,700,200	28,748,947
	Payment on behalf	9,105,204	-
	Purchases	9,105,204	-

6-2 Amounts due from related parties are reflected in the consolidated statement of financial position within current assets and consist of the following:

	31 March 2025 (Unaudited) SR	31 December 2024 (Audited) SR
Najd Roads Contracting Company (owned by a shareholder)	39,887,904	49,934,444

Compensation of key management personnel:

Key management personnel are defined as those who having authority and responsibility for planning, directing, and controlling the activities of the Group (directly or indirectly), including members of the Board of directors and executives. Compensation of members of the Board of Directors and key management personnel includes:

	For the three-month period ended	
	31 March 2025 (Unaudited) SR	31 March 2024 (Unaudited) SR
Allowances and remunerations of the chairman of the board	3,274,295	2,100,000
Short-term salaries and benefits - executive management	319,726	319,726
Allowances and remuneration of members of the board of directors and other committees	95,750	75,000
Employees defined benefit liabilities – Executive management	20,000	20,000
	3,709,771	2,514,726

Saleh Abdulaziz Al Rashed and Sons Company
(A Saudi Closed Joint Stock Company)

Notes to the interim condensed consolidated financial statements (continued)
31 March 2025

7- PREPAYMENTS AND OTHER CURRENT ASSETS

	31 March 2025 (Unaudited) SR	31 December 2024 (Audited) SR
Advance payments to suppliers	24,570,700	10,993,653
Prepaid expenses	11,496,941	9,852,736
Cash advances and covenants	1,738,117	2,243,500
Amounts held as insurance for letters of guarantee	237,500	150,000
	38,043,258	23,239,889
Provision for impairment loss on advances to suppliers	(4,677,428)	-
	33,365,830	23,239,889

8- TRADE RECEIVABLES AND NOTES RECEIVABLES

	31 March 2025 (Unaudited) SR	31 December 2024 (Audited) SR
Trade receivables	73,063,202	50,068,245
Less: provision for expected credit losses	(4,167,373)	(4,415,280)
	68,895,829	45,652,965
Notes receivables	14,000,000	9,289,040
	82,895,829	54,942,005

- Trade receivables are non-interest bearing and are generally due within 30 to 90 days. The carrying amounts may be affected by changes in the credit risk of counterparties.
- The most majority of the Group's trade receivables are concentrated in the Kingdom of Saudi Arabia.
- As at 31 March 2025, trade receivables were impaired by an amount of SR 4,167,373 (31 December 2024: SR 4,415,280), and a provision was recognized accordingly, where necessary.

The movement in the expected credit loss provision during the year was as follows:

	For the three-month period ended 31 March 2025 (Unaudited) SR	For the year ended 31 December 2024 (Audited) SR
At the beginning of the period / year	4,415,280	6,013,282
Reversal for the period / year	(247,907)	(600,308)
Bad debts	-	(997,694)
At the end of the period / year	4,167,373	4,415,280

	Days past due – trade receivables					Total SR
	0-90 days SR	91-180 days SR	181-270 days SR	271-360 days SR	More than 1 year SR	
31 March 2025 (Unaudited)						
Trade receivables	67,419,220	2,147,607	857,729	672,642	1,966,004	73,063,202
Expected credit loss	793,418	408,383	326,926	672,642	1,966,004	4,167,373
31 December 2024 (Audited)						
Trade receivables	43,264,769	2,149,415	2,412,231	976,512	1,265,318	50,068,245
Expected credit loss	684,725	454,280	1,039,135	972,072	1,265,068	4,415,280

Saleh Abdulaziz Al Rashed and Sons Company
(A Saudi Closed Joint Stock Company)

Notes to the interim condensed consolidated financial statements (continued)
31 March 2025

9- SHARE CAPITAL

The Company's capital consists of 18,600,000 shares, each share value SR 10 as at 31 March 2025 (18,600,000 shares, each share value SR 10 as at 31 December 2024).

10- ZAKAT

Zakat expense for the period is determined in accordance with the regulation of the Zakat, Tax and Customs Authority ("ZATCA") and is charged to the interim condensed consolidated statement of profit and loss and other comprehensive income and differences if any, are adjusted in the period in which these differences are determined and in accordance with the requirements of International Accounting Standard No. (8) "Accounting Policies, Changes in Accounting Estimates, and Errors.

Zakat provision movement

	For the three-month period ended 31 March 2025 (Unaudited) SR	For the year ended 31 December 2024 (Audited) SR
At the beginning of the period / year	4,327,794	4,118,000
Charged during the period / year	987,174	4,300,062
Payments during the period / year	(4,133,329)	(4,094,950)
Related to acquisition of a subsidiary	-	4,682
At the end of the period / year	1,181,639	4,327,794

Zakat assessments

Saleh Abdulaziz Al Rashed and Sons Company

The Company has filed its zakat returns with ZATCA for all years up to 2024, settled the related zakat liabilities, and obtained the zakat certificates. The Company has received the zakat assessments up to 2015 and settled the zakat due thereon. The zakat assessments for the remaining years have not yet been received from ZATCA.

Rock Quality Mining Company

The Company has submitted its zakat returns to ZATCA for the years 2021 to 2024, settled the zakat dues accordingly, and obtained the zakat certificates. The zakat assessments for the previous years have not yet been received from ZATCA.

Red Sands Mining Company

The Company has submitted its zakat returns to ZATCA for the period ended 14 November 2023 and the period ended 31 December 2024, settled the zakat dues accordingly, and obtained the zakat certificates. The zakat assessments for the previous periods have not yet been received from ZATCA.

Durrat Al-Mabani Mining Company

The Company submitted its Zakat returns to ZATCA for the period ended 31 December 2024, paid its due zakat and obtained Zakat certificates. Zakat assessments for previous years have not yet been received from ZATCA.

National Shield Mining Company

The Company was established in 20 November 2024, and therefore the Company has not yet filed any zakat returns.

Saleh Abdulaziz Al Rashed and Sons Company
(A Saudi Closed Joint Stock Company)

Notes to the interim condensed consolidated financial statements (continued)

31 March 2025

11- REVENUES

	For the three-month period ended	
	31 March 2025	31 March 2024
	(Unaudited)	(Unaudited)
	SR	SR
Sales of building materials	141,835,854	108,476,021
Spare parts sales	28,865,354	25,015,932
Sales recognized at a point in time	170,701,208	133,491,953

Geographical markets :

	For the three-month period ended	
	31 March 2025	31 March 2024
	(Unaudited)	(Unaudited)
	SR	SR
Inside the Kingdom of Saudi Arabia	170,572,008	133,491,953
Outside the Kingdom of Saudi Arabia	129,200	-
	170,701,208	133,491,953

12- COSTS OF REVENUE

	For the three-month period ended	
	31 March 2025	31 March 2024
	(Unaudited)	(Unaudited)
	SR	SR
Materials and operating supplies	69,362,577	46,498,383
Employees' salaries and related benefits	18,223,047	16,789,344
Depreciation of property, plant and equipment	12,478,961	12,361,733
Maintenance and repair	10,724,969	13,889,462
Government expenses	6,191,946	4,863,032
Transportation expenses	5,791,658	10,360,989
Equipment and sites rental expenses	2,608,299	2,184,463
Insurance expenses	1,290,456	865,966
Service expenses	310,120	317,846
Depreciation of right-of-use assets	349,290	536,124
Slow-moving inventory provision	883,415	-
Amortization of intangible assets	408,278	10,736
Other	2,111,482	907,039
	130,734,498	109,585,117

Saleh Abdulaziz Al Rashed and Sons Company
(A Saudi Closed Joint Stock Company)

Notes to the interim condensed consolidated financial statements (continued)
31 March 2025

13- GENERAL AND ADMINISTRATIVE EXPENSES

	For the three-month period ended	
	31 March 2025 (Unaudited) SR	31 March 2024 (Unaudited) SR
Employees' salaries and related benefits	6,433,656	4,796,116
Provision for impairment loss on advances to suppliers	4,677,428	-
Board of directors and committees' remunerations and allowances	3,370,045	2,175,000
Depreciation of property, plant and equipment	517,663	776,791
Bank expenses	491,925	82,211
Subscriptions expenses	472,333	142,648
Government expenses	377,242	327,348
Insurance expenses	302,754	275,195
Professional fees	249,999	551,058
Depreciation of right of use assets	175,146	-
Services expenses	172,863	134,954
Maintenance expenses	73,371	87,123
Amortizations of intangible assets	35,605	-
Transportation expenses	16,735	140,517
(Reversal) provision for expected credit losses - trade receivables	(247,907)	214,143
Other	197,366	255,602
	17,316,224	9,958,706

14- OTHER INCOME

	For the three-month period ended	
	31 March 2025 (Unaudited) SR	31 March 2024 (Unaudited) SR
Scrap sales	1,179,628	501,864
Gains (losses) of revaluation of investment in equity instruments at fair value through profit or loss	1,126,596	(108,463)
Gain on disposal of property, plant, and equipment	762,108	685,386
Dividends from investment in equity instruments at fair value through profit or loss	53,663	330,739
Exchange rate losses	(1,556)	-
	3,120,439	1,409,526

15- EARNINGS PER SHARE

Earnings per share is calculated by dividing the net profit attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is the same as basic earnings per share since the Company has no diluted shares issued.

	For the three-month period	
	31 March 2025 (Unaudited) SR	31 March 2024 (Unaudited) SR
Profit for the period attributable to shareholders	23,156,731	12,290,190
Weighted average number of outstanding shares	18,600,000	18,600,000
Basic and diluted earnings per share	1.24	0.66

Saleh Abdulaziz Al Rashed and Sons Company
(A Saudi Closed Joint Stock Company)

Notes to the interim condensed consolidated financial statements (continued)
31 March 2025

16- BUSINESS COMBINATIONS

Acquisition of Durrat Al-Mabani Mining Company

In 3 October 2024, the company acquired 100% of the voting shares in Durra Buildings Mining Company (a one-person company), a company specialized in the construction of roads, streets, sidewalks, road supplies, quarrying operations, and the sale of Aggregates and sand. The company acquired Durrat Al-Mabani Mining Company 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 Durrat Al-Mabani Mining Company as of the acquisition date was as follows:

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

The acquisition resulted in the following intangible assets:

- 1- An intangible asset amounting to SR 7,842,248, representing the purchase price allocation for the acquired license, which is amortized over five years from the license date.
- 2- Goodwill amounting SR 73,425. The Company fully impaired the goodwill in the consolidated statement of profit or loss and other comprehensive income during the year ended 31 December 2024.

Saleh Abdulaziz Al Rashed and Sons Company
(A Saudi Closed Joint Stock Company)

Notes to the interim condensed consolidated financial statements (continued)
31 March 2025

16-BUSINESS COMBINATIONS (continued)

Acquisition of Red Sand Mining Company

On 4 October 2024, the Company acquired 100% of the voting equity interest in Red Sand Mining Company (a single-member company), which specializes in quarry operations and the extraction of sand and gravel. The Company acquired Red Sand Mining Company as part of its strategic expansion in the mining sector, significantly broadening the range of products that can be offered to its customers.

Assets acquired and liabilities assumed

The fair value of the identifiable assets and liabilities of Red Sand Mining Company as at the acquisition date was as follows:

	Recognized fair value upon acquisition SR
Assets	
Amounts due from related parties	100,000
Total Assets	100,000
Liabilities	
Accrued expenses and other current liabilities	8,099
Total Liabilities	8,099
Net assets recognizable at book value	91,901
Goodwill	8,099
Consideration paid	100,000

Goodwill arising from the acquisition amounted to SR 8,099. The Company fully impaired the goodwill in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2024.

17- FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the value at which assets could be exchanged or liabilities settled between willing parties under arm's length transaction conditions. Financial instruments consist of financial assets and financial liabilities. The Group's financial assets comprise investments in equity instruments measured at fair value through profit or loss, trade receivables, notes receivable, cash and cash equivalents, and amounts due from a related party, while financial liabilities comprise term loans, trade payables, accrued expenses, other payables, and lease liabilities.

Management has assessed that the fair value of cash and cash equivalents, trade receivables, notes receivable, amounts due from related parties, term loans, trade payables, accrued expenses, other payables, and lease liabilities approximates their carrying amounts, which is largely attributable to the short-term maturity of these instruments.

Investments in equity instruments measured at fair value through profit or loss are classified within Level 1 of the fair value hierarchy. During the current period and the previous year, there were no transfers into or out of Level 2 or Level 3 of the fair value hierarchy.

18- SEGMENT INFORMATION

The Company's operations consist primarily of a single operating segment, which is the building materials sector in all its forms. Accordingly, segment reporting is not applicable. Geographical information related to the Company's revenue is disclosed in (Note 11).

19- INTERIM RESULTS

The operating results for the Three-month period ended 31 March 2025 are not necessarily indicative of the annual results of the Company.

20- DIVIDENDS

During the period, the shareholders approved a dividend distribution amounting to SR 9,300,000 (31 March 2024: Nil).

Saleh Abdulaziz Al Rashed and Sons Company
(A Saudi Closed Joint Stock Company)

Notes to the interim condensed consolidated financial statements (continued)
31 March 2025

21- SUBSEQUENT EVENTS

the management is not aware of any significant subsequent events that would have a material impact on the interim condensed financial statements.

22- APPROVALS OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements for the period ended 31 March 2025 were approved by the board of directors on 2 Thul-Qi'dah 1446H (corresponding to 30 April 2025).

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

**CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
31 December 2024**

SALEH ABDULAZIZ AL RASHED AND SONS COMPANY

(A Closed Joint Stock Company)

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

For the year ended 31 December 2024

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1/3

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

Opinion

We have audited the consolidated financial statements of Saleh Abdulaziz Al Rashed and Sons Company (A closed joint stock company) (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of 31 December 2024 and its consolidated financial performance and consolidated cash flows for the year ended on that date in accordance with the International Financial Reporting Standards 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.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are set out in detail 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) adopted in the Kingdom of Saudi Arabia that is relevant to our audit of the consolidated financial statements. We have also 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.

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 Group'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.

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



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

Auditor's 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 and 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 audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's 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 company'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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content to 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.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the Group audit. We remain solely responsible for our audit opinion.



Maham Company For Professional Services (A Professional limited liability company) CR: 2050240744, Capital: SR 1,000,000. (a member firm of the PC network, which constitutes of legally independent companies).
National address: Dammam, EDGB4292, Landline Numbers: + 966 - 13 - 858 - 9000 Website: maham.com

شركة مهام للاستشارات المهنية (شركة ذات مسؤولية محدودة مهنية)، س.ج. ٢٠٥٠٢٤٠٧٤٤، رأسمال: ١.٠٠٠.٠٠٠ ريال سعودي (عضو في شبكة PC المكونة من شركات مستقلة قانونياً)، العنوان الوطني: الدمام، EDGB4292، الهاتف الأرضي: ٩٠٠٠ - ٨٥٨ - ١٣ + ٩٦٦، الموقع الإلكتروني: maham.com



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

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 internal control that we identify during our audit.

For Maham Company for Professional Services



Abdulaziz Saud Al Shabeebi
Certified Public Accountant
License no (339)
20 Ramadan 1446 H
20 March 2025



Maham Company for Professional Services (A Professional limited liability company) CR: 2050240744, Capital: SR 1,000,000, is a member firm of the PCI network, which constitutes of legally independent companies.
National address: Dammam, 30634292, License Number: 339 - 13 - 854 - 0000 Website: maham.com.sa

شركة مهام للاستشارات المحاسبية (شركة ذات مسؤولية محدودة مضمونة) سجلها: 2050240744، رأس المال: 1.000.000 ريال سعودي، تشكو من شبكة PCI المتكاملة من شركات مستقلة قانونياً. المقر الوطني: الدمام، 30634292، رقم الترخيص: 339 - 13 - 854 - 0000، الموقع الإلكتروني: maham.com.sa

SALEH ABDULAZIZ AL RASHED AND SONS COMPANY

(A Closed Joint Stock Company)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Note	2024 SR	2023 SR
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	205,741,535	193,200,130
Right-of-use assets	7	4,382,276	6,473,941
Intangible assets	8	8,640,267	225,649
TOTAL NON-CURRENT ASSETS		218,764,078	199,899,720
CURRENT ASSETS			
Inventories	9	129,407,966	122,230,132
Trade receivables and notes receivable	10	54,942,005	46,167,327
Prepayments and other current assets	11	23,239,889	22,931,416
Amounts due from related parties	12	49,934,444	20,470,656
Investment in financial instruments at fair value through profit or loss	13	4,476,665	5,341,324
Cash and cash equivalents	14	25,914,252	11,550,030
TOTAL CURRENT ASSETS		287,915,221	228,690,885
TOTAL ASSETS		506,679,299	428,590,605
EQUITY AND LIABILITIES			
EQUITY			
Capital	15	186,000,000	186,000,000
Reserve	16	150,000	150,000
Retained earnings		170,444,464	121,740,560
TOTAL SHAREHOLDERS' EQUITY		356,594,464	307,890,560
Non-controlling interests		19,270	-
TOTAL EQUITY		356,613,734	307,890,560
LIABILITIES			
NON-CURRENT LIABILITIES			
Lease liability - non-current portion	7	1,559,728	3,495,431
Murabaha financing – non-current portion	17	10,666,668	-
Employees defined benefits obligations	18	11,453,509	8,214,327
TOTAL NON-CURRENT LIABILITIES		23,679,905	11,709,758
CURRENT LIABILITIES			
Accounts payable		44,652,404	39,683,665
Amounts due to related parties	12	-	399,500
Accrued expenses and other current liabilities	19	40,808,325	26,036,659
Murabaha financing – current portion	17	34,466,798	35,824,000
Lease liability - current portion	7	2,130,339	2,928,463
Zakat provision	20	4,327,794	4,118,000
TOTAL CURRENT LIABILITIES		126,385,660	108,990,287
TOTAL LIABILITIES		150,065,565	120,700,045
TOTAL LIABILITIES AND EQUITY		506,679,299	428,590,605

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

SALEH ABDULAZIZ AL RASHED AND SONS COMPANY

(A Closed Joint Stock Company)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Note	2024 SR	2023 SR
Revenue	21	599,584,163	498,692,692
Cost of revenue	22	(492,890,316)	(401,343,696)
GROSS PROFIT		106,693,847	97,348,996
EXPENSES			
General and administrative	23	(41,352,014)	(40,732,661)
Selling and marketing	24	(2,137,147)	(2,240,253)
PROFIT FROM OPERATIONS		63,204,686	54,376,082
Financial charges	25	(4,654,704)	(2,669,206)
Other income (loss), net	26	5,437,643	(558,316)
PROFIT BEFORE ZAKAT		63,987,625	51,148,560
Zakat	20	(4,300,062)	(4,090,314)
NET PROFIT FOR THE YEAR		59,687,563	47,058,246
Net profit attributable to:			
Shareholders of the Company		59,688,293	47,058,246
Non-controlling interest		(730)	-
		59,687,563	47,058,246
OTHER COMPREHENSIVE INCOME			
<i>Item not to be reclassified to the Income Statement</i>			
(Loss) gain from remeasurement of defined benefit obligations	18	(1,684,389)	1,657,657
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		58,003,174	48,715,903
EARNING PER SHARE			
Basic and diluted earnings per share from net income attributable to shareholders of the Company	29	3,21	2,53

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

SALEH ABDULAZIZ AL RASHED AND SONS CO
(A Closed Joint Stock Company)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2024

	Attributable to Shareholders of the Company					
	Capital SR	Additional Capital SR	Reserve SR	Retained Earnings SR	Total SR	Non- Controlling Interests SR
1 January 2023	500,000	185,500,000	150,000	73,024,657	259,174,657	-
Net profit for the year	-	-	-	47,058,246	47,058,246	-
Other comprehensive income for the year	-	-	-	1,657,657	1,657,657	-
Total comprehensive income for the year	-	-	-	48,715,903	48,715,903	-
Capital increase	185,500,000	(185,500,000)	-	-	-	-
31 December 2023	186,000,000	-	150,000	121,740,560	307,890,560	-
1 January 2024	186,000,000	-	150,000	121,740,560	307,890,560	-
Net profit for the year	-	-	-	59,688,293	59,688,293	(730)
Other comprehensive loss	-	-	-	(1,684,389)	(1,684,389)	-
Total comprehensive income for the year	-	-	-	58,003,904	58,003,904	(730)
Non-controlling interest arising from business combinations	-	-	-	-	-	20,000
Dividends	-	-	-	(9,300,000)	(9,300,000)	-
31 December 2024	186,000,000	-	150,000	170,444,464	356,594,464	19,270
					356,613,734	

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

SALEH ABDULAZIZ AL RASHED AND SONS COMPANY

(A Closed Joint Stock Company)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	2024 SR	2023 SR
OPERATING ACTIVITIES		
Profit before zakat	63,987,625	51,148,560
Amendments to:		
Depreciation of property, plant and equipment	51,113,650	36,312,488
Depreciation of right-of-use assets	2,125,819	1,270,868
Amortization of intangible assets	599,947	64,849
Provision for defined benefit obligations – provided	2,603,085	1,970,737
Finance costs	4,654,704	2,669,206
(Reversed) provision for expected credit losses	(600,308)	4,581,881
Provision for slow-moving inventory	2,001,329	247,923
(Gain) loss from revaluation of investments in financial instruments at fair value through profit or loss	(324,691)	1,388,976
Gains on disposal of property, plant, and equipment	(1,386,335)	(827,053)
Losses on disposal of intangible assets	3,933	-
Gains on disposal of right-of-use assets	(4,413)	-
	124,774,345	98,828,435
Changes in operating assets and liabilities:		
Trade receivables and notes receivable	(8,174,370)	(13,386,932)
Prepayments and other current assets	(158,473)	22,749,660
Inventories	(9,179,163)	(46,090,345)
Trade payables	4,968,739	10,563,528
Amounts due from / to related parties	(29,825,792)	8,613,393
Accrued expenses and other current liabilities	14,752,576	(18,699,095)
Cash flow from operating activities	97,157,862	62,578,644
Zakat payments	(4,094,950)	(1,966,391)
Employees defined benefit obligations paid	(1,423,663)	(1,897,438)
Finance costs paid	(3,783,011)	(1,949,353)
Net cash from operating activities	87,856,238	56,765,462
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(59,986,170)	(100,709,309)
Additions to intangible assets	(7,874,248)	(17,400)
Proceeds from disposal of property, plant, and equipment	4,484,476	6,445,587
Additions to investments in financial instruments at fair value through profit or loss	(3,679,289)	(5,512,600)
Proceeds from sale of investments in financial instruments at fair value through profit or loss	4,868,639	1,625,732
Investment in subsidiaries, net of consideration Paid	(8,055,000)	413,043
Net cash used in investing activities	(70,241,592)	(97,754,943)
FINANCING ACTIVITIES		
Repayment of lease liability	(3,259,890)	(1,623,629)
Murabaha financing – proceeds	163,882,034	51,760,091
Murabaha financing – repayments	(154,572,568)	(15,936,091)
Dividends	(9,300,000)	-
Net cash (used in) from financing activities	(3,250,424)	34,200,371
NET INCREASE (DECREASE) IN IN CASH AND CASH EQUIVALENTS	14,364,222	(6,789,110)
Cash and cash equivalents at the beginning of the year	11,550,030	18,339,140
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	25,914,252	11,550,030

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

SALEH ABDULAZIZ AL RASHED AND SONS COMPANY

(A Closed Joint Stock Company)

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the year ended 31 December 2024

	2024 SR	2023 SR
NON-CASH TRANSACTIONS:		
Transfer from inventory to property, plant and equipment	(7,911,276)	(6,196,476)
Loss (gain) on remeasurement of employees defined benefit obligations	1,684,389	(1,657,657)
Additions to lease contracts and lease liabilities	1,158,454	7,744,809
Transfer from property, plant and equipment to intangible assets	1,144,250	-

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2024

1- GENERAL INFORMATION

Saleh Abdulaziz Al-Rashed and Sons Company (the "Company") is a closed 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 gravel; 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.

