شركة أسمنت المنطقة الجنوبية
SOUTHERN PROVINCE CEMENT COMPANY



التقريـــر الســـنـــوي
ANNUAL REPORT
2025



His Royal Highness

Prince Mohammed bin Salman bin Abdulaziz Al Saud

Crown Prince and Prime Minister

- May God protect him -



Custodian of the Two Holy Mosques

King Salman bin Abdulaziz Al Saud

-May God protect him -

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شركة أسمنت المنطقة الجنوبية
SOUTHERN PROVINCE CEMENT COMPANY

01

General Overview

Southern Province Cement Company (SPCC)



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About

01 Southern Province Cement Company

Southern Province Cement Company

is a Saudi joint stock company established in 1978, operating in the manufacturing and sale of cement and clinker. It primarily serves the markets of Aseer, Makkah Al-Mukarramah, and Jizan. The Company manages a multi-site operating platform across three factories, anchoring its business model on providing reliable supply to its primary markets. With a focus on operational efficiency, product quality, and cost discipline. Supporting the infrastructure, housing, and large-scale development project needs of the Kingdom within its operating regions.

Core Business Activities

Production and sale of cement

Production and sale of clinker





02 About Company Journey

Since its founding in 1978, the Company has undergone a progressive expansion in production capacity and a strengthening of its capital base to meet growing demand in its markets.

1978

The company was founded with a capital of 700 million Riyals.

1981

The company began production from the Jazan factory.

1993

Date of listing on the financial market (stock exchange).

1997

- Capital increase to SAR 1.05 billion through a bonus issue of one share for every two shares held.
- Production began at the Bisha factory with a capacity of 1.2 million tons of clinker annually.

2006

Capital increase to 1.4 billion Riyals through a 33% bonus share issuance.

2007

Production began at the Tihama factory with a capacity of 1.5 million tons of clinker annually.

2012

Launching the second line at the Tihama factory with a design capacity of 1.5 million tons of clinker annually.

2015

Launching the third line at the Tihama factory with a capacity of 1.5 million tons of clinker annually.

2018

The second line at the Bisha factory began operations with a design capacity of 1.5 million tons of clinker annually.

2023

Signing a contract with Sinoma to construct a new clinker line at the Jazan factory with a capacity of 1.5 million tons of clinker annually, with additional equivalent infrastructure.

2025

Signing a solar energy purchase agreement for 25 years for the Bisha factory with Tarsheed Company.

Completing the construction of the third line at the Jazan factory at 98%, with trial production beginning, with the first trial quantity produced on December 29.

03

Where We Operate
Operations

The company manages three plants serving its customers in various regions of the Kingdom, as follows

Jazan Plant — Jazan Region
Bisha Plant — Aseer Region
Tihama Plant — Makkah Al-Mukarramah Region

Total Capacity
by End of 2025

9.3
Million tons of clinker

12.2
Million tons of cement (design capacity)



Actual Production for Company Plants by End of 2025

Plant	Clinker	Cement
Jazan	1.26	1.23
Bisha	1.54	1.49
Tihama	2.04	1.39
	4.83	**4.11**

04 2025 at a glance



First Quarter

01 Jan
Receipt of a notice from Aramco amending the selling prices of fuel used in production

14 Jan
Announcement that fuel price adjustments by Aramco will increase production costs by approximately 10%

27 Mar
Board of Directors' recommendation to vote on distributing profits at 7% from the second half of 2024

Second Quarter

12 May
General Assembly invitation to vote on distributing profits at 7% from the second half of 2024

19 Jun
General Assembly approval to distribute profits at 7% from the second half of 2024

23 Jun
Extension of the MOU with Yanbu Cement Company to evaluate the feasibility of a merger

Third Quarter

01 Sep
Return to exporting to the Egyptian market after a 27-year absence

02 Sep
Board approval of the resignation of the CEO, Eng. Aqeel bin Kadasah, and amicable termination of the relationship

22 Sep
Announcement of the failure to reach an agreement on the merger with Yanbu Cement Company

28 Sep
Signing of a 25-year solar energy purchase agreement for the Bisha plant with Tarsheed Company.

Fourth Quarter

01 Oct
Assignment of Eng. Saud Al-Barqan as Acting CEO from 1 October to 30 November 2025

01 Dec
Appointment of Mr. Abdulsalam Al-Duraibi as CEO with effect from 1 December 2025

29 Dec
Decision to distribute profits at 2.5% for the first half of 2025

30 Dec
98% completion of the new production line at Jazan Plant

05 Snapshot of 2025

4.45 Million tons
Total company sales during 2025

867 SAR Million
Total revenues

4th Nationally
Among cement producers in the Kingdom in terms of local market share

1st Nationally
In terms of design production capacity

%7.5
Share of total cement sector sales in the Kingdom

339 thousand tons of clinker
exported, reflecting the resumption of exports to the Egyptian market

%98
Completion rate of the new Jazan production line with a capacity of 5,000 tons of clinker per day

25 years
Duration of the solar energy agreement to reduce production costs and promote sustainability

2 Awards
In social responsibility

3 Plants
Operating across three regions: Jazan, Aseer, and Makkah

29,000
tons/day
Design capacity for clinker production

40,600
40,600 tons/day
Design capacity for grinding and cement production operations

Sales and Marketing

Total Company Sales in 2025
4.45 Million tons

Total Company Sales in 2024
4.62 Million tons

Local Sales in 2025
4.11 Million tons

Local Sales in 2024
4.28 Million tons

By Plant Level

2025		2024	
Million ton	**1.23**	Million ton **1.27**	**Jazan Plant**
Million ton	**1.49**	Million ton **1.32**	**Bisha Plant**
Million ton	**1.37**	Million ton **1.67**	**Tihama Plant**

Export Side

Export Volume
346,354 tons of clinker
2024

Export Volume
338,650 tons of clinker
2025

Local Sales Distribution by Region — 2025

Jazan	Aseer	Jazan and Aseer combined
42.74%	**41.53%**	**84.27%**

Makkah Al-Mukarramah	Other Regions
9.41%	**6.32%**

Sales by Product
(SAR Million)

827.16 SAR Million | 2024: 890.9

Cement

40.18 SAR Million | 2024: 44.1

Clinker

867.34 SAR Million | 2024: 935.0

Total

Revenue and Income by Plant
(SAR Million)

	Revenue	2024	Income	2024
Jazan	293.08	319.8	(4.3)	86.8
Bisha	298.47	276.1	(12.1)	95.9
Tihama	275.79	339.1	35	122.7

Cash Distributions

3.98 SAR Billion — Paid during 2025

133 SAR Million — Announced during 2025

102 SAR Million — Total distributions over last 10 years

(28.45 ريال للسهم).

98 million riyals from the second half of 2024, distributed to shareholders during 2025, and 35 million riyals from the first half of 2025, announced during the same year.

Key Sustainability Indicators

The company works to integrate sustainability into its operational model by improving energy efficiency, strengthening environmental compliance, and developing governance and social responsibility practices. The following are the key sustainability indicators supporting long-term performance, in line with the 2024 Sustainability Report.

Environment, Energy, and Emissions

Sustainability Indicators Comparison 2024–2025

Sector	Indicator	2024 Baseline	2025
Environment	Total Energy Consumption (kWh)	701,823,284	669,773,461
Environment	Total Emissions tCO□e (1)(2)	6,482,995.08	5,649,174
Environment	Emissions Intensity (1)(2) / ton of clinker	1.026	1.017
Environment	Emissions Intensity (1)(2) / ton of cement	1.521	1.373

Supply Chain and Local Content

2024 **67%**

Spending rate on local suppliers

2025 **79%**

Spending rate on local suppliers

The company has succeeded in transforming contract and procurement management into an integrated supply chain model that enhances operational efficiency and supports financial performance. The company also works to develop local content by developing local suppliers and contractors, in pursuit of Vision 2030 goals.

In this context, the company obtained the Local Content and Government Procurement Authority certificate during 2025, achieving a local content rate of 62.58% compared to fiscal year 2024, reflecting its commitment to maximizing added value and enhancing business sustainability.

Compliance and Governance

The Company has adopted an approved framework for reporting violations and unprofessional conduct, reinforcing the principles of integrity, transparency and accountability in the workplace. No material reports or cases were recorded under this framework during 2024 and 2025.

06 Stakeholder Engagement

Southern Province Cement Company believes that stakeholder engagement is a fundamental pillar for building trust, reinforcing transparency, and elevating the quality of decision-making. The Company pursues continuous engagement aimed at understanding stakeholder aspirations, measuring their satisfaction levels, and responding to their feedback within a governance and compliance framework. This contributes to achieving sustainable value over the long term.

Stakeholder Engagement	What usually matters to them	Primary Communication Channels	Timing of Engagement	Examples and Indicators
Employees	Safety, development, job security, fairness and benefits, work environment	Internal meetings and sessions, training programmes, internal feedback channels, safety awareness	Continuous + periodic per operational and training programmes	Training of 4,896 employees through 2,026 training hours across all plants in 2025
Customers	Product availability, supply continuity, specification quality, response speed, compliance with standards	Sales management and customer service, technical support, complaint and feedback handling, customer visits/supply agreements	Per contracts and demand cycles + complaint handling as needed	The Company affirms compliance with relevant quality and safety standards, including applicable specification requirements and regulations, in addition to domestic sales data
Suppliers & Business Partners (incl. Contractors)	Clarity of requirements, fair competition, on-site safety compliance, regularity of payments, business continuity	Pre-qualification of suppliers, contract management, performance evaluation, periodic meetings, safety requirements for contractors	Periodic per contracts and projects + performance reviews	Local supplier spending reached 79% in 2025 compared to 67% in 2024, with a focus on supply chain risk management and resilience
Shareholders & Investors	Fair disclosure, financial performance, governance, risks, distributions (within disclosures)	General Assembly, periodic disclosures, introductory materials, responding to investor enquiries via investor relations channels	Per disclosure and governance requirements + at General Assembly meetings	Shareholder engagement is anchored on fair and transparent disclosure and timely provision of information
Community & Environment	Environmental impact, local employment opportunities, community initiatives, transparency, compliance	CSR initiatives, local partnerships, events, community engagement, awareness programmes	Per initiatives and events + periodic	Won two awards: the first from the Ministry of Human Resources and Social Development and the second from Mudun; the Company's approach supports positive impact on the communities in which it operates
Regulatory & Supervisory Authorities	Compliance, reporting, quality, environment, safety, anti-corruption	Statutory reports, audit and review operations, compliance with standards and regulations	Per statutory schedules + at audit operations	The Company's adoption of multiple management systems and standards (e.g. ISO 9001, 14001, 45001, 50001, ISO 31000, and others) as a supporting framework for governance and management

07 Investment Advantages

The Investment Message

Southern Cement Company combines a strategic geographic location in the Southern Region, solid institutional ownership under the Public Investment Fund, and growing competitive capabilities — making it a core driver of demand for cement under Vision 2030.

01 **Operational presence in three high-momentum markets**

02 **Long-term strategic shareholder**

03 **First nationally in design capacity, fourth in market share**

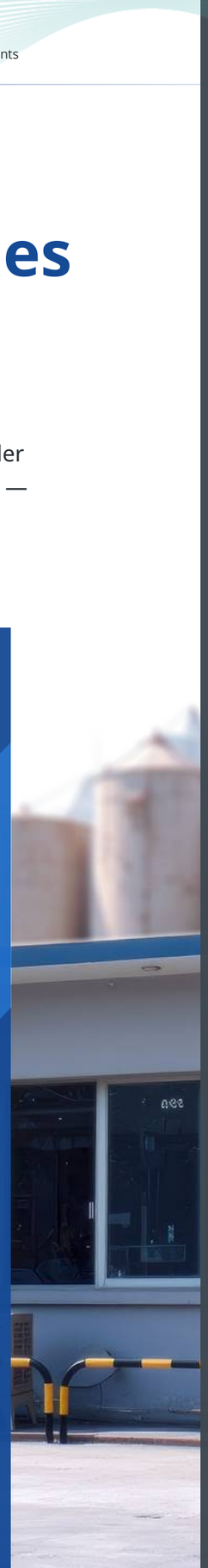
04 **Exporting to foreign markets**

05 **A continuously renewed asset base**

06 **Pioneer in green cement and supporting national environmental goals**

07 **Record of sustained distributions over decades**





01 Operational Presence in Southern Region Markets and Western Region Markets Supported by Projects

The Company operates within a geographic scope historically linked to development, infrastructure and housing spending cycles; demand drivers are now visible, while the actual pace of demand remains subject to market factors and project execution timing.

Jazan Region

A package of municipal development and urban projects (roads, infrastructure, public facilities, and investment projects) is driving sustained demand for cement in the region. Jazan's operational location provides a competitive advantage in terms of transportation costs and speed of supply and customer service in this environment.

Aseer Region

Infrastructure, quality-of-life, and lifestyle improvement projects are accelerating in line with Vision 2030 development trends, which may strengthen cement demand in a market considered one of the company's primary markets.

Makkah Al-Mukarramah Region

Makkah is witnessing an urban development wave with expanding capacity in hospitality and housing. There are also major development projects underway, and regulatory developments in the real estate market (such as updates allowing foreigners to own real estate, and real estate tokenisation trends) may contribute to strengthening demand, with the need to officially document these developments in their final form.

02 Long-Term Strategic Shareholder

The Public Investment Fund holds approximately 37.4% of the company's shares. This ownership is not merely a listing on the shareholders' register — it is a strategic guarantee that means:

Long-term vision unaffected by short-term market fluctuations
Alignment with the Fund's portfolio projects in the regions it serves: Makkah, Jazan, and Aseer
Institutional credibility that strengthens the confidence of local and international investors

03 First Nationally in Design Capacity, Fourth in Market Share

The company has a design production capacity of 9.3 million tons of clinker annually across its three plants in Jazan, Bisha and Tihama, and a design cement production capacity of 12.2 million tons annually, making it among the top companies in the sector in terms of design capacity at the national level. During the current year, the company achieved sales of 4.45 million tons, with a market share of 7.5% — in a market largely characterised by decline.

04 Exporting to Foreign Markets

In August 2025, the company exported 49,850 tons of clinker to the Arab Republic of Egypt — the first such export to the Egyptian market since 1998. Total company exports during 2025 reached 339,000 tons of clinker.

05 A Continuously Renewed Asset Base

The company completed 98% of its new Jazan production line project (value: SAR 1.24 billion), with a capacity of 5,000 tons of clinker per day, using the latest technologies for lower emissions and higher efficiency — with infrastructure ready for a second expansion line without additional infrastructure investment.

