

RIYADH CEMENT
ANNUAL REPORT
2025



A YEAR WE EXPANDED OUR IMPACT



The Custodian of The Two Holy Mosques
KING SALMAN BIN ABDULAZIZ AL SAUD



His Royal Highness Crown Prince
MOHAMMAD BIN SALMAN BIN ABDULAZIZ AL SAUD

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THEME OF THE YEAR - Environmental Impact

Operational initiatives, partnerships, and outcomes that demonstrate Riyadh Cement Company's environmental impact and alignment with Vision 2030 and the Saudi Green Initiative (SGI).



Partnerships, Recognition & Engagement



Community & Government Partnerships

10,000

Arwa Charity Association — recipient of 10,000 seedlings; joint planting/awareness activities executed through multi-stakeholder volunteerism.

Arwa Governorate Municipality,

Police & Civil Defense — coordination partners for seedling distribution and planting.



National Environmental Bodies

Hosted delegations from the National Center for Vegetation Cover & Combating Desertification

and the National Afforestation Program (coinciding with the launch of the 2025 Afforestation Season).

Delegations participated in planting seedlings inside Riyadh

Cement grounds and reviewed the company's nursery and greening program.



Recognition for Industrial Sustainability

Saudi Industrial Development Fund (SIDF)

"Towards a Sustainable Industrial Future": Riyadh Cement presented its circular-economy journey, resource-efficiency initiatives, and localization efforts.

Recognition by the Advisor to the CEO at SIDF

for advancing sustainability practices and operational efficiency — positioning the company as an industrial model aligned with a more competitive and sustainable operating environment.

Key Environmental Actions & Investments



Afforestation & Vegetation Cover

10,000

seedlings delivered from Riyadh Cement's nursery to Arwa Charity Association; planting & distribution executed with volunteers and in coordination with Arwa Governorate Municipality, Police, and Civil Defense.

Ongoing greening of plant corridors and open areas across company sites.

On-site agricultural nursery established as a flagship initiative to enhance vegetation cover, develop environmental incubators, and support community quality of life.



Grid Connection & Energy Transition

SR 85 MILLION

11/33 kV power substation contract signed with Chengdu Design & Research Institute to connect Al-Muzahimiyah plants to the grid under the Liquid Fuel Displacement Program (total investment SAR 85 million)

Expected impact

improved energy efficiency, reduced dependence on liquid fuels, enhanced operational reliability, and support for environmental sustainability.



Strategic Alignment

CONTRIBUTES TO VISION 2030

Saudi Green Initiative, Riyadh Green Initiative, and the Crown Prince's Afforestation Initiative

Supports national goals to expand vegetation cover

combat desertification, and promote sustainable development.



Circular Economy & Resource Efficiency

LOCALIZATION OF ENVIRONMENTALLY FRIENDLY OPERATIONAL SOLUTIONS

and initiatives that improve resource efficiency (materials, energy, and water) in line with circular-economy principles.

Showcased at SIDF's event

"Towards a Sustainable Industrial Future" via presentations and expert panel discussions.



Safety & Environmental Governance

ENVIRONMENTAL GOVERNANCE FRAMEWORK

in place to strengthen operational efficiency and reduce environmental impact.

ROBUST SAFETY SYSTEMS AND PROCEDURES

across plants, supporting a safe workplace consistent with SDGs.

ADOPTION OF LOCAL PLANT SPECIES

suited to industrial environments, with best-practice care and anti-desertification measures

01

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ABOUT RIYADH CEMENT COMPANY



Founded in 1997, Riyadh Cement Company (RCC) is a Saudi joint-stock company listed on the Saudi Exchange (Tadawul – Main Market). RCC manufactures and supplies both white and grey cement from an integrated industrial complex in Al-Muzahimiyah, northwest of Riyadh, an area endowed with high-purity limestone and essential raw materials. The complex comprises highly efficient production lines operated with state-of-the-art equipment and AI-enabled control systems, ensuring dependable quality, reliability and cost discipline for national projects and select export markets.

RCC's purpose is straightforward: provide the Kingdom with high-quality, eco-friendly white and grey cement products while optimizing resources, elevating energy efficiency, protecting the environment and localizing jobs. This purpose is codified in the Company's Vision to be the environmental development choice in Saudi Arabia; its Mission, and a values system that prizes innovation, collaboration, growth, quality, and transparency across the enterprise.

RCC's portfolio spans the principal cement types demanded by Saudi contractors and ready-mix producers:



White Portland Cement Type I (CEM I 52.5N) for high-strength architectural and concrete applications.



White Portland Cement Type II (CEM II 42.5N) for grouts, colored plastering and façade profiles; and Finishing Cement (FC) for plastering and floor screeds.



Ordinary Portland Cement (OPC) for structural concrete and precast



Sulfate-Resistant Portland Cement (SRC) for basements, marine and sewage works



façade profiles; and Finishing Cement (FC) for plastering and floor screeds.

These products are manufactured to recognized Saudi and international standards and are supported by technical service to align end-use with performance.



What differentiates RCC operationally

is its dual-process flexibility and its systems mindset. A converted grey line can switch to white-clinker production to balance demand, while the dedicated white plant retains specialty focus; together giving the Company a unique ability to supply premium architectural material alongside mainstream structural cement without sacrificing efficiency.

The industrial platform is complemented by certified management systems: in 2024 RCC obtained ISO 50001:2018 (Energy Management) and ISO 27001:2013 (Information Governance & Security), formalizing practices that reduce energy intensity and safeguard data across the value chain.

Sustainability is embedded in the operating agenda, not treated as an add-on. RCC advanced two flagship initiatives: a waste-heat recovery project using ORC

technology and the recycling of industrial iron slag into the cement process; both aimed at lowering emissions, improving energy yield and substituting virgin inputs where feasible. In parallel, the Company maintains export channels to neighboring countries to optimize utilization through cycles while keeping primary focus on Saudi demand.

At its core, Riyadh Cement Company is a capability-driven, centrally located, dual-specialty cement manufacturer; engineered for

dependable supply to the Kingdom's infrastructure and urban development, with the quality systems, product breadth, and sustainability initiatives expected of a Main-Market issuer serving national priorities.



Company Lines of Business

Riyadh Cement Company (“RCC”) operates an integrated cement platform organized around two core lines of business—Grey Cement and White Cement, produced from a single industrial campus in Al-Muzahimiyah, northwest of Riyadh. The site sits over high-quality limestone and other essential raw materials and houses three highly efficient production lines supported by state-of-the-art equipment and artificial-intelligence technologies. This configuration allows end-to-end control from quarry to dispatch.



Grey Cement

First production line (dual-process).

Second production line (dedicated grey).

3.4

million tons

The plant contains two production lines

with a design capacity of 3.4 million tons of grey clinker annually. Both lines share raw-material preparation, utilities, maintenance, quality control, and logistics infrastructure, giving RCC economies of scale and reliability across campaigns.

1.7

million tons

This is a dual-process line for the production

of grey and white clinker of various types. Commercial production began in 2007, with a design capacity of 1.7 million tons of grey clinker annually. In 2019, it was developed to produce white clinker with a design capacity of 660,000 tons of white clinker annually.

1.7

million tons

The second production line is dedicated to the production of grey clinker.

Commercial production began in 2010, with a design capacity of 1.7 million tons of grey clinker annually.



Product slate and applications.

The grey cement plant produces

three types of cement aligned to the needs of structural and infrastructure works:



Ordinary Portland Cement (OPC)

used to prepare reinforced concrete, to manufacture prefabricated concrete pipes, and to make blocks.

01

Sulfate Resisting Portland Cement (SRC):

used in the construction of underground bases, coastal facilities, and building dams and bridges where aggressive environments prevail.

02

Portland Limestone Finishing Cement (FC)

used in plastering, masonry works, and screeding (floor lining before tiling).

03

Grey operations are run for high throughput and stable repeatable quality. Co-located raw-material quarries with high-purity limestone support consistent kiln feed chemistry; digital process controls stabilize burning zone conditions and finish-mill performance; and centralized dispatch coordinates bulk and bag deliveries to ready-mix batching plants, precast yards, block makers and infrastructure sites. The dual-process capability on Line-1 functions as a strategic “swing” lever: when structural demand softens and architectural demand rises, RCC can temporarily shift Line-1 to white service without jeopardizing supply reliability for OPC and SRC customers. Conversely, when structural demand is strong, the line remains in grey mode to maximize clinker availability for large pours, precast programs and public-works schedules.

A plant-wide quality ethos, sampling from quarry face to finished cement, supports compliance with Saudi and international specifications. This includes uniformity of strength development, soundness and setting characteristics for OPC and SRC, and workability and surface finish performance for FC in plastering and screeding operations. Technical specialists support customers with mix design guidance (e.g., sulfate-exposure classes, cover depths, and early-strength requirements for precast turnarounds).

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White Cement

Our White Cement plant is the first of its kind in the Kingdom to produce white cement.

Established in 1997, it has a production capacity of 320,000 tons of white clinker annually. Through the dual-process capability of Line-1, the company can produce approximately one million tons of white clinker annually when market conditions warrant providing unmatched flexibility and scale for premium architectural applications nationwide.

Product slate and applications.

The White Cement Plant produces two principal types of cement, each targeted at high-value uses where aesthetics, color control and surface finish are critical:



White Portland Cement (limestone) Type II (CEM II 42.5N)

used in grouting and fillings for marble installation and colored plastering, as well as profile painting for external facades. Its formulation supports excellent bonding, smooth finishing, and color stability for exterior profiles and interior finishes.