During 2023, the Company was transformed from a limited liability company into a closed joint-stock company with its rights and obligations, while maintaining the same commercial registration number and without changing the fiscal year. The regulatory procedures were completed on 29 Jumada Al-Akhirah 1444 H, corresponding to 22 January 2023. The Company increased its capital to become 186 million Saudi riyals (18,600,000 shares), with a share value of 10 Saudi riyals.

The Company operates through the following branches:

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	1010624636	05/06/1441 H	Riyadh
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	1011149858	14/10/1443 H	Al-Kharj
Saleh Abdulaziz Al-Rashed and Sons Company	1010773510	15/06/1443 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	4030246026	25/06/1434 H	Jeddah
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
Saleh Abdulaziz Al-Rashed and Sons Company Branch	4650227710	27/06/1442 H	Medina
Saleh Abdulaziz Al-Rashed and Sons Company	3554102049	07/08/1444 H	Tayma
Saleh Abdulaziz Al-Rashed and Sons Company	1011153066	03/11/1444 H	Al-Kharj

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

Company	Country of incorporation	Direct and actual ownership percentage	
		2024	2023
Quality Rocks Mining Company (One Person Company)	Riyadh	100%	100%
Company Al-Rammal Al-Hamra Company for Mining (One Person Company) (A)	Riyadh	100%	-
Dorra Al-Mobani Company for Mining (One Person Company) (B)	Riyadh	100%	-
National Shield Mining Company (Limited Liability Company) (C)	Riyadh	80%	-

- On 3 October 2024, the Company acquired 100% of the voting shares of Dorra Al-Mobani Company for Mining (a one-person company), a company specializing in the construction of roads, streets, sidewalks, and road supplies, operating quarries, and selling gravel and sand, registered under Commercial Registration No. 1010817100 dated 7 Muharram 1444H (corresponding to 5 August 2022) (Note 28).
- On 4 October 2024, the Company acquired 100% of the voting shares of Company Al-Rammal Al-Hamra Company for Mining (a one-person company), a company specializing in the operation of quarries and sand or gravel mines, registered under Commercial Registration No. 1010849331 dated 3 Jumada Al-Awwal 1444 H (corresponding to 22 December 2022) (Note 28).

SALEH ABDULAZIZ AL RASHED AND SONS COMPANY

(A Closed Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

31 December 2024

1- GENERAL INFORMATION (Continued)

- c) On 20 November 2024, the Company decided to establish the National Shield Mining Company (a limited liability company). The company specializes in operating quarries, sand or gravel mines, crushers, and land freight transportation, and is registered under Commercial Registration No. 1009138756 dated 18 Jumada Al-Awwal 1446 H, corresponding to 20 November 2024.

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, which is the functional currency of the Group.

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 2024, and which have no impact on the Group's financial statements:

Amendments to IAS 1: Classification of Liabilities as Current or Non-Current

Amendments to improve the information provided by an entity regarding compliance with the conditions that an entity must comply with during the twelve-month period following the reporting period on the classification of liabilities.

Amendments to IAS 7 and IFRS 7: Disclosure of Supplier Financing Arrangements

Disclosures to enhance the transparency of supplier arrangements and their effects on an entity's liabilities, cash flows, and exposure to liquidity risk.

Amendments to IFRS 16: Lease Liabilities in Sale and Leaseback Transactions

Amendments to clarify how an entity accounts for sale and leaseback transactions after the transaction date to ensure that a lessee-seller does not recognize any gain or loss related to the right to use and retain the asset.

2-5 Standards issued but not yet effective

The following are new standards and amendments to standards effective for annual periods beginning on or after 1 January 2025, with early adoption permitted. However, the Group has not applied them in preparing these financial statements. The Group is currently evaluating the impact of applying these standards on its consolidated financial statements, and these standards and interpretations are not expected to have any material impact on the Group at the date of their effective date.

Standard, amendment, or interpretation

Effective Date

Amendments to IAS 21: Non-Exchangeability of Currency for a Foreign Currency.	1 January 2025
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

SALEH ABDULAZIZ AL RASHED AND SONS COMPANY

(A Closed Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

31 December 2024

3- BASIS OF CONSOLIDATION OF 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 2024. 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 it controls 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 begins when the Group gains control over the subsidiary and ceases when the Group ceases to exercise 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.

Profit or loss and each component of other comprehensive income 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 into line with those of the Group. All inter-group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between Group companies are eliminated in full on 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

- Derecognizing the assets (including goodwill) and liabilities of the subsidiary
- Derecognizing the carrying amount of any non-controlling interest
- Recognizing the fair value of the consideration received
- Recognizing the fair value of any investment retained
- Recognizing any surplus or deficit in profit or loss

Reclassifying shareholders' share of items previously recognized in other 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 JUDGMENTS, ASSUMPTIONS AND ESTIMATES

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

4-1 Key sources of accounting 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.

SALEH ABDULAZIZ AL RASHED AND SONS COMPANY

(A Closed Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

31 December 2024

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

4-1 Key sources of accounting estimation uncertainty

Determining the lease term of contracts with renewal and termination options

Management of the Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgment 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).

Estimated useful lives of property, plant and equipment

The Group's management determines the estimated useful lives of its property, plant and equipment. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives as necessary, and future depreciation charges are adjusted when 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 expected credit losses on trade receivables. The provision rates are determined based on days past due for groupings of various customer segments that have similar loss patterns (i.e., geographic region, product type, customer type, price, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on observed historical default rates. The Group calibrates the matrix to adjust historical credit losses for forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year, which can lead to an increased number of defaults in the entertainment sector, the historical default rates are adjusted. At each consolidated reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of expected credit losses is affected by changes in circumstances and of forecast economic conditions. The Group's past credit losses and estimated economic conditions may not be representative of a customer's actual default in the future.

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 at arm's length for similar assets or observable market prices less costs incidental 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 judgment 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).

Employee end of service benefits

The present value of employee defined benefits depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used to determine the net cost (income) for termination of service include the discount rate. Note that any changes in these assumptions will affect the carrying value of employee defined benefits.

The Group determines the appropriate discount rate at the end of the year; this is the interest rate used to determine the fair value of the expected future cash flows expected to be required to settle the obligations.

SALEH ABDULAZIZ AL RASHED AND SONS COMPANY

(A Closed Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

31 December 2024

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

4-1 Key sources of accounting estimation uncertainty

Contingent liabilities

By their nature, contingent liabilities 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 on the basis of 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 included in the consolidated statement of financial position represents management's best estimate of the outstanding obligation for the years not yet agreed upon with the Zakat, Tax, and Customs Authority.

The zakat base has been calculated based on management's understanding of the zakat and tax regulations that are applied the Kingdom of Saudi Arabia. Zakat and tax regulations in the Kingdom of Saudi Arabia are subject to different interpretations. 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:

- it expects to realize the asset, or intends to sell or consume it, in the Group's normal operating cycle;
- it holds the asset primarily for the purpose of trading;
- it expects to realize the asset within twelve months after the reporting date; or
- the asset is cash at banks, 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:

- it expects to settle the liability in the Group's normal operating cycle;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting date; or
- 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.

Inventory

Inventory is initially measured at cost, which includes purchase costs, conversion costs and other costs incurred in bringing the inventory to its 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 cost or net realizable value, whichever is lower.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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5- MATERIAL ACCOUNTING POLICIES (continued)

Inventory (continued)

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 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. At initial recognition, transaction costs directly related 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:

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 they meet both of the following conditions and are not carried at fair value through profit or loss:

- Acquiring the financial asset within the business model for the purpose of acquiring financial assets to collect contractual cash flows; and
- The contractual terms of the financial asset, at specified dates, result in cash flows that consist solely of payments of principal and interest on the principal outstanding.

Subsequently measured at amortized cost using the actual commission rate method and subject to impairment. Gains and losses on profit and loss are recognized in the consolidated statement of profit and loss and other comprehensive income when an asset is derecognized, adjusted 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 are not reclassified after initial recognition, except for the period following a change in the business model for managing financial assets.

Impairment of financial assets

The Group applies the simplified method prescribed in IFRS 9 to measure expected credit losses over the life of trade receivables. Expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit losses, adjusted for the factors of the debtors, general economic conditions, and the assessment of both the current and expected market trends at the date of the financial statements, including the time value of money if appropriate.

Derecognition of financial assets

The Group ceases to prove financial assets only when the rights related to receiving cash flows from the assets or the Group transfers the financial assets and all the risks and benefits associated with the asset owner to another party. In cases where the Group does not transfer or retain all the risks and benefits associated with the owner or in which control over the asset is not transferred, the Group proves the remaining share in the asset and the related liability by the amount it is required to pay. If the Group retains all the risks and benefits associated with the transferred financial asset owner, the Group continues to recognize the financial asset.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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5- MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Derecognition of financial assets (continued)

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 at initial recognition are classified at fair value through profit or loss if they are classified as financial liabilities acquired for trading purposes or as derivatives or have been designated as such on initial recognition.

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

Subsequent measurement for financial liabilities

All liabilities of the Group are measured at amortized cost.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. 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 comprehensive income.

Offsetting 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 carried 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 Company. 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. Key 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 operational asset class when these items are available for use.

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5- MATERIAL ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

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

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:

<u>Intangible Assets Category</u>	<u>years</u>
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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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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.

iii) 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 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 an 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 immediately in the consolidated statement of comprehensive income.

Employees benefits

Short-term employees' benefits

A liability is recognized of commitment to pay the benefits due to employees on salaries, wages, annual leaves and travel tickets expected to be paid in full within twelve months after the end of the period during which employees provide related services. The liability for the undiscounted amount of the benefits expected to be paid for those services.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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5- MATERIAL ACCOUNTING POLICIES (continued)

Employees benefits (continued)

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 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 the 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 Company 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 VAT when the VAT incurred on the purchase of assets or services is not recoverable from the Authority. In this case, VAT is recognized as part of the cost of acquiring the asset or as part of the expense item, as the case may be. Receivables and payables are proved with VAT included. The net amount of recoverable or payable VAT shall be included as part of receivables or payables in the consolidated statement of financial position.

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 fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic 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 whose fair values are measured or disclosed in the consolidated financial statements are classified in the fair value hierarchy and disclosed below, based on the lowest level input that is considered significant to the measurement as a whole:

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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5- MATERIAL ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

- First level: quoted (unadjusted) in active markets for similar assets and liabilities that can be obtained on the measurement date.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly 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 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 year. The Group determines the policies and procedures for measuring both the fair value of recurring and non-recurring items.

On the date of each reporting date, the Group analyzes the changes in the values of assets and liabilities that need to be re-measured or re-assessed in accordance with the Group's accounting policies. For this analysis, the Group verifies the key inputs applied in the last assessment by matching the information in the valuation calculation with the contracts and other relevant documents. The Group also compares the change in the fair value of each asset or liability with other external factors to determine whether the change is reasonable for fair value purposes and disclosures. The Group has identified the categories of assets and liabilities based on the nature, characteristics, and risks of the asset or liability and the level of the fair value hierarchy as described above.

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.

In some cases, the Group identifies delivery services as a distinct and identifiable component of the sale of goods. Revenue from these services is recognized when the Group transfers control of the goods at the Group's loading locations and provides delivery services to the buyer's location. The Group allocates a portion of the total transaction price to the delivery services based on the best estimate of similar independent services.

Other revenue

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

Cost of revenue

All expenses are recognized on the accrual basis. Operating costs are recognized on the historical cost basis. Direct production and manufacturing costs are classified as cost of sales. This includes raw materials, direct labor, and other attributable overhead costs.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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5- MATERIAL ACCOUNTING POLICIES (continued)

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 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.

Foreign currency transactions

Transactions in foreign currencies shall be converted to Saudi Riyals using the prevailing exchange rates at the time of such transactions. Cash assets and liabilities denominated in foreign currencies are translated into Saudi Riyals using the prevailing exchange rates as at the date of the report. For non-monetary assets and liabilities measured at fair value in a foreign currency, they are translated into the activity currency using exchange rates at the date of determination of fair value. Non-monetary items measured at historical cost in a foreign currency are translated on the basis of exchange rates at the transaction date. Gains and losses resulting from changes in exchange rates are recognized in the consolidated statement of profit and loss and other comprehensive income.

Dividend distributions

Final dividends are recognized as a liability upon their approval by the general assembly. 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.

Segment 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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6- PROPERTY, PLANT AND EQUIPMENT

	Land SR	Buildings and caravans SR	Machinery and equipment SR	Vehicles SR	Furniture and fixture SR	Electrical appliances SR	Leasehold improvements SR	Projects in progress SR	Total SR
Cost:									
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)
At 31 December 2024	1,752,000	29,590,637	203,460,668	168,745,141	8,662,997	3,655,221	2,816,957	428,513	419,112,134
Accumulated depreciation:									
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)
At 31 December 2024	-	9,415,177	134,043,785	60,386,932	5,484,740	2,329,989	1,709,976	-	213,370,599
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

In 1 January 2024, the Group's management amended the useful life of buildings and caravans to 10-20 years instead of 20 years, machinery and equipment to 5 years instead of 7 years, vehicles and trucks to 5-7 years instead of 5 years, and furniture and fixture to 4 years instead of 10 years. This amendment resulted in an increase in depreciation expense of SR 3,888,554.

Land includes land registered in the name of Abdulaziz Saleh Al-Rashed (shareholder) with a value of SR 1,200,000 (2023: SR 1,200,000). The legal procedures for transferring ownership of the land to the Company had not been completed as of the date of issuance of the consolidated financial statements.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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6- PROPERTY, PLANT AND EQUIPMENT (continued)

	Lands SR	Buildings and Caravans SR	Machinery and equipment SR	Vehicles SR	Furniture and fixture SR	Electrical appliances SR	Leasehold improvements SR	Projects in progress SR	Total SR
Cost:									
1 January 2023	1,752,000	20,361,111	178,210,597	73,482,243	5,182,536	2,698,440	2,064,346	1,947,228	285,698,501
Additions	-	2,157,639	19,935,974	54,059,337	2,927,602	1,244,193	31,145	20,353,419	100,709,309
Transfer from inventory	-	5,151,210	1,045,266	-	-	-	-	-	6,196,476
Transferred from projects in progress	-	2,352,676	18,398,519	-	-	-	-	(20,751,195)	-
Disposals	-	(8,200)	(1,240,704)	(7,709,409)	(13,199)	(99,892)	(65,434)	-	(9,136,838)
At 31 December 2023	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
Accumulated depreciation									
1 January 2023	-	6,659,680	108,178,402	35,781,653	3,826,603	1,844,814	1,181,982	-	157,473,134
Charged for the year	-	1,363,849	17,968,229	15,131,839	1,264,136	402,673	181,762	-	36,312,488
disposals	-	(3,497)	(1,240,701)	(2,163,601)	(12,502)	(84,000)	(14,003)	-	(3,518,304)
At 31 December 2023	-	8,020,032	124,905,930	48,749,891	5,078,237	2,163,487	1,349,741	-	190,267,318
Net book value:									
As at 31 December 2023	1,752,000	21,994,404	91,443,722	71,082,280	3,018,702	1,679,254	680,316	1,549,452	193,200,130

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

	2024 SR	2023 SR
Cost of revenue	49,017,229	34,596,347
General and administrative expenses	2,096,421	1,716,141
	51,113,650	36,312,488

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(A Closed Joint Stock Company)

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31 December 2024

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:

	2024 SR	2023 SR
Cost:		
As at the beginning of the year	7,744,809	-
Additions	1,158,454	7,744,809
Disposals	(1,224,633)	-
	<u>7,678,630</u>	<u>7,744,809</u>
Accumulated depreciation		
As at the beginning of the year	1,270,868	-
Charge for the year	2,125,819	1,270,868
Disposals	(100,333)	-
	<u>3,296,354</u>	<u>1,270,868</u>
Net book value:		
At the end of the year	<u>4,382,276</u>	<u>6,473,941</u>

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

	2024 SR	2023 SR
Cost of revenue	1,359,903	747,033
General and administrative expenses	765,916	523,835
	<u>2,125,819</u>	<u>1,270,868</u>

b) Lease liabilities

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

	2024 SR	2023 SR
At the beginning of the year	6,423,894	-
Additions	1,158,454	7,744,809
Finance costs	496,322	302,714
Disposals	(1,128,713)	-
Amounts paid	(3,259,890)	(1,623,629)
	<u>3,690,067</u>	<u>6,423,894</u>
Current portion of lease liabilities	2,130,339	2,928,463
Non-current portion of lease liabilities	1,559,728	3,495,431
	<u>3,690,067</u>	<u>6,423,894</u>

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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 SR	Mining license SR	2024 SR	2023 SR
Cost:				
At 1 January	755,102	-	755,102	737,702
Additions - note (1 & 28)	32,000	7,842,248	7,874,248	17,400
Transferred from projects in progress	1,144,250	-	1,144,250	-
Disposals	(154,769)	-	(154,769)	-
As at 31 December	1,776,583	7,842,248	9,618,831	755,102
Accumulated Amortization:				
At 1 January	529,453	-	529,453	464,604
Charge for the year	126,708	473,239	599,947	64,849
Disposals	(150,836)	-	(150,836)	-
As at 31 December	505,325	473,239	978,564	529,453
Net book value:				
As at 31 December	<u>1,271,258</u>	<u>7,369,009</u>	<u>8,640,267</u>	<u>225,649</u>

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

	2024 SR	2023 SR
Cost of revenue	485,309	64,849
General and administrative expenses	114,638	-
	<u>599,947</u>	<u>64,849</u>

9- INVENTORY

	2024 SR	2023 SR
Finished goods	94,541,500	90,197,578
Spare parts	28,551,926	20,114,201
Raw materials	9,349,385	10,439,291
Production in progress	6,634,617	9,147,195
	139,077,428	129,898,265
Less: Provision for impairment of inventory	(9,669,462)	(7,668,133)
	<u>129,407,966</u>	<u>122,230,132</u>

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9- INVENTORY (continued)

The movement in impairment provision is as follows:

	2024 SR	2023 SR
At the beginning of the year	7,668,133	7,420,210
Provided during the year	2,001,329	247,923
At the end of the year	9,669,462	7,668,133

10- TRADE RECEIVABLES AND NOTES RECEIVABLE

	2024 SR	2023 SR
Trade receivables	50,068,245	52,180,609
Less: provision for expected credit losses	(4,415,280)	(6,013,282)
	45,652,965	46,167,327
Note receivables (*)	9,289,040	-
	54,942,005	46,167,327

(*) Notes receivables were collected following the date of financial position.

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

	2024 SR	2023 SR
At the beginning of the year	6,013,282	1,456,025
(Reversal of provision) charged for the year	(600,308)	4,581,881
Written off	(997,694)	(24,624)
at the end of the year	4,415,280	6,013,282

	Days past due – trade receivables					Total SR
	0-90 days SR	SR 91-180 days	181-270 days SR	271-360 days SR	More than 1 year SR	
2024						
Total Amount	43,264,769	2,149,415	2,412,231	976,512	1,265,318	50,068,245
2023						
Total Amount	44,214,106	4,300,374	1,657,907	405,328	1,602,894	52,180,609

Based on past experience, it is expected that all unimpaired receivables will be recovered.