06 Pioneer in Green Cement and Supporting National Environmental Goals

The Company began producing Green Cement (G.U Cement), a low-carbon product based on a reduced clinker ratio, strengthening its ability to benefit from growing demand for sustainable building materials within Vision 2030 projects. This is complemented by the Green Footprint program aimed at planting 500,000 trees in company operational areas between 2025 and 2030, in partnership with King Khalid University, covering 13 regions across the Kingdom.

07 Record of Sustained Distributions Over Decades

Year	Total Distributions (SAR Million)	Per Share (SAR)
2025*	70	0.50
2024	168	1.20
2023	140	1.00
2022	175	1.25
2021	350	2.50
2020	665	4.75
2019	490	3.50
2018	280	2.00
2017	210	1.50

These policies reflect the company's commitment to balancing shareholder returns with capital expansion investment requirements.

Investment Message Summary

Southern Province Cement combines growing market share, foundational support from the Public Investment Fund, a return to export markets after years of absence, new production capacity and a green leadership position with environmentally friendly products — supporting growth in the Kingdom's three fastest-growing markets. Actual results remain subject to market developments, project execution timing and macro business conditions.

08 Shareholder Information

Share Information

Item	Details
Listing Date	**1993**
Market	Tadawul – Main Market (Tasi)
Symbol	**3050**
International Code (ISIN)	**SA0007879501**
Number of Issued Shares	**140,000,000**
Par Value	10 Riyals
Capital	**1,400,000,000**
Closing Price as of 31 December 2025	**22.31**
Market Capitalization as of 31 December 2025	SAR 3,123.4 Million
Foreign Ownership Limit	49% (subject to CMA regulations/trading rules and the company's bylaws, if any)
Free Float	**87.59 Million shares (based on the shareholders register as of 31 December 2025)**

All price and market value data is based on Tadawul trading data as of the indicated date. Ownership is based on the shareholders register as of the mentioned date and may change later.

Ownership by Type

Free Float Shares

87.6 (62.56%)

Million shares

Major Shareholders

52.4 (37.43%)

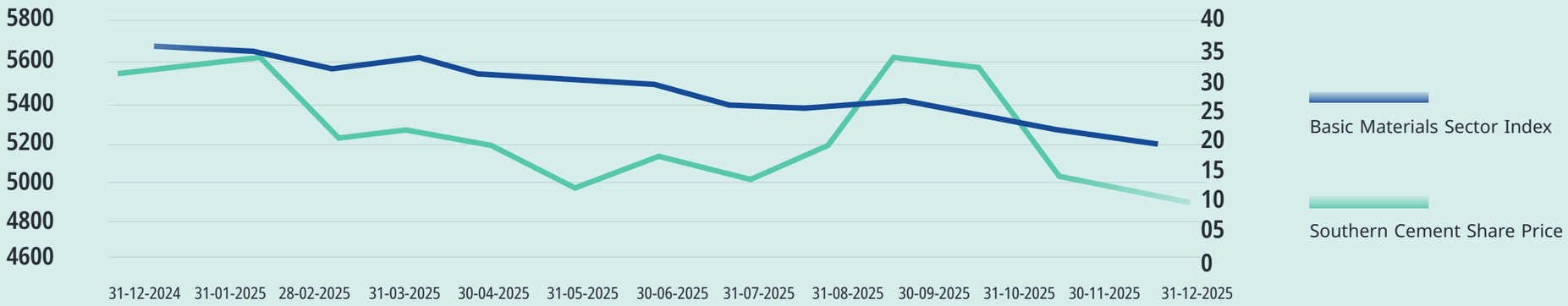
Million shares

140

Million shares

Share Performance vs. Benchmark Index

A monthly chart comparing the Basic Materials Sector Index and Southern Cement Company's share price



Major Shareholders (□5%)

Shareholder	Direct Ownership %	(Number of Shares (Million shares
Public Investment Fund	37.43%	52.4

"Data reflects the consolidated figures in the shareholders register as of 31 December 2025"



Share Ownership Structure

The company's ownership is distributed between principal shareholders and the public, where the free float reaches 62.56% as of the shareholders register dated 31 December 2025. The foreign investors' ownership limits are subject to the regulatory limits applicable to the company, along with any restrictions specific to the company if any. These figures reflect the structure in the register as of that date and may change over time.

Shareholders and Investors

General Management – Investor Relations Department
Abha – King Fahd Road, P.O. Box 156, Abha 61421

Contact Information:

Phone: 0172271500 Ext. 144 – 158 Email: sh@spcc.com.sa Company Website: https://spcc.com.sa

Investor Relations Assessment 2025

Company Events

— 2025/06/19

(Extraordinary General Assembly Meeting (First Meeting

— Financial Results / Disclosures

Period	Expected Disclosure Window	Notes
Q1 2025	2025/05/14	Announce results on Tadawul
H1 2025	2025/08/06	Announce interim dividends (if any)
Q3 2025	2025/11/11	Announce results on Tadawul
Full Year 2025 Results	2026/1/31	Announce results on Tadawul

02

Strategic Review

This section contains some forward-looking statements based on management's assumptions and estimates at the time of preparing the report. Actual results may differ materially due to external factors beyond the company's control, including market conditions, economic conditions, energy costs, legislation and transportation, and supply and demand variables.

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01 Chairman’s Message



Mr.
Saad bin Abdulaziz bin Abdulwahab Al-Karoud

Dear respected shareholders of Southern Province Cement Company

This annual report reflects the performance of Southern Province Cement Company during the year 2025, within a market environment characterized by ongoing structural challenges in the cement sector across the Kingdom. Foremost among these challenges are excess production capacity and rising inventory levels, which result in heightened competition and increased pressure on pricing levels and profit margins.

At the same time, the Kingdom continues to implement major development programs and projects aligned with the objectives of Saudi Vision 2030, which provides fundamental support to the construction and building sector in the medium term, even though the pace of actual demand may be influenced by economic, regulatory, and cyclical factors.

In light of these circumstances, the Board of Directors maintained clear priorities throughout 2025, focused on safeguarding the strength and resilience of the business while reinforcing financial and operational discipline, with particular emphasis on:

01 **Enhancing operational efficiency and improving cost competitiveness through measurable initiatives, particularly in the areas of energy, logistics, and productivity.**

02 **Managing risks effectively within a disciplined governance framework that balances the requirements of business continuity and development.**

03 **Overseeing capital allocation to ensure that resources are directed toward initiatives with the greatest impact on financial and operational sustainability.**

04 **Maintaining commitment to transparency and disclosure in order to preserve the confidence of investors and stakeholders.**

With regard to shareholder returns, the company continued its commitment to a balanced dividend policy. Cash dividends amounting to SAR 98 million for the second half of 2024 were distributed during 2025. In addition, the Board of Directors approved the distribution of SAR 35 million for the first half of the 2025 fiscal year.

This approach is supported by a stable cumulative track record, with total dividends over the past ten years reaching SAR 3.98 billion, equivalent to SAR 28.45 per share.

In this context, the Board affirms that the dividend policy consistently takes into account profitability, cash flows, and investment requirements, ensuring the company’s ability to navigate industry cycles while maintaining financial stability.

As the company enters 2026, the Board of Directors continues to support the executive management in implementing initiatives that enhance cost efficiency and business sustainability. Among these initiatives is a 25-year solar energy purchase agreement, which represents one of the key pillars for improving the company’s energy mix in the medium term, while noting that the final financial impact will depend on actual implementation and operational variables.

The Board will also continue to monitor performance, governance, risk management, and compliance, in a manner that serves the interests of shareholders and strengthens the company’s long-term value.

We ask God for success and guidance.

“Please accept our highest appreciation and respect.”
Chairman of the Board



02 General Market Overview

01 Overall Economy and Investment Environment

Actual state budget expenditure in 2025 reached approximately SAR 1,285 billion, with capital investments accounting for around 14%, amid construction sector growth of 5.7% — reinforcing government infrastructure spending as the primary driver of cement demand. The PIF giga-projects, including the Red Sea and Qiddiya, have announced investments exceeding US$1.3 trillion, with construction expected to peak between 2025 and 2028. The Fund is also launching numerous projects in Makkah and Aseer, and the Ministry of Municipalities and Housing continues to build more housing units to raise home ownership.

02 Cement Sector in the Kingdom

The sector continues to face an equation that combines strong activity in production and local sales with the challenges of excess capacity, rising inventory and weak exports.

Domestic cement sales
54.5 million tons
2024: 49.2 million tons

Clinker production -0.3%
57.1 million tons
2024: 57.3 million tons

Cement production +10%
56.3 million tons
2024: 50.99 million tons

Clinker exports +35%
6.05 million tons
2024: 4.47 million tons

Cement exports
1.67 million tons
2024: 1.99 million tons

Clinker stock -2.7%
43.76 million tons
2024: 44.96 million tons



Implications for the Company

01 Continued competition may put pressure on prices, raising the importance of cost-per-ton management and discipline in operations and inventory.

02 The Company's operational location stands out as a logistics advantage, provided that the sales mix and operating plans match actual demand.



03 Strategic Direction

Vision

To become the national champion in Saudi cement and accelerate the transition to sustainable building

Mission

We aim to achieve lasting leadership in the cement industry by building distinctive relationships with end customers, leading the transition to sustainable building, striving for continuous improvement, and exploring all available growth opportunities

Values

01 **Customer Focus**
(Putting the end customer first)

02 **Self-Improvement**
(Striving for continuous improvement)

03 **Courage**
(Working beyond the comfort zone)

04 **Positive Reinforcement**
(Praising/rewarding outstanding performance)

05 **Teamwork**
Effective collaboration across different functions

04 Alignment with Saudi Vision 2030

Southern Cement Company's activities directly intersect with the core pillars of Saudi Vision 2030, supporting the housing, urban infrastructure, tourism, and large-scale projects sectors. The Kingdom targets raising home ownership among citizens to 70% by 2030 and developing tourism to reach 150 million visitors by the end of the decade. This represents a fundamental driver of demand for building materials across various regions of the Kingdom.

The company's path aligns with Vision targets through three main pillars:

Raising Local Content — by localizing industries and developing local suppliers, in addition to growing national employment and developing human capital to ensure business continuity and raise productivity.

Improving Energy Efficiency and Reducing Emissions — including long-term energy initiatives, with financial impact presented on clear assumptions when available.

Preserving the Environment — by expanding afforestation and environmental rehabilitation initiatives, and improving industrial waste management through sorting and recycling where possible.



Most Notable Projects in the Company's Business Regions

01 **Al-Sawdah Development Company**
Developing the "Al-Sawdah" tourism destination as a project targeting raising the quality of tourism experience and expanding hospitality and accompanying infrastructure capacity.

02 **Aseer Investment Company**
Accelerating investments and enabling growth in the region and transforming Aseer into a year-round tourism destination for hotel projects with diverse infrastructure, hospitality, and services throughout the year.

03 **Ardara Company**
Developing the "Al-Wadi" destination in Abha as an urban hub in the heart of the city with financial, residential, and recreational facades and diverse commercial and entertainment facilities, within a vision that reinforces the unifying identity and supports Aseer's strategic objectives.

04 **Jazan City for Primary Industries**
Major projects including expansions of Jazan's basic and developmental industries and SAR 6.9 billion allocated to infrastructure, waterfront and housing projects, in addition to continued investment in the private economic zone.

05 **King Salman Gate Project**
With an area of 12 million m□, including approximately 50,000 residential units, 16,000 hotel rooms.

These initiatives are expected to contribute — based on actual implementation schedules — to demand for building materials in the company's markets, taking into consideration that the volume of the timing factor depends on the pace of project tendering, implementation, and actual ground conditions, in addition to market dynamics and competition.

05 Strategy and Key Performance Indicators (KPIs)

Strategic Direction

The Board of Directors adopted on August 30, 2023 the five-year strategy for the company covering the period from 2024 to 2028, which places at its core the enhancement of operational and marketing efficiency, accelerating the pace of digital transformation, and increasing reliance on local content. These strategic initiatives aim to raise the overall efficiency level and strengthen the company's contribution to achieving the goals of Saudi Vision 2030.

Our Strategic Pillars

01 Laying the future foundations for Southern Province Cement Company

02 Improving the creation of sustainable value

03 Opening horizons for profitable growth

The Pillars on Which We Build

01 **Accelerating Marketing and Sales**
Active engagement with end customers and value creation

02 **Operational Excellence**
Next-generation technology and decision-making based on networked coordination

03 **Strategic Expansion Directions**
- Supplier for Major Reference Projects
- Market Leadership and Consolidation
- Low-Carbon Cement and Sustainability

04 **Organization and Change**
Enhancing collaboration and coordination across multiple functions

05 **Digital Transformation**
The latest applications of information systems and data

06 **Transformation Management**
Strict execution and results tracking

07 **Local Content**
To become the benchmark for local content in the cement industry

Selected Key Performance Indicators KPIs

Indicator	2024	2025	Note
Total Sales Million SAR	935	867	Decrease -7.2%
Cement Sales Million SAR	890	827	Decrease -7.1%
Clinker Sales Million SAR	44	40	Decrease -9.1%
Gross Profit – Total Factories (Million Riyal)	309	32	Decrease -89.6%
Cement and Clinker Sales (Million Tons)	4.62	4.45	Decrease -3.7%
Utilization of Design Capacity	—	38.4%	Decrease -13.8%
Market Share	8.7%	7.5%	—

Selected Operational Indicators

Indicator	2024	2025	Note
Clinker Production (Ton)	6,318,404	4,834,636	Supports utilization and production reading
Total Energy Consumption (kWh)	701,823,284	669,773,461	Improvement compared to 2022 (cumulative decrease)
Emissions Intensity per Ton of Clinker (tCO_2e/ton clinker)	1.026	1.017	Intensity indicator
Emissions Intensity per Ton of Cement (tCO_2e/ton cement)	1.521	1.373	Intensity Indicator
Lost Time Frequency Rate LTFR	1.9	0.19	Improvement compared to previous year
Lost Time Injury Rate LTIR	0.47	0.04	Improvement compared to the previous year
Average Training Hours per Employee (hours/employee)	21.32	21.7	Human capital development
Percentage of Procurement from Local Suppliers	67%	79%	Improvement over previous levels

Performance Drivers

The year's performance was influenced by four structural drivers:

Cost

The cost per ton revolves around three elements: energy (the largest component, addressed through solar energy agreements and the technologies of the new Jazan line), locally supplied raw materials, and logistics — all of which the company benefits from geographically in serving its main markets.

Prices

The average selling price is linked to the dynamics of supply and demand in the local market. The sector experienced pricing pressure in 2025 due to productive expansions, though the company manages this by directing efforts toward high-margin project segments.

Non-Recurring Items

Some accounting treatments affect the reported figures without reflecting recurring operational performance. The company discloses these in detail in the financial statements notes.