White Portland Cement Type I (CEM I 52.5N):

used in decorative works, grouts, colored concrete, tiles, interlock bricks, artificial stone, and glass fiber reinforced concrete (GRC). The cement’s high whiteness index and strength class enable uniform pigmentation and crisp architectural detailing in precast cladding, site-cast elements, terrazzo, and GRC façades.

Producing white clinker demands stringent control of raw-material purity

(notably low iron and manganese content) and precise kiln operation to achieve target whiteness and strength. RCC’s dedicated white line is engineered for this specialty, while the dual-process Line-1 can be brought into white mode to meet peak architectural demand—covering large façade packages, landscape features, and municipal realm works without stretching lead times. Fine grinding and optimized gypsum/limestone intergrading deliver smooth surfaces for plastering and profile works, and the Company’s technical team supports color-matching, pigment dosing guidance, and curing best practices to achieve uniform, blemish-free finishes.

White cement is supplied in bulk and bag

formats suitable for GRC producers, terrazzo and tile manufacturers, dry-mix packers, and finishing contractors. Centralized dispatch from Al-Muzahimiyah provides short lead times into Riyadh’s mega-project corridor and reliable national coverage, with selective export channels that help stabilize kiln loading and unit costs across cycles.

How the Two Lines Work Together

Mix flexibility at scale

The dual-process first line is RCC’s hinge between specialties, enabling fast shifts from grey to white clinker (and back) to mirror market mix—protecting margins, balancing inventories and maintaining plant loading.

Shared infrastructure, consistent standards.

A single industrial campus with common laboratories, utilities, maintenance and packing assets delivers cost efficiency and a uniform quality system that customers recognize across RCC’s product families.

End-to-end control

From quarry planning and raw-mix design through kiln stability, grinding, and dispatch, both businesses operate under the same discipline—tight process windows, continuous monitoring, and field-based technical service—so that structural performance in concrete and aesthetic performance in finishes are equally dependable.

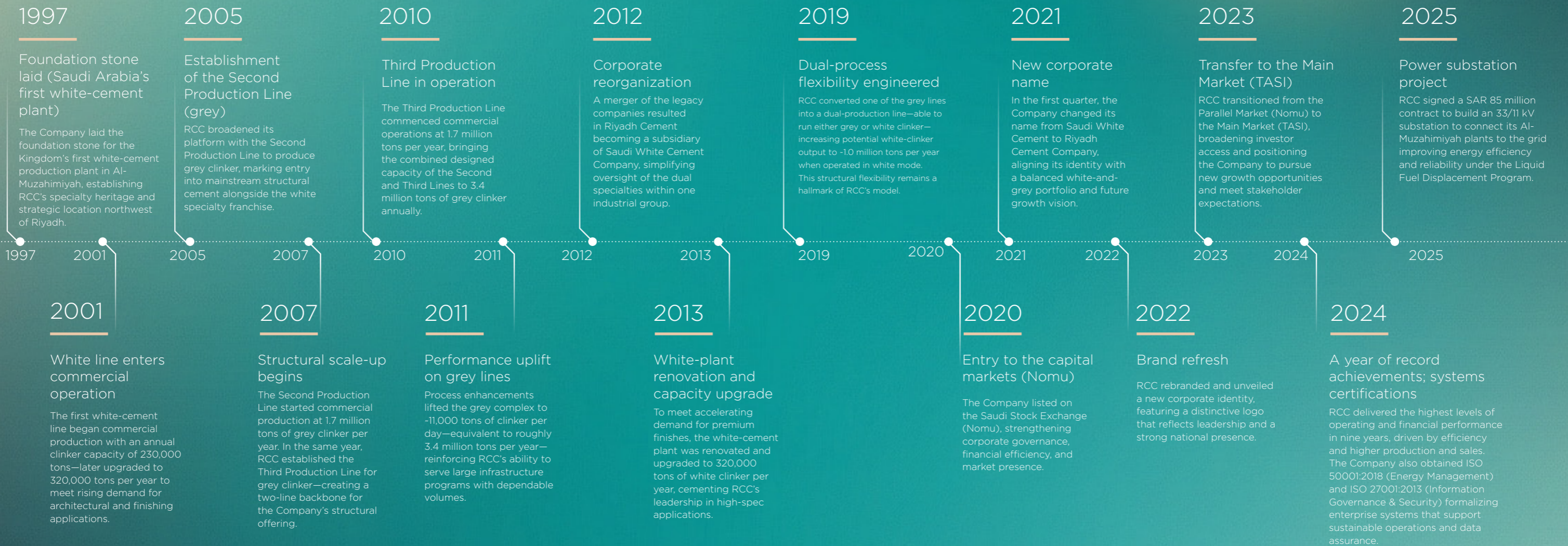
Together, RCC’s Grey Cement and White Cement businesses give the Kingdom a reliable structural backbone and a high-quality architectural finish, backed by industrial flexibility to meet the demands of Vision-scale infrastructure and urban development

HISTORY

Since 1997, Riyadh Cement Company (RCC) has grown from Saudi Arabia's first white-cement plant into a dual-specialty, Main-Market issuer supplying the Kingdom's structural backbone and its most demanding architectural finishes. Our trajectory is

defined by disciplined capacity additions, process modernization, and governance milestones that expanded investor access—while maintaining an unwavering focus on quality, energy stewardship, and reliable supply to national projects.

Chronology of Milestones



WHERE WE OPERATE

Riyadh Cement Company operates a single

fully integrated manufacturing and distribution platform from Al-Muzahimiyah, northwest of Riyadh on high-purity limestone and other essential raw materials. The entire value chain—quarrying, raw-mix preparation, clinkerization, finish milling, quality laboratories, packing, and dispatch is concentrated on one industrial campus, enabling tight process control, short lead times to the Kingdom’s project corridor, and dependable national coverage with selective exports to neighboring markets.



Revenue Contribution

by product, FY2025



KSA vs export revenue mix

	2025
KSA	99.7%
Export	0.30%

Kiln Utilization Rate

Kiln utilization rate:	2024	2025
Kiln #1	108.2%	113.9%
Kiln #2	112.6%	113.5%
Kiln #3	110.1%	123.3%

Uptime Percentage

Uptime % (Run Factor)	2024	2025
Kiln #1	76.5%	88.1%
Kiln #2	90.7%	83.3%
Kiln #3	85.4%	93.1%

Why Our Footprint Matters

01 One campus, two specialties

Co-locating grey and white operations on one site creates shared utilities, maintenance and quality systems, lowering unit costs and ensuring that structural performance (OPC/SRC/FC) and architectural performance (CEM I / CEM II white) are delivered with the same discipline.

02 Flexible mix at scale

The dual-process first line lets RCC switch quickly between grey and white clinker to mirror market mix protecting margins, controlling inventories and sustaining plant loading, while the dedicated white line preserves premium, high-whiteness consistency for façade and finishing work.

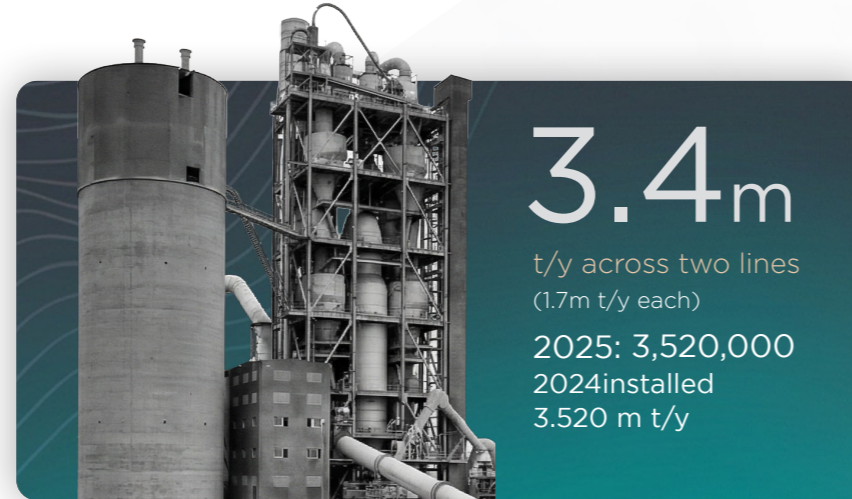
03 Licensed and certified

Operations are conducted under valid Saudi industrial and quarry licenses; enterprise systems include ISO 50001 (Energy Management) and ISO 27001 (Information Governance & Security), underpinning safe, efficient and transparent operations across the footprint.

I OPERATIONAL HIGHLIGHTS

AT A GLANCE

Riyadh Cement delivered a resilient 2025. Disciplined operations, digital plant upgrades, and ISO-backed management systems sustained reliable supply to national mega-projects, while energy and circularity initiatives advanced our sustainability agenda. We remain focused on prudent capital allocation, superior customer service, and operational excellence to create durable, long-term value.