11- PREPAYMENTS AND OTHER CURRENT ASSETS

	2024 SR	2023 SR
Advance payments to suppliers	10,993,653	11,659,832
Prepaid Expenses	9,852,736	5,585,569
Cash advances and covenants	2,243,500	2,945,995
Provision of bank guarantees	150,000	-
Deferred costs	-	2,740,020
	23,239,889	22,931,416

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12- TRANSACTIONS WITH RELATED PARTIES

Related parties include shareholders, affiliates, executive management personnel, and entities controlled, (jointly controlled or significantly influenced by such parties). The processes with the relevant parties and their terms are approved by the Company's management. The following are the statements of transactions with related parties and their balances:

Related Party	Relationship
Najd Roads Contracting Company	Owned by a shareholder
Mohammed Abdulaziz Saleh Al-Rashed	Former partner in a subsidiary

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

Related party	Nature of transaction	Transaction Amount	
		2024 SR	2023 SR
Najd Roads Contracting Company	Sales	116,930,704	106,091,964
Mohammed Abdulaziz Saleh Al-Rashed	Balance payment	399,500	-

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

	2024 SR	2023 SR
Najd Roads Contracting Company (owned by a shareholder)	49,934,444	20,470,656

Amounts due to related parties are shown in the consolidated statement of financial position within current liabilities, consist of the following:

	2024 SR	2023 SR
Mohammed Abdulaziz Saleh Al-Rashed	-	399,500

Compensation of key management personnel:

Key management personnel are defined as those who having authority and responsibility for planning, directing, and controlling the activities of the Group (directly or indirectly), including members of the Board of directors and executives. Compensation of members of the Board of Directors and key management personnel includes:

	2024 SR	2023 SR
Chairman of the board of directors' allowances and bonuses	9,460,891	8,083,173
Short-term salaries and benefits - executive management	1,280,000	1,354,056
Allowances and remuneration of members of the board of directors and other committees	572,500	300,000
Employee defined benefit obligations – executive management	80,000	217,443
	11,393,391	9,954,672

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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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	
	2024	2023
	SR	SR
Osool and Bakheet Investment Company	2,509,400	1,898,388
Knowledge Network Computer Company	1,356,070	1,595,376
Al Saif Gallery Company	-	1,189,350
Saudi Limestone Industries Company	611,195	658,210
	4,476,665	5,341,324

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

	2024	2023
	SR	SR
At the beginning of the year	5,341,324	2,843,432
Additions	3,679,289	5,512,600
Disposals	(4,868,639)	(1,625,732)
Revaluation gain (loss)	324,691	(1,388,976)
At the end of the year	4,476,665	5,341,324

The fair value of investments in equity instruments carried at fair value through profit or loss is determined by reference to published price quotations in an active market.

14- CASH AND CASH EQUIVALENTS

	2024	2023
	SR	SR
Bank balances	25,575,209	11,499,542
Cash in investment portfolio	339,043	50,488
	25,914,252	11,550,030

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

15- CAPITAL

The Company's capital consists of 18,600,000 shares, each share value 10 Saudi Riyals as at 31 December 2024 (18,600,000 shares, each share value 10 Saudi Riyals as at 31 December 2023), distributed as follows:

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

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16- RESERVE

During 2023, 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 2024.

	2024 SR	2023 SR
Current portion of Murabaha financing	34,466,798	35,824,000
Non-current portion of Murabaha financing	10,666,668	-
	45,133,466	35,824,000

Finance costs charged to the consolidated statement of profit or loss and other comprehensive income for the fiscal year ended 31 December 2024 amounted SR 3,783,011 (31 December 2023: SR 1,949,353).

18- EMPLOYEE BENEFIT OBLIGATIONS

The Group grants defined benefit obligations ("Benefit Program") to its employees subject to the requirements of the Labor Law in the Kingdom of Saudi Arabia. The benefits granted under this benefits program represent a lump sum calculated on the basis of the employees' last salaries and allowances and their accumulated years of service at the date of termination of service.

Benefit obligations recognized in the consolidated statement of financial position for employees' end-of-service benefits are stated at the present value of the defined benefit obligations at the date of reporting date of the consolidated financial statements. The most recent actuarial valuation was performed by an independent qualified actuary using the projected unit credit method.

	2024 SR	2023 SR
As at the beginning of the year	8,214,327	9,381,546
Current service cost	2,603,085	1,970,737
Financing costs	375,371	417,139
Payments	(1,423,663)	(1,897,438)
Loss (gain) on remeasurement charged to other comprehensive income	1,684,389	(1,657,657)
As at end of year	11,453,509	8,214,327

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

	2024	2023
Discount rate	5.5%	5.5%
Salary increases rate	4%	2%

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18- EMPLOYEE BENEFIT OBLIGATIONS (continued)

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	2024	2023
Discount rate	+1%	10,769,442	7,782,943
	-1%	12,233,105	8,697,372
Salary increases rate	+1%	12,294,639	8,709,811
	-1%	10,703,241	7,764,801

19- ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	2024 SR	2023 SR
Accrued Expenses	21,467,924	14,853,072
Advance payments from customers	6,491,487	5,549,867
VAT	4,197,460	2,260,706
Other	8,651,454	3,373,014
	<u>40,808,325</u>	<u>26,036,659</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

The zakat charged for the year amounted to SR 4,300,062 (2023: SR 4,090,314).

b. Movement of Zakat provision:

	2024 SR	2023 SR
At the beginning of the year	4,118,000	1,990,034
Charged during the year	4,300,062	4,090,314
Paid during the year	(4,094,950)	(1,966,391)
Related to Acquisition of Subsidiaries	4,682	4,043
At the end of the year	<u>4,327,794</u>	<u>4,118,000</u>

c. Zakat position:

Saleh Abdulaziz Al-Rashed and Sons Company

The Company submitted its Zakat returns to the Zakat, Tax and Customs Authority "ZATCA" for all years until 2023, 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 the Authority yet.

Rock Quality Mining Company

The Company submitted its Zakat returns to the ZATCA for all years until 2023, paid its due zakat and obtained Zakat certificates. Zakat assessments for previous years have not yet been received from ZATCA.

Company Al-Rammal Al-Hamra Company for Mining

The Company submitted its Zakat returns to the ZATCA for all years until 2023, paid its due zakat and obtained Zakat certificates. Zakat assessments for previous years have not yet been received from ZATCA.

Dorra Al-Mobani Company for Mining

The Company submitted its Zakat returns to the ZATCA for all years until 2023, paid its due zakat and obtained Zakat certificates. Zakat assessments for previous years have not yet been received from ZATCA.

National Shield Mining Company

The Company was established in 20 November 2024, and therefore the Company has not yet filed any zakat returns.

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21- REVENUE

	2024 SR	2023 SR
Sales of building materials	491,623,636	383,599,606
Sales of spare parts	107,960,527	115,093,086
Sales are recognized at a point in time	599,584,163	498,692,692

Geographical markets:

	2024 SR	2023 SR
In Kingdom of Saudi Arabia	599,091,517	498,692,692
Outside Kingdom of Saudi Arabia	492,646	-
	599,584,163	498,692,692

22- COST OF REVENUE

	2024 SR	2023 SR
Materials and operating supplies	237,020,458	175,439,216
Salaries, wages and related benefits	67,827,078	57,882,819
Maintenance and repair	58,989,556	48,151,465
Depreciation of property, plant and equipment	49,017,229	34,596,347
Transportation	34,720,254	49,918,829
Government expenses	22,676,939	16,585,520
Equipment rental	9,213,724	9,603,072
Insurance expenses	3,695,133	2,826,781
Slow-moving inventory provision	2,001,329	247,923
Service expenses	1,682,580	1,864,952
Depreciation of right-of-use assets	1,359,903	747,033
Amortization of intangible assets	485,309	64,849
Other	4,200,824	3,414,890
	492,890,316	401,343,696

23- GENERAL AND ADMINISTRATIVE EXPENSES

	2024 SR	2023 SR
Salaries of employees and related benefits	29,464,701	26,348,023
Fees and consultations	2,438,122	931,589
Depreciation of property, plant and equipment	2,096,421	1,716,141
Subscriptions	1,617,711	652,544
Government expenses	1,196,110	1,014,006
Insurance	1,135,104	989,516
Depreciation of right-of-use assets	765,916	523,835
Service expenses	610,054	580,992
Bank expenses	608,424	537,931
Short-term lease	387,398	533,070
Transportation	320,365	594,578
Maintenance	297,495	445,764
Amortization of intangible assets	114,638	-
(Reversal) provision for expected credit losses - trade receivables	(600,308)	4,581,881
Other	899,863	1,282,791
	41,352,014	40,732,661

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24- SELLING AND MARKETING EXPENSES

	2024 SR	2023 SR
Sale commissions	1,374,146	1,634,735
Advertising	763,001	605,518
	<u>2,137,147</u>	<u>2,240,253</u>

25- FINANCING COSTS

	2024 SR	2023 SR
Financial charges on Murabaha financing	3,783,011	1,949,353
Finance costs related to lease liabilities	496,322	302,714
Finance costs related to employee benefits	375,371	417,139
	<u>4,654,704</u>	<u>2,669,206</u>

26- OTHER REVENUE (LOSSES), NET

	2024 SR	2023 SR
Scrap sales	2,054,753	363,341
Gain on disposal of property, plant, and equipment	1,386,335	827,053
Profit (losses) on the sale of investment in financial instruments at fair value through profit or loss	1,733,257	(179,872)
Gains (losses) of revaluation of investment in financial instruments at fair value through profit or loss	324,691	(1,388,976)
Gains on disposal of right-of-use assets	4,413	-
Losses on disposal of intangible assets	(3,933)	-
Foreign currency losses	(61,873)	(179,862)
	<u>5,437,643</u>	<u>(558,316)</u>

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, note 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.

The Group recognizes transfers between the levels of the fair value hierarchy at the end of the fiscal year during which the change occurs. There were no transfers between levels 1, 2 or 3 during the year ended 31 December 2024 (31 December 2023: the same). As at the reporting date, there were no Level 1, 2 or 3 assets or liabilities.

28- BUSINESS COMBINATIONS

Acquisition of Dorra Al-Mobani Company for Mining

In 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 gravel and sand. The Company acquired Durrat Al-Mabani Mining Company as it plans to expand products in the mining sector.

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28- BUSINESS COMBINATIONS (continued)

Assets acquired and liabilities assumed

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

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

The acquisition resulted in the following intangible assets:

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

Acquisition of Company Al-Rammal Al-Hamra Company for Mining

In 4 October 2024, the Company acquired 100% of the voting shares in Company Al-Rammal Al-Hamra 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 gravel and sand. The Company acquired Company Al-Rammal Al-Hamra Company for Mining as it plans to expand products in the mining sector.

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28- BUSINESS COMBINATIONS (continued)

Assets acquired and liabilities assumed

The fair value of the identifiable assets and liabilities assumed for the acquisition of Company Al-Rammal Al-Hamra Company for Mining as of the acquisition date was as follows:

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

The acquisition resulted in goodwill of SR 8,099. The Company amortized the full value of goodwill in the profit or loss statement and consolidated 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.

	2024 SR	2023 SR
Dividends for the year attributable to shareholders	59,688,293	47,058,246
Weighted average number of outstanding shares	18,600,000	18,600,000
Basic and diluted earnings per share	<u>3.21</u>	<u>2.53</u>

The weighted average number of shares was calculated as if the capital increase had taken place as of the beginning of 2023, as the capital increase did not result from an injection of funds from outside the company, in accordance with the requirements of the International Financial Reporting Standards adopted in the Kingdom of Saudi Arabia.

30- CONTINGENCIES AND COMMITMENTS

As at 31 December 2024, the Group had outstanding letters of guarantee amounting SR 12,836,091, and the guarantees against the letters of guarantee amounted SR 150,000 (31 December 2023: outstanding letters of guarantee amounting SR 12,418,750 and no cash guarantee).

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31 December 2024

31- FAIR VALUE 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 shares 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) Shares price risk

Shares price risk represents the risk resulting from the fluctuation in the value of financial instruments as a result of changes in market prices. The Group's investments are exposed to market price risk resulting from uncertainty about future prices. Management manages these risks by diversifying the investment portfolio in terms of sector concentrations.

B) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Market risk includes three types of risks: financing cost price risk, foreign exchange 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.

A reasonably possible change in commission rates of 50 basis points, with all other variables held constant, for commission-with Murabaha financing would have an impact on the consolidated statement of profit or loss and other comprehensive income of SR 248,941 (2023: SR 119,413).

Foreign exchange rate risk

Foreign exchange risk is the risk that the fair value or future cash flows will fluctuate due to changes in foreign exchange rates. Management monitors fluctuations in foreign exchange rates, and the Group believes it is not exposed to significant currency risk, as it does not conduct significant transactions in foreign currencies other than the Saudi Riyal and the US Dollar.

Commodity price risks

Commodity price risk is the risk associated with changes in the prices of certain commodities, primarily diesel and bitumen, which could have an adverse impact on the Group's costs and cash flows. This commodity price risk arises from anticipated purchases of certain raw materials used in the Group's operations. The Group manages commodity price risk by regularly monitoring global commodity markets to determine appropriate measures to mitigate exposure to commodity price risk.

C) Credit Risk

Credit risk is the risk that a party fail to discharge its obligations, resulting in a financial loss to the other party. The Company seeks to manage credit risks related to banks by dealing only with banks with a good reputation, and in terms of receivables, a continuous credit risk assessment is conducted for credit risks related to receivables.

SALEH ABDULAZIZ AL RASHED AND SONS COMPANY

(A Closed Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

31 December 2024

31- FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

D) 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:

As at 31 December 2024	Within a year SR	1 to 5 years SR	More than five years SR	Total SR
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
	122,112,547	11,970,414	740,000	134,822,961

As at 31 December 2023	Within a year SR	1 to 5 years SR	More than five years SR	Total SR
Trade payables	39,683,665	-	-	39,683,665
Amounts due to related parties	399,500	-	-	399,500
Accrued expenses and other current liabilities	26,036,659	-	-	26,036,659
Murabaha financing	35,824,000	-	-	35,824,000
Lease liabilities	3,289,060	3,843,674	1,208,974	8,341,708
	105,232,884	3,843,674	1,208,974	110,285,532

E) Capital Management

The Group manages its capital to ensure that it is able to operate in accordance with going concern principle while increasing the return to shareholders by increasing the balance of equity. The Group's overall strategy has not changed from the previous year.

The Group's objectives when managing capital are as follows:

- Maintain the Group's ability to continue operating under going concern principle, so that it can continue to generate returns for shareholders and benefits for other related parties.
- Maintain an optimal capital structure to reduce cost of capital.

"To maintain or amend the capital structure, the Group may amend dividends to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt." Consistent with others in mining, the Group controls capital using leverage ratio (net debt to equity ratio) which is calculated by dividing net debt by total equity.

SALEH ABDULAZIZ AL RASHED AND SONS COMPANY

(A Closed Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

31 December 2024

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 2024:

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

Hierarchy for measuring the fair value of assets as at 31 December 2023:

	Calendar Date	Total SR	Fair value measurement using		
			Prices traded in active markets (level 1) SR	significant observable inputs (level 2) SR	significant unobservable inputs (Level 3) SR
Financial assets measured at fair value: Equity investments in listed equity instruments (Note 13):	31 December 2023	5,341,324	5,341,324	-	-

33- DIVIDENDS

During the year, the shareholders approved a dividend payment of SR 9,300,000 (31 December 2023: SR nil) that was paid in cash.

34- SUBSEQUENT EVENTS

Management believes that there are no significant subsequent events at the end of the year that may require disclosure or modification to these consolidated financial statements.

35- COMPARATIVE FIGURES

Certain amounts relating to the prior year have been reclassified to conform to the current year presentation.

36- APPROVAL OF FINANCIAL STATEMENTS

The Company's consolidated financial statements for the year ended 31 December 2024 were approved by the Board of Directors on 17 Ramadan 1446H (corresponding to 17 March 2025)

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

**CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
31 DECEMBER 2023**

**SALEH ABDULAZIZ AL RASHED AND SONS COMPANY
(A SAUDI JOINT STOCK COMPANY)**

**CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**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)**

1/2

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 subsidiary ("the Group"), which include the consolidated statement of financial position as of 31 December 2023, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, which include a summary of material accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of 31 December 2023 and its consolidated financial performance and its consolidated cash flows for the year ended on that date in accordance with the International Financial Reporting Standards 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.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are set out in detail 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) adopted in the Kingdom of Saudi Arabia that is relevant to our audit of the consolidated financial statements. We have also 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.

Other matter

The consolidated financial statements for the year ended 31 December 2022, were audited by another auditor who expressed an unmodified opinion on those consolidated statements on 17 Shaban 1444H (corresponding to 9 March 2023).

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' Regulations 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 Group'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.

The board of directors, is 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 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.

Maham Company for Professional Services (A single shareholder LLC)

Owned by Certified Public Accountant: Abdulaziz Saud AlShabeebi (License No. 339)

CR: 2050240744 Capital: S.R. 1,000,000

4292 King Fahd Bin Abdulaziz Road - Al-Khalidiyah

Ash Shamaliyah, Dammam 32232 - 6140, Kingdom of Saudi Arabia

Landline Number: +966-13-858-9000 Website: maham.com

شركة مهام للاستشارات المهنية (شركة شخص واحد ذ م م)

مملوكة للمحاسب القانوني: عبدالعزيز سعود الشبيبي (ترخيص رقم ٣٣٩)

السجل التجاري: ٢٠٥٠٢٤٠٧٤٤ رأس المال: ١٠٠٠٠٠٠٠ ريال سعودي

٤٢٩٢ طريق الملك فهد بن عبدالعزيز - الخالدية الشمالية،

الدمام ٣٢٢٣٢ - ٦١٤٠، المملكة العربية السعودية

الهاتف الأرضي: +٩٦٦-١٣-٨٥٨-٩٠٠٠ الموقع الإلكتروني: maham.com

**Independent auditor's report on the consolidated financial statements
To the shareholders Saleh Abdulaziz Al Rashed and Sons Company
(A Saudi Joint Stock Company)**

2/2

The auditor responsibilities for the audit of the consolidated financial statements (continued)

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 audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's 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 to 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.
- Obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for directing, supervising and auditing the group's accounts. We remain solely responsible for our audit opinion.

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

For Maham Company for Professional Services


Abdulaziz Saud Al Shabeebi
Certified Public Accountant
License no. (339)
28 Shawwal 1445H
7 May 2024



Maham Company for Professional Services (A single shareholder LLC)
Owned by Certified Public Accountant: Abdulaziz Saud AlShabeebi (License No. 339)
CR:2050240744 Capital: S.R. 1,000,000
4292 King Fahd Bin Abdulaziz Road - Al-Khaldiyyah
Ash Shamaliyah, Dammam 32232 - 6140, Kingdom of Saudi Arabia
Landline Number: +966-13-858-9300 Website: maham.com

شركة مهام للاستشارات المهنية (شركة شخص واحد ذ.م.م)
مملوكة للمحاسب القانوني: عبدالعزيز سعود الشبيبي (ترخيص رقم ٣٣٩)
السجل التجاري: ٢٠٥٠٢٤٠٧٤٤ رأس المال: ١٠٠٠٠٠٠٠٠٠٠٠٠٠ ريال سعودي
٤٢٩٢ طريق الملك فهد بن عبدالعزيز - الخالدية الشمالية،
الدمام ٣٢٢٣٢ - ٦١٤٠، المملكة العربية السعودية
الهاتف: ٩٦٦-١٣-٨٥٨٩٣٠٠ الموقع الإلكتروني: maham.com

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

Consolidated Statement of Financial Position
As at 31 December 2023

	Note	2023 SR	2022 SR
Assets			
Non-current assets			
Property, plant and equipment	6	193,425,779	128,498,469
Right of use assets	7	6,473,941	-
Total non-current assets		199,899,720	128,498,469
Current assets			
Inventory	8	122,230,132	82,584,186
Investments in financial assets held at fair value through profit or loss	9	5,341,324	2,843,432
Trade receivables	10	46,259,552	37,454,501
Prepayments and other current assets	11	22,942,781	42,349,491
Amounts due from related parties	12	20,470,656	36,486,081
Cash and cash equivalents	13	11,550,030	18,339,140
Total current assets		228,794,475	220,056,831
Total assets		428,694,195	348,555,300
Equity and liabilities			
Equity			
Share capital	14	186,000,000	500,000
Additional capital	15	-	185,500,000
Reserve	16	150,000	150,000
Retained earnings		121,740,560	73,024,657
Total equity		307,890,560	259,174,657
Liabilities			
Non-current liabilities			
Lease liabilities – non-current portion	7	3,495,431	-
Employees defined benefits liabilities	17	8,214,327	9,381,546
Total non-current liabilities		11,709,758	9,381,546
Current liabilities			
Trade payables		40,196,713	29,633,185
Amounts due to related parties	12	399,500	4,058,082
Accrued expenses and other current liabilities	18	25,627,201	44,317,796
Short-term loans	19	35,824,000	-
Leases liabilities - current portion	7	2,928,463	-
Zakat provision	20	4,118,000	1,990,034
Total current liabilities		109,093,877	79,999,097
Total liabilities		120,803,635	89,380,643
Total equity and liabilities		428,694,195	348,555,300

The accompanying notes from 1 to 35 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 and Loss and Other Comprehensive Income

For the year ended 31 December 2023

	Note	2023 SR	2022 SR
Revenue	21	498,692,692	429,460,881
Cost of revenue	22	(401,343,696)	(310,045,582)
Gross profit		97,348,996	119,415,299
Expenses			
General and administrative expenses	23	(40,732,661)	(45,112,324)
Selling and marketing expenses	24	(2,240,253)	(2,912,091)
Profit from operations		54,376,082	71,390,884
Financial charges	25	(2,669,206)	(337,584)
Other (loss) income, net	26	(558,316)	898,920
Profit before Zakat		51,148,560	71,952,220
Zakat	20	(4,090,314)	(1,964,926)
Net profit for the year		47,058,246	69,987,294
Other comprehensive income:			
Item that will not subsequently be reclassified to the statement of income:			
Gains on remeasurement of Employees defined benefits liabilities	17	1,657,657	2,262,410
Total comprehensive income for the year		48,715,903	72,249,704

The accompanying notes from 1 to 35 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 2023

	Share capital SR	Additional Capital SR	Reserve SR	Retained earnings SR	Total SR
Balance as at 1 January 2022	500,000	-	150,000	113,678,378	114,328,378
Net profit for the year	-	-	-	69,987,294	69,987,294
Other comprehensive income	-	-	-	2,262,410	2,262,410
Total comprehensive income for the year	-	-	-	72,249,704	72,249,704
Transferred from amounts due to related parties to additional capital (note 12)	-	92,792,408	-	-	92,792,408
Transferred from retained earnings to additional capital	-	92,707,592	-	(92,707,592)	-
Dividends (note 32)	-	-	-	(20,195,833)	(20,195,833)
As at 31 December 2022	500,000	185,500,000	150,000	73,024,657	259,174,657
As at 1 January 2023	500,000	185,500,000	150,000	73,024,657	259,174,657
Net profit for the year	-	-	-	47,058,246	47,058,246
Other comprehensive income	-	-	-	1,657,657	1,657,657
Total comprehensive income for the year	-	-	-	48,715,903	48,715,903
Capital increase (note 14)	185,500,000	(185,500,000)	-	-	-
As at December 2023	186,000,000	-	150,000	121,740,560	307,890,560

The accompanying notes from 1 to 35 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 2023

	Note	2023 SR	2022 SR
OPERATING ACTIVITIES			
Profit before Zakat		51,148,560	71,952,220
Adjustments for:			
Depreciation of property, plant, and equipment	6	36,377,342	21,110,680
Amortization of a right-of-use asset	7	1,270,868	
Provision for employee defined benefit liabilities	17	2,387,876	3,016,346
Financial charges from lease liabilities	7	302,714	-
Expected credit loss expense - trade receivables	10	4,581,881	1,456,025
Allowance for slow moving goods	8	247,923	-
Loss on revaluation of investments in financial instruments carried at fair value through profit or loss	9	1,388,976	438,942
Gains on disposal of property, plant and equipment	26	(609,553)	(228,596)
		<u>97,096,587</u>	<u>97,745,617</u>
Changes in operating assets and liabilities:			
Trade receivables		(13,386,932)	(9,392,117)
Prepayments and other current assets		22,749,660	(18,838,820)
inventory		(46,090,345)	(17,020,607)
Trade payable		10,563,528	10,184,624
Amounts from/to related party		8,613,393	(14,101,455)
Accrued and other current liabilities		(18,699,095)	11,975,661
Cash from operation		60,846,796	60,552,903
Zakat paid	20	(1,966,391)	(590,888)
Employees defined benefits liabilities paid to employees	17	(1,897,438)	(2,035,250)
Net cash from operating activities		<u>56,982,967</u>	<u>57,926,765</u>
INVESTING ACTIVITIES			
Additions to property, plant, and equipment	6	(100,726,715)	(80,066,103)
Proceeds from disposal of property, plant and equipment		6,228,092	1,329,774
Additions to investments in financial instruments held at fair value through profit or loss	9	(5,512,600)	(3,282,374)
Proceeds from the sale of investments in financial instruments held at fair value through profit or loss		1,625,732	-
Cash arising from the acquisition of a subsidiary, net of the consideration paid	28	413,043	-
Net cash used in investing activities		<u>(97,972,448)</u>	<u>(82,018,703)</u>
FINANCING ACTIVITIES			
Payment of lease liabilities	7	(1,623,629)	-
Term loan - proceeds	19	51,760,091	-
Term loan- paid	19	(15,936,091)	(6,500,000)
Net cash from (used in) financing activities		<u>34,200,371</u>	<u>(6,500,000)</u>

The accompanying notes from 1 to 35 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 2023

	Note	2023 SR	2022 SR
Net decrease in cash and cash equivalents		(6,789,110)	(30,591,938)
Cash and cash equivalent at the beginning of the year		18,339,140	48,931,078
Cash and cash equivalents at the end of the year		11,550,030	18,339,140
Significant non-cash transactions			
Transferred from inventory to property, plant and equipment	6	6,196,476	-
Additions to right of use and lease liabilities	7	7,744,809	-
Transferred from amounts due to related parties to additional capital	12	-	92,707,592
Transferred from property, plant and equipment to inventory	6	-	5,091,952

The accompanying notes from 1 to 35 form an integral part of these consolidated financial statements.