Quantities and Mix

The sales mix — between cement and clinker, and between direct project sales and margin distributors — affects the overall volume independently. The company's priority in giving final cement and direct sales to projects maximizes value.



07 Risk Management

The company adopts a risk management framework aimed at early identification of key risks and assessing them, along with developing response and monitoring plans. This framework establishes clear governance with unified roles and responsibilities, and links risks to strategic objectives and operational plans, with periodic review of emerging risks.

Framework Principles and Application:

- Identifying risks at the company, plant, and departmental levels (operational / financial / environmental / health & safety / technical).
- Assessing the likelihood of occurrence, its impact, and determining treatment priorities.
- Response plans that include: (mitigation / transfer / acceptance / avoidance) with limits, indicators, and ongoing follow-up.
- Integrating risk management within business continuity plans and emergency preparedness.

Key Risks and How to Handle Them

01 (Market Risks (Demand / Prices / Competition

Description

Market risks in the sector in terms of demand fluctuations, price changes, or financial and competitive threats affecting future financial decisions, and the change in cement prices.

Response

Operational discipline and sales-mix management, improving service and logistics, and improving cost efficiency.

02 Energy and Fuel Risks

Description

Fluctuations in fuel and energy prices and their impact on production costs.

Response

Energy management programmes, long-term energy initiatives, and replacing liquid fuel with gas.

03 Operations and Reliability Risks

Description

Unplanned outages, operational failures, and supply chain risks for parts and materials.

Response

Maintenance and quality/improvement plans to ensure supply, management of crises, and managing the operational continuity reserve.

04 Global Market Fluctuation Risks

Description

Global market fluctuations and maritime freight routes and air routes.

Response

Diversifying supply sources and localizing domestic industry raw materials.

05 Occupational Health and Safety Risks

Description

Work injuries and safety hazards inside plants, factories, and sites.

Response

Applying health and safety systems, training programs, investigating accident causes, and improving compliance and discipline levels.

06 Environmental and Regulatory Risks

Description

Emissions, waste, regulatory requirements, and environmental obligations.

Response

Monitoring and activating regulatory compliance, meeting permit and licence requirements and improving resource management, and improving the environmental impact.

07 Cybersecurity and Information Technology Risks

Description

Threats of intrusion and disruption of systems and their impact on business operations.

Response

Cybersecurity controls, ongoing monitoring and response to incidents, and governance of access procedures.

08 Financial and Liquidity Risks

Description

Liquidity risk refers to the risk of the company facing difficulties in obtaining the financing necessary to meet obligations related to its financial liabilities, which are settled by delivering cash or another financial asset.

Response

The company's approach to liquidity management is to ensure that it has, as much as possible, sufficient liquidity to meet its obligations when due, under both normal and emergency circumstances, without incurring unacceptable losses or risking damage to the company's reputation.

03
Operational Review

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01 Operational Footprint of the Company
(Plants and Capacities)

The Southern Province Cement Company owns three strategically located plants that cover the southern and western regions of Saudi Arabia. This proximity to its main markets reduces supply costs and enhances its competitiveness. The total design capacity is approximately 29,000 tons of clinker per day, with a grinding capacity of 40,600 tons of cement per day

Design Production Capacities of SPCC's Plants

Plant	Location	Clinker Design Capacity	Cement Design Capacity
Jizan Plant	Jizan Region	**5,000 Tons/Day (1.6m Tons/Year)**	**9,000 Tons/Day (2.7m Tons/Year)**
Bisha Plant	Asir Region	9,000 Tons/Day (2.9m Tons/Year)	13,600 Tons/Day (4.1m Tons/Year)
Tihama Plant	**Makkah Al-Mukarramah Region**	**15,000 Tons/Day (4.8m Tons/Year)**	**18,000 Tons/Day (5.4m Tons/Year)**
Total		29,000 Tons/Day (9.3m Tons/Year)	40,600 Tons/Day (12.2m Tons/Year)



Major Development Project

The new production line project at the Jazan plant represents the company's most prominent capital investment in its current phase. It aims to replace the existing production lines with modern manufacturing technologies that achieve higher operational efficiency and lower production costs

Key Project Specifications

Executing Contractor: Sinoma International Engineering Co., Ltd

Contract Date: May 2023

Clinker Line: Capacity of 5,000 tons/day, with infrastructure constructed for an additional similar-capacity line

Grinding Line: Capacity of 10,000 tons of cement/day

Implementation Status

Phase	Date	Status
Contract Signing	May 2023	Complete
Completion Rate	December 2025	98%
First Trial Clinker Production	December 2025	Achieved
Full Commercial Operation	During 2026	Ongoing

The new Jazan line replaces the existing lines and is the Company's largest capital expenditure in its recent history.

Key Project Features

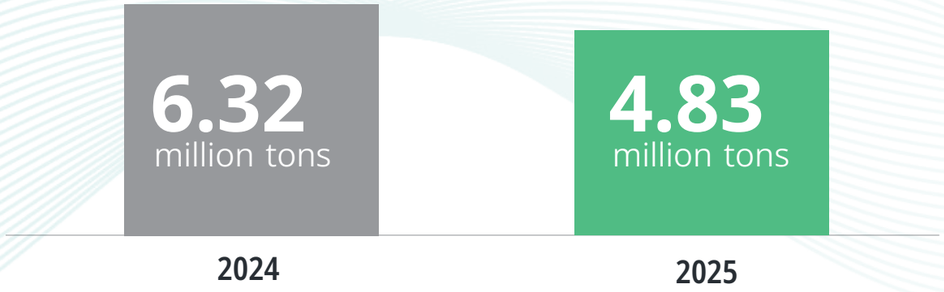
- Reduction in cost per ton through more energy-efficient technologies.
- Reduction in carbon emissions compared to the lines being replaced.
- Enhanced operational reliability and lower maintenance costs.
- Future expansion flexibility without the need for additional infrastructure investment.

Full commercial operation is contingent upon the completion of the remaining construction phases according to the scheduled plan. It will be announced on the Tadawul platform as a material event once achieved

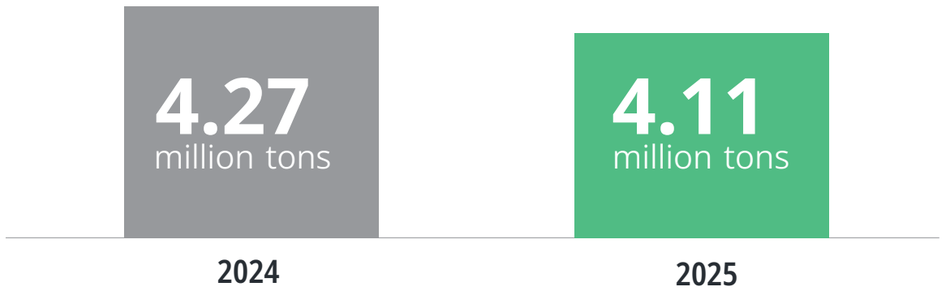


02 Production

Clinker Production



Cement Production



Inventory

				Change (tons)	Change
2025	Clinker Inventory	6,260,285	Tons	-42,312	-0.7%
2024	Clinker Inventory	6,302,597	Tons		
2025	Cement Inventory	108,383	Tons	+1,992	+1.9%
2024	Cement Inventory	106,391	Tons		

These figures reflect the importance of inventory management in a sector characterised by production surplus, and support the need to

- Align production with demand
- Improve distribution channels
- Manage the sales mix and exports where commercially viable

03 Quality and Operational Efficiency

The company has obtained the 'Made in Saudi Arabia' mark

in recognition of its efforts to enhance national industrial content, which reached 62.58% according to the certified attestation.

Offering Products that Support Sustainability

(GU) Low-emission cement has been produced. The company is working on producing Portland Cement (PPC) starting 2026.

ISO 9001:2015

The company has obtained (ISO) 9001:2015 certification renewal **for all its factories.**

During 2025, the Company focused on enhancing operational efficiency and improving its cost structure. Key initiatives included

- Solar Power Purchase Agreement (25-Year Term) The Company entered into a 25-year solar power purchase agreement for Bisha Plant, targeting improved competitiveness of energy costs — one of the heaviest components of operational cost — and advancing the Company's carbon emission reduction journey. The actual financial impact remains subject to the contracted capacity details and commencement date
- Aligning production with demand and reducing inventory by scaling down the output of the Tihama plant in accordance with the actual market requirements



04 Human Resources and Health & Safety

Southern Province Cement Company continues its firm commitment to the highest standards of occupational health and safety across its three plants (Jizan — Bisha — Tihama), in accordance with local legal requirements and international standards, in the belief that safety is a fundamental pillar of business sustainability and human asset protection

Key Health and Safety Performance Indicators

Indicator	Result
Total Safe Working Hours Without Injuries	3,301,245 Hours
Of Which: Jizan Plant	1,884,454 Hours
Of Which: Tihama Plant	1,245,544 Hours
Of Which: Bisha Plant	171,247 Hours
Lost Time Injury Frequency Rate (Ltifr)	0.19
Near-Miss Incident Reports	1,967 Reports
Increase In Reports Vs. Prior Year	+35%
Total Employees Trained	4,896 Employees
Total Training Hours	2,026 Hours
Training Coverage	100% Of Employees

Key Safety Achievements

- Received the Distinguished Performance Card in Occupational Safety and Health from the National Council for Occupational Safety and Health
- All three plants obtained international certifications in occupational health, safety and environmental management systems
- Emergency simulation drills conducted to enhance rapid response readiness
- Continuous emissions monitoring systems installed and operated in collaboration with Kayan

Environmental permits for all three plants remain valid, with quarry permits completed per the approved pathway

2025 Human Resources Indicators

60.65%
Saudization Rate or Localization Rate

1,565
Total Number of Employees

19,314
Training Hours

895
Number of Trainees During the Year



Voluntary Employee Turnover Rate

05 Project Implementation and Continuous Improvement

In addition to daily operations, continuous improvement projects support the Company's medium-term competitiveness. The solar power agreement stands among the most prominent cost-reduction and sustainability-enhancement initiatives

Operational Excellence Projects

- Solar Energy Project at Bisha Plant
- Waste Heat Recovery Feasibility Study Project
- Liquid Fuel Displacement with Gas Project
- Heavy Fuel Oil Replacement with Alternative Fuel Project
- Grid Electricity Connection Project
- Green Cement Project
- Quarry Mining Operations Improvement
- CO_2 Emissions Reduction Project
- New Production Line 3 at Jizan Plant
- Green Footprint Initiative
- Preventive Maintenance Framework Design
- Plant-Wide Sensor-Based Monitoring



06 Future Outlook and Operational Priorities 2026

Number of Suppliers Engaged During 2025

Supplier Category	Count	Percentage
Local Supplier	97	79%
International Supplier	26	21%
Total	**123**	**100%**

With the arrival of 2026, the company— aligned with its strategic direction—focuses on

01 Enhancing operational efficiency, reducing unplanned stoppages, and improving reliability

02 Improving competitiveness through energy initiatives (including solar energy) and reducing cost per ton

03 Strengthening product quality and customer service to meet project sector requirements

04 Managing inventory and maintaining operational discipline in a market characterised by excess production capacity

05 Grid electricity connection as part of the liquid fuel displacement with gas programme

06 Participation in the Industrial Sector Competitiveness Programme to enhance operational efficiency

07 Participation in the "Made in Saudi Arabia" Programme — Gold Mark track

08 Participation in the Local Content Award — Local Content Development track

★ Forward-Looking Disclaimer

This section contains certain forward-looking statements based on the assumptions and estimates of management as at the date of preparation of this report. Actual results may differ materially due to factors beyond the Company's control, including market conditions, economic environment, regulatory changes, and operational costs



04

Sustainability

Southern Province Cement Company adopts an integrated sustainability approach that balances economic performance with environmental and social responsibility, aiming to deliver long-term value for shareholders and stakeholders. The Company's approach to sustainability reflects a practical commitment to continuous improvement, through measurable initiatives, clear performance indicators, and systematic transparency in tracking results. The approach focuses on energy and emissions, occupational health and safety, human capital, and governance.

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01 Company's Sustainability Approach and Its Link to Strategy

The Southern Province Cement Company adopts a comprehensive sustainability approach that balances economic performance with environmental and social responsibility, aiming to create long-term value for shareholders and stakeholders. This approach is based on:

01 Improving resource management and consumption optimization

02 Reducing the environmental impact of production, particularly emissions and energy consumption

03 Enhancing occupational health and safety and developing human competencies

04 Developing the governance, compliance, and business integrity framework

05 Increasing procurement localization in alignment with Vision 2030

The company's sustainability reflects a practical commitment to continuous improvement through measurable initiatives, clear performance indicators, and a systematic transparency in tracking results



02 Sustainability Governance

The company has adopted a sustainability governance framework that ensures effective monitoring of initiatives and reporting, while enhancing disclosure quality. This includes

01 The Executive Sustainability Committee, chaired by the CEO and comprising relevant departments, monitors programs, approves priorities, and reviews performance indicators

02 Internal Controls for Sustainability Data Governance (data collection, review, approval, and archiving of supporting evidence)

03 Aligning Reports with Approved International Frameworks and Standards when Preparing Sustainability Disclosures GRI



03 Environment

Energy, Emissions, Air Quality, and Resource Management

01 Energy Efficiency

The Company works to improve energy consumption efficiency through operational improvements, equipment upgrades, and the implementation of energy conservation practices. It also continues to evaluate and develop solutions that support operational sustainability (such as renewable energy, alternative fuels, waste heat recovery, and others) in accordance with approved technical and economic feasibility

Energy Consumption Trend
kWh for the Years 2022–2024 Baseline

2022	**819,150,111**
2023	**754,144,709**
2024	**701,823,284**

What does this mean?