Design capacity grey clinker



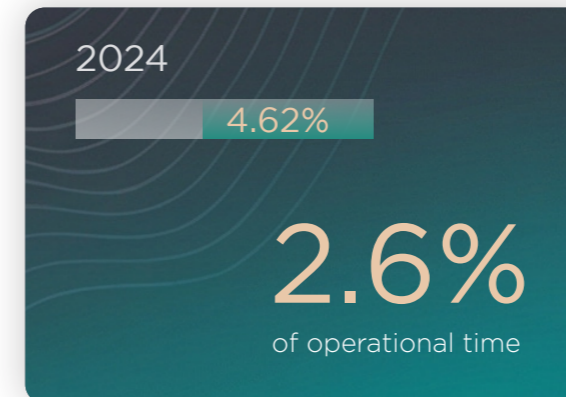
Production
(white clinker)



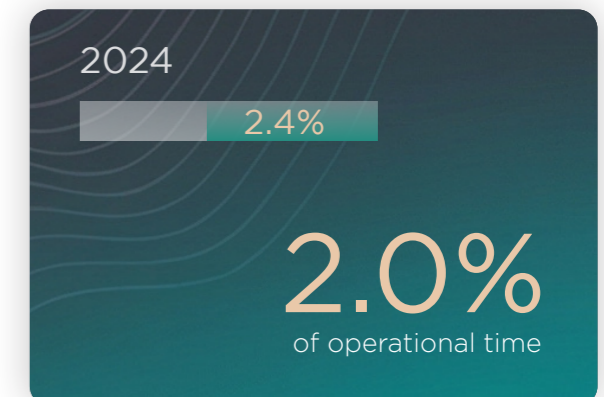
Sales volumes



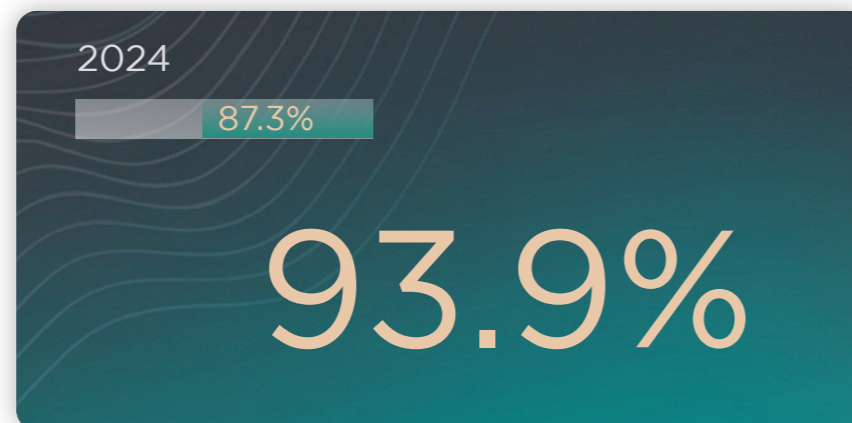
White clinker flexibility



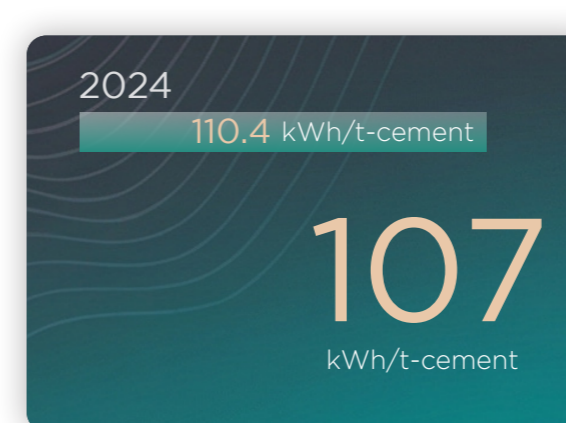
Unplanned downtime for
Grey (UKD)



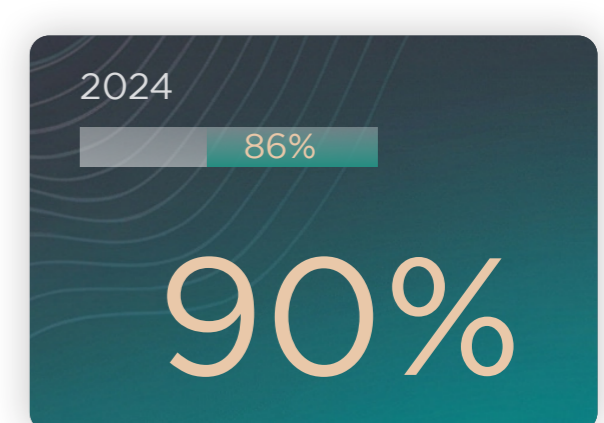
Unplanned downtime for
White (UKD)



Average kiln availability
(White)



Specific energy / power



Average kiln
availability (Grey)

FINANCIAL HIGHLIGHTS (SAR millions unless stated)



Net Profit



Revenue



Operating Profit



Capital Expenditure



EPS (SAR)



Cash Flow from Operating Activities

SUSTAINABILITY HIGHLIGHTS

- Achieved ISO 56001 2024 (Innovation Management) and ISO 55001:2024 (Asset Management); maintained ISO 50001:2018 (Energy Management) and ISO 27001 (Information Security).
- Waste-heat recovery (ORC) -12.7 MW (gross); Liquid Fuel Displacement Program advancing; SAR 85 m 33/11 kV substation contract signed to enable reliable grid tie-in.
- ESG Framework & Systems Project signed with NCV Net Carbon Vision; first stand-alone ESG Report in preparation; new Investor Relations Portal launched.
- Progressed the Million Tree Program to 110,000 trees planted to date; 101,500 native seedlings produced in 2025; 56,000 distributed in December.
- Launched a unified internal digital platform to streamline workflows and employee access to services.
- Advanced Saudization pipeline "Himmah 4" assessment phase launched for 70 trainees.
- Earned "Mowaamah" certification for disability-inclusive workplaces

AWARDS

- Riyadh Cement Wins the CSR Award 2025 for the Second Consecutive Year Presented by: Ministry of Human Resources & Social Development (KSA)
- Ranked Top-10 nationally (out of ~1,300 companies) in the Industrial Transformation program.
- Industry Leader — Arab Professional Excellence Award 2025 Recipient: Eng. Shoeil Jarallah Al Ayed, CEO Presented by: G2T Global Awards (Arab Professional Excellence Awards)

2025 IN REVIEW

Riyadh Cement marked 2025 with disciplined execution, deeper stakeholder engagement, and visible progress in digital transformation, human-capital development, and sustainability. The milestones below trace our year—month by month—reflecting how we convert strategy into tangible outcomes across operations, markets, and governance.

January

- 01 CEO met the Regional Voluntary Carbon Market Co. to explore carbon-market collaboration
- 02 held a Client Recognition Day in Riyadh

February

- 01 Plant tour and quarry-development review
- 02 hosted VDMA/AHK delegation
- 03 ran a company-wide ESG workshop.

March

- 01 CEO monthly field visit and Ramadan Iftar with employees
- 02 signed with Mubeen Association to host on-site Quran learning circles.

April

- 01 Published the 2024 Annual Report
- 02 signed talent and R&D cooperation with Riyadh Technical College, KACST and the Saudi Institute for Electronics
- 03 Eid Al-Fitr gathering.

May

- 01 Ranked Top-10 nationally in the Factories of the Future program; CEO recognized by Argaam as Top CEO - Cement.

June

- 01 Progressed 7S deployment and electrical-workshop upgrades
- 02 efficiency and housekeeping audits completed.

July

- 01 Launched Himmah 4 assessments (70 trainees)
- 02 rolled out a Unified Internal Digital Platform
- 03 CEO chaired monthly KPI review
- 04 Security Personnel Day recognition

August

- 01 Launched the Investor Relations Portal and Board approved SAR 1.00/share interim dividend (eligibility 8 Sep; payment 18 Sep).

September

- 01 Delivered Defensive Driving & Traffic Safety training
- 02 CEO field tour reviewed industrial beacons, transport upgrades and waste-heat recovery (ORC) progress.

October

- 01 Launched the ESG Framework & Systems Project; won the CSR Award 2025 from the Ministry of Human Resources & Social Development and signed with Wasm to plant 1,000 Arta trees in King Abdulaziz Royal Reserve

November

- 01 Earned ISO 56001 (Innovation) and ISO 55001 (Asset Management) certifications; signed with the National Electricity Transmission Co. to build a grid station for the Al-Muzahimiyah plants.

December

- 01 Signed a SAR 85m contract for a new 33/11 kV substation at Al-Muzahimiyah; earned Mowaamah workplace accessibility certification.

STAKEHOLDER ENGAGEMENT

Riyadh Cement Company (“RCC”) recognizes that strong and consistent engagement with stakeholders is essential to sustaining long-term performance, enhancing resilience, and delivering shared value. The Company’s stakeholder engagement approach is built on transparency, accountability, and continuous dialogue, ensuring that stakeholder perspectives are considered in strategic planning, operational decision-making, and sustainability initiatives.

RCC’s engagement framework encompasses its key stakeholder groups—employees, customers, suppliers and business partners, shareholders and investors, and the wider community and environment. Through structured engagement channels and ongoing interaction, the Company seeks to understand stakeholder expectations, manage risks, identify opportunities for improvement, and reinforce trust across its value chain. This approach supports RCC’s commitment to responsible business conduct and alignment with national development priorities under Saudi Vision 2030.



Employees

Riyadh Cement Company places employees at the heart of its operational excellence and long-term sustainability, fostering a safe, inclusive, and performance-driven workplace that supports development, well-being, and engagement across all levels. Engagement is sustained through regular communication, structured training and development, performance evaluations, and robust health and safety programs. RCC’s strong safety culture delivered zero lost-time injuries and more than 2.9 million accumulated safe man-hours during the reporting period. The Company continues to invest in workforce capability through structured learning with meaningful average training hours per employee each year, while advancing national talent by increasing Saudi participation and partnering with local training and educational institutions. RCC also promotes diversity and inclusion, with initiatives to increase female participation and broaden skills across the organization.