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

Notes to the Consolidated Financial Statements (continued)
31 December 2023

1 GENERAL INFORMATION

Saleh Abdulaziz Al Rashed and Sons Company ("the Company") is a closed joint stock company established in accordance with the Companies regulations and registered in the Kingdom of Saudi Arabia under Commercial registration No. 1010008417 on 12 Rajab 1395H corresponding to 22 July 1975.

The registered address of the company is Al-Aziziya District - Riyadh - Kingdom of Saudi Arabia, P.O. Box: 4293, Riyadh 11491.

The Company engages in importing, exporting, wholesale and retail trade of crushers, crusher spare parts, building materials, and graded gravel. Additionally, it purchases lands for constructing buildings, sells or rents those buildings, manages and maintains properties, and invests in real estate.

On 29 Jumada II 1444 AH, corresponding to 22 January 2023, the Company underwent a conversion from a limited liability company to a closed joint stock company. Despite this change, it retained the same commercial registration number and maintained its existing financial year. Additionally, the Company increased its capital to 186 million Saudi riyals, corresponding to 18,600,000 shares, with each share valued at 10 Saudi riyals.

The Company carries out its activities through the following branches:

Branch	Commercial registration No	Date	city
Saleh Abdulaziz Al Rashed and Sons Company	1010440978	08/04/1437 AH	Riyadh
Saleh Abdulaziz Al Rashed and Sons Company	1120100785	06/11/1440 AH	Rumah
Branch of Saleh Abdulaziz Al-Rashed and Sons Company	2031105350	27/06/1442 AH	Hasa
Saleh Abdulaziz Al Rashed and Sons Company	1010624636	05/06/1441 AH	Riyadh
Saleh Abdulaziz Al Rashed and Sons Company	1110000810	22/01/1435 AH	Dharma
Saleh Abdulaziz Al Rashed and Sons Company	1010829013	29/02/1444 AH	Riyadh
Saleh Abdulaziz Al Rashed and Sons Company	1011149858	14/10/1443 AH	Al-Kharj
Saleh Abdulaziz Al Rashed and Sons Company	1010773510	15/06/1443 AH	Riyadh
Saleh Abdulaziz Al Rashed and Sons Company	4651103758	28/03/1444 AH	Al-Ula
Saleh Abdulaziz Al Rashed and Sons Company	4030417830	27/10/1442 AH	Jeddah
Saleh Abdulaziz Al Rashed and Sons Company	1120001936	12/02/1437 AH	Rumah
Environmental Exports Company for Maintenance	1010440977	08/04/1437 AH	Riyadh
Saleh Abdulaziz Al Rashed and Sons Company	4030246026	25/06/1434 AH	Jeddah
Saleh Abdulaziz Al Rashed and Sons Company	5900120939	06/04/1441 AH	Jizan
Saleh Abdulaziz Al Rashed and Sons Company	3550126764	25/05/1444 AH	Tabuk
Saleh Abdulaziz Al Rashed and Sons Trading Company	5855032113	12/04/1430 AH	Khamis Mushait
Branch of Saleh Abdulaziz Al-Rashed and Sons Company	4650227710	27/06/1442 AH	AL Madinah
Saleh Abdulaziz Al Rashed and Sons Company	3554102049	07/08/1444 AH	Tayma
Saleh Abdulaziz Al Rashed and Sons Company	1011153066	03/11/1444 AH	Al-Kharj

The following is the details of the subsidiary included in these consolidated financial statements:

Company	Place of incorporation	Direct and effective ownership percentage	
		2023	2022
Quality Rocks Mining Company (one person company)	Riyadh	100%	-

On April 3, 2023, the Company acquired 100% of the voting shares of Quality Rocks Mining Company, a specialized entity operating quarries, sand or gravel mines, crushers, and land transportation of goods.

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

Notes to the Consolidated Financial Statements (continued)
31 December 2023

2 BASIS OF PREPARATION

2-1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") that are endorsed in the Kingdom of Saudi Arabia ("KSA") and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") (collectively referred to as "IFRSs as endorsed in KSA"). These are the first consolidated financial statements prepared by the Company in accordance with the basis of consolidation mentioned in (note 3).

2-2 Basis of measurement

These consolidated financial statements have been prepared using the historical cost principle. However, certain assets are listed at fair value through profit or loss, and employee benefit liabilities are recognized based on 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 (SR), which is the Group's functional and presentation currency.

2-4 New and amended standards and interpretations

The Group has applied for the first time the following standards and amendments, which are effective for periods beginning on or before 1 January 2023 and which have no impact on the Group's financial statements:

- IFRS 17, "Insurance Contracts", as amended in December 2021.
- Amendment to IAS 8, Definition of Accounting Estimate.
- Amendment to IAS 1, Statement of Practice 2.
- Amendment to IAS 12 – Deferred tax relating to assets and liabilities arising from a single transaction.
- Amendment to International Accounting Standard 12 – International Tax Reform – Unit Two Rules.

2-5 Standards issued but not yet effective

The International Accounting Standards Board has issued the following accounting standards and amendments, which are applicable to annual periods beginning after 2023. The Group has elected not to early adopt these standards and pronouncements and they are not expected to have a material impact on the Group's consolidated financial statements.

- Amendments to International Accounting Standard No. (1) - Classification of liabilities into current and non-current.
- Amendments to IFRS 16 Lease liabilities in sale and leaseback contracts.
- Disclosures: Supplier Financing Arrangements - Amendments to IAS 7 and IFRS 7.
- Non-interchangeability – Amendments to IAS 21.
- Sale or contribution of assets between the investor and the associate or joint venture - amendments to IFRS 10 and IAS 28.

SALEH ABDULAZIZ AL RASHED AND SONS COMPANY
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Notes to the Consolidated Financial Statements (continued)
31 December 2023

3 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary (collectively referred to as the "Group") as at 31 December 2023. Control is achieved when the Group is exposed to risks, or has rights to obtain variable returns, from its relationship with the investee, and has the ability to influence returns by exercising its power over the investee. In particular, the Group controls an investee only when the Group has:

- Control over the investee Company (i.e. the existence of rights to grant the group the current ability to direct the activities related to the investee Company),
- Being exposed to risks, or having rights to obtain variable returns through its relationship with the investee Company,
- The ability to use its power over the investee Company to influence its returns.

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

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

The Group conducts a reassessment to confirm whether or not it exercises control over the investee Company when facts and circumstances indicate that there is a change in one or more of the three elements of control. Consolidation of a subsidiary begins when the Group gains control over the subsidiary and ceases when the Group ceases to exercise such control.

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

The profit or loss and each item of other comprehensive income relates to the shareholders of the parent Company of the group and the non-controlling interests of shareholders, even if this results in the balance of the non-controlling shareholders' interests turning into a deficit. When necessary, amendments are made to the consolidated financial statements of subsidiaries so that their accounting policies are consistent with those followed by the Group. All interconnected assets and liabilities, as well as ownership rights, revenues, expenses and cash flows related to transactions between group companies, are completely eliminated when consolidating the consolidated financial statements.

A change in a subsidiary's ownership interest, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizing the assets (including goodwill) and liabilities of the subsidiary
- Derecognizing the book value of any non-controlling interest
- Recognizing the fair value of the compensation received
- Recognizing the fair value of any investment held
- Recognizing any surplus or deficit in profit or loss

Reclassifying shareholders' share of items previously recognized in the statement of other comprehensive income to profit or loss or retained earnings, as appropriate, and as required in the event that the Group disposes of the directly related assets or liabilities.

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Notes to the Consolidated Financial Statements (continued)
31 December 2023

4 SIGNIFICANT ASSUMPTIONS, ESTIMATES, AND JUDGMENTS

Estimates and judgments are evaluated on an ongoing basis; They are based on historical experience and other factors, including future expectations.

The main sources of uncertainty regarding accounting estimates

The Group makes estimates and assumptions regarding the future; The resulting accounting estimates rarely equal the relevant actual results. The following are estimates and assumptions that involve significant risks, which may result in a material adjustment to the carrying amounts of assets and liabilities within the next financial period:

Determining the lease term of contracts with renewal option

The Group defines the lease term as the non-cancelable term of the lease, plus any periods covered by the option to extend the lease if it is certain that it will be exercised, or any periods covered by the option to terminate the lease if it is certain that it will not be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgment 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).

The useful lives of property and equipment

The Group's management determines the estimated useful lives of its property and equipment for the purpose of calculating depreciation. These estimates are determined after considering the expected use or physical depreciation of the assets. Management reviews the residual value and useful lives as necessary, and adjusts future depreciation charges when management believes the useful lives differ from previous estimates.

Allowance for expected credit losses on trade receivables

The Group uses a provision matrix to calculate expected credit losses on trade receivables. Provision ratios are determined based on days past due for different groups of customer segments with similar loss patterns (i.e. in terms of geographic region, product type, customer type, price, coverage by letters of credit and other forms of credit guarantee).

The provision matrix is originally determined based on observed historical default rates. The Group will calibrate the matrix to adjust past credit losses with future information. For example, if economic conditions (i.e. GDP) are expected to deteriorate over the coming year which could lead to an increased number of defaults in a particular sector, historical default rates are adjusted. At the date of preparing each consolidated financial statements, the historical observed default rates are updated and an analysis of changes in future estimates is performed. Evaluating the interrelationship between observed historical default rates, expected economic conditions, and expected credit losses represents an important estimate. The amount of expected credit losses is affected by changes in expected economic conditions and circumstances. Also, the Group's past credit losses and expected economic conditions may not be an indication of the customer's actual default in the future.

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 fair value less costs to sell and present value. The fair value less costs to sell calculation is based on available data for binding, arm's length sales of similar assets or observable market prices less incremental costs to sell the asset. The present value is calculated based on the discounted cash flow method.

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4 SIGNIFICANT ASSUMPTIONS, ESTIMATES, AND JUDGMENTS (Continued)

Employee end-of-services benefits

the present value of employee defined benefits depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net end-of-service cost (income) include the discount rate, knowing that any changes in these assumptions will affect the carrying value of employee defined benefits.

The Group determines the appropriate discount rate at the end of each year; It is the interest rate used to determine the fair value of expected future cash flows that are expected to be necessary to repay liabilities.

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

Inventories are stated at cost or market value, whichever is lower. When inventory becomes old or obsolete, an estimate of its market value is made. For each individually significant amount, this estimate is performed on an individual basis. For amounts that are not individually significant but are considered old or obsolete, they are estimated collectively and a provision is made for slow-moving inventory depending on the 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 made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has sufficient resources to continue in business for the foreseeable future. Furthermore, management is not aware of a material uncertainty that may cast doubt on the Group's ability to continue as a going concern.

5 Material accounting policies

The following is a statement of the accounting policies applied in preparing these consolidated financial statements:

Classification of assets and liabilities as current and non-current

The Group presents assets and liabilities in the statement of financial position based on their classification as current or non-current. Assets are considered 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. For the twelve months subsequent to the disclosed financial period.

The Group classifies all other assets as non-current assets. When a Group's normal operating business cycle is not clearly defined, its duration is assumed to be twelve months.

The Group classifies liabilities as current when:

- a) it expects to settle the liability in the entity'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 an unconditional right to defer settlement of the liability for at least twelve months after reporting date. Less than twelve months subsequent to the disclosed financial period.

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

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Notes to the Consolidated Financial Statements (continued)
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5 Material accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand. These balances are subject to an insignificant risk of changes in value.

Inventory

Inventory is initially measured at cost, which includes purchase costs, conversion costs and other costs incurred in bringing the inventory to its current location and condition. The Group relies on the weighted average cost method when measuring inventory, and pursuant to the weighted average cost formula, the cost of each item is determined according to the weighted average cost of similar items at the beginning of a certain period and the cost of similar items purchased during the year. Subsequently, inventories are measured at cost or net realizable value, whichever is lower.

Impairment

At each reporting date, an evaluation is conducted to ensure that there is a impairment in the value of the inventory. If there is an impairment of inventory, the carrying value is reduced to the selling price less costs of completion and selling. An impairment loss is recognized directly in profit or loss in the consolidated statement of profit and loss and other comprehensive income

Financial instruments

Financial assets, that are not classified upon initial recognition and subsequently measured at amortized cost, are classified as fair value through other comprehensive income and fair value through profit or loss. 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 originally measured at fair value. Upon initial recognition, transaction costs directly attributable to the acquisition or issue of financial assets and financial liabilities are added or deducted from the fair value of the financial assets and financial liabilities, as appropriate. Transaction costs directly attributable to the acquisition of financial assets held at fair value through profit or loss are recognized directly in the consolidated statement of profit and loss and other comprehensive income.

Financial assets

Subsequent recognition of financial assets

The Group has the following financial assets:

Financial assets at amortized cost:

This category includes trade receivables and amounts due from related parties. Financial assets are measured at amortized cost if the following two conditions are met and they are not carried at fair value through profit or loss:

- Acquisition of a financial asset within the business model with the aim of acquiring financial assets to collect contractual cash flows, and
- The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of the principal amount and interest on the principal amount outstanding.

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

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Notes to the Consolidated Financial Statements (continued)
31 December 2023

5 Material accounting policies (continued)

Financial instruments (continued)

Reclassifications

Financial assets are not reclassified after their initial recognition, except for the period after the Group changes its business model for managing financial assets.

Impairment of financial assets

The Group applies the simplified approach set out in IFRS 9 to measure lifetime expected credit losses on trade receivables. Expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit losses, adjusted for forward-looking factors specific to the debtors and the economic environment. And evaluating both current and expected market trends at the date of preparing the consolidated financial statements, including the time value of money if appropriate.

Derecognition financial assets

The Group derecognizes financial assets only when the rights to receive cash flows from the assets expire or the Group transfers the financial assets and all risks and rewards associated with the owner of the assets to another party. In cases where the Group does not transfer or retain all of the risks and rewards associated with the owner or where control of the asset is not transferred, the Group recognizes the remaining interest in the asset and the related liability at the amount it is required to pay. If the Group retains all the risks and rewards associated with the owner of the 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 carrying amount of the asset and the amount of consideration received or receivable is recognized in the consolidated statement of profit and loss and other comprehensive income. Conversely, when an equity investment that the Group chose to measure at initial recognition at fair value through other comprehensive income is no longer recognized, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to the consolidated statement of profit and loss and other comprehensive income, but is transferred to retained earnings.

Financial liabilities

The Group classifies its financial liabilities as financial liabilities measured at amortized cost or at fair value through profit or loss. Financial liabilities are classified as FVTPL if they are classified as financial liabilities held for trading purposes or as derivatives or are designated as such on initial recognition.

The Group's financial liabilities include trade payables, other current liabilities, lease liabilities and loans.

Subsequent confirmation of financial liabilities

All of the Group's financial liabilities are subsequently measured at amortized cost.

Derecognition financial liabilities

Financial liabilities are derecognized when the liabilities under the liabilities is discharged, cancelled or expires. When an existing financial liability is replaced by another by the same lender on significantly different terms or the terms of existing liabilities are substantially modified, this change or modification is considered to be a cessation of recognition of the original liabilities and the recognition of a new liability. The difference in carrying amount is recognized in profit and loss in the consolidated statement of profit and loss and other comprehensive income.

Offsetting financial instruments

Financial assets and financial liabilities are offset, and the net amounts are disclosed in the consolidated statement of financial position when there is currently a legally enforceable right to offset the recognized amounts, and there is an intention either to settle them on a net basis or to liquidate the assets and pay the liabilities simultaneously.

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Notes to the Consolidated Financial Statements (continued)
31 December 2023

5 Material accounting policies (continued)

Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. These costs include; The cost of replacing a portion of property, plant and equipment and borrowing costs related to long-term construction projects (eligible assets), if the recognition criteria are met. When these assets are created internally, their cost includes all amounts necessary to bring the asset to its current condition and location so that it is ready for its intended use by the company; This excludes all other costs such as general and administrative expenses and training costs. Any costs of the feasibility study are expensed when incurred unless they relate to a specific asset created internally and are directly attributable to it.

The Group adds to the carrying value of an item of property, plant and equipment the cost of replacing parts of that item when that cost is incurred if the replacement part is expected to generate additional future benefits for the Group; The carrying value of the replaced part is derecognized. All other repairs and maintenance expenses are charged directly to profit or loss in the statement of profit and loss and other comprehensive income 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 proceeds of disposals with the book value and are included in the profit or loss in the statement of profit and loss and other comprehensive income. Major spare parts are eligible for recognition as appliances, furniture, and office equipment when the company expects to use them within more than one year. Transfers are made to the relevant operating asset class when these items are available for use.

Depreciation is calculated on a straight-line basis over the years of the estimated useful lives of the assets, as follows.

<u>Category of property, plant and equipment</u>	<u>Years</u>
Buildings and caravans	20 years
Transportation	5 years
Property and equipment	7 years
Furniture and mixture	10 years
Other assets	4 years

The assets residual values, useful lives and depreciation methods are reviewed and adjusted on a prospective basis, if appropriate, at the end of each financial period. Any item of property, plant and equipment and any significant part initially recognized are derecognized when it is disposed of or when there are no future benefits expected from its use. Any gains or losses arising on derecognition of the asset (which are calculated as the difference between the net proceeds of disposals and the carrying amount of the asset) are included in profit or loss in the statement of consolidated profit and loss and other comprehensive income

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Notes to the Consolidated Financial Statements (continued)
31 December 2023

5 Material accounting policies (continued)

Lease contracts

The Group evaluates at the beginning of the contract whether the contract is a lease or contains a lease. A contract is or contains a lease if it gives the right to control the use of a specific asset for a period of time in exchange for consideration.

Group as a lessee

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

The Group applies a single recognition and measurement method for all lease contracts, except for Building short-term leases and special leases with low-value assets. The group recognizes lease liabilities to make lease payments and right-of-use assets, which represents the right to use the assets subject to the contract.

If the owner of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. Right-of-use assets are also subject to impairment. Please see the accounting policies mentioned in the "Impairment of Non-Financial Assets" paragraph. Right-of-use assets are depreciated on a straight-line basis over the lease term or the estimated useful lives of the assets. The lease term for workers' housing, warehouses, and lands is estimated to range from 2 to 20 years.

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

When calculating the present value of lease payments, the Group uses its incremental financing rate at the lease commencement date because the interest rate implicit in the contract cannot be determined immediately. After the lease commencement date, the amount of the lease liability is increased to reflect the level of interest accrual and reduced by the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or change in the term of the lease, a change in lease payments (such as changes in future lease payments resulting from a change in the index or rate used to determine those lease payments) or a change in the valuation of lease payments. An option to buy the asset underlying the contract.

Short-term leases and leases of low value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., leases that have a term of 12 months or less from the contract commencement date and do not include a purchase option). The recognition exemption for leases with low-value assets also applies to leases that are considered low-value. Lease payments related to short-term leases and leases with low-value assets are recognized as an expense on a straight-line basis over the term of the lease.