The downward trend in the Company's energy consumption supports cost reduction, improves efficiency, and reduces the environmental impact associated with energy use

02 Emissions Greenhouse Gases

The Company measures its greenhouse gas emissions in accordance with the International Greenhouse Gas Protocol, focusing on Scope 1—direct emissions from clinker kilns and operational equipment—and Scope 2, which includes indirect emissions associated with purchased electricity from the national grid

Emissions Baseline
(for measurement and monitoring purposes)

Total Emissions Scope (1)+(2)
6,482,995.08
Tons Equivalent (tCO_2e)

Total Emissions Scope (1)+(2)+(3)
6,483,959.16
Tons Equivalent (tCO_2e)

Emission Intensity Indicators
(Baseline)

Scope (1)+(2) per ton of clinker
1.026
tCO_2e per ton of clinker

Scope (1)+(2) per ton of cement
1.521
tCO_2e per ton of cement

Emission Reduction Targets

The Company has set a target to reduce carbon dioxide (CO_2) emissions by 25% by 2028. This is supported through initiatives including: developing lower-carbon-footprint products, reducing clinker content where feasible, and increasing the use of material and fuel alternatives within technical and regulatory limits

03 Environmental Compliance & Air Quality

The Company is committed to implementing environmental and safety management systems in accordance with ISO 14001:2015 and ISO 45001:2018 standards. It operates an integrated system of emission control measures, including bag filters and precipitators. Specialized monitoring devices are used to continuously track particulate levels and vibrations, enabling regular documentation of emissions data and systematic monitoring of environmental performance indicators

04

Green Footprint Initiative

A vision for a sustainable future

The Green Footprint Initiative embodies Southern Province Cement Company's commitment to enhancing environmental sustainability and increasing the positive impact of its initiatives through afforestation, emission reduction, and community engagement, supported by measurable outcomes and clear quantitative indicators



Executive Breakdown by Plants and Operating Regions

- Asir Region: 33,500 trees (Bisha Plant)
- Jizan Region: 25,044 trees (Jizan Plant)
- Makkah Region: 17,446 trees (Tihama Plant)

Total: 75,990 trees

Annual Carbon Absorption: 1,653,175 kg CO_2

Species Planted: 37 species

Tree Survival Rate: +85%

Volunteers & Participants: +14,000

04 Community & Human Capital

Safety, Training, and Community Engagement

01 Occupational Health & Safety

Occupational health and safety is an operational priority. The Company implements preventive and awareness programs, along with continuous improvement measures, to reduce incidents and promote a safe working environment

Safety Indicators Baseline

- Minor Incidents: Decreased from 10 to 5 within the available measurement series
- Improvement in Lost Time Injury Frequency Rate (LTIFR): Notable improvement observed within the available measurement series

What this means?

Improvement in safety indicators reduces the risk of operational downtime, enhances productivity, and protects employees

02 Certifications

- ISO 14001:2015 – Environmental Management System certified for all plants
- ISO 45001:2018 – Occupational Health & Safety Management System certified for all plants
- ISO 9001:2015 – Quality Management System implemented
- ISO 50001:2018 – Energy Management System implemented
- Environmental Permits – Valid permits for factories and quarries
- Civil Defense Licenses – Procedures for issuance and renewal followed
- Occupational Safety Performance Card – Awarded by the Ministry of Human Resources

03 Training and Capacity Building

The Company prioritizes continuous development of its workforce through structured training programs and capacity-building initiatives. In 2025, 4,896 employees were trained through 2,026 training hours across all plants. Key aspects include

Training Indicator Baseline

- Occupational health and safety
- Technical and operational skills
- Environmental and sustainability practices
- Community engagement initiatives

04 Corporate Social Responsibility CSR

The Company continues to support impactful community initiatives, strengthening its relationship with local communities and contributing to sustainable development

Community Engagement Indicator

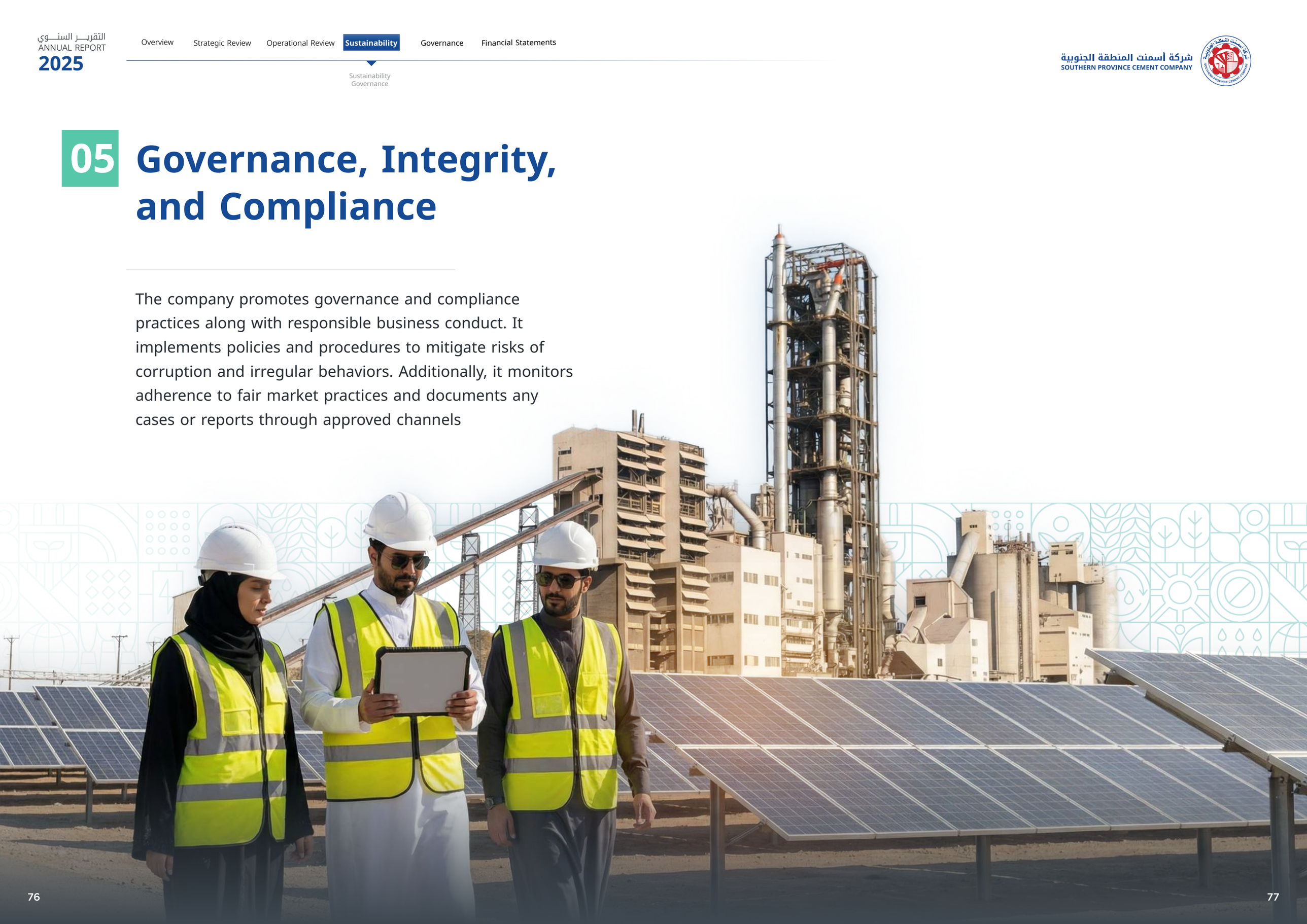
SAR **1.73** million
Total Charitable and Social Donations

500,000 SAR
Ehsan Platform

SAR **1.23** million
To 47 charitable organizations across the company's operational regions

05 Governance, Integrity, and Compliance

The company promotes governance and compliance practices along with responsible business conduct. It implements policies and procedures to mitigate risks of corruption and irregular behaviors. Additionally, it monitors adherence to fair market practices and documents any cases or reports through approved channels



06 Key Sustainability Performance Indicators KPIs

Pillar	Indicator	Baseline
Environment	Total Energy Consumption (kWh)	701,823,284
Environment	Total Emissions Scope (1)+(2) (tCO_2e)	6,482,995.08
Environment	Emission Intensity (1)+(2) / ton of clinker	1.026
Environment	Emission Intensity (1)+(2) / ton of cement	1.521
Environment	Emission Reduction Target	25% by 2028
Safety	Minor Incidents	5
Safety	LTFR / LTIFR	Improvement within the available measurement series
Training	Safety Training Hours	4,796
Society	Initiatives / Supported Entities	47 charitable societies
Operation	Clinker Production (tons)	4,834,636

Quality Key Performance Indicators

Final product quality and regulatory compliance rate

Achieved
100%

Goal
Percentage of product compliance with chemical and physical indicators according to the applicable Saudi and international standards

Importance
Avoids legal issues and fines and ensures meeting customer requirements

Average product results (clinker and cement) for 2025, confirming the high quality and consistency of Southern Province Cement Company's products

01 Compliance of raw material quality with required specifications

Importance
Maintains consistency in the final product and reduces defects

Achieved
100%

Goal: 98%
Compliance rate

02 Percentage of defect-free products clinker – cement

Importance
Reduces waste and rework, ensuring high-quality production

Goal: 99%
Compliance percentage

Achieved
100%

Improvement in operational processes and achievements

01 The company's three factories passed the 2025 external audit conducted by the Saudi Standards, Metrology, and Quality Organization (SASO) without any violations, while retaining the Saudi Quality Mark (SASO) for their products

02 Renewal of ISO 9001 certificates for the quality management system of the three factories in Jazan, Bisha, and Tihamah

03 Industrial trials were planned and conducted to produce low-carbon green cement, represented by Pozzolanic Cement (PPC Cement). The trials were successful, and the Saudi Quality Mark for the products was obtained and renewed in the company's three factories



Local Content

Definition of Local Content

It is the total spending within the Kingdom of Saudi Arabia through the participation of Saudi elements in the workforce, goods, services, assets, technology, and similar areas. The ultimate goal is to retain funds domestically to achieve self-sufficiency, reduce reliance on imports, and minimize risks

Local Content Objectives

01 Support and empower the national industry

02 Encouraging local manufacturers to enhance their product quality and comply with standards

03 Increase local content percentages in contracts and procurement

04 Create job opportunities for citizens by relying on local expertise

Workshops

Six awareness workshops on local content were held in 2025 for the following groups

No	Target Audience	Location	Date
1	Top Management	General Management	29/4/2025
2	General Administration Employees	General Administration	18/5/2025
3	Jazan Factory Employees	Jazan Factory	2/6/2025
4	Bisha Factory Employees	Bisha Factory	17/6/2025
5	Tihamah Factory Employees	Tihamah Factory	18/6/2025
6	Participants in the Made in Saudi Exhibition	General Administration	11/12/2025

Local content policies

A guide for local content policies and procedures was issued on 23/06/2025, following its approval by the Executive Committee of the Board of Directors. This guide outlines the principles, foundations, and regulatory rules adopted by Southern Province Cement, reflecting the company's institutional maturity and demonstrating its commitment to contributing to the development of local content within a formal, measurable, and monitorable framework

It also confirms the alignment of Southern Province Cement's strategy with the objectives of Saudi Vision 2030 and the requirements of the Local Content and Government Procurement Authority. Moreover, it enhances the company's competitiveness and sustainability by maximizing national economic impact and building stable local supply chains

Local Content Pillar

Local content is considered one of the main pillars for achieving Saudi Vision 2030, which aims to diversify income sources and reduce dependence on oil by promoting local production and increasing the participation of national elements across various stages of the supply chain

In line with the objectives of Vision 2030 and in alignment with the goals of the Public Investment Fund, Southern Province Cement Company has set a strategic target to raise the local content ratio to 60% by 2028. Accordingly, a specialized task force was formed to start measuring the local content percentage in the company's operations beginning in 2022, with the achieved results as follows

2022	2023	2024
40.73%	**48.87%**	**62.58%**

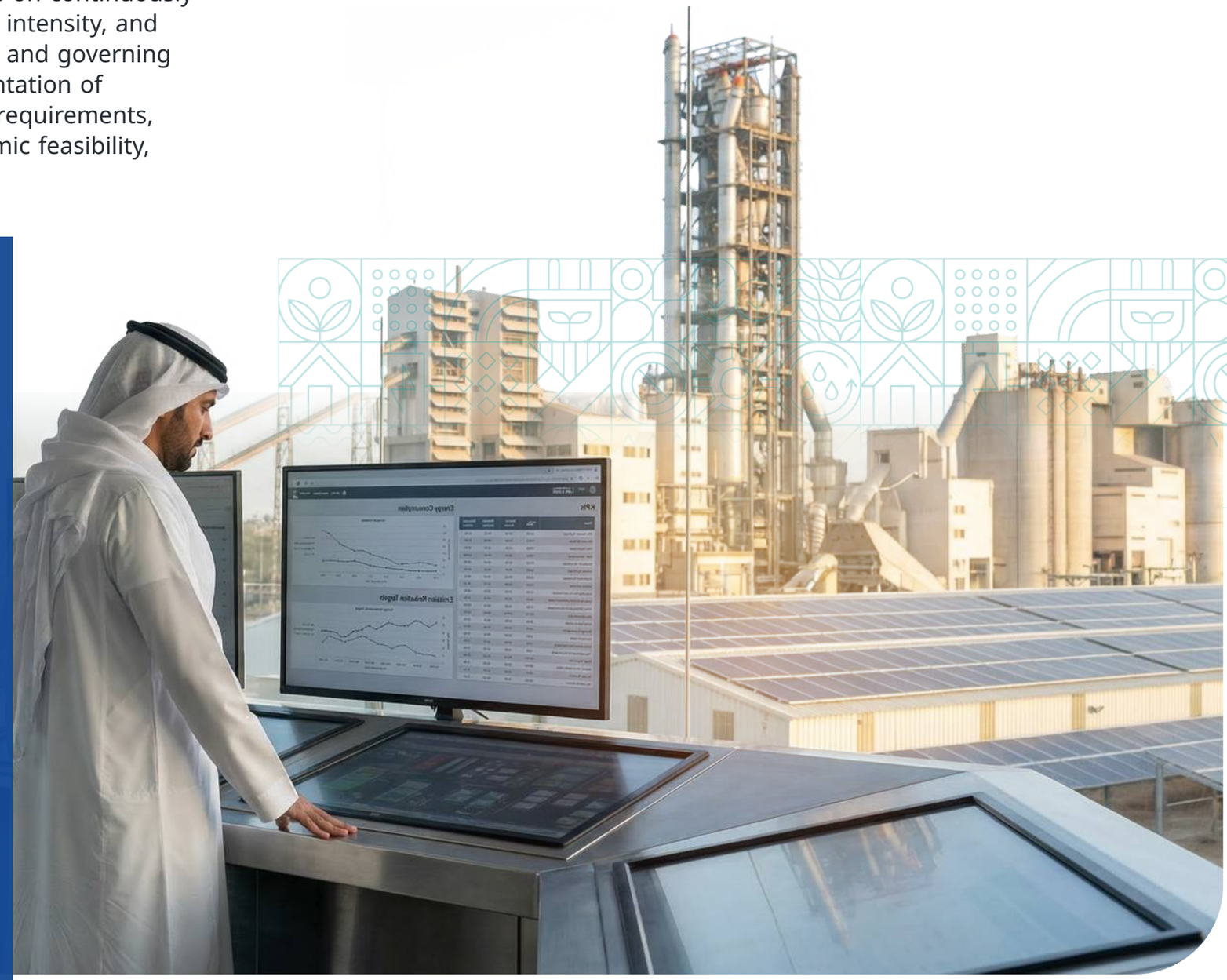
07 Aspirations

In the upcoming phase, the company will focus on continuously improving energy efficiency, reducing emission intensity, and enhancing operational safety, while developing and governing the quality of sustainability data. The implementation of initiatives will remain aligned with operational requirements, regulatory approvals, and technical and economic feasibility, aiming to achieve the following aspirations

01 Expand the production of sustainable green cement and improve the production of General Use (GU) Cement to reduce the clinker factor and lower the carbon footprint

02 Work on reducing CO_2 emissions by improving operational processes and producing eco-friendly cement products, contributing to the company's strategic goal of cutting emissions by 25% by 2028.