Customers

Riyadh Cement Company builds close, collaborative relationships with customers including ready-mix producers, construction contractors, distributors, and major public and private developers served primarily through distributors, ready-mix plants, and building-materials yards (with contractors typically buying indirectly). Engagement centers on consistent quality, reliable supply, technical support, and responsive service, with 2025 priority volumes targeting housing, infrastructure, ready-mix, precast, and retail. Strategically located in the Riyadh region, RCC ensures efficient logistics and timely deliveries to major infrastructure and Vision 2030 mega-projects, lowering transport costs and boosting reliability. The Company also enhances customer experience through digital platforms and streamlined commercial processes for quotations, orders, and coordination, supporting long-term partnerships and reinforcing its reputation as a dependable supplier in a highly competitive market.



Suppliers and Business Partners

Riyadh Cement Company engages proactively with suppliers and business partners to secure supply continuity, boost operational efficiency, and uphold rigorous quality, safety, and sustainability standards. This is driven by structured pre-qualification, ongoing performance evaluations, and close collaboration across critical inputs—energy, raw materials, spare parts, and logistics. RCC partners with suppliers on cost-optimization and energy-efficiency programs and advances circular-economy initiatives such as alternative raw materials and industrial-waste recycling. Strategic partnerships further support waste-heat recovery, fuel optimization, and clinker-efficiency improvements. Through responsible procurement and long-term relationships, RCC strengthens supply-chain resilience while advancing local content and national industrial objectives.



Shareholders and Investors

Riyadh Cement Company maintains transparent, timely, and consistent communication with shareholders and the investment community through regular financial disclosures, investor presentations, dividend announcements, and updates on Tadawul and official channels. The Company follows a disciplined capital-allocation and shareholder-return policy—evidenced by consistent dividends—while preserving a strong balance sheet and low leverage. Management provides clear disclosure of financial results, operational developments, and strategic priorities to support informed decisions and sustained investor confidence, underpinned by robust corporate governance, regulatory compliance, and accountability that drive long-term value creation.



Community and Environment

Riyadh Cement Company integrates community and environmental stewardship into its sustainability strategy, aligning with national initiatives such as the Saudi Green Initiative. The Company has executed large-scale afforestation and rehabilitation programs planting over 110,000 trees to enhance biodiversity, restore ecosystems, and support carbon-offset goals. RCC also invests in energy efficiency, emissions reduction, and resource optimization, including energy-efficient clinker production and waste-heat recovery projects. Through these actions, RCC aims to balance industrial growth with environmental responsibility, advancing national sustainability objectives while delivering long-term social and environmental value.



Continuous Engagement and Value Creation

Riyadh Cement Company’s stakeholder engagement framework is an ongoing process that evolves in response to changing stakeholder expectations, regulatory requirements, and market dynamics. By maintaining open dialogue, incorporating feedback into decision-making, and aligning engagement practices with its strategic priorities, RCC aims to strengthen trust, enhance resilience, and deliver sustainable value for all stakeholders.

INVESTMENT CASE

Riyadh Cement Company (“RCC”) offers investors exposure to Saudi Arabia’s structural construction and infrastructure growth through a business with a strong competitive position in the central region, differentiated product mix (including a leading presence in white cement), proven operational discipline, and a track record of shareholder returns supported by a solid financial base. RCC’s strategy emphasizes profitable growth, operational excellence, and sustainability; underpinned by ongoing investments in efficiency, digitalization, and environmentally responsible production.

01 Strategic positioning at the heart of Saudi’s largest demand corridor

RCC’s production base in Al-Muzahimiyah (northwest of Riyadh) provides a meaningful logistics advantage in a heavy, high-freight product category such as cement. Proximity to Riyadh and central-region developments supports efficient distribution, customer responsiveness, and stronger competitiveness—particularly where project density is high and supply reliability is critical.

02 Market scale and differentiated product mix including leadership in white cement

RCC is ranked among the top Saudi cement producers with a ~6.4% market share and approximately 3.6+ million tons of annual production capacity, while holding a dominant position in white cement (more than 50% white cement market share)—a key differentiator in a market where few producers operate at scale in white cement.

RCC manufactures and sells a broad portfolio of grey and white cement products, including OPC, SRC, Finishing Cement, and White Portland cement types, serving both structural and specialty applications.

03 Efficient, flexible production platform with room to optimize utilization

RCC operates three highly efficient production lines supported by advanced equipment and AI-enabled technologies, providing production flexibility across grey and white clinker. The grey cement plant has a designed capacity of 3.52 million tons of grey clinker annually, while the white cement plant capacity reaches 320,000 tons of clinker annually with the ability (when operating the first line for white clinker) to reach approximately one million tons of white clinker per year.

The Company also highlights operational efficiency levels of up to ~98% of rated capacity, reflecting execution strength in plant reliability, cost control, and production optimization.

04 Execution on operational excellence and digital transformation

RCC’s investment case is reinforced by its focus on continuous improvement initiatives spanning production optimization, maintenance efficiency, and digital transformation. The Company’s operational priorities include reducing production costs, optimizing energy use, and strengthening supply chain resilience through strategic partnerships.

RCC is also implementing digital and smart-manufacturing initiatives (including real-time monitoring, predictive maintenance, and quality optimization), supporting higher uptime, improved quality consistency, and better cost performance.

05 Financial strength and disciplined shareholder returns

RCC’s financial profile is supported by balance sheet strength, cash generation capability, and a track record of dividend distributions. For FY2025, the Company reported revenue of SAR 787.6 million, alongside stated free cash flow of SAR 111.7 million and ROE of 10.96%.

In 2024, RCC distributed dividends of SAR 120 million for H1 2024 and recommended SAR 150 million for H2 2024, totaling SAR 270 million for the year (as shown in the annual report dividend statement).

The Company also disclosed a SAR 1 per share dividend distribution in September 2025 (total SAR 120 million), reinforcing continuity of shareholder returns.

06 Sustainability and energy-efficiency investments that protect competitiveness

In a sector where energy cost and carbon intensity are increasingly strategic, RCC’s sustainability initiatives strengthen long-term competitiveness. The Company has invested SAR 249.8 million in energy-efficient clinker production, is developing waste heat recovery projects generating gross 12.7 MW, and is progressing circular economy initiatives and alternative material use.

RCC’s environmental programs also include large-scale afforestation progress, with the “Million Tree” program surpassing 110,000 trees planted, supporting national greening objectives.

07 Governance, transparency, and quality systems supporting trust and continuity

RCC emphasizes transparent stakeholder communication and governance sustainability, supported by its corporate identity evolution and market presence, and reinforced through internationally recognized management system certifications (including energy management ISO certification disclosed in the annual report).

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CHAIRMAN'S STATEMENT



The performance delivered during the period

reflects the benefits of disciplined execution, strategic geographic positioning, and continued investment in developing operational capabilities. Despite sector-wide challenges associated with rising costs, Riyadh Cement maintained a strong pace of revenue generation, stable profitability, and a solid liquidity position. This enabled the Company to continue investing in its assets, its people, and its future growth opportunities, while also sustaining attractive returns to shareholders and supporting the Kingdom's transformation journey.

Riyadh Cement's strategic location at the heart of the Kingdom's most active construction area represents a core competitive advantage. Proximity to mega-projects in Riyadh contributes to lower transportation costs, stronger delivery reliability, and higher asset utilization. These factors have become increasingly important in a market characterized by elevated clinker inventory levels and ongoing competitive pricing pressure. When combined with a diversified product portfolio that includes grey and white cement, this advantage enhances the Company's ability to adapt to demand dynamics and customer requirements.

The Company maintains a clear and consistent strategic focus through progress across five core pillars: profitable growth, operational excellence, digital transformation, sustainability, and human capital. During the period, the Company strengthened its presence across a range of the Kingdom's leading development projects, reinforcing its position as a reliable supplier for priority projects aligned with Saudi Vision 2030. This has also deepened relationships with key customers, partners, and relevant government entities.

Sustainability is an integral part of the Company's long-term strategy. Riyadh Cement continues to implement a clear decarbonization roadmap aligned with national priorities, with the objective of achieving carbon neutrality by 2050. Current investments include high-efficiency clinker production, waste heat recovery systems, and circular economy practices, all of which contribute to improving the cost structure and reducing environmental impact. Afforestation initiatives and broader environmental programs further reflect the Company's commitment to delivering a lasting positive impact in the communities where it operates. The Company is scheduled to issue its first Environmental, Social and Governance (ESG) report for 2025, aimed at enhancing transparency and accountability.

Riyadh Cement's financial strength continues to support its differentiated position. The Company benefits from a strong financial position, high liquidity levels, and low leverage as a result of its primarily self-financed approach. This strengthens financial flexibility, enables effective navigation of market cycles, and supports the sustainability of the business and future growth with confidence and stability.

The Board of Directors continues to oversee the Company's strategy, sustainability agenda, and advanced digital foundation. Riyadh Cement is well positioned to continue creating value for its shareholders and to play an active role in supporting the Kingdom's economic and social development.