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Notes to the Consolidated Financial Statements (continued)
31 December 2023

5 Material accounting policies (continued)

Lease contracts (continued)

Group as a lessor

Leases under which the Group does not transfer substantially all of the rewards and risks associated with ownership of an asset are classified as operating leases. Rental income is accounted for on a straight-line basis over the lease term and is included as revenue in the consolidated statement of profit, loss and comprehensive income due to its operating nature. Initial direct costs incurred during the negotiation and arrangement of any operating lease are added to the carrying value of the leased asset and recognized over the lease term on the same basis as rental income. Conditional rents are recognized as revenue during the period in which they are earned.

Lease contracts, when established, are classified as finance leases or operating leases. Lease contracts under which the Group transfers substantially all the rewards and risks associated with ownership are classified as finance leases.

Impairment of non-financial assets

The Group conducts an assessment at each statement of financial position date to determine whether there is an indication that the value of a non-financial asset may be impaired. If this indicator exists, or when it is necessary to conduct annual impairment testing for an asset, the Group estimates the asset's recoverable amount. It represents the recoverable amount of the asset; The fair value of an asset or cash-generating unit less costs to sell and its value in use, whichever is higher, determines the recoverable amount of an individual asset, unless the asset generates cash flows that are largely independent of those generated by another asset or group of assets. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

When estimating value in use, the estimated future cash flows are discounted to their present value using a pre-Zakat discount rate; It reflects current market assessments of the time value of money and the risks inherent in the asset. The Group's calculation of impairment is based on the detailed budget and forecast accounts, which are prepared separately for each of the Group's cash-generating units to which assets are allocated separately. This budget and forecast accounts generally cover a period of five years. As for long periods, the long-term growth rate is calculated and applied to the expected future cash flows for subsequent periods.

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount; So that it does not exceed the book value that has increased; The carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. The reversal of loss arising from a decrease in profit or loss is recognized in the consolidated statement of profit and loss and other comprehensive income.

Employee benefits

Short-term employee benefits

A liability is recognized for benefits owed to employees in terms of salaries, wages, annual leave, and travel tickets, which are expected to be paid fully within twelve months after the end of the period in which the employees provide the related services. The liability is recognized for the undiscounted amount of benefits expected to be paid for those services.

Employees defined benefits liabilities

The employee defined benefit liabilities is determined using the projected unit credit method, in addition to actuarial valuation exercises performed at the end of each fiscal year. Remeasurements, which include actuarial gains and losses, are recognized immediately in the statement of financial position, with the increase or decrease recognized in other comprehensive income in the period in which they occur. Remeasurements recognized in other comprehensive income are immediately recognized in retained earnings and will not be reclassified to the consolidated statement of profit and loss and other comprehensive income in subsequent periods.

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Notes to the Consolidated Financial Statements (continued)
31 December 2023

5 Material accounting policies (continued)

Employee benefits (continued)

Employees defined benefits liabilities(continued)

Changes in the present value of the defined benefit liabilities resulting from program modifications or workforce reductions are recognized directly in the statement of profit and loss and other comprehensive income as prior 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 less the present value of plan assets out of which the liabilities must be settled. At present, the program is unfunded and has no assets.

Provisions

Provisions are recognized when there are current liabilities (legal or constructive) on the Group resulting from past events, and it is likely that resources that include economic benefits will be required to settle the liabilities, so that the amount of the liabilities can be estimated reliably. In cases where the Group expects to recover part or all of the provision, for example under an insurance contract, Recoveries are recognized as a separate asset only when the recovery is actually confirmed. The expense relating to the provision is presented in the statement of profit and loss and other comprehensive income, net, less any recoveries. If the effect of the time value of money is material, provisions are discounted using the current pre-zakat rate that reflects, when appropriate, the risks associated with that liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a financing cost.

Zakat and value added tax

Zakat

The Group is subject to zakat under the regulations of the Zakat, Tax and Customs Authority (ZATCA). The provision for zakat is charged to the consolidated statement of profit and loss and other comprehensive income. Differences, if any, are calculated upon finalizing the assessments when these amounts are determined in accordance with the requirements of International Accounting Standard 8 "Accounting Policies." "Changes in Accounting Estimates and Errors" that is endorsed in the Kingdom of Saudi Arabia.

Value added tax

Revenues, expenses and assets are recognized net, after deducting the amount of VAT when the VAT incurred on the purchase of assets or services is not recoverable from ZATCA; In this case, value added tax is recognized as part of the cost of acquiring the asset or as part of an expense item, as the case may be. Receivables and payables are recognized including the value added tax amount. The net amount of VAT that is recoverable or payable to ZATCA is included as part of receivables or payables in the consolidated statement of financial position.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to settle a liability in an ordinary transaction between market participants at the measurement date. The fair value measurement is based on the assumption that the transactions to sell the asset or transfer the liability occur either:

- In the primary market for the assets or liabilities or
- In the absence of a principal market, in the most appropriate market for the asset or liability

The main market or the most suitable 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 represent their economic interest.

SALEH ABDULAZIZ AL RASHED AND SONS COMPANY
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Notes to the Consolidated Financial Statements (continued)
31 December 2023

5 Material accounting policies (continued)

Fair value measurement (continued)

The Group uses valuation techniques that are appropriate under the circumstances in which the information necessary to measure fair value is available, maximizing the use of observable inputs and minimizing the use of non-observable inputs.

All assets and liabilities whose fair value is measured or disclosed in the consolidated financial statements are classified within the fair value hierarchy and this is disclosed below, based on the lowest level input that is considered 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 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 recognized in the financial statements at fair value on a recurring basis, the Group determines whether a transfer has occurred between levels in the hierarchy by reassessing the classification (based on the lowest level significant input to the fair value measurement as a whole) at the end of the period. The report. The Group determines policies and procedures for both recurring fair value measurement and non-recurring fair value measurement.

At the date of each report, the Group analyzes the changes in the values of assets and liabilities that need to be remeasured or reevaluated in accordance with the Group's accounting policies. For this analysis, the Group verifies the main inputs applied in the last evaluation by matching the information in calculating the evaluation with contracts and other relevant documents. The Group also compares the change in the fair value of each asset or liability with other external indicators to determine whether the change is reasonable for the purposes of fair value disclosures. The Group has determined the categories of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as described above.

Revenue recognition

The Group recognizes revenues under IFRS No. (15) using the following 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 liabilities and specifies the standards for each contract that must be met.
Step 2: Identify the performance liabilities	A performance liabilities 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 liabilities	For a contract that contains more than one performance liabilities, the Group allocates the transaction price to each performance liabilities in an amount that determines the amount of consideration the Group expects to receive in exchange for satisfying each performance liabilities.
Step 5: Revenue recognition	The Group earns revenue when (or whenever) it fulfills a performance liabilities by transferring the goods or services promised to the customer under the contract.

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Notes to the Consolidated Financial Statements (continued)
31 December 2023

5 Material accounting policies (continued)

Revenue recognition (continued)

The Group recognizes revenues from the following main sources:

A) Sales of goods directly to customers:

- Gravel and asphalt sales.
- Spare parts sales.

b) Providing transportation services to customers.

The Group recognizes revenue when control of the products sold is transferred to the customer. This determination is made in the context of the five-step revenue recognition method, taking into account applicable shipping terms.

In certain instances, the Group treats delivery services as a separate and identifiable component, distinct from the sale of goods. Revenue from these services is recognized when the Group transfers control of the goods at its loading sites and provides delivery services to the buyer's location. The Group allocates a portion of the total transaction price to delivery services based on its best estimate for comparable independent services.

Other income

All other income is recognized on the accrual basis.

Expenses

General and administration expenses include direct and indirect costs not specifically part of cost of revenue. In accordance with the requirements of generally accepted accounting principles. Allocations between General and administration expenses and cost of revenue is made, when necessary, based on consistent basis.

Foreign currencies transactions

Foreign currency transactions are converted into Saudi Riyals using the exchange rates prevailing at the time of the transactions. For monetary assets and liabilities denominated in foreign currencies, the conversion is based on the exchange rates prevailing at the reporting date. Non-monetary assets and liabilities measured at fair value in a foreign currency are translated into the currency of activity using the exchange rates applicable when determining the fair value. Historical cost non-monetary items in a foreign currency are translated using the exchange rates at the date of the transaction. Any gains or losses resulting from changes in exchange rates are recognized in the statement of consolidated profit or loss and other comprehensive income.

Dividends

Final dividend distributions are recognized as liabilities upon approval by the shareholders' general assembly. The corresponding amount is directly recognized in the consolidated statement of changes in equity.

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6 PROPERTY, PLANT, AND EQUIPMENT

	Land SR	Buildings and caravans SR	Machinery and equipment SR	Transportation vehicles SR	Furniture and fixtures SR	Other assets SR	Capital works in progress SR	Total
Cost:								
At 1 January 2023	1,752,000	21,286,270	143,635,456	110,867,261	5,613,064	1,334,919	1,947,230	286,436,200
Additions	-	2,160,787	15,303,568	60,431,552	2,161,146	316,245	20,353,417	100,726,715
Transferred from inventory	-	5,151,210	1,045,266	-	-	-	-	6,196,476
Transferred from capital work in progress	-	2,352,676	18,398,519	-	-	-	(20,751,195)	-
Disposal	-	(73,634)	(1,159,636)	(7,790,477)	(113,091)	-	-	(9,136,838)
At 31 December 2023	1,752,000	30,877,309	177,223,173	163,508,336	7,661,119	1,651,164	1,549,452	384,222,553
Accumulated depreciation								
At 1 January 2023	-	6,851,428	82,618,867	63,192,961	4,222,639	1,051,836	-	157,937,731
Charged for the year	-	1,380,054	15,319,045	18,616,857	902,820	158,566	-	36,377,342
Disposal	-	(17,498)	(1,159,633)	(2,244,668)	(96,500)	-	-	(3,518,299)
At 31 December 2023	-	8,213,984	96,778,279	79,565,150	5,028,959	1,210,402	-	190,796,774
Net book value	1,752,000	22,663,325	80,444,894	83,943,186	2,632,160	440,762	1,549,452	193,425,779
At 31 December 2023	1,752,000	22,663,325	80,444,894	83,943,186	2,632,160	440,762	1,549,452	193,425,779

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6 PROPERTY, PLANT, AND EQUIPMENT (CONTINUED)

	Land SR	Buildings and caravans SR	Machinery and equipment SR	Transportation vehicles SR	Furniture and fixtures SR	Other assets SR	Capital works in progress SR	Total SR
Cost:								
At 1 January 2022	1,752,000	18,498,364	101,821,638	81,304,683	4,874,991	1,287,909	5,883,384	215,422,969
Additions	-	2,826,906	41,199,165	33,409,424	738,073	47,010	1,845,525	80,066,103
Transferred from capital work in progress	-	-	670,377	16,821	-	-	(687,198)	-
Transferred to inventory	-	-	-	-	-	-	(5,091,952)	(5,091,952)
Disposal	-	(39,000)	(55,724)	(3,863,667)	-	-	(2,529)	(3,960,920)
At 31 December 2022	1,752,000	21,286,270	143,635,456	110,867,261	5,613,064	1,334,919	1,947,230	286,436,200
Accumulated depreciation								
At 1 January 2022	-	5,878,035	72,106,210	57,035,850	3,756,697	910,011	-	139,686,803
Charge for the year	-	973,719	10,514,043	9,015,151	465,942	141,825	-	21,110,680
disposal	-	(326)	(1,386)	(2,858,040)	-	-	-	(2,859,752)
At 31 December 2022	-	6,851,428	82,618,867	63,192,961	4,222,639	1,051,836	-	157,937,731
Net book value								
At 31 December 2022	1,752,000	14,434,842	61,016,589	47,674,300	1,390,425	283,083	1,947,230	128,498,469

The depreciation is charged to the consolidated statement of profit and loss and other comprehensive income as follows:

	2023 SR	2022 SR
Cost of revenue (note 22)	34,661,201	19,881,315
General and administrative expenses (note 23)	1,716,141	1,229,365
	36,377,342	21,110,680

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7 LEASE CONTRACTS

a) Right of use assets

Right-of-use assets represent leases associated with leases for worker accommodation, warehouses and land. The movement in right-of-use assets is as follows:

	2023 SR	2022 SR
Cost		
Additions	7,744,809	-
	<u>7,744,809</u>	<u>-</u>
Accumulated depreciation:		
Charged for the year	1,270,868	-
	<u>1,270,868</u>	<u>-</u>
Net book value:		
As at the end of the year	<u>6,473,941</u>	<u>-</u>

The depreciation is charged to the consolidated statement of profit and loss and other comprehensive income as follows:

	2023 SR	2022 SR
Cost of revenue (note 22)		
General and administrative expenses (note 23)	747,033	-
	<u>523,835</u>	<u>-</u>
	<u>1,270,868</u>	<u>-</u>

B) Lease liabilities

The following is the details of the carrying value of recognized lease liabilities and changes during the year:

	2023 SR	2022 SR
At the beginning of the year	-	-
Additions	7,744,809	-
Financial charges (note 25)	302,714	-
Amounts paid	<u>(1,623,629)</u>	<u>-</u>
	<u>6,423,894</u>	<u>-</u>
	2023 SR	2022 SR
lease liabilities- the current portion	2,928,463	-
lease liabilities- non-current portion	3,495,431	-
	<u>6,423,894</u>	<u>-</u>

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8 INVENTORY

	2023	2022
	SR	SR
Finished goods	90,138,727	59,109,970
Spare parts	20,688,168	16,495,355
Work in progress	10,001,939	10,820,505
Raw materials	9,069,431	3,578,566
	129,898,265	90,004,396
Less: Allowance for slow moving inventory	(7,668,133)	(7,420,210)
	122,230,132	82,584,186

The movement of provision for slow-moving and obsolete inventory is as follows:

	2023	2022
	SR	SR
At the beginning of the year	7,420,210	7,420,210
Charged during the year (note 22)	247,923	-
	7,668,133	7,420,210

9 INVESTMENTS IN FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

	Country	2023	2022
		SR	SR
Osool and Bakheet Investment Company,	Saudi Arabia	1,898,388	-
Knowledge Network Computer Company	Saudi Arabia	1,595,376	-
Al Saif Gallery Company	Saudi Arabia	1,189,350	1,217,700
Saudi Limestone Industries Company	Saudi Arabia	658,210	-
Riyadh Cables Group Company	Saudi Arabia	-	253,997
Saudi Aramco Base Oil Company- Luberef	Saudi Arabia	-	1,371,735
		5,341,324	2,843,432

The movement in financial instruments investments at fair value through profit and loss was as follows:

	2023	2022
	SR	SR
Balance at the beginning of the year	2,843,432	-
Additions	5,512,600	3,282,374
Disposal	(1,625,732)	-
Revaluation losses (note 26)	(1,388,976)	(438,942)
	5,341,324	2,843,432

The fair value of investments in equity instruments held at fair value through profit or loss is determined by reference to quotations published in an active market.

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10 TRADE RECEIVABLES

	2023 SR	2022 SR
Trade receivables	52,272,834	38,910,526
Less: Provision for expected credit losses	(6,013,282)	(1,456,025)
	<u>46,259,552</u>	<u>37,454,501</u>

Movement in the provision for expected credit losses

	2023 SR	2022 SR
At 1 January	1,456,025	-
Charged during the year (note 23)	4,581,881	1,456,025
Bad debts written off	(24,624)	-
	<u>6,013,282</u>	<u>1,456,025</u>

2023	Days past due – trade receivables						Total SR
	0-30 days SR	31-60 days SR	61-90 days SR	91-180 days SR	181-365 days SR	More than one year SR	
Total amount	22,768,664	16,888,253	4,649,415	4,300,374	2,063,234	1,602,894	52,272,834
2022							
Total amount	15,586,126	9,410,689	6,198,761	2,803,548	2,614,971	2,296,431	38,910,526

Based on past experience, it is expected that all unimpaired receivables will be recovered.

11 PREPAYMENTS AND OTHER CURRENT ASSETS

	2023 SR	2022 SR
Advance to suppliers	12,173,258	28,731,519
Prepaid expenses	5,083,507	6,554,357
Cash advances and petty cash	2,945,996	2,025,606
Deferred costs	2,740,020	1,367,337
Accrued revenue	-	2,471,042
Other	-	1,199,630
	<u>22,942,781</u>	<u>42,349,491</u>

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12 TRANSACTIONS WITH RELATED PARTIES

Related parties include shareholders, affiliates, executive management personnel, and entities controlled or jointly controlled by these entities or over which these entities exercise significant influence. Transactions with related parties and their terms are approved by the company's shareholders. The following is a statement of transactions with related parties and their balances:

Related party	Relationship
Najd Roads Contracting Company	Owned by a shareholder
Abdulaziz Saleh Al Rashed	Shareholder
Saud Saad Al Rashed	Shareholder
Noura Saleh Abdulaziz Al Rashed	Shareholder
Sarah Saleh Abdulaziz Al Rashed	Shareholder

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

Related party	Nature of the transaction	2023	2022
		SR	SR
Najd Roads Contracting Company	Sales	106,091,964	67,358,311
Shareholders	Amounts transferred to additional capital	-	92,707,509

Amounts due from and to related parties are shown in the consolidated statement of financial position within current liabilities, and consist of the following:

Amounts due from related parties	2023	2022
	SR	SR
Najd Roads Contracting Company (owned by a shareholder)	20,470,656	32,842,131
Quality rocks mining company (subsidiary company)	-	3,643,950
	20,470,656	36,486,081

Amounts due to related parties	2023	2022
	SR	SR
Muhammad Abdulaziz Saleh Al Rashed	399,500	-
Abdulaziz Saleh Al Rashed	-	3,338,972
Saud Saad Al Rashed	-	324,269
Noura Saleh Al Rashed	-	197,443
Sarah Saleh Al Rashed	-	197,443
	399,500	4,058,082

Compensation of key management personnel:

Members of the Board of Directors and key management personnel are defined as persons who have the authority and responsibility to plan, direct and control the company's activities (directly or indirectly). Compensation of members of the Board of Directors and key management employees includes the following:

	2023	2022
	SR	SR
Allowances and remuneration of the Chairman of the Board of Directors	8,083,173	10,451,194
Salaries and short-term benefits - executive management	1,354,056	621,170
Board members' remuneration	300,000	-
Defined Employee Benefit Liabilities – Executive Management	217,443	24,884
	9,954,672	11,097,248

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13 CASH AND CASH EQUIVALENTS

	2023	2022
	SR	SR
Bank balances	11,499,542	17,827,207
Cash in the investment portfolio	50,488	477,618
Cash in hand	-	34,315
	11,550,030	18,339,140

14 SHARE CAPITAL

On 29 Jumada II 1444 (corresponding to 22 January 2023), the Company increased its capital from 500 thousand Saudi riyals to 186 million Saudi riyals (18,600,000 shares) with a share value of 10 Saudi riyals.

The formalities related to that increase were completed. The Company's capital consists of 18,600,000 shares, each share's value is 10 Saudi riyals as of 31 December 2023 (50,000 shares, each share's value is 10 Saudi riyals as of 31 December 2022), distributed as follows:

Shareholders	Number of shares	Ownership percentage, %	Total value SR
Abdulaziz Saleh Abdulaziz Al Rashed	6,664,380	35.83%	66,643,800
Abdullah Saleh Abdulaziz Al Rashed	3,875,124	20.83%	38,751,240
Abdulaziz Saad Saleh Al Rashed	1,395,000	7.5%	13,950,000
Saud Saad Saleh Al Rashed	1,395,000	7.5%	13,950,000
Noura Saleh Al Rashed	1,007,748	5.42%	10,077,480
Sarah Saleh Al Rashed	1,007,748	5.42%	10,077,480
Areej Saud Al-Dabaan	697,500	3.75%	6,975,000
Dana Saad Saleh Al Rashed	697,500	3.75%	6,975,000
Lolo Saad Saleh Al Rashed	697,500	3.75%	6,975,000
Noura Saad Saleh Al Rashed	697,500	3.75%	6,975,000
Maryam Saad Al Rashed	465,000	2.5%	4,650,000
Total	18,600,000	100%	186,000,000

15 ADDITIONAL CAPITAL

During 2022, the shareholders decided to make additional contributions of 185,500,000 riyals to support and finance the Company. In 2023, the total balance of the additional capital was utilized to increase the Company's capital.

16 STATUTORY RESERVES

The new Companies Regulations, issued by Royal Decree M/132 dated June 30, 2022 (hereinafter referred to as the "Regulation"), came into effect on 19 January 2023. The Regulation replaces the Companies Regulations issued in 1437H, and any other provisions conflicting with the Regulation will be overridden. Existing companies must amend their status in conformity with the Regulation's provisions within two years of the effective date. The Company has revised its articles of association to comply with the provisions of the new system, and as a result, the Company is no longer obligated to establish a reserve.

Accordingly, the balance of the statutory reserve formed in prior years is subject to the shareholders' decision in the future, either to retain it as a general reserve or return it to retained earnings.

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17 EMPLOYEES DEFINED BENEFIT LIABILITIES

The Group grants defined benefit liabilities ("Benefit Program") to its employees taking into account the requirements of the labor law in the Kingdom of Saudi Arabia. The benefits granted under this benefit program represent a lump sum calculated on the basis of employees' latest salaries and allowances and their accumulated years of service at the date of termination of service.

The benefit liabilities recognized in the statement of financial position for defined benefit liabilities for employees represent the present value of the defined benefit liabilities at the date of preparing the financial statements. The most recent actuarial valuation was performed by an independent qualified actuary using the projected unit credit method.