05 Governance

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01 Overview of Corporate Governance

Southern Province Cement Company believes that strong corporate governance is a key element in creating sustainable value for shareholders, enhancing trust and transparency, and supporting high-quality decision-making and effective oversight of performance and risk. The Company's governance framework is based on the relevant laws and regulations of the Kingdom of Saudi Arabia, including the Corporate Governance Regulations issued by the Capital Market Authority, the disclosure requirements for listed companies, and ensuring fair treatment of shareholders and equal access to information



01 Compliance with the Corporate Governance Regulations — Disclosure of “What Is Applied and What Is Not Applied”

In commitment to the explicit disclosure of what has been applied and what has not been applied from the provisions of the Corporate Governance Regulations, along with the reasons and any remediation plans (if applicable), and in alignment with the Authority’s requirements and its Form 8, the Company confirms the following

All mandatory provisions were applied during 2025

	Yes	No

Pursuant to Article 87

From the Corporate Governance Regulations issued by the Capital Market Authority, which require the Board of Directors’ report to include disclosure of what provisions of the Regulations have been applied and what have not, along with the reasons, the Company confirms that it has applied all mandatory provisions of the Corporate Governance Regulations during the financial year ending 31/12/2025

02 Governance Structure, Policies & Procedures

The Company's governance structure consists of

From the General Assembly, the Board of Directors, the Board Committees, and Executive Management, to the control functions (Internal Audit / Governance, Risk & Compliance Department). The Board of Directors oversees strategic direction and approves policies and general controls, while the specialized committees carry out detailed tasks supporting the Board's decisions within their delegated authorities.

The roles and responsibilities are defined as follows

01 General Assembly
Adopts key provisions and monitors the performance of the board through regulatory mechanisms

02 Board of Directors
Approves strategy and policies, supervises performance and risks, and ensures compliance with disclosures.

03 Board Committees
Carry out specific responsibilities according to approved charters and submit recommendations to the board

04 Executive Management
Implements plans and policies and manages daily operations within the approved authorities

05 Oversight Functions
Provide reasonable assurance on the effectiveness of internal control and risk management

A concise description of the committees' mandates According to the approved regulations

01 Executive Committee

The Executive Committee assumes delegated authorities from the Board of Directors, including reviewing strategies, business plans, and annual budgets, monitoring periodic reports related to the organizational structure, and studying proposals for mergers and acquisitions. It also reviews and monitors project execution reports and approves work policies within its scope. The Committee evaluates the performance of projects and programs based on key performance indicators and approves capital expenditures within delegated limits. In the event of deviations in plans or budgets, it reviews them and reports material deviations to the Board, without exceeding its delegated authorities

02 Investment & Strategy Committee

The Committee is responsible for reviewing strategic policies, investment programs, and proposals, and providing recommendations. It studies investment diversification plans according to the Company's needs, reviews proposed projects and assesses their risks, evaluates the expected returns and their sustainability, monitors actual versus projected investment outcomes, reviews investment transactions requiring Board approval, and addresses any other matters assigned by the Board

03 Audit Committee

The Audit Committee monitors the Company's operations to ensure the integrity of financial reports, regulatory compliance, and effectiveness of internal control systems. Its responsibilities include

- Financial Reports: Reviewing primary and annual financial statements, including significant changes in accounting estimates, and recommending their approval to the Board
- Internal Controls & Risk Management: Reviewing the internal control system, overseeing internal **audit** implementation, and ensuring adequate resources are available
- External Auditor: Recommending appointment, evaluating independence, reviewing plans and **approaches,** and discussing financial reporting integrity and accounting policies
- Compliance: Reviewing compliance reports, verifying adoption of regulatory and policy procedures, **and** reviewing related-party transactions

04 Nomination and Remuneration Committee

The Committee is responsible for matters related to nominations and remuneration, including recommending the appointment and reappointment of Board members and its committees according to criteria such as leadership, competence, experience, financial knowledge, and health fitness. It approves the required capabilities and qualifications, determines the time commitment needed for Board activities, conducts periodic reviews of skills and experience requirements, reviews the structure of the Board and executive management, annually verifies the independence of independent members, approves job descriptions and procedures when vacancies arise, prepares an annual report highlighting strengths and weaknesses and proposing remedies, and ensures the existence of induction and training programs for members

03 Board of Directors — Composition & Independence

Board Roster

Chairman of the Board



Mr. Saad bin Abdulaziz bin Abdulwahab Al-Karoud

Chairman – Non-executive

Vice Chairman of the Board



Mr. Mansour bin Abdulaziz bin Mansour Al-Sogair

Vice Chairman – Non-executive

Board Members



Eng. Thamer bin Mohammed bin Miqham Al-Muhaid

Member – Independent



Eng. Ahmed bin Saeed Al-Ghamdi

Member – Non-executive



Eng. Yahya bin Mohammed Al-Amin Al-Shanqiti

Member – Independent



Eng. Fahad bin Eid Ali Al-Hilal

Member – Independent



Mr. Mohammed bin Nasser bin Mohammed Al-Nabit

Member – Non-executive



Mr. Khalid bin Ibrahim Saad Al-Rubaie

Member – Independent



Mr. Abdullatif Ali Abdullatif Al-Saif

Member – Independent

01 Board Composition and Member Classification 2025

The Board of Directors consists of nine (9) members for the current term

Definition of Independence for clarification

An independent member is a non-executive member who exercises full independence in their decisions and is not subject to the conditions affecting independence as defined by regulations

02 Names of Board Members, Committee Members, and Executive Management



Mr. Saad bin Abdulaziz Al-Karoud

Current Position

Director General of Local Real Estate Investments at the Public Investment Fund

Previous Position

Chief Administrative Officer – Public Investment Fund

Qualifications

Bachelor's in Finance | Master's in Management & Leadership

Executive Experience

- Head of Domestic Real Estate Investments, PIF
- Chief Administrative Officer, PIF — 5 years
- Secretary of the Board of Directors, PIF — 3 years
- Director of Stakeholder Management, PIF — 4 years
- VP of Private Wealth Management & Asset Diversification, Miyas Company — 4 years
- Advisor to Chairman, Abdul Latif Al-Issa Holding Group — 2 years



Mr. Mansour bin Abdulaziz Al-Sogair

Current Position

CEO — National Bank of Bahrain Saudi Arabia

Qualifications

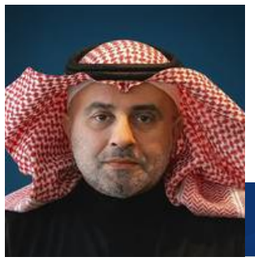
Bachelor's in Accounting | MBA

Executive Experience

- Chief Executive Officer of National Bank of Bahrain – Kingdom of Saudi Arabia, since January 2018
- Regional Head of Corporate Banking at Saudi British Bank (SABB), July 2013 – December 2017
- Senior Corporate Banker at National Commercial Bank, October 2006 – May 2013
- Head of Division, Saudi French Bank — May 2005 to September 2006
- Assistant General Manager (Corporate Group), Samba Financial Group — January 2003 to April 2005
- Senior Relationship Manager, Saudi Investment Bank — February to December 2002
- Senior Commercial Relationship Manager / Corporate Banking Officer, Saudi Hollandi Bank — 1994 to 2001

Board Memberships

- Vice Chairman, Board member, Chairman of the Investment & Strategy Committee and member of the Executive Committee, SPCC — since 2024
- Board Member & Chairman of Audit Committee, Siporex (Light Building Materials Company) — since January 2022
- Board Member & Executive Committee Member, United Cooperative Assurance — since January 2021
- Vice Chairman & NRC Member, Saudi Fisheries Company — since October 2020



Eng. Thamer bin Mohammed Al-Muhaid

Current Position

CEO, Saudi Arabian Military Industries (SAMI) — since February 2025

Previous Position

CEO, Saudi Chemical Company Holding Group

Qualifications

Bachelor's in Civil Engineering | Executive MBA | MBA in Global Management | MBA in Mergers & Acquisitions

Executive Experience

- CEO, SAMI — since February 2025
- CEO, Saudi Chemical Company Holding Group
- Deputy General Manager & Managing Director, Speco Company — until 2020
- General Manager, Food Division, Al Marai Company — 2016 to 2018
- Director General of Policy, Research & Planning, Ministry of Commerce and Industry — 2015
- Multiple senior leadership roles at SABIC in Jubail and Riyadh over 20 years, last serving as Global Director of Planning & Monitoring at GE SABIC Americas
- Royal Commission for Jubail and Yanbu — 1993 to 1995

Board Memberships

- Managing Director & Group CEO, Saudi Chemical Company Holding — February 2020 to December 2024



Mr. Khalid bin Ibrahim Al-Rubaie

Current Position

- **Founder & Owner, Khalid Al-Rubaie Financial Consulting Office**

Qualifications

Bachelor's in Accounting

Executive Experience

- Founder and Owner of Khalid Al-Rubeaiah Financial Consulting Office

Board Memberships Current & Past

- Chairman of Audit Committee, ACWA Power — since 2018
- Board Member & Investment Committee Member, National Petrochemical Co. (YANSAB) — since 2020
- Board Member & Chairman of Audit Committee, East Pipes Integrated Company for Industry — since 2021
- Chairman of the Board, Arab Pharmaceutical Manufacturing & Medical Supplies Co. (ACDIMA – Jordan), representing the Saudi Government — since 2020
- Board Member & Audit Committee Member, Tunisian Saudi Bank (Tunisia), representing the Saudi Government — since 2020
- Board Member & Chairman of Audit & Risk Committee, Milana Company — since 2022



Eng. Ahmed bin Saeed Al-Ghamdi

Current Position

Head of Construction & Building Sector Investments — PIF

Qualifications

Bachelor's in Chemical Engineering | MBA

Executive Experience

- Head of Construction & Building Sector Investments, PIF — 6 years
- New Business Development, Saudi Aramco — 5 years
- Strategic Transformation Office, Saudi Aramco — 2 years
- Operations Engineer, Saudi Aramco — 2 years



Mr. Abdullatif bin Ali Al-Saif

Current Positions:

- **Managing Director & CEO, Sab'een Investment Company**
- **CEO, Raeda Investments Company**

Qualifications

Bachelor's in Business Administration | Master's in Economics | MBA | CPA | CFA

Executive Experience

- Managing Director & CEO, Sab'een Investment — 4 years
- CEO, Raeda Investments — 3 years
- Investment Advisor, General Organization for Social Insurance (GOSI) — 1 year
- EVP & Head of Investments, King Abdullah Humanitarian Foundation — 3 years
- Portfolio Manager, Masic — 2 years
- Multiple roles at Saudi Aramco — 11 years



Eng. Yahya bin Mohammed Al-Amin Al-Shanqiti

Current Position

CEO, ARGAS – Arab Geophysical Exploration Services Company — since May 2025

Previous Position

Chairman, Sahara Drilling Company (Saudi)

Qualifications

Bachelor's in Mining Engineering | Master's in Industrial Minerals & Environmental Management

Executive Experience

- CEO, Large Mining Industries Company — 2 years
- Chairman, Sahara Drilling Company (Saudi) — 3 years
- VP, Gold & Base Metals Sector, Ma'aden — 4 years
- President, Ma'aden Gold Company — 8 years
- General Manager of Operations, Ma'aden Gold — 2 years
- Project Manager, Ma'aden Aluminium Project — 2 years
- Project Manager, Al-Dwihee Mine — 2 years
- Manager, Mahd Mine — 6 years
- Mining Engineer / Mine Supervisor — 5 years
- Chief Executive Officer of ARGAS – Arab Geophysical Exploration Services Company since May 2025



Eng. Fahad bin Eid Al-Hilal

Current Position

Engineering Consultancy

Previous Position

VP of Project Management — Saudi Aramco

Qualifications

Bachelor's in Chemical Engineering | MBA

Executive Experience

- Chairman, Jasara Project Management Company
- VP of Project Management, Saudi Aramco — 8 years
- CEO, Yanbu Aramco Sinopec Refining Company (YASREF) — 2 years
- CEO, King Abdullah Petroleum Studies and Research Center (KAPSARC) — 2 years
- Multiple management roles at Saudi Aramco — 12 years

03 Committee Members from Outside the Board



Mr. Mohammed bin Nasser Al-Nabit

Current Position

Businessman

Qualifications

Bachelor's in Business Administration

Qualifications

Bachelor’s in Business Administration

Executive Experience

- Board Member, Southern Province Cement Company — 19 years
- Board Member, Saudi Arabian Refineries Company — 13 years
- Board Member, Red Sea Markets Company Ltd. — 15 years
- Board Member, Arab Group for Education and Training — 12 years
- Board Member, Khamis Mushait Hotel Company — 9 years
- Vice Chairman, Nasser bin Mohammed Al-Nabit & Sons — 20 years



Mr. Adeeb Mohammed Abanami

Current Position

Director, Audit & Advisory Services — Abanami Office

Previous Position

Continuous Disclosure Consultant, Capital Market Authority CMA

Qualifications

Bachelor's in Accounting | Master's in Accounting

Committee Memberships Current & Past

Board Member

- Board Member & Audit Committee Chair, Abdullah bin Saidan & Sons
- Board Member, Al-Mu'thar REIT Fund
- Board Member & Audit Committee Chair, University of Knowledge
- Board Member & Audit Committee Member, National Poultry Company
- Vice Chairman & Audit Committee Chair, Bank AlBilad
- Audit Committee Chair: Budget Company | Awqaf (Endowments) Authority | Golden Petroleum Company
- Audit Committee Member: Environment Fund | Saudi Development Fund | Institute of Public Administration | Riyadh Infrastructure Projects Center | Social Development Bank | Health Holding Company | Esports World Cup Foundation | Roshn | Governance Center

04 Executive Management



Mr. Abdulsalam bin Abdullah Al-Duraibi

Current Position

Chief Executive Officer - appointed effective 1 December 2025

Previous Position

Chief Executive Officer at Najran Cement Company

Qualifications

Holds a Master's degree in Business Administration from the University of Seattle, USA, and a Bachelor's degree in Management Information Systems from King Fahd University of Petroleum and Minerals. He is also a Chartered Financial Analyst CFA