Mr. Salah bin Rashed Al Rashed

Chairman of the Board

CHIEF EXECUTIVE OFFICER'S MESSAGE



01 Operational performance, reliability, and cost discipline

The year 2025 was characterized by a focus on stable production, on-time delivery, controlling unit costs, and maintaining plant reliability, within a competitive market environment in the Central Region. Despite price volatility and persistently high clinker inventory levels across the sector, our focus remained on operating assets safely and efficiently, serving priority projects without interruption, and translating operational performance into stable cash flows. Operational discipline remains central to the Company's approach. Multi-year reliability, maintenance, and efficiency programs have supported sustainable production growth and cost control, while digital transformation initiatives continue to drive a step-change in how our plants are operated. The Company is implementing smart manufacturing systems,

including real-time monitoring, quality prediction tools, and digital twin solutions. These capabilities enhance productivity, operational consistency, and decision-making across the supply chain. Proximity to the Central Region's largest construction activities supports shorter delivery lead times; however, execution success depends on disciplined planning, coordinated fleet and dispatch operations, and strict controls for order management from receipt through to delivery. The Company also strengthened technical support capabilities to help customers optimize mix designs, address placement-condition challenges, and meet performance requirements, particularly in specialized white cement applications, where consistency and finish quality are critical.

02 Cost management and energy efficiency

Competitiveness in the cement sector depends on operational efficiency and energy performance. During 2025, we intensified the management of electricity and thermal consumption indicators per ton, maintenance costs, and operating consumables usage rates, supported by more precise operational control and continuous process improvement.

We also continued to advance waste heat recovery initiatives and to reduce energy intensity as part of our long-term strategy to improve the cost curve. In parallel, we expanded predictive maintenance programs to reduce stoppages, supporting both cost control and production stability.

03 Digital operations and data-driven control

Our digital agenda in 2025 was focused on delivering tangible operational outcomes, foremost among them: clearer visibility, faster decision-making, and reduced performance variability. Accordingly, we progressed in implementing smart manufacturing initiatives, including real-time monitoring, quality prediction tools, and digital twin applications, to strengthen process

control and enable early detection of deviations throughout the production cycle. We do not pursue digitalization as an end in itself, but as a means to achieve measurable improvements in runtime, quality consistency, and resource efficiency. As these systems mature, they have become embedded in daily operating routines, maintenance planning, and quality assurance across the Company's facilities.

04 Building execution capability

Execution effectiveness begins with a safe working environment and a skilled workforce. Over the past period, we maintained a "safety first" culture, supported by clear procedures, effective contractor controls, and a rigorous

permit-to-work system. We also continued to invest in training and capability development, while supporting national talent development through structured learning pathways that strengthen workforce sustainability over the long term.

04 Financial outcomes through operational discipline

In a market where margins can be affected by cost movements, financial resilience depends on operational discipline. By focusing on reliability, unit-cost control, working capital management, and strict investment

prioritization, we preserved the strength of our financial position. This enabled us to fund critical projects, maintain maintenance standards, and continue dividend distributions to shareholders.

Eng. Shoeil Jarallah Al Ayed

CEO

Business Model

At Riyadh Cement, we create sustainable value for stakeholders by combining an advantaged central-region footprint with operational excellence, disciplined governance, and an integrated sustainability roadmap. Our capabilities in white and grey cement production, supported by modern production lines and reliable logistics, allow us to serve Vision 2030 giga-projects and regional export markets while upholding the highest standards of safety, quality, and environmental stewardship.

Our Strengths

01 Financial

- Consistent profitability and cash generation supported by disciplined cost management, positive operating cash flow, and resilient margins driven by pricing, product mix, and prudent working-capital management.
- Shareholder-focused capital returns through an established dividend policy allowing interim dividend; FY-2025 cash dividends totaled SAR 192.0 million declared/paid during the year.
- Robust balance sheet and strong governance framework underpinned by effective internal controls, risk-based internal audit, and active Audit Committee oversight.

02 Operational

- Scaled, flexible capacity in the Kingdom's center (Al-Muzahimiyah, northwest of Riyadh) supported by reserves of high-purity limestone, ensuring a reliable supply for the Central Region and national projects.
- Modern efficiency & reliability through continuous improvement, digital monitoring, and preventive maintenances supporting high kiln availability, energy optimization, and stable product quality.
- Grey clinker and a dedicated white clinker line give product-mix flexibility, enabling the Company to respond to shifts in demand across infrastructure, commercial, and architectural applications.
- Certified quality (ISO 9001) with products conforming to SASO, ASTM, and BS EN standards.

03 Human Capital

- Saudization program "Himmah" Industrial Operations diploma building Saudi talent pipelines; structured learning pathways culminate in employment and career progression in operations and maintenance.
- Safety-first culture anchored in ISO 45001, permit to work rigor, and contractor-safety standards; leadership safety walks and near miss reporting strengthen discipline.
- Performance and inclusion through clear role accountability, competency frameworks, and equitable opportunities that support national localization goals.

04 Customers

- Tier-one approvals and long standing partnerships with ready-mix majors, infrastructure contractors, government programs, and strategic distributors in the Central Region and beyond.
- Customer-centric service model assured availability, on-spec quality, responsive technical support, and dependable delivery performance.
- Diversified demand base across ready-mix, precast, blocks, mortars, GRC, finishing, and decorative applications; participation in Vision 2030 giga and mega projects.

05 Diversified Offering

- Grey Cement
 - Ordinary Portland Cement (Type I / CEM I grades)
 - Sulfate-Resistant Cement (Type V / SR)
 - CEM II grades (e.g., limestone-blended) for durability and workability
- White Cement CEM I 52.5N and CEM II/A-LL 42.5N for architectural concrete, terrazzo, tiles, artificial stone, grouts, and decorative & finishing works.
- Value-added technical support for mix designs, troubleshooting, and application best practices.

How We Create Value



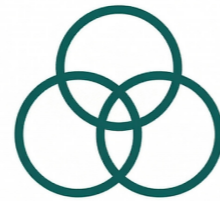
Our Vision

Achieving excellence and sustainability in the cement industry to become the first choice.



Our Mission

Providing a variety of high-quality and environmentally friendly products of white and grey cement to meet our customers' needs through optimal resource utilization, enhancing energy efficiency, protecting the environment, and contributing to job localization and sustainability.



Our Values

01

Innovation & Creativity

We promote innovation to introduce new products and apply new solutions and technologies to reduce costs, improve processes, and enhance product quality.

02

Participation & Integration

We create a healthy, motivating work environment that equips all team members to enhance capabilities positively reflecting on performance and efficiency.

03

Growth

We adopt best practices that ensure the sustainability of governance procedures to support the Company's growth and achieve better profitability for investors.

04

Quality

We adopt best practices that ensure the sustainability of governance procedures to support the Company's growth and achieve better profitability for investors.

05

Transparency

We establish the principle of transparency and maintain open channels with stakeholders.

Our Strategic Priorities (2025 and beyond)

01 Grow profitably

by increasing domestic share in the Central Region and expanding export reach for white cement; sustain pricing discipline and product-mix optimization.

02 Delight customers

with reliable availability, application know-how, and service excellence supported by data-driven order-to-delivery processes.

03 Advance operational performance

through enhancing kiln reliability, specific-heat and power-consumption reductions, clinker-factor optimization, and continuous debottlenecking.

04 Accelerate digital transformation

in maintenance, quality, and logistics; deploy analytics to lower cost and improve uptime.

05 Lead on sustainability

via waste-heat recovery (ORC), alternative fuels and raw materials, water stewardship, and circular-economy partnerships; prepare for stepped-up ESG disclosures.

06 Strengthen governance and risk management

cybersecurity, compliance, and supply-chain resilience while adopting a disciplined approach to capital allocation and clear hurdle rates for investments.

07 The establishment of the Riyadh Cement nursery

which is one of the flagship programs launched by the company to achieve the goal of planting one million trees by 2030.

Value Created

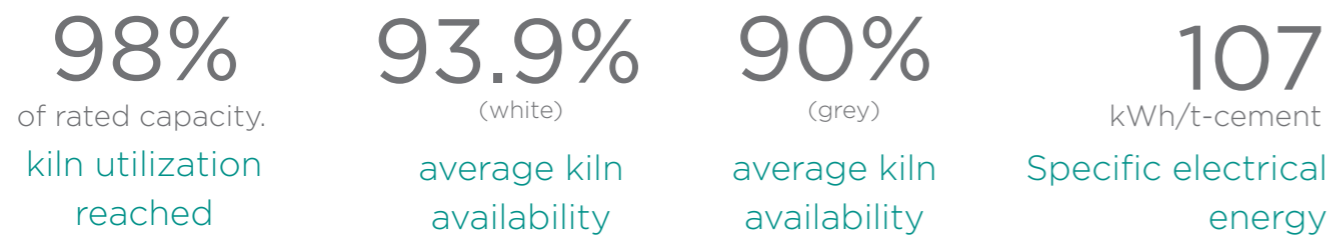
Financial performance



Cash to shareholders



Operational excellence



Market footprint



Customer service

6.4%

in core markets

Maintained disciplined pricing and strong regional market share and more than 50% of White Cement.

People & safety

3,626,304

Achieved

safe man-hours in 2025

Environmental progress

CO₂ intensity improved compared to the last year, reflecting continued efficiency gains.