The following is the details of the movement in defined benefit liabilities for employees:

	2023 SR	2022 SR
In the beginning of the year	9,381,546	9,218,498
Current service cost	1,970,737	2,808,930
Financial charges (note 25)	417,139	207,416
Payments	(1,897,438)	(590,888)
The gain on remeasurement in other comprehensive income	(1,657,657)	(2,262,410)
	8,214,327	9,381,546

The following are the significant assumptions used in determining the employee end-of-service benefit liabilities:

	2023 SR	2022 SR
Discount rate	5.5%	4.95%
Salary increases rate	2%	4%

The sensitivity analysis of the defined benefit liabilities to changes in the weighted average of the key assumptions is as follows:

Significant assumption	Change in assumption	2023 SR	2022 SR
Discount rate	+1%	7,782,943	8,526,533
	-1%	8,697,372	10,409,969
Salary increases rate	+1%	8,709,811	10,456,272
	-1%	7,764,801	8,473,861

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18 ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	2023 SR	2022 SR
Accrued expenses	14,486,132	16,123,099
Advance from suppliers	5,642,090	2,913,660
Value added tax	2,260,706	2,376,218
Dividends payable	-	15,460,111
Other	3,238,273	7,444,708
	25,627,201	44,317,796

19 SHORT-TERM LOANS

	2023 SR	2022 SR
Short-term loans	35,824,000	-

A) The Company obtained credit facilities in the amount of 46.5 million Saudi riyals from a local bank for the purposes of financing the Company's activities. The utilized balance amounted to 8.8 million Saudi riyals as a short-term loan due within a period not exceeding 12 months. The loan carries a commission according to the prevailing commercial rates in banks in the Kingdom of Saudi Arabia. This financing is secured by promissory notes and a joint guarantee from the shareholders.

B) The Company obtained financing in the amount of 60 million Saudi riyals from a local bank for the purposes of financing the Company's activities. The utilized balance amounted to 27 million Saudi riyals in the form of a short loan due within a period not exceeding 12 months. The loan carries a commission according to the prevailing commercial rates in banks in the Kingdom of Saudi Arabia. This financing is secured by promissory notes and a joint guarantee from the shareholders.

20 ZAKAT

The Company and its subsidiary submit the zakat assessments based on the financial statements of each company separately.

A) Zakat expense charged for the year:

The zakat charge for the year amounted to 4,090,314 Saudi riyals (2022: 1,964,926 Saudi riyals).

B) Movement of zakat provision:

	2023 SR	2022 SR
At the beginning of the year	1,990,034	2,060,358
During the year	4,090,314	1,964,926
Paid during the year	(1,966,391)	(2,035,250)
Related to acquisition of a subsidiary (note 28)	4,043	-
At the end of the year	4,118,000	1,990,034

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20 ZAKAT (CONTINUED)

C) Zakat assessment

Saleh Abdulaziz Al Rashed and Sons Company

The Company submitted its zakat returns to ZATCA for all years up to 2022, paid the zakat due accordingly, and obtained zakat certificates. The Company obtained the zakat assessments until 2015, and the zakat due on it was paid. Zakat assessments for the remaining years have not yet been received from ZATCA.

Quality Rocks Mining Company

The company submitted its zakat returns to ZATCA for all years up to 2022, paid the zakat due accordingly, and obtained zakat certificates. Zakat assessments for previous years have not yet been received from ZATCA.

21 REVENUE

	2023	2022
	SR	SR
Gravel and asphalt sales	286,487,597	263,708,158
Spare parts sales	114,934,160	97,028,253
Transportation revenue	97,270,935	68,724,470
Recognized at a point in time	498,692,692	429,460,881

22 COST OF REVENUE

	2023	2022
	SR	SR
Materials and operating supplies	166,398,762	124,333,890
Maintenance and repair	77,146,120	66,386,050
Transportation	49,919,937	39,697,769
Salaries, wages and its equivalents	44,029,095	38,676,329
Depreciation of property, plant and equipment (note 6)	34,661,201	19,881,315
Government expenses	16,591,339	13,683,087
Insurance expenses	2,825,609	1,939,210
Equipment rentals	2,196,778	535,603
Service expenses	1,793,434	1,101,276
Workers' housing expenses	774,128	663,363
Depreciation of right-of-use assets (note 7)	747,033	-
Provision for slow moving inventory (note 8)	247,923	-
Other	4,012,337	3,147,690
	401,343,696	310,045,582

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23 GENERAL AND ADMINISTRATIVE EXPENSES

	2023 SR	2022 SR
Employee salaries	27,197,733	35,584,914
Expected credit losses - trade receivables (note 10)	4,581,881	1,456,025
Depreciation of property, plant and equipment (note 6)	1,716,141	1,229,365
Governmental expenses	998,772	1,343,924
Professional and consulting fees	931,589	305,182
Subscriptions	667,778	-
Transportation	594,578	1,003,836
Service expenses	580,994	540,010
Bank expenses	537,931	468,643
Short term rental	533,070	1,133,369
Depreciation of right-of-use assets (note 7)	523,835	-
Maintenance	445,764	284,171
Insurance	139,806	80,677
Other	1,282,789	1,682,208
	40,732,661	45,112,324

24 SELLING AND MARKETING EXPENSES

	2023 SR	2022 SR
Selling commissions	1,634,735	2,209,400
Advertising	605,518	702,691
	2,240,253	2,912,091

25 FINANCIAL CHARGES

	2023 SR	2022 SR
Financial charges on loans	1,949,353	130,168
Financial charges related to lease liabilities (note 7)	302,714	-
Financial charges related to employee defined benefits (note 16)	417,139	207,416
	2,669,206	337,584

26 OTHER (LOSS) INCOME

	2023 SR	2022 SR
Gains on disposal of property, plant and equipment	609,553	228,596
Losses (gains) on the sale of investments in financial instruments held at fair value through profit and loss	-	242,525
(Losses) profits of currency exchange	(179,862)	96,973
Losses on revaluation of investment in financial instruments held at fair value through profit and loss (note 9)	(1,388,976)	(438,942)
Other	400,969	769,768
	(558,316)	898,920

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27 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the value at which assets can be exchanged or liabilities paid between willing parties on fair dealing terms. Financial instruments consist of financial assets acquired at fair value through profit or loss, trade receivables, cash and cash equivalents, and amounts due from related parties, while financial liabilities consist of loans, trade payables, amounts due to related parties, accrued expenses, other current liabilities, and lease liabilities.

Management has assessed that the fair value of its financial assets and liabilities approximates their book value, largely due to the short-term maturity of these instruments.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the financial year in which the change occurs. There were no transfers between levels 1, 2 or 3 during the year ended 31 December 2023 (31 December 2022: same). As at the reporting date, there were no Level 1, 2 or 3 assets or liabilities.

A) Financial assets

	2023 SR	2022 SR
Financial assets at fair value		
Investments in financial instruments carried at fair value through profit or loss	5,341,324	2,843,432
Financial assets at amortized cost		
Cash and its equivalent	11,550,030	18,339,140
Trade receivables	46,259,551	37,454,501
Amounts due from related parties	20,470,656	36,486,081
Other current assets	17,859,274	34,427,797
Total financial assets at amortized cost	96,139,511	126,707,519
Total financial assets (current)	101,480,835	129,550,951

B) Financial liabilities

	2023 SR	2022 SR
Financial liabilities at amortized cost		
Trade payable	40,196,713	29,633,185
Other current liabilities	8,795,363	10,358,368
Amounts due to a related party	399,500	4,058,082
Short-term loans	35,824,000	-
Lease liabilities	6,423,894	-
Total financial liabilities carried at amortized cost	91,639,470	44,049,635
Total current financial liabilities	88,144,039	44,049,635
Total non-current financial liabilities	3,495,431	-

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28 BUSINESS COMBINATION

Acquisition of Quality Rocks Mining Company

On April 3, 2023, the Company acquired 100% of the voting shares in Quality Rock Mining Company (a one-person company) from a related party at cost. Prior to this acquisition, the company had not previously carried out commercial activities. Quality Rock Mining Company specializes in operating quarries and sand or gravel mines, including crushers and land transportation of goods. The acquisition of Quality Rock Mining Company is aimed at significantly expanding the Company's product offerings in the mining sector.

Assets acquired and liabilities assumed

The fair value of the identifiable assets and liabilities of Quality Rocks Mining Company as at the acquisition date was as follows:

	Fair value recognized upon acquisition SR
Assets	
Prepaid expenses and other current assets	3,342,950
Cash and its equivalent	500,385
Total assets	3,843,335
Liabilities	
Accrued expenses and other current liabilities	8,500
Amounts due to related parties	3,743,450
Zakat provision	4,043
Total liabilities	3,775,993
Total identifiable net assets at book value	87,342
Consideration paid	87,342

29 CONTINGENCIES AND COMMITMENTS

As at 31 December 2023, the Group had outstanding letters of guarantee amounting to 12,418,750 Saudi riyals, and cash margins against letters of guarantee amounted to nil Saudi riyals (31 December 2022: outstanding letters of guarantee amounted to 9,850,000 Saudi riyals and cash margins against letters of guarantee amounted to nil Saudi riyals).

30 RISK MANAGEMENT FOR FINANCIAL INSTRUMENTS

The Group's principal financial liabilities consist of loans, 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 Investments in financial instruments carried at fair value through profit or loss, trade receivables, cash and cash equivalents and amounts due from related parties that arise directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management supervises the management of these risks.

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

Notes to the Consolidated Financial Statements (continued)
31 December 2023

30 RISK MANAGEMENT FOR FINANCIAL INSTRUMENTS (CONTINUED)

A) MARKET RISK

Market risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in prevailing market prices. Market risk includes two types of risks: interest rate risk and foreign currency exchange risk. Financial instruments affected by market risk include loans and deposits.

Interest rate risk

Interest rate risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in interest rates prevailing in the market. The Group's exposure to changes in market interest rates relates mainly to the Group's borrowings which are linked to a variable interest rate.

The Group is subject to changes in interest rate risk arising from changes in interest rates on its term loans, the rates of which are generally determined at prevailing interest rates. The Group manages interest rate risks by monitoring interest rate fluctuations on an ongoing basis.

Foreign currency exchange risk

Foreign currency exchange risk represents the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Management monitors fluctuations in foreign exchange rates, and the Group believes that it is not exposed to significant currency risks, as it does not conduct significant transactions in foreign currencies other than the Saudi riyals.

B) CREDIT RISK

Credit risk represents the inability of one party to fulfill its liabilities, resulting in the other party incurring a financial loss. The Group seeks to manage credit risks related to banks by dealing only with banks with a good reputation, according to receivables, a continuous credit evaluation of the credit risks related to receivables is conducted.

C) LIQUIDITY RISK

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from the inability to sell a financial asset quickly at an amount close to its fair value. The Group manages its liquidity risk by ensuring that bank facilities are available. The Group's terms of sales require amounts to be paid 30 to 90 days from the date of sale. Accounts payable are normally settled within 90 days of the date of purchase. All the liabilities presented in the Group's consolidated financial statements, except for the non-current portion of lease liabilities and employee benefit liabilities, are contractually due for payment on demand.

The Group's liquidity management process is monitored by Group management, and includes the following:

- a) Daily financing, which is managed by the Finance Department to ensure that these requirements are met, and this includes feeding funds when they are due or invested.
- b) Monitoring liquidity ratios in the consolidated statement of financial position in particular against internal and regulatory requirements.
- c) Managing risk concentrations and loan maturity dates.
- d) Liquidity management and mismatch of assets and liabilities

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

Notes to the Consolidated Financial Statements (continued)
31 December 2023

30 RISK MANAGEMENT FOR FINANCIAL INSTRUMENTS (CONTINUED)

LIQUIDITY RISK (CONTINUED)

D) SHRAES PRICE RISK

Share price risk represents the risk resulting from the fluctuation of the value of financial instruments as a result of changes in market prices. The Group's investments are exposed to market price risk resulting from uncertainty about future prices. Management manages these risks by diversifying the investment portfolio in terms of sector concentrations.

E) Capital management

The Group manages its capital to ensure that it is able to continue operating according to the going concern principle while increasing the return to shareholders by increasing the balance of equity. There was no change in the Group's overall strategy from the previous year.

The Group's objectives when managing capital are as follows:

- Preserving the Group's ability to continue operating according to the continuity principle, so that it can continue to generate returns for shareholders and benefits for other stakeholders.
- Maintain capital structure to minimize the cost of capital.

To maintain or adjust the capital structure, the Group may adjust dividends to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. Consistent with others in the mining industry, the Group monitors capital using a leverage ratio (net debt to equity ratio) which is calculated by dividing net debt by total equity.

31 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 of 31 December 2023 is as follows:

	Assessment date	Total SR	Fair value measurement using		
			Prices traded in active markets (Level one) SR	Significant observable inputs (level two) SR	Significant Unobservable inputs (The third level) SR
Financial assets measured at fair value:					
Investments in listed equity instruments (note 9):					
Investment portfolios	31 December 2023	5,341,324	5,341,324	-	

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

Notes to the Consolidated Financial Statements (continued)
31 December 2023

31 FAIR VALUE MEASUREMENT (CONTINUED)

The hierarchy for measuring the fair value of assets as of 31 December 2022 is as follows:

	Assessment date	Total SR	Fair value measurement using		
			Prices traded in active markets (Level one) SR	Significant observable inputs (level two) SR	Significant Unobservable inputs (The third level) SR
Financial assets measured at fair value:					
Investments in listed equity instruments (note 9):					
Investment portfolios	31 December 2022	2 843 432	2 843 432	-	-

32 DIVIDENDS

No decision has been made to distribute profits for the years 2023 and 2022 (31 December 2022: 20,195,833 Saudi riyals for the years 2021, 2020, and 2019).

33 SUBSEQUENT EVENTS

The management believes, there have been no significant subsequent events after year end that would have a material impact on the consolidated financial statements.

34 COMPARATIVE FIGURES

Certain figures relating for the prior year have been reclassified to conform to the presentation in the current year.

35 APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 December 2023 were authorized for issuance by the Board of Directors on 27 Shawwal 1445H (corresponding to 6 May 2024).

**SALEH ABDULAZIZ AL RASHED AND SONS
COMPANY
(A Limited Liability Company)**

**SPECIAL PURPOSE FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

SALEH ABDULAZIZ AL RASHED AND SONS COMPANY
(A Limited Liability Company)

SPECIAL PURPOSE FINANCIAL STATEMENTS
For the year ended 31 December 2022

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Special purpose statement of profit or loss and other comprehensive income	5
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**INDEPENDENT AUDITOR'S REPORT ON THE SPECIAL PURPOSE FINANCIAL STATEMENTS
TO THE PARTNERS OF SALEH ABDULAZIZ AL RASHED AND SONS COMPANY
(A Limited Liability Company)**

1/3

Opinion

We have audited the special purpose financial statements of Saleh Abdulaziz Al Rashed and Sons Company (A Limited Liability Company) (the "Company"), which comprise the special purpose statement of financial position as at 31 December 2022, the special purpose statement of profit or loss and other comprehensive income, the special purpose statement of changes in equity and the special purpose statement of cash flows for the year then ended, and notes to the special purpose financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying special purpose financial statements present fairly, in all material respects, the special purpose financial position of the Company as at 31 December 2022, and its special purpose financial performance and special purpose cash flows for the year then ended, in accordance with the basis of preparation described in Note (2) to the special purpose financial statements.

Basis of Opinion

We conducted our audit in accordance with 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 special purpose financial statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the special purpose financial statements, and 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.

Emphasis of Matter – Basis of Preparation and Restriction on Distribution and Use:

We draw attention to Note (2) to the accompanying special purpose financial statements, which describes the basis of preparation and states that these special purpose financial statements have been prepared for management's use and for inclusion in the Company's share offering prospectus to be submitted to the Capital Market Authority (the "CMA"). Accordingly, the special purpose financial statements may not be suitable for another purpose. Our report is intended solely for the Company and the CMA and should not be distributed or used by other parties. Our opinion is not modified in respect of this matter.

Other Matter

- The statutory financial statements for the year ended 31 December 2021 were audited by another auditor, who expressed an unmodified opinion on those financial statements on 6 Rabi Al-Awwal 1444H (corresponding to 2 October 2022).
- The statutory financial statements for the year ended 31 December 2022 were audited by another auditor, who expressed an unmodified opinion on those financial statements on 17 Sha'ban 1444H (corresponding to 9 March 2023).

Responsibilities of Management for the Special Purpose Financial Statements

Management is responsible for the preparation and fair presentation of the special purpose financial statements in accordance with the basis of preparation described in Note (2) to the special purpose financial statements, and for such internal controls as management determines is necessary to enable the preparation of the special purpose financial statements that are free from material misstatement, whether due to fraud or error.



Maham Company For Professional Services (A Professional limited liability company) CR: 2050240744, Capital: SR 1,000,000. (a member firm of the PC network, which constitutes of legally independent companies).
National address: Dammam, EDGB4292, Landline Numbers: + 966 - 13 - 858 - 9000 Website: maham.com

شركة مهام للاستشارات المهنية (شركة ذات مسؤولية محدودة مهنية)، س.ج. ٢٠٥٠٢٤٠٧٤٤، رأسمال: ١.٠٠٠.٠٠٠ ريال سعودي (عضو في شبكة PC المكونة من شركات مستقلة قانونياً)، العنوان الوطني: الدمام، EDGB4292، الهاتف الأرضي: ٩٠٠٠ - ٨٥٨ - ١٣٠٠ +٩٦٦ الموقع الإلكتروني: maham.com



**INDEPENDENT AUDITOR'S REPORT ON THE SPECIAL PURPOSE FINANCIAL STATEMENTS 2/3
TO THE PARTNERS OF SALEH ABDULAZIZ AL RASHED AND SONS COMPANY
(A Limited Liability Company) (continued)**

Responsibilities of Management for the Special Purpose Financial Statements (continued)

In preparing the special purpose 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 Company or to cease operations, or has no realistic alternative but to do so.

The board of directors in the Company are responsible for overseeing the Company financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose 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 special purpose 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:

- Identify and assess the risk of material misstatement of the special purpose 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 audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's 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 Company'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 special purpose 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content to the special purpose financial statements, including the disclosure, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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شركة مهام للاستشارات المهنية (شركة ذات مسؤولية محدودة مهنية)، س.ج. ٢٠٥٠٢٤٠٧٤٤، رأسمال: ١.٠٠٠.٠٠٠ ريال سعودي (عضو في شبكة PCI المكونة من شركات مستقلة قانونياً)، العنوان الوطني: الدمام، EDGB4292، الهاتف الأرضي: ٩٠٠٠ - ٨٥٨ - ١٣ + ٩٦٦، الموقع الإلكتروني: maham.com



**INDEPENDENT AUDITOR'S REPORT ON THE SPECIAL PURPOSE FINANCIAL STATEMENTS 3/3
TO THE PARTNERS OF SALEH ABDULAZIZ AL RASHED AND SONS COMPANY
(A Limited Liability Company) (continued)**

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 internal control that we identify during our audit.

For Maham Company for Professional Services



Abdulaziz Saud Al Shabeebi
Certified Public Accountant
License no (339)
24 Jumada Al-Ula 1446 H
26 November 2024



SALEH ABDULAZIZ AL RASHED AND SONS COMPANY
(A Limited Liability Company)

SPECIAL PURPOSE STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Note	2022 SR	2021 (Restated – Note 26) SR
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	128,498,469	75,736,166
TOTAL NON-CURRENT ASSETS		128,498,469	75,736,166
CURRENT ASSETS			
Inventories	6	82,584,186	60,471,627
Trade receivables	7	30,859,705	32,487,273
Prepayments and other current assets	8	44,757,739	27,158,481
Amounts due from related party	9	33,941,764	24,648,978
Investment in financial instruments at fair value through profit or loss	10	2,843,432	-
Cash and cash equivalents	11	18,339,139	48,931,087
TOTAL CURRENT ASSETS		213,325,965	193,697,446
TOTAL ASSETS		341,824,434	269,433,612
EQUITY AND LIABILITIES			
EQUITY			
Capital	12	500,000	500,000
Additional capital contribution	13	185,500,000	-
Statutory reserve	14	150,000	150,000
Retained earnings		68,602,311	108,454,000
TOTAL EQUITY		254,752,311	109,104,000
LIABILITIES			
NON-CURRENT LIABILITIES			
Employees defined benefit liabilities	15	9,381,546	9,218,498
TOTAL NON-CURRENT LIABILITIES		9,381,546	9,218,498
CURRENT LIABILITIES			
Accounts payable		29,633,185	16,246,247
Amounts due to related parties	9	4,058,082	108,388,673
Accrued expenses and other current liabilities	16	42,009,276	17,915,836
Murabaha financing	17	-	6,500,000
Zakat provision	18	1,990,034	2,060,358
TOTAL CURRENT LIABILITIES		77,690,577	151,111,114
TOTAL LIABILITIES		87,072,123	160,329,612
TOTAL EQUITY AND LIABILITIES		341,824,434	269,433,612

The accompanying notes from 1 to 33 form an integral part of these special purpose financial statements.

SALEH ABDULAZIZ AL RASHED AND SONS COMPANY

(A Limited Liability Company)

SPECIAL PURPOSE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022

	Note	2022 SR	2021 (Restated – Note 26) SR
Revenue	19	429,460,879	349,769,400
Cost of revenue	20	(308,286,020)	(236,065,533)
GROSS PROFIT		121,174,859	113,703,867
EXPENSES			
General and administrative expenses	21	(46,069,847)	(40,253,510)
Selling and marketing expenses	22	(2,912,096)	(2,423,338)
PROFIT FROM OPERATIONS		72,192,916	71,027,019
Financial charges	23	(337,584)	(195,232)
Other income, net	24	898,920	1,485,897
PROFIT BEFORE ZAKAT		72,754,252	72,317,684
Zakat	18	(1,964,926)	(2,035,250)
NET PROFIT FOR THE YEAR		70,789,326	70,282,434
OTHER COMPREHENSIVE INCOME			
<i>Item not to be reclassified to the Income Statement</i>			
Gain from remeasurement of employees defined benefit liabilities	15	2,262,410	187,058
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		73,051,736	70,469,492
EARNING PER SHARE			
Basic and diluted earnings per share from net income attributable to the partners of the Company	25	1,416	1,406

The accompanying notes from 1 to 33 form an integral part of these special purpose financial statements.