Experience

- Chief Executive Officer – Najran Cement Company
- Board Member – Major Mining Industries Company (AMAK)
- Board Member – Najran Cement Company
- Managing Director – Wasl Al-Janoub Land Transport Company
- Audit Committee Member – Najran Cement Company
- Senior Investment Manager – Savola Group
- Assistant Manager – Investment Banking, Swicorp
- Financial Analyst – Asset Management, Riyad Capital



Eng. Saud bin Safar Al-Barqan

Current Position

Executive Vice President of Operations and Processes

Previous Position

Director of Procurement and Contracts

Qualifications

Bachelor's in Applied Mechanical Engineering

Experience

- Executive Vice President of Operations and Processes and Board Secretary – Southern Province Cement Company
- Director of Procurement and Contracts – Southern Province Cement Company
- Director of Engineering Services – Southern Province Cement Company
- Director of Planning and Business Development – Southern Province Cement Company
- Director of Marketing and Sales – Southern Province Cement Company
- Held multiple positions in the Power Generation Projects sector at Saudi Electricity Company
- Al-Barqan Charitable Foundation

04 Executive Management



Mr. Mohammed bin Ali Al-Thawi

Current Position

Deputy CEO for the Financial Sector

Previous Position

Chief Financial Officer (CFO)

Qualifications

Bachelor's in Accounting – Professional Master's in Accounting

Experience:

- Accountant at Southern Province Cement Company
- Head of Accounts at Southern Province Cement Company
- Financial Manager at Southern Province Cement Company
- Deputy CEO for Financial Affairs



Mr. Ahmed bin Abdulahad Bukhari

Current Position

Deputy CEO for Marketing and Sales Sector

Previous Position

CEO of Al-Kaff Business Services Company

Qualifications

Bachelor’s in Industrial Management (Marketing) – Executive Master of Business Administration (EMBA)

Experience

Over 15 years of experience

- Sales Manager at Ibn Laden Saudi Arabia LLC
- Regional Business Development Manager at Tarabot Arabian Manufacturing Company LLC
- Regional Marketing Manager for the Gulf at Jacksco Arabia
- Operations Manager at Unilever LLC
- Sales Manager – Nestlé Company
- Business Development Consultant

Names of Companies Inside or Outside the Kingdom in Which the Board Member is Currently or Previously a Board Member or Manager

Member Name	Inside/Outside the Kingdom	Company Name	Legal Entity
H.E. Mr. Saad bin Abdulaziz Al-Karoud	Inside the Kingdom	Bilad Development Company	Closed joint stock company
	Inside the Kingdom	Inma Bank	Listed company
	Inside the Kingdom	Diriyah Gateway Development Company	Limited liability company
	Inside the Kingdom	Saudi Company for Technology and Investment (Taqnia)	Closed joint stock company
	Inside the Kingdom	Dan Company	Closed joint stock company
	Inside the Kingdom	Al-Seebai Engineers and Contractors (Limited)	Limited liability company
	Inside the Kingdom	Al-Uqair Development Company	Closed joint stock company
	Inside the Kingdom	Sahel Al-Khaleej Real Estate Development Company	Closed joint stock company
H.E. Mr. Mansour bin Abdulaziz Al-Sogair	Inside the Kingdom	Saudi Fisheries Company	Listed joint stock company
	Inside the Kingdom	United Company for Cooperative Insurance	Listed company
	Inside the Kingdom	Light Building Materials Company – Siporex	Listed joint stock company
	Inside the Kingdom	Al-Saif Commercial Agencies Company	Closed joint stock company
H.E. Mr. Mohammed bin Nasser Al-Nabit	Inside the Kingdom	Arab Group for Education and Training Holding	Unlisted joint stock company
	Inside the Kingdom	Khamis Mushait Mercure Hotel Company	Unlisted joint stock company
	Inside the Kingdom	Nasser bin Mohammed Al-Nabit and Sons Company	Non-listed company
	Inside the Kingdom	Red Sea Markets Company	Non-listed company
H.E. Eng. Thamer bin Mohammed Al-Muhaid	Outside the Kingdom	Suez International Company	Limited liability company
	Inside the Kingdom	Saudi Chemical Holding Company	Listed company
H.E. Eng. Ahmed bin Saeed Al-Ghamdi	Inside the Kingdom	Jasarah Company for Project Management	Limited liability company
	Outside the Kingdom	Diba BLC Company	Listed company
	Inside the Kingdom	Nasma Contracting Company	Limited liability company

Names of companies inside or outside the Kingdom where a board member serves or has served as a board member or director (current or former)

Member Name	Inside/Outside Kingdom	Company Name	Legal Entity
H.E. Mr. Khalid bin Ibrahim Al-Rubaie	Inside the Kingdom	Eastern Integrated Pipes Industries Company	Listed Joint Stock Company
	Inside the Kingdom	Yanbu National Petrochemical Company (Yansab)	Listed Joint Stock Company
	Inside the Kingdom	Tam Consulting Company	Listed Joint Stock Company
	Outside the Kingdom	Saudi Tunisian Bank (Tunis)	Closed Joint Stock Company
	Outside the Kingdom	Saudi Tunisian Company for Private Sector & Medical Investments (Jordan)	Arab Joint Venture
	Inside the Kingdom	Al-Duwayan Holding Company	Closed Joint Stock Company
	Inside the Kingdom	Miahona Company	Closed Joint Stock Company
H.E. Eng. Yahya bin Mohammed Al-Amin Al-Shanqiti	Inside the Kingdom	Tarabot Charity Association	Non-Profit Organization
	Inside the Kingdom	Al Masane Al Kobra Mining Company (Amak)	Listed Joint Stock Company
H.E. Eng. Fahad bin Eid Al-Hilal	Inside the Kingdom	Jasara Project Management Company	Limited Liability Company
H.E. Mr. Mansour bin Abdulaziz Al-Sogair	Inside the Kingdom	Al-Rajhi Bank	Listed Joint Stock Company
H.E. Mr. Abdullatif bin Ali Al-Saif	Inside the Kingdom	Wesaya International Company	Limited Liability Company
	Inside the Kingdom	Sab'een Investment Company	Closed Joint Stock Company
	Inside the Kingdom	Al-Nahdi Medical Company	Listed Joint Stock Company
	Inside the Kingdom	Afaq Al-Ahad Medical Company	Listed Joint Stock Company
	Inside the Kingdom	Arab Internet & Communications Services Company	Listed Joint Stock Company
	Inside the Kingdom	Saudi Marketing Company – Agricultural & Production (Salek)	Closed Joint Stock Company
	Inside the Kingdom	Al-Balad Al-Jaay Fund	Investment Fund
	Inside the Kingdom	Awqaf Investment Company	Closed Joint Stock Company
	Inside the Kingdom	Mohafez for Growth Consulting Company	Limited Liability Company

03 Board Responsibilities (Summary)

The Board of Directors assumes regulatory and supervisory responsibilities that serve the interests of the company and shareholders. These include — but are not limited to — the following:

01 Adopting the company's general strategy and monitoring its implementation

02 Supervising the executive management, appointing and dismissing senior executives, and defining their authorities

03 Adopting the organizational structure and the company's internal policies

04 Adopting annual budgets, financial statements, and periodic financial reports

05 Overseeing internal control systems and ensuring their effectiveness

06 Risk management and establishing a clear framework for identifying and monitoring risks

07 Ensuring compliance with regulations and rules issued by the Capital Market Authority and other government bodies

08 Adopting governance policies and monitoring compliance with them within the company

09 Forming accredited committees and defining their terms of reference

10 Protecting shareholders' rights and ensuring equality and transparency in dealing with them

11 Disclosure and transparency of material information, financial and non-financial reports

12 Evaluating the performance of the Board, its committees and executive management periodically

13 Adopting succession planning policies to ensure leadership continuity

14 Overseeing corporate social responsibility and sustainability within the company

04 Board Meetings, Assemblies, and Member Attendance

(A) Extraordinary General Assembly Meeting – Year 2025

Date of the Extraordinary General Assembly

18/06/2025

Attendance Rate

61%

The following Board of Directors members attended the meeting:



H.E. Chairman of the Board
Saad bin Abdulaziz Al-Karoud



H.E. Vice Chairman of the Board
Mansour bin Abdulaziz Al-Sogair — apologised for not attending



H.E. Mr.
Mr. Abdullatif bin Ali Al-Saif



H.E. Mr.
Mr. Mohammed bin Nasser Al-Nabit



H.E. Eng.
Thamer bin Mohammed Al-Muhaid



H.E. Eng.
Engineer Ahmed bin Saeed Al-Ghamdi



H.E. Eng.
Yahya bin Mohammed Al-Amin Al-Shanqiti



H.E. Eng.
Engineer Fahad bin Eid Al-Hilal



H.E. Mr.
Mr. Khalid bin Ibrahim Al-Rubaie

Key Agenda Items:

1. Reviewing the Board of Directors' report on the company's financial performance for the fiscal year ending 31/12/2024 and discussing it
2. Reviewing the company's audited financial statements for the fiscal year ending 31/12/2024 and discussing them
3. Approving the external auditors' report on the company's financial statements for the fiscal year ending 31/12/2024
4. Approving the Board of Directors' recommendation to distribute dividends of 0.70 SAR per share for the second half of 2024, bringing the total for 2024 to SAR 98 million, with the distribution date to be determined later
5. Approving the appointment of Dr. Mohammed Al-Amri & Co. as the Company's external auditor for specific periods in 2025 and 2026, at a fee of SAR 580,000
6. Authorizing the Board of Directors to distribute interim dividends (quarterly or semi-annually) for the fiscal year 2025
7. Approving the transactions and contracts between the company and Saudi Chemical Company Limited, in which Board member Eng. Thamer bin Mohammed Al-Muhaid has an indirect interest, related to the supply of civil explosives during the period from 07/02/2025 to 06/02/2028, without preferential terms
8. Amending Article (3) of the company's Articles of Association to expand the company's scope of activities and objectives

Board of Directors Meetings

Name	Membership Role	Membership Type	Meeting 1 25/03/23	Meeting 2 25/05/01	Meeting 3 25/07/24	Meeting 4 25/10/23	Meeting 5 25/12/10	Meeting 6 29/12/25	Total
H.E. Mr. Saad bin Abdulaziz Al-Karoud	Chairman	Non-Executive	✔	✔	✔	✔	✖	✖	4
H.E. Mr. Mansour bin Abdulaziz Al-Sogair	Vice Chairman	Non-Executive	✔	✔	✔	✔	✔	✔	6
H.E. Mr. Mohammed bin Nasser Al-Nabit	Member	Non-Executive	✔	✔	✔	✔	✔	✔	6
H.E. Mr. Khalid bin Ibrahim Al-Rubaie	Member	Independent	✔	✔	✔	✔	✔	✔	6
H.E. Engineer Ahmed bin Saeed Al-Ghamdi	Member	Non-Executive	✔	✔	✔	✔	✔	✔	6
H.E. Mr. Abdullatif bin Ali Al-Saif	Member	Independent	✔	✔	✔	✔	✔	✖	5
H.E. Engineer Yahya bin Mohammed Al-Amin Al-Shanqiti	Member	Independent	✔	✔	✔	✔	✔	✔	6
H.E. Engineer Fahad bin Eid Al-Hilal	Member	Independent	✔	✔	✔	✔	✔	✔	6
H.E. Engineer Thamer bin Mohammed Al-Muhaid	Member	Independent	✔	✔	✔	✔	✔	✔	6

04 Board of Directors Committees

In compliance with corporate governance requirements and to enhance the efficiency of the Board's work, the Board of Directors formed its specialized committees during 2025, which include: the Executive Committee, the Investment and Strategy Committee, the Audit Committee (which includes a member from outside the Board), and the Nominations and Remunerations Committee.

01 Investment and Strategy Committee

Role

Supporting the Board in reviewing the company's strategic directions, initiatives, and investments, and evaluating opportunities that enhance value over the medium and long term.

Membership (Year 2025)

- Mr. Mansour bin Abdulaziz Al-Sogair – Committee Chairman
- Engineer Ahmed bin Saeed Al-Ghamdi – Member
- Engineer Fahad bin Eid Al-Hilal – Member
- Engineer Yahya bin Mohammed Al-Amin Al-Shanqiti – Member
- Mr. Abdulsalam bin Abdullah Al-Duraibi – Executive Member

Key Committee Achievements:

1- Reviewing the company's strategic plan for 2024, linking it to clear performance indicators to ensure the achievement of the company's strategic objectives.

2- Studying and evaluating a number of investment opportunities, including economic feasibility analysis.

3- Strengthening the institutional performance monitoring system to track the achievement of strategic targets and address deviations to ensure execution efficiency.

4- Reviewing strategic projects and approving priority project budgets, with a focus on financial and strategic returns.

5- Supporting and guiding operational efficiency improvement initiatives to enhance financial performance and achieve sustainability.

2025 Meetings

Name	Role	M1 25/01/29	M2 25/02/25	M3 25/03/19	M4 25/04/30	M5 25/05/28	M6 25/06/04	M7 25/07/22	M8 25/08/27	M9 25/09/28	M10 25/10/22	M11 25/11/12	M12 25/12/28	Total
Mr. Mansour bin Abdulaziz Al-Sogair	Committee Chairman	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	12
Engineer Ahmed bin Saeed Al-Ghamdi	Member	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	12
Engineer Yahya bin Mohammed Al-Amin Al-Shanqiti	Member	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	12
Engineer Fahad bin Eid Al-Hilal	Member	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	12
*Mr. Abdulsalam bin Abdullah Al-Duraibi	Executive Member												✔	1

* Note: Mr. Abdulsalam Al-Duraibi was appointed as CEO of the company in December 2025.

02 Audit Committee

Role

Overseeing the integrity of financial reports, monitoring control activities, overseeing internal audit and risk management, providing recommendations regarding the external auditor, and monitoring compliance with regulations and related parties.

Membership (Year 2025)

"The Audit Committee was formed for the Sixteenth Board of Directors' Term, which began on 01/01/2024 and extends until 31/12/2026. The Board of Directors approved the formation of the committee by a resolution issued on 17/01/2024, and the committee consists of five members as follows:"

- **Mr. Khalid bin Ibrahim Al-Rubaie – Committee Chairman**
- **Engineer Thamer bin Mohammed Al-Muhaid – Member**
- **Engineer Fahad bin Eid Al-Hilal – Member**
- **Engineer Yahya bin Mohammed Al-Amin Al-Shanqiti – Member**
- **Mr. Adeeb bin Mohammed Abanami – External Member**

Committee Activities During 2025

In the course of the committee's efforts to fulfill its responsibilities during the fiscal year 2025, the committee — in coordination with the executive management, the external auditor, and the internal audit department — carried out the following key activities:

01 Financial Statements and Accounting Policies

The committee reviewed the primary and annual accounting policies and financial statements, along with any significant changes in accounting estimates and any material changes in accounting policies, in addition to financial data and related disclosures regarding financial performance, before submitting them to the Board of Directors for approval.