Our Corporate Governance and Sustainability



01 People and Society

- Labor best practices**
Competitive, merit-based employment with equal opportunity and non-discrimination; structured performance management and clear progression pathways.
- Saudization & capability building**
“Himmah” cooperative education model; internships and university collaborations; supervisory skills and leadership programs.
- Occupational health & safety**
ISO 45001 certified system, contractor safety requirements, emergency readiness, and continuous hazard identification training.
- Workplace diversity & equal opportunity**
Fair recruitment, pay-equity principles, and inclusive development opportunities across functions and levels.
- Community engagement**
Educational visits, technical seminars, local supplier development, and environmental volunteering tied to national programs.



02 Corporate Governance

- Code of Conduct & ethics**
anchored in integrity, anti-bribery/anti-corruption, conflict of interest rules, and a confidential whistleblowing channel.
- Enterprise Risk Management**
Board-approved risk appetite and registers covering market, operations, HSE, financial reporting, IT/cybersecurity, legal/compliance, and supply chain.
- Board & Committees**
Effective oversight by the Board, Audit Committee, and Nomination & Remuneration Committee under CMA Corporate Governance Regulations; regular evaluations and full attendance disclosures in the Board Report.
- Internal control & assurance**
Independent Internal Audit executing a risk based plan; external audit and controls testing confirm effectiveness; policy suite covers disclosure, related-party transactions, and dividend distribution.
- Disclosure & transparency**
Timely investor communications, Tadawul announcements, and accessible policies; commitment to bilingual (AR/EN) clarity.



03 Climate Action

- Waste-heat recovery (Organic Rankine Cycle (ORC))**
Efficiency and emissions reduction through on-site electricity generation from kiln exhaust gases.
- Circularity & resource efficiency**
Alternative fuels (where viable), raw material substitution, partnerships, and clinker-factor optimization.
- Water stewardship**
Closed loop reuse in process and cooling circuits; monitoring of consumption and discharge in line with permits.
- Biodiversity & land stewardship**
Progressive rehabilitation plans and afforestation under the Million Tree initiative.
- Compliance & controls:**
ISO 14001 environmental management; alignment with national environmental regulations and permitting requirements.

Alignment with Saudi Vision 2030

Riyadh Cement aligns its strategy and day to day execution with the three pillars of Saudi Vision 2030 . A Prosperous Society, A Growing Economy, and An Empowered Nation , translating national priorities into measurable action in human capital, industrial competitiveness, governance, and sustainability. Our central-region footprint, dual white and grey cement platform, and disciplined governance enable us to supply giga/mega-projects while advancing Saudization, environmental stewardship, and transparency.

01

A Prosperous Society

To achieve the happiness and fulfillment of all citizens and residents through a high quality of life and an attractive living environment.

Strategic Alignment

People development and Saudization

We invest in structured learning pathways internal/external courses, leadership programs, on the job training and run a dedicated Skills Development Center at site. Our Himma cooperative diploma (the first of its kind in the Kingdom's cement industry) prepares Saudi youth for technical roles and ends with employment. We ensure an inclusive workplace and provide roles tailored for people with special needs.

Health, Safety & Well-being

We maintain certified systems SO 45001 for OHS and ISO 14001 for environmental management and operate to OSHA/NFPA standards, with permits in place for safe operations.

Community engagement

We host university trainings and site visits, collaborate with local authorities in Al-Muzahmiyya on vocational programs, and run health awareness and volunteer initiatives underpinned by a social-responsibility agenda that earned external recognition.

2025 Progress

Capability building at scale

Training and certification programs continued across production, sustainability, quality and leadership; the internal training center supported onboarding and reskilling aligned to Industry 4.0 upgrades.

Zero-harm culture

Accumulated 3,626,304 safe man-hours and Zero LTI through 2025, with continued emphasis on contractor management and permit to work.

Greening our ecosystem

Continued afforestation under the Million Tree Program 110,000 trees planted to date; expanded green areas around plant, nursery and housing.

Community programs

Partnerships with family-development associations, productive-family market access, and donations/re-use initiatives enhanced quality of life and supported circular practices

2025 Ambitions

Scale Himmah intakes and apprenticeships

deepen pathways for women in operations/maintenance, and elevate Saudization.

Expand community learning (STEM internships, plant open days),

and broaden health & well-being programs for employees and contractors.

Increase cumulative trees planted

biodiversity actions and land rehabilitation in support of the Saudi Green Initiative and Green Riyadh.

02

A Growing Economy

To build a diversified, sustainable economy that creates jobs for Saudis and attracts global talent.

Strategic Alignment

- Industrial backbone for Vision 2030 projects**
 Our Riyadh location provides advantaged access to mega projects – Qiddiya, Diriyah, Al Murabba, King Salman Park, Sports Boulevard, Riyadh Metro (Line 7), and major sports infrastructure – ensuring demand visibility and logistics efficiency.
- Efficient, flexible production**
 Three AI-enabled lines (dual white/grey capability) support high availability and quality at scale; product slate spans OPC, SRC, CEM II and premium white cement grades
- Sustainability as competitiveness**
 We are implementing waste heat recovery (ORC), energy efficiency upgrades, and circular economy initiatives (e.g., slag reuse), while launching a Sustainability Roadmap and materiality assessment.

2025 Progress

- Industrial transformation**
 Ranked among the Top 10 national companies (of 1,300) for industrial transformation; began deploying an AI Quality Optimizer to predict clinker-quality deviations and auto adjust operations.
- Operational excellence**
 Production mix optimization increased grey and white clinker output; predictive maintenance reduced downtime; specific energy per ton improved with ORC under construction (gross 12.7 MW).
- Market footprint and jobs**
 One of the Top-7 Saudi producers with 6.4% market share, 8 export markets and 748 employees; active across 29 key Riyadh projects with a 13% increase in 9M-2025.
- Energy transition enablers**
 Agreements with Saudi Aramco and Saudi Electricity Company under the Liquid Fuel Displacement Program support cleaner, more efficient energy supply.

2025 Ambitions

- Deepen participation in giga/mega-projects**
 (Expo 2030 build-up) and expand export channels for white cement.
- Commission WHR/ORC capacity across remaining lines**
 lift alternative-raws substitution and lower clinker factor.
- Scale digital plant initiatives (real-time control, digital twin)**
 to further reduce cost, improve uptime and quality consistency.

03

An Empowered Nation

To build an effectively governed, transparent, accountable country that enables citizens and organizations to pursue opportunities and advance the collective good

Strategic Alignment

- Corporate governance framework**

Riyadh Cement affirms it applies all mandatory provisions of the CMA Corporate Governance Regulations; Board committees (Audit; Nomination & Remuneration) oversee risk, controls and remuneration.
- Internal control & assurance**

Risk-based Internal Audit, Audit Committee review and external audit together concluded no significant weaknesses and that controls are effective.
- Fair returns & disclosure**

By-laws allow interim dividends (annual/semi-annual/quarterly) in line with CMA guidance; investor communications include timely Tadawul disclosures and IR materials.

2025 Progress

- TASI-listed discipline & policy enhancements**

Following our 2023 migration to the Main Market (TASI), we amended by-laws to enable interim dividends and initiated semi-annual payouts in 1H 2025 (SAR 120 m; SAR 1/share).
- Transparency & cyber-resilience**

Launched a new corporate website; obtained ISO 27001:2013 for information security and ISO 50001:2018 for energy management, strengthening disclosure, resilience and efficiency.
- ESG governance**

Conducted a materiality assessment and prepared our first ESG report (to be issued 2026), formalizing targets (incl. carbon neutrality by 2050) and KPIs.

2025 Ambitions

- Maintain full compliance with CMA CGR**

expand whistleblowing, third-party due diligence and ESG-linked risk registers.
- Enhance investor engagement**

through proactive IR programming, performance updates and policy transparency around dividend capacity and capital allocation.
- Integrate sustainability**

targets into executive scorecards and supplier performance, and publish year-on-year progress against carbon, energy, water and circularity metrics.

Strategy and KPIs

Strategy overview

Riyadh Cement's strategy is built to convert the Kingdom's sustained construction momentum into profitable, resilient and responsible growth. For 2026, execution will center on five focus areas: product development, market-share expansion, operational efficiency, innovation & digital transformation, and ESG with carbon-footprint reduction. Our approach is anchored in the Board-approved Vision, Mission and Values, which place product quality, energy efficiency, environmental protection and job localization at the center of decision-making.



Pillar 1 Profitable Growth

Strategic intent

Protect core share in the Central Region, deepen participation in giga/mega-projects, and sustain a balanced export book particularly in higher-value white cement while returning excess cash to shareholders.

The Company declared total dividends

of SAR 192 million for FY2025, including interim dividend of SAR 120 million (SAR 1.00 per share) in September 2025 following the amendment of its by-laws to enable interim dividend.

How we will grow

We target multi-year supply agreements on King Salman Park, Diriyah, Qiddiya, New Murabba, Sports Boulevard and other city-scale programs, leveraging our strategic location and on-spec delivery performance. Selective export routes remain a release valve for clinker and white cement, sustaining utilization and mix quality.

Where we are in 2025

Revenue declined 0.2% YoY to SAR 787.6 million, reflecting softer pricing conditions. Net profit reached SAR 207.8 million, This was primarily attributable to a reduction in average selling prices, notwithstanding an increase in sales volumes, in addition to the recovery of SAR 25 million from the Zakat, Tax and Customs Authority during 2024.

Riyadh Cement maintained

a market share of approximately 6.4%, ranking 7th nationally, with an estimated 20.6% share in the Central Region and active participation in 7 major projects across Riyadh.