SALEH ABDULAZIZ AL RASHED AND SONS COMPANY
(A Limited Liability Company)

SPECIAL PURPOSE STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2022

	Capital SR	Additional capital contribution SR	Statutory reserve SR	Retained earnings SR	Total equity SR
As at 1 January 2021	500,000	-	150,000	37,984,508	38,634,508
Net profit for the year (Restated – Note 26)	-	-	-	70,282,434	70,282,434
Other comprehensive income	-	-	-	187,058	187,058
Total comprehensive income for the year (Restated – Note 26)	-	-	-	70,469,492	70,469,492
As at 31 December 2021 (Restated – Note 26)	500,000	-	150,000	108,454,000	109,104,000
As at 1 January 2022	500,000	-	150,000	108,454,000	109,104,000
Net profit for the year	-	-	-	70,789,326	70,789,326
Other comprehensive income	-	-	-	2,262,410	2,262,410
Total comprehensive income for the year	-	-	-	73,051,736	73,051,736
Transfer from amounts due to related parties to additional capital contribution	-	92,792,408	-	-	92,792,408
Transfer from retained earnings to additional capital contribution	-	92,707,592	-	(92,707,592)	-
Dividends	-	-	-	(20,195,833)	(20,195,833)
As at 31 December 2022	500,000	185,500,000	150,000	68,602,311	254,752,311

The accompanying notes from 1 to 33 form an integral part of these special purpose financial statements.

SALEH ABDULAZIZ AL RASHED AND SONS COMPANY
(A Limited Liability Company)

SPECIAL PURPOSE STATEMENT OF CASH FLOWS
For the year ended 31 December 2022

	2022 SR	2021 (Restated – Note 26) SR
OPERATING ACTIVITIES		
Profit before zakat	72,754,252	72,317,684
<i>Amendments to:</i>		
Depreciation of property, plant and equipment	21,110,680	14,874,367
Provision for slow-moving inventory	-	1,835,719
Finance costs	337,584	195,232
Gain on disposal of property, plant, and equipment	(228,596)	(498,873)
Gain on sale of investments in financial instruments measured at fair value through profit or loss	(242,525)	-
Provision for expected credit losses	2,826,447	5,224,375
Loss from revaluation of investments in financial instruments at fair value through profit or loss	438,942	-
Provision for employees defined benefit liabilities	2,808,930	1,916,269
	<u>99,805,714</u>	<u>95,864,773</u>
Changes in operating assets and liabilities		
Inventories	(17,020,607)	(20,318,672)
Trade receivables	(1,198,879)	(4,959,455)
Prepayments and other current assets	(17,599,258)	(13,435,078)
Trade payables	13,386,938	9,280,755
Accrued expenses and other current liabilities	8,633,329	6,458,943
Amounts due from / to related Parties	(20,830,969)	(18,239,724)
	<u>65,176,268</u>	<u>54,651,542</u>
Employees defined benefit liabilities paid	(590,888)	(213,343)
Zakat paid	(2,035,250)	(1,350,156)
Finance costs paid	(130,168)	(79,292)
Net cash from operating activities	<u>62,419,962</u>	<u>53,008,751</u>
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(80,066,103)	(35,236,801)
Proceeds from disposal of property, plant, and equipment	1,329,764	1,086,664
Additions to investments in financial instruments at fair value through profit or loss	(5,873,005)	-
Proceeds from sale of investments in financial instruments at fair value through profit or loss	2,833,156	-
Net cash used in investing activities	<u>(81,776,188)</u>	<u>(34,150,137)</u>
FINANCING ACTIVITIES		
Repayment of Murabaha financing	(6,500,000)	-
Proceeds from Murabaha financing	-	1,500,000
Dividends	(4,735,722)	-
Net cash (used in) from financing activities	<u>(11,235,722)</u>	<u>1,500,000</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	<u>(30,591,948)</u>	<u>20,358,614</u>
Cash and cash equivalents at the beginning of the year	48,931,087	28,572,473
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>18,339,139</u>	<u>48,931,087</u>
SIGNIFICANT NON-CASH TRANSACTIONS:		
Transfer from property, plant, and equipment to inventory	5,091,952	-
Accrued dividends	15,460,111	-
Transfer from amounts due to related parties to additional capital contribution	92,792,408	-

The accompanying notes from 1 to 33 form an integral part of these special purpose financial statements.

SALEH ABDULAZIZ AL RASHED AND SONS COMPANY (A Limited Liability Company)

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
31 December 2022

1- GENERAL INFORMATION

Saleh Abdulaziz Al Rashed and Sons Company (the "Company") is a Limited Liability 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) in Riyadh.

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.

During 2023, the Company was transformed from a Limited Liability Company into a Closed Joint-Stock Company with its rights and obligations, while maintaining the same commercial registration number and without changing the fiscal year. The regulatory procedures were completed on 29 Jumada Al-Akhirah 1444H, corresponding to 22 January 2023. Also, the Company increased its capital to become SR 186 million (18,600,000 shares), with a share value of SR 10.

The Company operates through the following branches:

Branch	Commercial Registration 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	1010624636	05/06/1441 H	Riyadh
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	1011149858	14/10/1443 H	Al-Kharj
Saleh Abdulaziz Al-Rashed and Sons Company	1010773510	15/06/1443 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	4030246026	25/06/1434 H	Jeddah
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	5855032113	12/04/1430 H	Khamis Mushait
Saleh Abdulaziz Al-Rashed and Sons Company Branch	4650227710	27/06/1442 H	Al-Madina

The special purpose financial statements prepared attached represent the assets, liabilities, and results of operations of the commercial records mentioned above.

2- BASIS OF PREPARATION

2-1 Significant Accounting Policies Applied and Restrictions on Distribution and Use

The Company intends to register and offer its shares for public offering. The Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority (the "Authority") in the Kingdom of Saudi Arabia require that a certified public accountant and the audit firm reviewing the issuer's financial statements to be registered with the Authority in accordance with the Rules for the Registration of Auditors of Entities Subject to the Supervision of the Authority. Accordingly, these special purpose financial statements have been prepared and audited in accordance with the aforementioned requirements for the purpose of their inclusion in the Company's share offering prospectus to be submitted to the Authority, and they should not be distributed or used by any other parties.

These special purpose financial statements have been prepared in accordance with the significant accounting policies set out in Note 4.

SALEH ABDULAZIZ AL RASHED AND SONS COMPANY
(A Limited Liability Company)

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS (continued)
31 December 2022

2- BASIS OF PREPARATION (continued)

2-2 Basis of Measurement

These special purpose 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 employees defined benefit liabilities at the present value of future obligations using the projected unit credit method.

2-3 Functional and presentation currency

These special purpose financial statements are presented in Saudi Riyals, which is the functional currency of the Company.

2-4 New and amended standards and interpretations

The Company has applied for the first time the following standards and amendments, effective for periods beginning on or before 1 January 2022, and which have no impact on the Company financial statements:

Newly Issued and Applied International Financial Reporting Standards

The following are amendments to the International Financial Reporting Standards (IFRS) and Interpretations Committee pronouncements that may be applicable to the Company and became effective on 1 January 2022, and had no material impact:

- Amendments to IAS 37 – Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract.
- Amendments to IFRS 3 – Reference to the Conceptual Framework.
- Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before Intended Use.
- Amendments to IFRS 1 – First-time Adoption of International Financial Reporting Standards: Subsidiary as a First-time Adopter.
- Amendments to IFRS 9 – Fees in the ‘10 Percent’ Test for Derecognition of Financial Liabilities.

Other Relevant Amendments to International Financial Reporting Standards Issued but Not Yet Effective

Some new and amended standards and interpretations issued but not yet effective as of 31 December 2022 have not been early adopted by the Company and will be adopted on their effective dates, as applicable. Management is assessing the potential financial impact of applying these standards, and the application of these standards and interpretations is not expected to have a material impact on the Company’s financial statements upon their effective dates.

- IFRS 17 – Insurance Contracts.
- Amendments to IAS 1 – Classification of Liabilities as Current and Non-current.
- Amendments to IAS 8 – Definition of Accounting Estimates.
- Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies.
- Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

3- SIGNIFICANT ACCOUNTING JUDGMENTS, ASSUMPTIONS AND ESTIMATES

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

Key sources of accounting estimation uncertainty

The Company 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.

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NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS (continued)
31 December 2022

3- SIGNIFICANT ACCOUNTING JUDGMENTS, ASSUMPTIONS AND ESTIMATES (Continued)

Key sources of accounting estimation uncertainty (continued)

Estimated useful lives of property and equipment

The Company management determines the estimated useful lives of its property, plant and equipment for the purpose of computing depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives as necessary, and future depreciation charges are adjusted when management believes the useful lives differ from previous estimates.

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 on the basis of type of inventory and its age or degree of obsolescence based on historical selling prices.

Provision for expected credit losses on trade receivables

The Company uses a provision matrix to calculate expected credit losses on trade receivables. The provision rates are determined based on days past due.

The provision matrix is initially based on observed historical default rates. The Company calibrates the matrix to adjust historical credit losses for forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year, which can lead to an increased number of defaults in the entertainment sector, the historical default rates are adjusted. At each special purpose reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of expected credit losses is affected by changes in circumstances and of forecast economic conditions. The Company's past credit losses and estimated economic conditions may not be representative of a customer's actual default in the future.

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 at arm's length for similar assets or observable market prices less costs incidental to the disposal of the asset. Value in use is calculated using the discounted cash flow method. Cash flows are determined based on the projected budget for the next five years and do not include restructuring activities that the Company has not yet committed to, nor significant future investments that could enhance the performance of the assets of the cash-generating unit subject to impairment testing. The recoverable amount is affected by the discount rate used in the discounted cash flow method, as well as the expected future in-ash flows and the growth rate used for forecasting purposes.

Contingent liabilities

By their nature, contingent liabilities 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.

Going concern

These special purpose financial statements have been prepared on a going concern basis. The Company management has conducted an assessment of the Company ability to continue to as going concern and the opinion that the Company 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 Company ability to continue as going concern.

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NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS (continued)
 31 December 2022

4- SIGNIFICANT ACCOUNTING POLICIES

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

Current versus non-current classification

The Company presents assets and liabilities in the statement of special purpose 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 Company 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 at banks, unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date

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

The Company classifies a liability as current when:

- a) it expects to settle the liability in the Company 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 Company 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.

Inventory

Inventory is initially measured at cost, which includes purchase costs, conversion costs and other costs incurred in bringing the inventory to its current location and condition. The Company 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 cost or net realizable value, whichever is lower.

The net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The Company's inventory includes the following items:

Raw materials

Raw materials are stated at cost or net realizable value, whichever is lower. Cost is determined using the weighted average method.

Goods held for sale

Finished goods are stated at the cost per unit of production or net realizable value, whichever is lower. The cost of finished goods held for sale is determined using the weighted average method. The cost per unit of production is calculated as the total production cost divided by the saleable production output.

Impairment

At each special purpose financial position 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 the special purpose 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 Company business model for managing it.

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NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS (continued)
31 December 2022

4- SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Initial recognition and measurement

Financial assets and financial liabilities are initially measured at fair value. At initial recognition, transaction costs directly related 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 special purpose statement of profit or loss and other comprehensive income.

Financial assets

Subsequent measurement for financial instruments

The Company has the following financial assets:

Financial assets at amortized cost:

This category includes accounts receivable and amounts due from related parties. The Company has only these assets at amortized cost. Financial assets are measured at amortized cost only if they meet both of the following conditions and are not carried at fair value through profit or loss:

- Acquiring the financial asset within the business model for the purpose of acquiring financial assets to collect contractual cash flows; and
- The contractual terms of the financial asset, at specified dates, result in cash flows that consist solely of payments of principal and interest on the principal outstanding.

Subsequently measured at amortized cost using the actual commission rate method and subject to impairment. Gains and losses on profit and loss are recognized in the special purpose statement of profit and loss and other comprehensive income when an asset is derecognized, adjusted 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 are not reclassified after initial recognition, except for the period following a change in the business model for managing financial assets.

Impairment of financial assets

The Company applies the simplified method prescribed in IFRS 9 to measure expected credit losses over the life of trade receivables. Expected credit losses on these financial assets are estimated using a provision matrix based on the Company historical credit losses, adjusted for the factors of the debtors, general economic conditions, and the assessment of both the current and expected market trends at the date of the special purpose financial statements, including the time value of money if appropriate.

Derecognition of financial assets

The Company ceases to prove financial assets only when the rights related to receiving cash flows from the assets or the Company transfers the financial assets and all the risks and benefits associated with the asset owner to another party. In cases where the Company does not transfer or retain all the risks and benefits associated with the owner or in which control over the asset is not transferred, the Company proves the remaining share in the asset and the related liability by the amount it is required to pay. If the Company retains all the risks and benefits associated with the transferred financial asset owner, the Company 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 special purpose statement of profit or loss and other comprehensive income. Conversely, when the Company derecognizes an equity investment that the Company 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 special purpose statement of profit or loss and other comprehensive income but is transferred to retained earnings.

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NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS (continued)
31 December 2022

4- SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (continued)

Financial Liabilities

The Company classifies its financial liabilities as measured at amortized cost or fair value through profit or loss. Financial liabilities at initial recognition are classified at fair value through profit or loss if they are classified as financial liabilities acquired for trading purposes or as derivatives or have been designated as such on initial recognition.

The Company financial liabilities include amounts due to related parties, trade payables, accrued expenses and other current liabilities, and Murabaha financing.

Subsequent measurement for financial liabilities

All liabilities of the Company are measured at amortized cost.

Derecognition

Financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. 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 special purpose statement of profit or loss and other comprehensive income.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the special purpose 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 carried 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 Company. This excludes all other costs such as general and administrative expenses and training costs. Any costs for the business case are charged to expenses as incurred unless they relate to a specific asset that is created internally and directly attributable to it.

The Company 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 Company; 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 special purpose statement of profit or loss and other comprehensive income 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 special purpose statement of profit or loss and other comprehensive income. Key spare parts are eligible for recognition as plant and equipment when the Company expects to use them for more than one year. Transfers are made to the relevant operational asset class 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	20
Transportation	5
Machinery and equipment	7
Furniture and fixture	10
Other assets	4

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 special purpose statement of profit or loss and other comprehensive income.

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NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS (continued)
31 December 2022

4- SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases

The Company 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.

The Company as lessee

The Company 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 Company applies a single recognition and measurement method for all leases, except for short-term leases and leases of low-value assets. The Company 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 Company 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.

If ownership of the leased asset transfers to the Company by the end of the lease term, or if the cost reflects the exercise of a purchase option, the asset is depreciated over its estimated useful life. Right-of-use assets are also subject to impairment. For details, refer to the accounting policies in the "Impairment of Non-Financial Assets" section. Right-of-use assets are depreciated on a straight-line basis over the lease term or the estimated useful lives of the assets, whichever is shorter. Lease terms for land and warehouse leases range from 2 to 20 years.

At the commencement date of the lease, the Company 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 Company and payments of penalties for terminating the lease, if the lease term reflects the Company 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 Company 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.

Impairment of non-financial assets

The Company assesses, at each special purpose financial position reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company 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 Company 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 immediately in the special purpose statement of comprehensive income.

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NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS (continued)
31 December 2022

4- SIGNIFICANT ACCOUNTING POLICIES (continued)

Employees benefits

Short-term employees' benefits

A liability is recognized of commitment to pay the benefits due to employees on salaries, wages, annual leaves and travel tickets expected to be paid in full within twelve months after the end of the period during which employees provide related services. The liability for the undiscounted amount of the benefits expected to be paid for those services.

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 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 special purpose 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 special purpose 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 Company 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 Company 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 special purpose 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 the 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 Company 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 special purpose 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 VAT when the VAT incurred on the purchase of assets or services is not recoverable from the Authority. In this case, VAT is recognized as part of the cost of acquiring the asset or as part of the expense item, as the case may be. Receivables and payables are proved with VAT included. The net amount of recoverable or payable VAT shall be included as part of receivable or payables in the special purpose statement of financial position.

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 fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic 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 Company 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 whose fair values are measured or disclosed in the special purpose financial statements are classified in the fair value hierarchy and disclosed below, based on the lowest level input that is considered significant to the measurement as a whole:

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NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS (continued)
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4- SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

- First level: quoted (unadjusted) in active markets for similar assets and liabilities that can be obtained on the measurement date.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly 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 special purpose financial statements on a recurring basis, the Company 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 year. The Company determines the policies and procedures for measuring both the fair value of recurring and non-recurring items.

On the date of each reporting date, the Company analyzes the changes in the values of assets and liabilities that need to be re-measured or re-assessed in accordance with the Company accounting policies. For this analysis, the Company verifies the key inputs applied in the last assessment by matching the information in the valuation calculation with the contracts and other relevant documents. The Company also compares the change in the fair value of each asset or liability with other external factors to determine whether the change is reasonable for fair value purposes and disclosures. The Company has identified the categories of assets and liabilities based on the nature, characteristics, and risks of the asset or liability and the level of the fair value hierarchy as described above.

Revenue recognition

The Company 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 Company 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 Company 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 Company earns revenue when (or whenever) it fulfills a performance obligation by transferring the goods or services promised to the customer under the contract.

The Company recognizes revenue from the following main sources:

Direct sales of the following goods to customers, which include:

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

The Company recognizes revenues when the control of the sold products transferred to the customer. This is assessed within the framework of the five-step revenue recognition model and in accordance with the applicable shipping terms.

Providing transportation services to customers

In some cases, the Company identifies delivery services as a distinct and identifiable component of the sale of goods. Revenue from these services is recognized when the Company transfers control of the goods at the Company loading locations and provides delivery services to the buyer's location. The Company allocates a portion of the total transaction price to the delivery services based on the best estimate of similar independent services.

Other revenue

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

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NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS (continued)
31 December 2022

4- SIGNIFICANT ACCOUNTING POLICIES (continued)

Cost of revenue

All expenses are recognized on the accrual basis. Operating costs are recognized on the historical cost basis. Direct production and manufacturing costs are classified as cost of sales. This includes raw materials, direct labor, and other attributable overhead costs.

Selling and marketing expenses

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

Foreign currency transactions

Transactions in foreign currencies shall be converted to Saudi Riyals using the prevailing exchange rates at the time of such transactions. Cash assets and liabilities denominated in foreign currencies are translated into Saudi Riyals using the prevailing exchange rates as at the date of the report. For non-monetary assets and liabilities measured at fair value in a foreign currency, they are translated into the activity currency using exchange rates at the date of determination of fair value. Non-monetary items measured at historical cost in a foreign currency are translated on the basis of exchange rates at the transaction date. Gains and losses resulting from changes in exchange rates are recognized in the special purpose statement of profit and loss and other comprehensive income.

Dividends distributions

Final dividends are recognized as a liability upon their approval by the general assembly. Interim dividends are recorded upon their approval by the board of directors. The corresponding amount is recognized directly in the special purpose statement of changes in equity.

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NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS (continued)

31 December 2022

5- PROPERTY, PLANT AND EQUIPMENT

	Lands* SR	Buildings and caravans SR	Machinery and equipment SR	Transportation SR	Furniture and fixture SR	Other assets SR	Projects in progress SR	Total SR
<i>Cost:</i>								
As at 1 January 2022	1,752,000	18,498,364	101,821,638	81,304,683	4,874,991	1,287,909	5,883,384	215,422,969
Additions	-	2,826,906	41,199,165	33,409,424	738,073	47,010	1,845,525	80,066,103
Transferred from projects in progress	-	-	670,377	16,821	-	-	(687,198)	-
Transferred to inventory	-	-	-	-	-	-	(5,091,952)	(5,091,952)
Disposals	-	(39,000)	(55,724)	(3,863,667)	-	-	(2,529)	(3,960,920)
As at 31 December 2022	1,752,000	21,286,270	143,635,456	110,867,261	5,613,064	1,334,919	1,947,230	286,436,200
<i>Accumulated depreciation:</i>								
As at 1 January 2022	-	5,878,035	72,106,210	57,035,850	3,756,697	910,011	-	139,686,803
Charged for the year	-	973,719	10,514,043	9,015,151	465,942	141,825	-	21,110,680
Disposals	-	(326)	(1,386)	(2,858,040)	-	-	-	(2,859,752)
As at 31 December 2022	-	6,851,428	82,618,867	63,192,961	4,222,639	1,051,836	-	157,937,731
<i>Net book value:</i>								
As at 31 December 2022	1,752,000	14,434,842	61,016,589	47,674,300	1,390,425	283,083	1,947,230	128,498,469

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NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS (continued)

31 December 2022

5- PROPERTY, PLANT AND EQUIPMENT (continued)

	Lands* SR	Buildings and caravans SR	Machinery and equipment SR	Transportation SR	Furniture & fixture SR	Other assets SR	Projects in progress SR	Total SR
<i>Cost:</i>								
As at 1 January 2021	1,752,000	15,884,357	89,185,483	65,015,995	4,438,896	10,814,690	4,530,479	191,621,900
Additions	-	2,614,007	6,257,070	4,465,054	436,095	162,099	21,302,476	35,236,801
Transferred from projects in progress	-	-	6,386,085	13,563,486	-	-	(19,949,571)	-
Disposals	-	-	(7,000)	(1,739,852)	-	(9,688,880)	-	(11,435,732)
As at 31 December 2021	1,752,000	18,498,364	101,821,638	81,304,683	4,874,991	1,287,909	5,883,384	215,422,969
<i>Accumulated depreciation:</i>								
As at 1 January 2021	-	4,975,634	64,242,343	53,507,166	3,382,325	9,552,909	-	135,660,377
Charge for the year	-	902,401	7,870,860	4,882,242	374,372	844,492	-	14,874,367
Disposals	-	-	(6,993)	(1,353,558)	-	(9,487,390)	-	(10,847,941)
As at 31 December 2021	-	5,878,035	72,106,210	57,035,850	3,756,697	910,011	-	139,686,803
<i>Net book value:</i>								
As at 31 December 2021	1,752,000	12,620,329	29,715,428	24,268,833	1,118,294	377,898	5,883,384	75,736,166

(*) All of the above-mentioned lands are registered in the names of certain shareholders on behalf of the Company, and the legal formalities to transfer ownership of these lands to the Company were still in process as of the date of issuance of these special purpose financial statements.