02 External Auditor

The committee monitored the search and evaluation procedures among candidates for the external auditor position, selected from the General Assembly, and met with them to review the work plan and ensure the availability of information necessary for audit tasks, and discussed issues of a material nature regarding outstanding matters and any observations related to financial reports and accounting policies.

03 Internal Audit Activities

The committee reviewed the risk assessment outputs and adopted the annual internal audit work plan. It monitored the results of the internal audit reports and followed up on the progress of corrective actions from the executive management. This also included reviewing the appointment of a new head of the internal audit department and developing internal audit procedures to align with current risks.

04 Developing Governance, Control, and Disclosure Policies

The committee followed up with the executive management to prepare and develop governance, control, and disclosure policies in line with the relevant regulations and bylaws.

05 Risk Management

The committee followed up with the executive management to prepare and develop a risk register and risk management procedures, reducing risks to an acceptable level.

Audit Committee Report on the Adequacy of Internal Control, Financial, and Risk Management Systems in the Company

Within the scope of its duties and responsibilities, the Audit Committee reviewed the various audit reports submitted by the external auditor, the internal audit department, and the management regarding governance, compliance, and risk management for fiscal year 2025. The committee also followed up on the corrective actions taken by the executive management in response to internal audit observations. Based on this, the committee did not identify any fundamental weaknesses in the company's internal control systems that have not been addressed or for which corrective actions have not been taken. It should be noted that no internal control system, however advanced and effective, can provide absolute assurance; it provides a reasonable level of assurance.

Committee Meetings and Member Attendance During 2025

The Audit Committee held 8 meetings during fiscal year 2025, and the attendance rate for members was as follows:

Name	Total Meetings	Meetings Attended	Attendance Rate
Mr. Khalid bin Ibrahim Al-Rubaie	8	8	100%
Engineer Thamer bin Mohammed Al-Muhaid	8	7	87.5%
Engineer Fahad bin Eid Al-Hilal	8	8	100%
Engineer Yahya bin Mohammed Al-Amin Al-Shanqiti	8	8	100%
Mr. Adeeb bin Mohammed Abanami	8	8	100%

The committee also ensured proper arrangements for the meetings by preparing a good agenda in advance and approving it, including inviting the external auditor's representative, the CEO, the Deputy CEO for Financial Affairs, and the Head of Internal Audit.

2025 Meetings Attendance Detail

Name	Role	M1 25/01/22	M2 25/03/19	M3 25/03/26	M4 25/05/13	M5 25/08/04	M6 25/10/20	M7 25/11/06	M8 25/12/08	Total
Mr. Khalid bin Ibrahim Al-Rubaie	Committee Chairman	✔	✔	✔	✔	✔	✔	✔	✔	8
Engineer Thamer bin Mohammed Al-Muhaid	Member	✔	✔	✔	✔	✘	✔	✔	✔	7
Engineer Yahya bin Mohammed Al-Amin Al-Shanqiti	Member	✔	✔	✔	✔	✔	✔	✔	✔	8
Engineer Fahad bin Eid Al-Hilal	Member	✔	✔	✔	✔	✔	✔	✔	✔	8
Mr. Adeeb bin Mohammed Abanami	Co-opted Member	✔	✔	✔	✔	✔	✔	✔	✔	8

03 Nominations and Remunerations Committee

Role

Supporting the Board in nomination policies and criteria, evaluating needs, overseeing diversity and inclusion, linking the remuneration policy to performance, and submitting the necessary recommendations.

Membership (Year 2025)

- Mr. Abdullatif bin Ali Al-Saif – Committee Chairman
- Mr. Khalid bin Ibrahim Al-Rubaie – Member
- Engineer Thamer bin Mohammed Al-Muhaid – Member
- Mr. Mohammed bin Nasser Al-Nabit – Member
- Engineer Ahmed bin Saeed Al-Ghamdi – Member

Key Outputs of the Nominations and Remunerations Committee

Adopting a long-term performance-linked remuneration policy
Reviewing the organizational structure and identifying the ideal number for the general workforce
Setting standards that promote diversity and inclusion
Overseeing the annual performance evaluation of the Board and its committees
Reviewing the succession plan for leadership positions
Completing the appointment of the CEO effective December 1, 2025
Initiating the study of salaries, benefits, and compensation for company employees

2025 Meetings

Name	Role	M1 25/03/13	M2 25/03/17	M3 25/10/16	M4 25/12/24	Total
Mr. Abdullatif bin Ali Al-Saif	Committee Chairman	✔	✔	✔	✔	4
Mr. Khalid bin Ibrahim Al-Rubaie	Member	✔	✔	✔	✔	4
Mr. Mohammed bin Nasser Al-Nabit	Member	✔	✔	✔	✔	4
Engineer Thamer bin Mohammed Al-Muhaid	Member	✔	✔	✔	✔	4
Engineer Ahmed bin Saeed Al-Ghamdi	Member	✔	✔	✔	✔	4

04 Executive Committee

Role

Following up on certain delegated powers from the Board, and expediting decision-making on matters that fall within the approved delegation of authority.

Membership (Year 2025)

- Mr. Saad bin Abdulaziz Al-Karoud – Committee Chairman
- Mr. Mansour bin Abdulaziz Al-Sogair – Member
- Mr. Mohammed bin Nasser Al-Nabit – Member
- Mr. Abdullatif bin Ali Al-Saif – Member
- Engineer Ahmed bin Saeed Al-Ghamdi – Member

Key Outputs of the Executive Committee:

01 Holding periodic meetings to review proposals submitted by the executive management and discuss updates and the company's financial position, and reviewing those matters that require the Board's recommendations

02 Studying the plans and proposals submitted by the executive management and reviewing the appropriate solutions to achieve the company's goals

03 Studying the proposals from the Chairman regarding the follow-up actions related to the objectives and taking appropriate decisions and recommendations to improve decision-making

04 Carrying out the tasks and competencies assigned to it by the Board and those delegated to it

05 Exercising the powers delegated to it under the approved delegation of authority, and the committee held (5) meetings during fiscal year 2025 as follows:

2025 Meetings

Name	Role	M1 25/04/27	M2 25/07/20	M3 25/10/20	M4 25/12/11	M5 25/12/2	Total
Mr. Saad bin Abdulaziz Al-Karoud	Committee Chairman	✔	✔	✔	✔	✔	5
Mr. Mansour bin Abdulaziz Al-Sogair	Member	✔	✔	✔	✔	✔	5
Mr. Mohammed bin Nasser Al-Nabit	Member	✔	✔	✔	✔	✔	5
Mr. Abdullatif bin Ali Al-Saif	Member	✔	✔	✔	✔	✔	5
Engineer Ahmed bin Saeed Al-Ghamdi	Member	✔	✔	✔	✔	✔	5

05 Board and Committee Performance Evaluation (Disclosure 2025)

The board of directors during the year 2025 conducted an evaluation of the board and committee performance using an adopted methodology and approach — covering, for example, governance effectiveness, quality of decisions, risk oversight, achievement of objectives and committee efficiency. The results of the evaluation were then discussed, along with improvement opportunities and the follow-up plan within the relevant board/ committee members.

المركز السعودي للحوكمة
Saudi Governance Center

As the Saudi Center for Corporate Governance is a specialized and accredited consulting body in the field of corporate governance and risk management, and institutional excellence and compliance, it seeks to enhance and develop corporate governance practices in the Kingdom of Saudi Arabia through providing assessment and advisory services aimed at raising the efficiency of boards of directors and committed committees, and improving transparency and compliance.



05 Compliance, Internal Control, and Internal Audit

The company applies an internal control framework aimed at enhancing the safety, integrity, and transparency of financial reports, and supporting compliance with regulations and laws relating to the company. This is achieved through sound policies and procedures, a sound organizational structure, a documented code of conduct, a clear regulatory and accountability framework, and supervisory and executive oversight from the board of directors — to the extent possible — in addition to the oversight and supervisory role of the audit committee.

The Audit Committee oversees the internal control and risk management system and follows up the work of internal audit, carried out under an annual risk-based plan. It also reviews the internal audit reports and discusses and follows them up, including following up on corrective and preventive measures related to them — within the scope of the relevant reports — in addition to reviewing the internal audit reports related to financial reporting, and reviewing the reports related to regulatory requirements of the approved external auditors.

Annual Results of the Effectiveness of Internal Control Procedures for the Year 2025 and the Audit Committee's Opinion on the Adequacy of the Internal Control System:

Within the scope of its responsibilities, the audit committee reviewed the internal audit reports submitted by the external auditors and the company's management during the financial year 2025, covering the financial statements, internal audit management, governance, compliance, and risk management. The committee also reviewed the different observations made by the executive management during the year, including the corrective measures related to them. Furthermore, based on the above, the committee did not find any fundamental weakness in the internal control system of the company. It should be noted that no internal control system, however advanced and effective, can provide absolute assurance; it provides a reasonable level of assurance.



06 Shareholder Affairs, Ownership, and Dividend Distribution Policy

01 Profit Distributions for the Year 2025

The company distributed cash profits to shareholders during the year 2026 in accordance with the adopted resolutions, as follows:

✔ Interim Distribution for the First Half of 2025

Actual Amount
0.25
SAR per share

Percentage
2.5%

Approval Date
29/12/2025

Eligibility Date
31/12/2025

Distribution Date
14/01/2026

Profit Distributions Schedule for the Year 2025

Distribution Type	Period	Total Distribution (SAR)	Distribution Percentage (%)	Approval Date	Eligibility Date	Distribution Date
Interim	First Half	0.25 SAR	2.5	29/12/2025	31/12/2025	14/01/2026
Interim	Second Half	0.25 SAR	2.5	30/03/2026	Later	Later

02 Shareholder Register Requests

In the interest of transparency and documenting transactions with the shareholder register, the number of shareholder register requests, their reasons, and their dates during the year 2025 are disclosed as follows:

No.	Request Date	Reason for Request
1	11/02/2025	Corporate Procedures
2	16/06/2025	General Assembly
3	16/06/2025	Profit File
4	30/12/2025	Corporate Procedures
5	30/12/2025	Profit File

07 Transactions with Related Parties

The company is committed to disclosing any contracts in which the company is a party and in which a member of the board of directors or senior executives, or related parties, have an interest, along with a statement of: (the parties/nature/value/duration/commercial terms/path of approval), and ensuring transparency and the absence of conflict of interest conditions, in full detail.

Transaction/Contract with a Related Party Presented to the General Assembly (Documented under General Assembly Items dated 18/06/2025):

The business and contracts between Southern Province Cement Company and Saudi Chemical Company Limited, in which Board member Eng. Thamer bin Mohammed Al-Muhaid has an indirect interest, relating to the supply of civil explosives during the period from 07/02/2025 to 06/02/2028, without preferential terms.

Related Parties Transactions Table for the Year 2025

The Related Party	Nature of the Relationship	Nature of the Transaction	Value (SAR)	Term	Approval Path
Saudi Chemical Company Limited	Indirect Personal Interest of a Board Member	Supply of Civil Explosives	6,843,563	07/02/2025–06/02/2028	General Assembly / Board (According to the Minutes)

Outstanding Liabilities Due to Government Entities at the End of Year 2025

Reason Statement	Brief Description	2025		Entity
		Outstanding Until End of Financial Period and Not Yet Paid	Paid	
To be paid in 2026	Outstanding Zakat	20,793,047	19,975,132	Zakat, Tax and Customs Authority
To be paid in 2026	Social Insurance	1,516,171	19,124,893	General Organization for Social Insurance
To be paid in 2026	Independence Fees for 2025	13,397,825.00	35,342,436.46	Ministry of Industry and Mineral Resources
		35,707,043	74,442,461	Total

08 Remuneration Disclosures and Regulatory Resolutions

The company is committed to disclosing any contracts in which the company is a party and in which a member of the board of directors or senior executives, or parties related to them, have an interest, along with a statement of: (the parties/nature/value/duration/commercial terms/path of approval), along with a statement of the presence or absence of conditions for conflict of interest.

01 Disclosure Requirements

Including the mandatory schedules for the remuneration of board members, committees, and senior executives in accordance with the template without modification.

02 Remuneration Policy

Based on Article (22) of the company's basic system, the remuneration of board members may be a fixed amount, an attendance allowance, in-kind benefits, a percentage of net profit, or a combination of these. The report of the board of directors to the general assembly shall include a statement of what each board member has received during the past financial year from remuneration and in lieu of expenses and other benefits; this shall include a statement of what the company's members received in administrative, technical, or advisory capacity, or similar work, as well as the number of board meetings attended by each member and a reference to the last general assembly meeting.

Linking Performance to Pay (Disclosure 2025)

The company, when designing remuneration, strives to achieve fairness, transparency, and alignment with the responsibilities of members and their contributions to the work of the board and committees, while achieving the interests of shareholders and the sustainability of business, in accordance with regulatory requirements and adopted policies.