Pillar 2 Operational Excellence

Strategic intent

Lift throughput, quality and unit-cost competitiveness via reliability engineering, lean manufacturing and disciplined planning across our dual-product platform.

Customer impact

Segment reporting shows grey-cement revenue of SAR 625.4 million (-0.48% YoY) on higher volumes despite lower average selling prices, while white-cement revenue of SAR 162.2 million (+0.76% YoY).

Where we are in 2025

Riyadh Cement increased grey-clinker production by -34% and white-clinker by -46% through 2025, strengthening fixed-cost absorption and supporting segment profitability. Our modern production lines have demonstrated the ability to operate at up to -98% of rated capacity without compromising quality. Reliability programs, including predictive maintenance, have reduced downtime by -10%, while stabilizing bag-filter performance to curb fugitive dust.



KPIs & 2026 objectives

- Revenue growth
-0.2%; maintain positive growth with disciplined pricing/mix
- Net profit margin
-33.1%; protect cash margins through cost actions and mix management.
- Dividend payout ratio
~96 % average; sustain programmatic dividends within FCF capacity.



KPIs & 2026 objectives

- Kiln/mill availability
and specific energy: sustain continuous improvements; embed reliability dashboards at crew level
- Production mix
optimize white/grey allocation to maximize contribution per ton

Pillar 3 Digital Transformation

Strategic intent

Deploy Industry 4.0 tools, including artificial intelligence and advanced analytics technologies to reduce process variability, strengthen asset care, and shorten order-to-delivery cycles, while accelerating digital transformation across operational processes and supply chains to support data-driven decision-making and improve overall performance efficiency.

Information security & data integrity

Digitalization is matched with controls; we operate under ISO 27001 for information security and maintain ISO 9001 quality-management processes that anchor data governance and traceability.

Where we are in 2025

Riyadh Cement was recognized among the Top-10 national companies (out of ~1,300) for Industrial Transformation. We began deploying an AI Quality Optimizer that predicts clinker-quality deviations and auto-adjusts operations, and we are rolling out Digital Plant Projects across all three plants: real-time production monitoring, predictive maintenance, quality-control systems and digital-twin optimization



KPIs & 2026 objectives

Plants with smart-manufacturing modules live

-0.2%; maintain positive growth with disciplined pricing/mix

Reducing unplanned downtime by strengthening

predictive maintenance and applying rule-based maintenance methodologies, while improving spareparts planning and management to support operational continuity.

Pillar 4 Sustainability & Energy Transition

Strategic intent

Reduce carbon and resource intensity while securing long-term energy competitiveness and compliance with evolving standards.

We maintain ISO 14001 (environment)

and ISO 50001:2018 (energy management) certifications and continued our Million Tree afforestation initiative, with ~110,000 cumulative seedlings produced to date. Our materiality assessment has been completed, and the Company is preparing to publish its first stand-alone ESG Report

Where we are in 2025

We delivered a 3% reduction in specific electrical energy consumption per ton of cement (107 kWh/t vs. 110.4 kWh/t in 2024). Our Waste-Heat Recovery (ORC) program—the first of its kind at a Saudi cement plant—is under construction with 12.7 MW (gross) expected.



KPIs & 2026 objectives

Specific energy

-3% vs. 2024 baseline; sustain reductions through ORC commissioning and process debottlenecking

WHR/ORC

12.7 MW (gross) under construction; commission phases and integrate generation into plant energy dashboards.

Afforestation

110,000 cumulative seedlings produced; continue scaling toward the Million Tree target aligned with the Saudi Green Initiative.

Pillar 5 Human Capital & Culture

Financial discipline & capital allocation

Riyadh Cement enters 2026 with low leverage (Debt-to-Equity 0.10), a current ratio of 4.7 and free cash flow of SAR 111.7 million for 2025 after SAR 131.4 million of capex; providing capacity to fund ORC, digital reliability, and targeted debottlenecking while sustaining a prudent dividend.

Our average dividend payout ratio is ~92.5% (2023-2025), consistent with policy and supported by disciplined cash generation.

- Strategic intent**
 Build a safe, capable and engaged workforce; localize critical skills; and reinforce a culture of integrity, inclusion and performance.
- Where we are in 2025**
 Saudization program "Himmah « Industrial Operations diploma continues to train and employ Saudi talent; more than 150 Saudis have been trained and hired through the program, supported by our Skills Development Center at site. We maintain ISO 45001 OHS certification and align policies with OSHA/NFPA standards. By FY2025 we recorded 3,626,304 safe man-hours with zero LTI, reflecting an entrenched safety culture.

- Saudization & pipeline**
 expand Himmah intakes; progress women in technical and supervisory roles, supporting the development of sustainable career pathways for national talent.
- Health & Safety**
 maintain zero LTI; embed contractor-safety uplift and leadership safety walks to reinforce a strong safety culture and promote a safe working environment.



KPIs & 2026 objectives

How strategy links to our operating context

Our strategic location in Riyadh gives advantaged access to the Kingdom's largest concentration of Vision 2030 projects Diriyah, King Salman Park, Qiddiya, New Murabba, Sports Boulevard, Riyadh Metro (Line 7) while our dual white-and-grey platform enables agile mix shifts across structural and architectural applications. Proximity to these projects gives RCC an advantage in supplying both grey and white cement with fast, reliable delivery, strengthening our role as a trusted partner on major developments. Quality is assured through SASO compliance and ISO 9001; environmental and OHS performance are governed by ISO 14001/45001, with all statutory permits in force.

To sustain this momentum, our 2026 plan is organized around five strategic pillars, each with defined actions and KPIs:

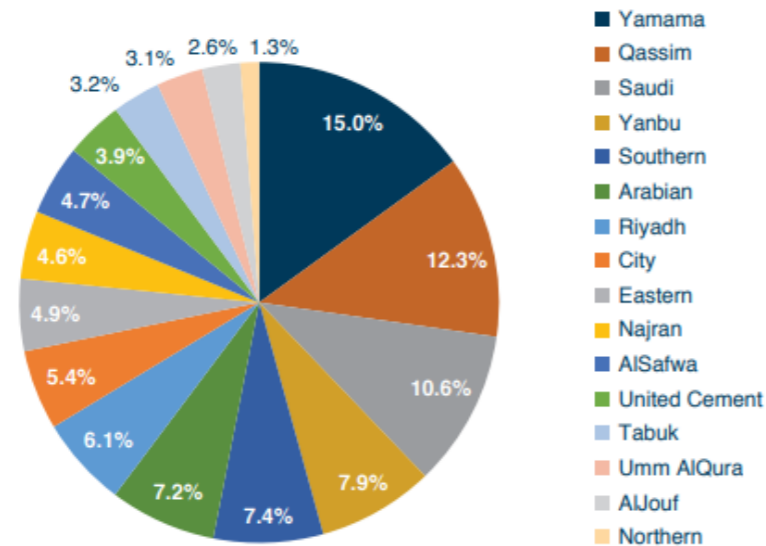


MARKET OVERVIEW

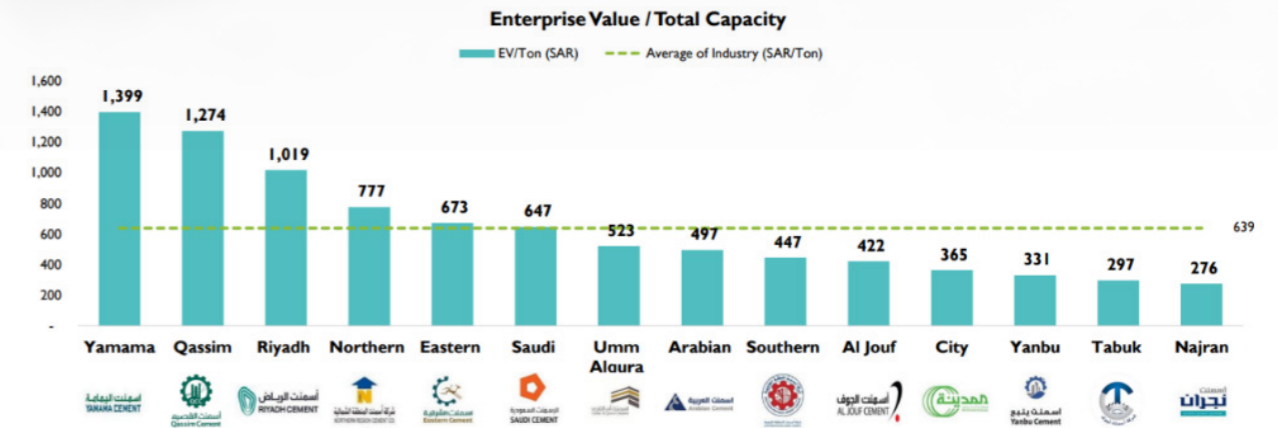
Navigating Demand Cycles and Strategic Opportunities (2025-2026)

Saudi Arabia's cement cycle strengthened through 2025 as Vision 2030 capital formation, steady public sector spending, and a gradual recovery in private real estate lifted shipments, and plant utilization. Cement demand grew 12% across the Kingdom in 2025, with Riyadh up 21%; despite this, inventories remained stable while selling prices were volatile due to intense competition.