The depreciation is charged to special purpose statement of profit or loss and the other comprehensive income as follows:

	2022 SR	2021 SR
Cost of revenue	19,881,315	14,185,430
General and administrative expenses	1,229,365	688,937
	21,110,680	14,874,367

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6- INVENTORIES

	2022 SR	2021 SR
Finished goods	59,114,062	53,724,092
Spare parts	16,168,198	8,082,055
Production in progress	10,820,505	4,160,425
Raw materials	3,901,631	1,925,265
	90,004,396	67,891,837
Less: Provision for slow-moving inventory (6-1)	(7,420,210)	(7,420,210)
	82,584,186	60,471,627

6-1 The movement in provision for slow-moving inventory is as follows:

	2022 SR	2021 SR
Balance at the beginning of the year	7,420,210	5,584,491
Provided during the year	-	1,835,719
Balance at the end of the year	7,420,210	7,420,210

7- TRADE RECEIVABLES

	2022 SR	2021 (Restated – Note 26) SR
Trade receivables	38,910,527	37,711,648
Less: provision for expected credit losses (7-1)	(8,050,822)	(5,224,375)
	30,859,705	32,487,273

7-1 The movement in provision for expected credit losses during the year was as follows:

	2022 SR	2021 (Restated – Note 26) SR
Balance at the beginning of the year	5,224,375	-
Charged for the year	2,826,447	5,224,375
Balance at the end of the year	8,050,822	5,224,375

	Days past due – trade receivables						Total SR
	0-30 days SR	31-60 days SR	61-90 days SR	91-180 days SR	181-365 days SR	More than 1 year SR	
2022							
Total Amount	15,586,127	9,410,689	6,198,761	2,803,548	2,614,971	2,296,431	38,910,527
2021							
Total Amount	14,839,693	9,283,238	6,142,845	3,443,572	2,011,399	1,990,901	37,711,648

- The trade receivables are non-interest bearing and are generally due within 30–90 business days. Their carrying amount may be affected by changes in the credit risk of counterparties.
- All trade receivables of the Company are concentrated in the Kingdom of Saudi Arabia.
- As at 31 December 2022, trade receivables decreased by SAR 8,050,822 (31 December 2021: SAR 5,224,375) and a provision has been made created for it as appropriate.

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8- PREPAYMENTS AND OTHER CURRENT ASSETS

	2022	2021
	SR	SR
Advance payments to suppliers	31,892,385	14,437,738
Prepaid expenses	6,554,356	6,821,625
Cash advances	2,025,606	3,087,305
Deferred costs	1,367,337	-
Letter of banks guarantees	-	1,600,000
Others	2,918,055	1,211,813
	44,757,739	27,158,481

9- TRANSACTIONS WITH RELATED PARTIES

Related parties include shareholders, affiliates, executive management personnel, and entities controlled, (jointly controlled or significantly influenced by such parties). The processes with the relevant parties and their terms are approved by the Company's management. The following are the statements of transactions with related parties and their balances:

<u>Related Party</u>	<u>Relationship</u>
Abdulaziz Saleh Al-Rashed	Partner
Saud Saad Al-Rashed	Partner
Nourah Saleh Abdulaziz Al-Rashed	Partner
Sarah Saleh Abdulaziz Al-Rashed	Partner
Najd Roads Contracting Company	Owned by a partner
Abdulaziz Saleh Al-Rashed Establishment	Owned by a partner
Abdullah Saleh Al-Rashed Establishment	Owned by a partner

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

		Transaction amount	
		2022	2021
		SR	SR
Related Party	Nature of Transaction		
Najd Roads Contracting Company	Sales	67,358,314	22,772,903
	Waiver of a due balance in exchange for an		
Abdulaziz Saleh Al-Rashed Establishment	Increase in additional paid-in capital	35,000,000	-
	Waiver of a due balance in exchange for an		
Abdullah Saleh Al-Rashed Establishment	Increase in additional paid-in capital	52,603,713	-

Amounts Due from related parties in the special purpose statement of financial position:

	2022	2021
	SR	SR
Najd Roads Contracting Company	33,941,764	24,648,978

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NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS (continued)
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9- TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due to related parties in the special purpose statement of financial position:

	2022 SR	2021 SR
Abdulaziz Saleh Al-Rashed	3,338,927	17,169,940
Saud Saad Al-Rashed	324,269	39,067
Nourah Saleh Abdulaziz Al-Rashed	197,443	197,443
Sarah Saleh Abdulaziz Al-Rashed	197,443	197,443
Sheikh Saleh Al-Rashed	-	105,200
Heirs of Saad Saleh Al-Rashed	-	3,075,867
Abdulaziz Saleh Al-Rashed Establishment	-	35,000,000
Abdullah Saleh Al-Rashed Establishment	-	52,603,713
	4,058,082	108,388,673

Compensation of key management personnel:

Key management personnel are defined as individuals who have the authority and responsibility for planning, directing, and controlling the activities of the Company, whether directly or indirectly. Compensation of key management personnel includes the benefits due to the members of the board of directors and senior management of the Company:

	2022 SR	2021 SR
Allowances and remuneration of executive management	8,792,364	9,579,148
Salaries and short-term benefits – executive management	2,304,884	2,160,000
	11,097,248	11,739,148

10- 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:

	Country	2022 SR	2021 SR
Saudi Aramco Base Oil Company – Luberef	KSA	1,371,735	-
Al Saif Gallery Company	KSA	1,217,700	-
Riyadh Cables Group Company	KSA	253,997	-
		2,843,432	-

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

	2022 SR	2021 SR
Additions	5,873,005	-
Disposals*	(2,590,631)	-
Revaluation loss	(438,942)	-
At the end of the year	2,843,432	-

*During 2022, the Company sold a portion of its investments in financial instruments measured at fair value through profit or loss and recognized a gain on disposal in the special purpose statement of profit or loss and other comprehensive income amounting to SR 242,525.

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11- CASH AND CASH EQUIVALENTS

	2022 SR	2021 SR
Bank balances	17,827,207	48,488,093
Cash in investment portfolio	477,618	-
Cash in hand	34,314	442,994
	18,339,139	48,931,087

12- CAPITAL

The Company's share capital amounts to SAR 500,000, divided into 50,000 equal shares, with a nominal value of SAR 10 each. The partners and their respective shares in the Company's share capital as at 31 December 2022 and 2021 are as follows:

Shareholders	Number of Shares	Ownership %	Total value SR
Abdulaziz Saleh Abdulaziz Al-Rashed	20,417	40%	204,170
Abdullah Saleh Abdulaziz Al-Rashed	10,417	20%	104,170
Maryam Saad Al-Rashed	1,250	2%	12,500
Nourah Saleh Al-Rashed	1,458	3%	14,580
Sarah Saleh Al-Rashed	1,458	3%	14,580
Arej Saud Al-Dubaa	1,875	4%	18,750
Abdulaziz Saad Saleh Al-Rashed	3,750	8%	37,500
Saud Saad Saleh Al-Rashed	3,750	8%	37,500
Lulwah Saad Saleh Al-Rashed	1,875	4%	18,750
Noura Saad Saleh Al-Rashed	1,875	4%	18,750
Dana Saad Saleh Al-Rashed	1,875	4%	18,750
Total	50,000	100%	500,000

13- ADDITIONAL CPAITAL CONTRIBUTION

During 2022, the partners resolved to provide additional contributions to support and finance the Company amounting to SAR 185,500,000 which were transferred from amounts due to related parties and retained earnings.

14- STATUTORY RESERVES

In accordance with the provisions of the Saudi Companies Law and the Company's Articles of Association, the Company has appropriated a statutory reserve of 10% of its net income. This reserve had reached 30% of the share capital in previous years. This reserve is not available for distribution.

15- EMPLOYEE BENEFIT OBLIGATIONS

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

The employee benefit obligations recognized in the special purpose statement of financial position for end-of-service benefits are presented at the present value of the defined benefit obligations as at the reporting date. The most recent actuarial valuation was performed by an independent qualified actuary using the Projected Unit Credit Method. The following is a summary of the movements in defined employee benefit obligations:

	2022 SR	2021 SR
As at the beginning of the year	9,218,498	7,586,690
Current service cost	2,808,930	1,916,269
Financing costs	207,416	115,940
Payments	(590,888)	(213,343)
Gain on remeasurement charged to other comprehensive income	(2,262,410)	(187,058)
At the end of the year	9,381,546	9,218,498

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NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS (continued)
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15- EMPLOYEES BENEFITS OBLIGATIONS (continued)

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

	2022	2021
Discount rate	4.95%	2.25%
Salary increase 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	2022	2021
Discount rate	1%	8,526,533	8,219,092
	-1%	10,409,969	10,439,638
Salary increase rate	1%	10,456,272	10,452,272
	-1%	8,473,861	8,188,179

16- ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	2022 SR	2021 SR
Accrued expenses	15,987,029	5,155,815
Accrued dividends	15,460,111	-
Advance payments from customers	2,913,660	-
Value added tax	2,376,218	3,524,541
Other	5,272,258	9,235,480
	42,009,276	17,915,836

17- MURABAHA FINANCING

The Company obtained credit facilities from a local bank to finance its activities in the form of a short-term Murabaha financing maturing within a period not exceeding 12 months. The financing carries a commission based on the prevailing interbank commercial rates in the Kingdom of Saudi Arabia. This financing is secured by promissory notes and joint guarantees from the partners and requires the Company to comply with certain financial covenants. Under the terms of the agreement, the bank has the right to demand immediate repayment of the financing in the event of any breach of these covenants. The loan was settled during the year.

18- ZAKAT

a. Zakat expense charged for the year:

Zakat charged for the year amounted to SAR 1,964,926 (2021: SAR 2,035,250).

b. Zakat base:

	2022 SR	2021 SR
Adjusted net profit	78,597,041	81,409,988
Total equity and internal financing sources	116,009,399	78,123,630
	194,606,440	159,533,618
Non-current assets exceeding external financing sources	(144,535,773)	(75,736,166)
Zakat base	50,070,667	83,797,452
Accrued Zakat	1,964,926	2,060,358

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31 December 2022

18- ZAKAT (continued)

c. Movement of zakat provision:

	2022 SR	2021 SR
At the beginning of the year	2,060,358	1,375,264
Charged during the year	1,964,926	2,035,250
Paid during the year	(2,035,250)	(1,350,156)
At the end of the year	1,990,034	2,060,358

d. Zakat position:

The Company has filed its Zakat returns with the Zakat, Tax and Customs Authority ("ZATCA") for all years up to 2022, settled the Zakat due thereon, and obtained the Zakat certificates. The Company has received Zakat assessments up to the year 2015 and has settled the Zakat due for those years. Zakat assessments for the remaining years have not yet been received from ZATCA.

19- REVENUE

	2022 SR	2021 SR
Sales of building materials	332,520,527	264,847,452
Spare parts sales	96,940,352	84,921,948
Sales are recognized at a point in time	429,460,879	349,769,400

All of the Company's revenues are concentrated in the Kingdom of Saudi Arabia.

20- COST OF REVENUE

	2022 SR	2021 SR
Raw materials and operating supplies	141,403,826	105,637,154
Maintenance and repair expenses	43,664,964	27,570,295
Salaries and employee benefits	41,947,612	27,088,970
Transportation expenses	40,318,072	38,892,888
Depreciation of property, plant and equipment	19,881,315	14,185,430
Government fees	13,683,087	14,573,610
Insurance expenses	1,939,210	1,285,484
Utility expenses	1,101,276	871,112
Staff housing expenses	663,363	462,207
Leased equipment	535,603	421,668
Provision for slow moving inventory	-	1,835,719
Other expenses	3,147,692	3,240,996
	308,286,020	236,065,533

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21- GENERAL AND ADMINISTRATIVE EXPENSES

	2022 SR	2021 (Restated – Note 26) SR
Salaries and employee benefits	35,792,330	30,718,002
Provision for expected credit losses	2,826,447	5,224,375
Depreciation of property, plant and equipment	1,229,365	688,937
Government fees	1,343,924	257,252
Short term leases	1,133,368	806,786
Stationery, internet, and telephone	540,010	65,181
Transportation expenses	383,533	93,324
Professional and consulting fees	305,182	86,445
Maintenance expenses	284,171	65,803
Insurance	80,677	4,526
Bad debts	-	1,990,026
Others	2,150,840	252,853
	<u>46,069,847</u>	<u>40,253,510</u>

22- SELLING AND MARKETING EXPENSES

	2022 SR	2021 SR
Sale commissions	2,209,405	2,251,106
Advertising	702,691	172,232
	<u>2,912,096</u>	<u>2,423,338</u>

23- FINANCING COSTS

	2022 SR	2021 SR
Finance costs related to employee benefits	207,416	115,940
Financial charges on Murabaha financing	130,168	79,292
	<u>337,584</u>	<u>195,232</u>

24- OTHER REVENUE, NET

	2022 SR	2021 SR
Bad debts recovered	600,000	-
Gain on sale of investments in financial instruments measured at fair value through profit or loss	242,525	-
Gain on disposal of property, plant and equipment	228,596	498,873
Scrap sales	169,768	990,937
Foreign currency exchange gain (loss)	96,973	(3,913)
Loss on revaluation of investments measured at fair value through profit or loss	(438,942)	-
	<u>898,920</u>	<u>1,485,897</u>

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NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS (continued)
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25- EARNINGS PER SHARE

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.

	2022 SR	2021 SR
Dividends for the year attributable to shareholders	70,789,326	70,282,434
Weighted average number of outstanding shares	50,000	50,000
Basic and diluted earnings per share	1,416	1,406

26- ADJUSTMENTS AND RECLASSIFICATION

During the year, management identified a number of accounting errors in accordance with the requirements of IAS "Accounting Policies, Changes in Accounting Estimates and Errors" as endorsed in the Kingdom of Saudi Arabia. The correction of these errors resulted in retrospective adjustments to the comparative figures for the year ended 31 December 2021. Certain comparative figures have also been reclassified to conform to the current year's presentation.

- An accounting error related to not recording an expected credit loss provision for the year ended 31 December 2021 amounting to SAR 5,224,375.

The following table summarizes the impact on the special purpose statement of financial position as at 1 January 2022:

	Previously reported SR	Effect of error correction SR	Reclassification SR	Adjusted balance SR
Current Assets				
Trade receivables	62,360,540	(5,224,375)	(24,648,892)	32,487,273
Prepayments and other current assets	27,154,620		3,861	27,158,481
Amounts due from a related party	-		24,648,978	24,648,978
EQUITY				
Retained earnings	113,491,317	(5,224,375)	187,058	108,454,000
Actuarial reserve	187,058	-	(187,058)	-
Non-Current Liabilities				
Amounts due to related parties	20,784,960	-	(20,784,960)	-
Current Liabilities				
Trade payables	12,601,011	-	3,645,236	16,246,247
Amounts due to related parties	87,603,713	-	20,784,960	108,388,673
Accrued expenses and other current liabilities	21,557,125	-	(3,641,289)	17,915,836

The following is the impact on the special purpose statement of profit or loss and other comprehensive income for the year ended 31 December 2021:

	Previously reported SR	Effect of error correction SR	Reclassification SR	Adjusted balance SR
Revenue	349,928,524	-	(159,124)	349,769,400
Cost of revenue	(230,228,195)	-	(5,837,338)	(236,065,533)
General and administrative expenses	(32,837,776)	(5,224,375)	(2,191,359)	(40,253,510)
Selling and marketing expenses	(8,613,533)	-	6,190,195	(2,423,338)
Other expenses	(2,092,999)	-	2,092,999	-
Finance charges	(222,825)	-	27,593	(195,232)
Other income, net	1,608,863	-	(122,966)	1,485,897
Net profit for the year	75,506,809	(5,224,375)	-	70,282,434

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NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS (continued)
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26- ADJUSTMENTS AND RECLASSIFICATION (continued)

The following table summarizes the impact on the special purpose statement of cash flows for the year ended 31 December 2021:

	Balances before adjustments SR	Reclassification and error corrections SR	Balances after adjustments SR
Net Cash generated from (used in)			
Operating activities	50,599,626	2,409,125	53,008,751
Investing activities	(34,351,634)	201,497	(34,150,137)
Financing activities	4,110,622	(2,610,622)	1,500,000

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, 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, and other current liabilities.

Management has assessed the fair values of cash and cash equivalents, trade receivables, amounts due from related parties, Murabaha financing, trade payables, accrued expenses, and other current liabilities approximate their carrying amounts, primarily due to the short-term maturity of these instruments.

Investments in financial instruments measured at fair value through profit or loss are classified within Level 1 of the fair value hierarchy. During the current and prior year, there were no transfers into or out of Levels 2 or 3 of the fair value hierarchy.

28- CONTINGENCIES AND COMMITMENTS

As at 31 December 2022, the Company had outstanding letters of guarantee amounting SR 9,850,000, and the guarantees against the letters of guarantee amounted SR nil (31 December 2021: outstanding letters of guarantee amounting SR 7,000,00 and the guarantees against the letters of guarantee amounted SR 1,600,000).

29- FINANCIAL INSTRUMENTS RISK MANAGEMENT

The Company's primary financial liabilities comprise Murabaha financing, trade payables, accrued expenses, other payables, and amounts due to related parties. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include cash and cash equivalents, trade receivables, and other current assets, which arise directly from its operations.

The Company is exposed to market risk, credit risk, and liquidity risk. Senior management of the Company oversees the management of these risks.

A) Market Risk

Market risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in prevailing market prices. Market risk comprises three types of risk: financing cost rate risk and foreign currency exchange rate risk. The financial instruments exposed to market risk include Murabaha financing.

Financing cost price risks

The Company is exposed to changes in interest rate risk arising from fluctuations in the rates on its Murabaha financing, which are generally determined based on prevailing financing rates. The Company manages its financing rate risk by continuously monitoring changes in financing rates.

Foreign exchange rate risk

Foreign exchange risk is the risk that the fair value or future cash flows will fluctuate due to changes in foreign exchange rates. Management monitors fluctuations in foreign exchange rates, and the Company believes it is not exposed to significant currency risk, as it does not conduct significant transactions in foreign currencies other than the Saudi Riyal and the US Dollar.

B) Credit Risk

Credit risk is the risk that a party fail to discharge its obligations, resulting in a financial loss to the other party. The Company seeks to manage credit risks related to banks by dealing only with banks with a good reputation, and in terms of receivables, a continuous credit risk assessment is conducted for credit risks related to receivables.

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NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS (continued)
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29- FINANCIAL INSTRUMENTS RISK MANAGEMENT (continued)

C) Liquidity Risk

Liquidity risk represents the risk that the Company may encounter difficulties in meeting obligations associated with financial instruments. Liquidity risk arises from the inability to sell a financial asset quickly and at an amount equal to its fair value. The Company manages liquidity risk by ensuring the availability of bank facilities. The Company's credit sales terms stipulate payment within 30 days from the date of sale, while trade payables are generally settled within 90 days from the date of purchase. All liabilities presented in the Company's special purpose statement of financial position, except for employee defined benefits and Murabaha financing, are contractually payable on demand.

Liquidity management within the Company is overseen by management and includes the following:

- a) Daily financing, which is managed by the Finance Department to ensure meeting these requirements, including arranging funds when due or investing surplus funds.
- b) Monitoring liquidity ratios in the special purpose statement of financial position against internal and regulatory requirements.
- c) Managing risk concentrations and the maturity profile of Murabaha financing.
- d) Managing liquidity and the mismatch between assets and liabilities.

D) Capital Management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing returns to the partners through the optimization of the equity balance. There has been no change in the overall strategy of the Company compared to the previous year.

The Company objectives when managing capital are as follows :

- Maintain the Company ability to continue operating under going concern principle , so that it can continue to generate returns for partners and benefits for other related parties .
- Maintain an optimal capital structure to reduce cost of capital.

To maintain or amend the capital structure, the Company may amend dividends to partner, return capital to partners, issue new shares, or sell assets to reduce debt". Consistent with others in mining, the Company controls capital using leverage ratio (net debt to equity ratio) which is calculated by dividing net debt by total equity.

30- FAIR VALUE MEASUREMENT

The following table shows the hierarchy for measuring the fair value of the Company financial assets:

The hierarchy for measuring the fair value of assets as at 31 December 2022:

	Calendar Date	Total SR	Fair value measurement using		
			Prices traded in active markets (level 1) SR	significant observable inputs (level 2) SR	significant unobservable inputs (Level 3) SR
Financial assets measured at fair value:					
Equity investments in listed equity instruments:					
Investments in listed entities	31 December 2021	-	-	-	-
Investments in listed entities	31 December 2022	2,843,432	2,843,432	-	-

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 31 December 2022

31- DIVIDENDS

The partners resolved on 1 November 2022 to approve a dividend distribution for the year ended 31 December 2022 amounting to SAR 20,195,833 (31 December 2021: Nil).

32- SUBSEQUENT EVENTS

During 2023, the Company was converted from a Limited Liability Company to a Closed Joint Stock Company, assuming all its rights and obligations, while retaining the same commercial registration number and without changing its fiscal year. The legal formalities were completed on 29 Jumada Al-Akhirah 1444H (corresponding to 22 January 2023). The Company also increased its share capital to SAR 186 million, divided into 18,600,000 shares with a nominal value of SAR 10 per share.

On 3 April 2023, the Company acquired 100% of the voting shares in Quality Rocks Mining Company (a One Person Company), a Company specialized in operating sand and aggregates mines, including crushers and land freight transportation.

The new Companies Law, issued under Royal Decree No. M/132 dated 30 June 2022 (hereinafter referred to as “the Law”), came into effect on 19 January 2023. The new Companies Law replaces the Companies Law issued in 1437H and repeals all provisions that conflict with it. Existing companies at the time of its implementation are required to adjust their status in accordance with its provisions within a period not exceeding two years from the effective date. The Company amended its Articles of Association upon its conversion into a closed joint stock Company during the subsequent period to comply with the new Law. As a result, the Company is no longer required to create a statutory reserve.

Other than the above, management is not aware of any significant subsequent events that would have a material impact on these special purpose financial statements.

33- APPROVAL OF FINANCIAL STATEMENTS

The Company’s special purpose financial statements for the year ended 31 December 2022 were approved by partners on 19 Jumada Al-Awwal 1446H (corresponding to 21 November 2024).

شركة صالح عبد العزيز الراشد وأولاده
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