03 Remuneration Schedules

Remuneration and Allowances of Board Members – 2025

Name	A fixed amount for board membership and committee membership	Board Session Attendance Allowance	Total Committee Session Attendance Allowance	Benefits in Kind	Remuneration of the Board Chairman, Managing Director, or Secretary if they are among the Members	Total	Periodic Remuneration	Short-Term Incentive Plans	Long-Term Incentive Plans	Granted Shares	Total	Board Remuneration (Total Amount)	Grand Total	Expense Allowance
First: Independent Members														
H.E. Eng. Thamer bin Mohammed Al-Muhaid	600,000	30,000	75,000	0	0	705000	0	0	0	0	0	0	705000	0
H.E. Mr. Khalid bin Ibrahim Al-Rubaie	600,000	30,000	80,000	0	0	710,000	0	0	0	0	0	0	710,000	0
H.E. Eng. Yahya bin Mohammed Al-Amin Al-Shanqiti	600,000	30,000	100,000	0	0	730,000	0	0	0	0	0	0	730,000	0
H.E. Eng. Fahad bin Eid Al-Hilal	600,000	30,000	100,000	0	0	730,000	0	0	0	0	0	0	730,000	0
H.E. Mr. Abdullatif bin Ali Al-Saif	600,000	25,000	65,000	0	0	690,000	0	0	0	0	0	0	690,000	0
Second: Non-Independent Members														
H.E. Mr. Saad bin Abdulaziz Al-Karoud	450,000	20,000	25,000	0	247,500	742,500	0	0	0	0	0	0	742,500	0
H.E. Mr. Mansour bin Abdulaziz Al-Sogair	600,000	30,000	85,000	0	0	715,000	0	0	0	0	0	0	715,000	0
H.E. Mr. Mohammed bin Nasser Al-Nabit	600,000	30,000	65,000	0	0	695,000	0	0	0	0	0	0	695,000	0
H.E. Eng. Ahmed bin Saeed Al-Ghamdi	750,000	30,000	125,000	0	0	905,000	0	0	0	0	0	0	905,000	0

The Six Highest-Paid Senior Executives in the Company

Description	Salaries	Allowances	Benefits in Kind	Total	Periodic Remuneration	Profits	Short-Term Incentive Plans	Long-Term Incentive Plans	Granted Shares	Total	End of Service Gratuity	Total Executives' Remuneration from the Board	Grand Total
The Six Senior Executives Who Received the Highest Remuneration	6,645,145	2,133,524	--	8,778,669	2,646,095	--	--	--	--	11,424,764	0	--	11,424,764

Committee Members' Remuneration and Allowances – 2025

Member Name	Fixed Remuneration	Session Attendance Allowance	Total
Executive Committee Members			
H.E. Mr. Saad bin Abdulaziz Al-Karoud	150,000	25,000	175,000
H.E. Mr. Mansour bin Abdulaziz Al-Sogair	150,000	25,000	175,000
H.E. Mr. Mohammed bin Nasser Al-Nabit	150,000	25,000	175,000
H.E. Mr. Abdullatif bin Ali Al-Saif	150,000	25,000	175,000
H.E. Eng. Ahmed bin Saeed Al-Ghamdi	150,000	25,000	175,000
Investment and Strategy Committee Members			
H.E. Mr. Mansour bin Abdulaziz Al-Sogair	150,000	60,000	210,000
H.E. Eng. Ahmed bin Saeed Al-Ghamdi	150,000	60,000	210,000
H.E. Eng. Yahya bin Mohammed Al-Amin Al-Shanqiti	150,000	60,000	210,000
H.E. Eng. Fahad bin Eid Al-Hilal	150,000	60,000	210,000

Member Name	Fixed Remuneration	Session Attendance Allowance	Total
Audit Committee Members			
H.E. Mr. Khalid bin Ibrahim Al-Rubaie	150,000	40,000	190,000
H.E. Eng. Thamer bin Mohammed Al-Muhaid	150,000	35,000	185,000
H.E. Eng. Yahya bin Mohammed Al-Amin Al-Shanqiti	150,000	40,000	190,000
H.E. Eng. Fahad bin Eid Al-Hilal	150,000	40,000	190,000
H.E. Mr. Adeeb bin Mohammed Abanami (External Audit Committee Member)	150,000	24,000	174,000
Nominations and Remuneration Committee Members			
H.E. Mr. Abdullatif bin Ali Al-Saif	150,000	40,000	190,000
H.E. Eng. Thamer bin Mohammed Al-Muhaid	150,000	40,000	190,000
H.E. Mr. Mohammed bin Nasser Al-Nabit	150,000	40,000	190,000
H.E. Mr. Khalid bin Ibrahim Al-Rubaie	150,000	40,000	190,000
H.E. Eng. Ahmed bin Saeed Al-Ghamdi	150,000	40,000	190,000

Shares Held by Board Members, Senior Executives, Their Spouses, and Minor Children

Name	No. of Shares at Start of Year	No. of Shares at End of Year	Change
H.E. Mr. Saad bin Abdulaziz Al-Karoud — Representative of the Public Investment Fund	-	-	-
H.E. Mr. Mansour bin Abdulaziz Al-Sogair — Representative of the Public Investment Fund	-	-	-
H.E. Mr. Mohammed bin Nasser Al-Nabit	1,000	1,000	-
H.E. Eng. Thamer bin Mohammed Al-Muhaid	10	10	-
H.E. Eng. Ahmed bin Saeed Al-Ghamdi — Representative of the Public Investment Fund	-	-	-
H.E. Mr. Khalid bin Ibrahim Al-Rubaie	50	0	50
H.E. Eng. Yahya bin Mohammed Al-Amin Al-Shanqiti	1,603	1,603	-
H.E. Eng. Fahad bin Eid Al-Hilal	1,200	1,200	-
H.E. Mr. Abdullatif bin Ali Al-Saif — Representative of the General Organization for Social Insurance	-	-	-
The Public Investment Fund	52,408,200	52,408,200	-
The General Organization for Social Insurance	6,730,000	5,430,000	1,300,000
H.E. Eng. Aqeel Fatees Saeed Kadasa	-	-	-
H.E. Mr. Abdulsalam bin Abdullah Al-Duraibi	-	-	-
H.E. Eng. Saud bin Safar Al-Barqan	-	-	-
H.E. Mr. Mohammed bin Ali Al-Thawi	-	-	-
H.E. Mr. Ahmed bin Abdulahad Bukhari	-	-	-
Total	59,142,063	57,842,013	1,300,050



04 Board of Directors' Resolutions

Resolutions of the Board of Directors of Southern Province Cement Company for the Financial Year 2025

The board of directors of the company — based on its knowledge and in light of what is available from reports and clarifications — acknowledges the following resolutions within the annual report for the year 2025:

Accounting Records

The board acknowledges that the company maintains accounting records and ledgers, and that the financial statements were prepared in accordance with the accounting standards approved in the Kingdom of Saudi Arabia, reflecting the operations and financial position for the reported financial year.

Internal Control System

The board confirms that it has reviewed the reports of relevant bodies regarding the internal control system, and that the company has an internal control framework aimed at protecting assets and enhancing the reliability of financial reports and compliance with adopted policies and procedures, with the acknowledgment that no regulatory system is entirely free of risks.

Business Continuity

The board acknowledges — based on what has been presented to the board — that no material indicators were found that would require the continuity assumption to be reconsidered when preparing the financial statements for the reported year.

Voting Rights

The board acknowledges that the structure of voting rights is managed in accordance with the relevant regulations and instructions, and based on the information and records available to the company.

Convertible Financial Instruments

The board acknowledges that the company did not issue during the reported financial year any debt instruments convertible into securities or papers that are contractually or legally obligated to lead to conversion or participation in capital, based on the company's records during the year of the report.

Conversion or Subscription Rights

The board — based on the information available to the company — acknowledges the absence of any obligations to grant conversion or subscription rights arising from any instruments or guarantees issued during the reported financial year.

Redemption / Purchase of Debt Instruments Eligible for Redemption

The board acknowledges that the company did not proceed during the reported financial year with redeeming, purchasing, or cancelling any debt instruments eligible for redemption, based on what is recorded in the company's records during the year of the report.

Waiver of Remuneration

The board — based on the information available to the company — acknowledges the absence of any arrangements or agreements that would lead any member of the board of directors or senior executives to waive their remuneration or entitlements during the reported financial year.

Waiver of Profit Distributions

The board — based on the information available to the company — acknowledges the absence of any cases of shareholders waiving their rights to profit distributions during the reported financial year.

Penalties / Regulatory Procedures

The board acknowledges that — based on what has been reported to the company and what is on record — no material regulatory fines or penalties that affect the company's activity or financial position were imposed on the company during the financial year, if any.

Internal Audit

The board confirms the existence of an internal audit function, and that the audit committee has followed up on its reports and plans within its scope of authority, as presented to the board throughout the year.

Audit Committee Recommendations

The board acknowledges that — as documented in the meeting minutes — no instances of rejection of material recommendations issued by the audit committee were recorded during the reported financial year, if any.

External Auditor's Report

The board acknowledges that the annual financial statements for the year 2025 were audited by an independent external auditor, and that the type of opinion included in the external auditor's report is as stated in the auditor's report attached within the annual report.

External Auditor

The board acknowledges that any recommendation regarding the appointment, continuation, or change of the external auditor is made in accordance with the relevant regulatory procedures and in a manner that ensures independence and audit quality.

Non-Competition and Conflict of Interest

The board acknowledges — based on what has been disclosed to the board and what is on record — that no conflict-of-interest cases were recorded involving any member engaging in activities that compete with or conflict with the company's business during the reported financial year, or that any material interests affecting the report were present without disclosure and without taking the relevant regulatory measures regarding them.

06
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01 FINANCIAL STATEMENTS

Southern Province Cement Company faced a competitive operating environment during 2025, marked by mounting cost pressures stemming from the additional production capacity introduced by the third line at the Jazan Plant, alongside a decline in sector-wide demand. These combined factors contributed to a material compression in gross profit margin, while the Company continued to invest in strengthening its productive asset base, which reached SAR 4,759.1 million by year-end.

Key Financial Indicators

(Figures in SAR Millions)

Indicator	2025	2024	Change
Total Revenue	867.3	935.0	7.2% ▼
Cost of Revenue	835.2	626.0	33.4% ▲
Gross Profit	32.1	309.0	89.6% ▼
Operating Profit / (Loss)	(40.8)	227.3	118.0% ▼
Net Income / (Comprehensive Loss)	(43.0)	205.3	121.0% ▼
Total Assets	4,759.1	4,326.1	10.0% ▲
Shareholders' Equity	3,065.7	3,241.7	5.4% ▼
Net Profit / (Loss)	(48.5)	193	125% ▼
Earnings Per Share (SAR)	(0.35)	1.38	125% ▼
Book Value Per Share (SAR)	21.9	23.2	5.6% ▼

02 Historical Financial Performance

Five-Year Financial Summary

(Figures in SAR Millions)

Year	Revenues	Gross Profit	Comprehensive Income	Total Assets	Shareholders' Equity
2025	867.3	32.1	(43.0)	4,759.1	3,065.7
2024	935.0	309.0	205.3	4,326.1	3,241.7
2023	1,070.3	276.5	199.6	4,083.4	3,286.2
2022	1,222.4	361.1	299.1	3,871.8	3,205.6
2021	1,339.4	505.4	431.8	4,004.7	3,186.5

03 Business Results Analysis

Revenue

The Company recorded total revenues of SAR 867.3 million in 2025, compared to SAR 935.0 million in 2024, representing a decrease of 7.2%, or SAR 67.7 million.

Revenue Breakdown by Product:

Segment	2025 (SAR M)	2024 (SAR M)	Change
Cement Sales	827.2	890.9	7.1% ▼
Clinker and Other Sales	40.1	44.1	9.1% ▼
Total	867.3	935.0	7.2% ▼

04 Financial Position, Liquidity and Indebtedness

Income Statement Analysis

(Figures in SAR Millions)

Line Item	2025	2024	Change (SAR M)	% Change
Revenue	867.3	935.0	(67.7)	7.2% ▼
Cost of Revenue	(835.2)	(626.0)	(209.2)	33.4% ▲
Gross Profit	32.1	309.0	(276.9)	89.6% ▼
Other Operating Expenses	(72.9)	(81.7)	8.8	10.8% ▼
Operating Profit / (Loss)	(40.8)	227.3	(268.1)	118.0% ▼
Net Profit / (Loss)	(48.5)	193.0	(241.5)	125% ▼
Total Comprehensive Income / (Loss)	(43.0)	205.3	(248.3)	121.0% ▼

Explanation of Material Variances

The decline in net profit during the current year compared to the prior year is attributable to lower revenues and higher cost of sales, resulting from increased production input costs and lower utilization rates of production lines, in addition to inventory adjustments for work-in-progress and raw material inventories, as well as a negative impact arising from the adjustment of depreciation on assets belonging to the old production lines at the Jazan Cement Plant, which were replaced by the new production line.

Comparative Balance Sheet

(Figures in SAR Millions)

Item	2025	2024	% Change
Current Assets	1,195.0	1,264.8	5.5% ▼
Non-Current Assets	3,564.1	3,061.3	16.4% ▲
Total Assets	4,759.1	4,326.1	10.0% ▲
Current Liabilities	431.6	364.1	18.5% ▲
Non-Current Liabilities	1,261.8	720.3	75.2% ▲
Total Liabilities	1,693.4	1,084.4	56.2% ▲
Shareholders' Equity	3,065.7	3,241.7	5.4% ▼

Liquidity and Solvency Ratios

Ratio	2025	2024	Comment
Current Ratio	2.77	3.47	Declined, but remains at adequate coverage levels
Debt-to-Equity	0.41	0.20	Increased due to new Islamic financing for Jizan Line 3
Liabilities-to-Assets	35.6%	25.1%	Within acceptable range
Book Value per Share (SAR)	21.9	23.2	Based on 140M shares issued

05 Islamic Finance

As at 31 December 2025, the Company's Islamic financing balance with Saudi National Bank stood at SAR 1,263,907,479 (approximately SAR 1,263.9 million), detailed as follows:

Item	Non-Current (SAR)	Current (SAR)	Total (SAR)
Opening Balance	610,129,335	46,993,610	657,122,945
Repaid during the year	—	(7,293,656)	(7,293,656)
Transferred from Current to Non-Current	(53,884,019)	53,884,019	—
Third Line Financing — Jazan	624,251,341	—	624,251,341
Rescheduling Profits	(11,892,723)	—	(11,892,723)
Interest	—	65,588,911	65,588,911
Interest Paid	—	(63,869,339)	(63,869,339)
Closing Balance	**1,168,603,934**	**95,303,545**	**1,263,907,479**

Financing Terms: Repayable over ten years, including a three-year grace period; the non-current portion is due between 2025–2033.

06 Amounts Due to Government Entities

Entity	Paid During 2025	Outstanding Balance Due	Payment Due Date
Zakat, Tax and Customs Authority	19,975,132	20,793,047	2026
General Organization for Social Insurance	19,124,893	1,516,171	2026
Ministry of Industry and Mineral Resources	35,342,436	13,397,825	2026
Total	**74,442,461**	**35,707,043**	

The Company confirms that all of the above liabilities are being settled on a regular basis in accordance with the approved schedules, and that there are no pending legal disputes with any of the aforementioned government entities.

07 Distributed Profits & Dividend Policy

Dividends Distributed / Declared in 2025

Tranche	Distribution %	Per-Share Value (SAR)	Announcement Date	Payment Date
H2 2024	7.0%	SAR 0.70	27/03/2025	01/07/2025
H1 2025	2.5%	SAR 0.25	29/12/2025	14/01/2026
Total 2025	9.5%	SAR 0.95		

The Historical Path of Distributions

Year	Per-Share (SAR)	Total Distributed (SAR M)
2025*	0.50	70.0
2024	1.2	168.0
2023	1.00	140.0
2022	1.25	175.0
2021	2.50	350.0
2020	4.75	665.0

The Company adheres to a dividend policy that strikes a balance between maximizing shareholder returns and the financing requirements of its growth and strategic expansion plans, taking into account liquidity levels and applicable regulatory requirements.



شركة أسمنت المنطقة الجنوبية
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