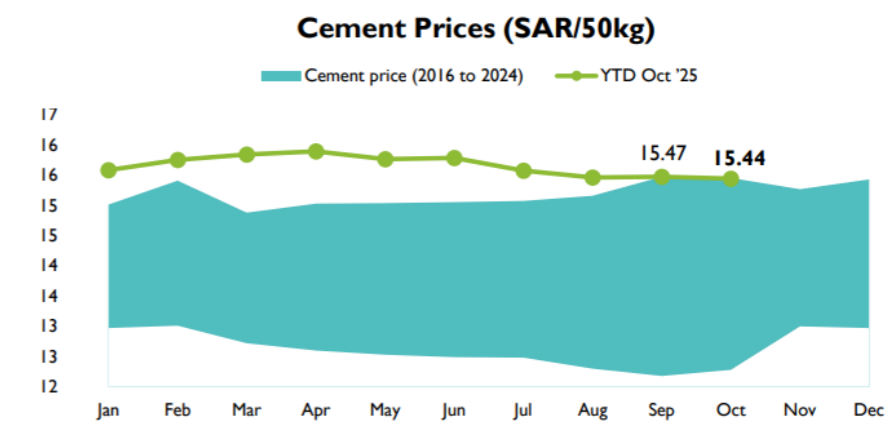
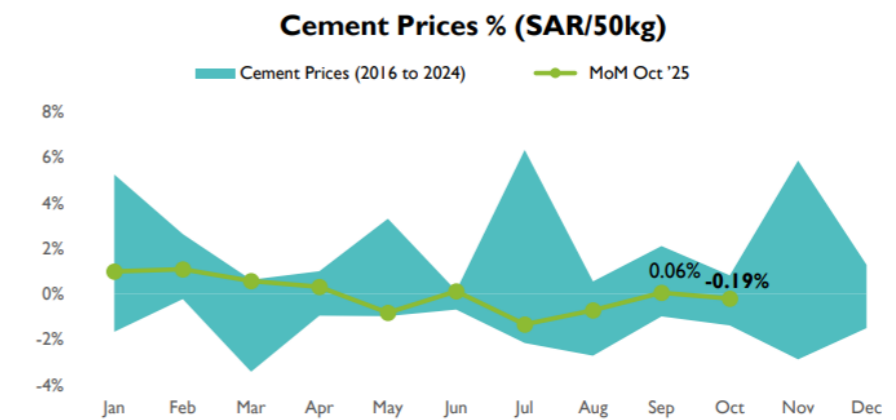
The sector's monthly tracker shows total cement sales (local plus exports) rising 7.4% year-on-year in October 2025 to 5.62 million tons, taking year-to-date growth to roughly 13%, evidence that the upturn has persisted beyond the typical seasonal peaks. Clinker inventories stood near 44.1 million tons in October, broadly stable, and consistent with higher kiln runs, while export dispatches held close to 0.56 million tons for the month. Independent sell-side coverage points to firmer domestic deliveries across most producers, with utilization improving, and the pace of activity in the Central Region particularly resilient.



Source: Yamama Cement, AlJazira Capital Research, Qassim Cement's figures incorporate Hail Cement's data.

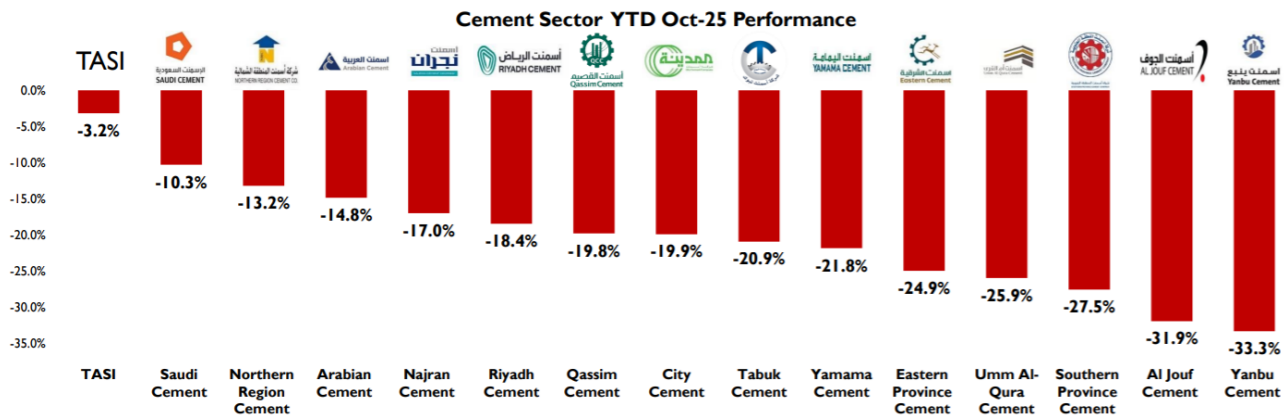


Pricing has remained disciplined. Construction-materials statistics published by the General Authority for Statistics (GASTAT) indicate that retail cement prices increased 1% during H1 2025, a benign move compared with other building materials, and consistent with the sector's focus on value over volume. GASTAT's new Construction Cost Index, released in mid-2025, provides a composite reference for materials, labor, equipment, and energy costs, adding transparency to the cost environment that ultimately shapes project bidding, and the affordability of housing and infrastructure



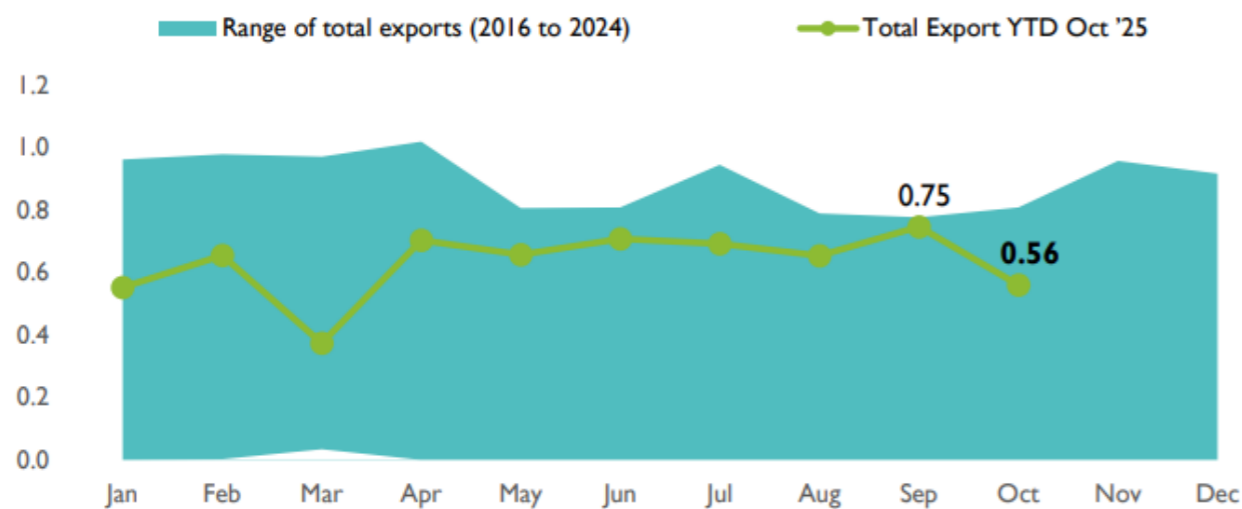
Source: Yamama Cement, Tharaa

MARKET OVERVIEW



Exports were an additional support in 2025. Sector data highlight robust clinker shipments (with leading exporters including Yanbu and Saudi Cement), and diversified cement flows into East Africa, South Asia, and Yemen, cushioning producers from periodic project timing shifts domestically. The breadth of destinations also reflects the Kingdom’s competitive position on freight-adjusted cost, an advantage Riyadh Cement leverages through its dual product slate, and central geographic location

Exports Dispatches (mnton)



The demand backdrop is anchored by a multi-year project pipeline

Private and public sources point to hundreds of billions of dollars in projects either awarded or in execution, with a further large slug in the pipeline. Independent market reports catalog two dozen giga-projects—from NEOM and King Salman International Airport to Diriyah, Qiddiya and King Salman Park—that will continue to shape materials demand profiles in housing, transport and social infrastructure. While 2025 brought selective recalibration and pacing of certain very large schemes, the policy commitment to diversification and urban development remains intact, and near-term construction is supported by a long tail of enabling works and city-scale infrastructure

Riyadh Cement is structurally advantaged in this environment

The Company’s central-region footprint and integrated grey and white cement platform allow it to serve large urban and infrastructure programs in Riyadh while supplying niche architectural demand at home and in export markets. The corporate site underscores the Company’s legacy in white cement originating in 1997 and scaled since together with its current positioning as a reliable supplier to national projects.

GCC market context

Across the GCC, 2025 marked a year of broad-based growth led by Saudi Arabia and the UAE, with incremental demand emerging from Qatar, Oman and Kuwait. In Qatar, the Public Works Authority (Ashghal) launched a five-year QAR 81 billion (ffiUSD 22bn) program for 2025–2029, covering citizen-land development, public buildings, sewage networks and strategic outfalls—programs that typically pull sulfate-resistant and blended cements as well as precast components

In the UAE, research releases in late-2025 indicate a market expected to expand by roughly 5% in 2025, albeit from an oversupplied base that necessitates continued export orientation and rising attention to sustainability performance. The combination of tourism-linked real estate, logistics and industrial projects provides a steady lane of demand for general purpose and blended cements

Oman is benefitting from activity around SEZAD (Duqm) and wider industrial diversification; independent market updates point to -5% growth in 2025 and a positive multi-year trajectory as new investments are rolled out under the 2025–2030 strategy

Kuwait has opened the way for private-sector participation in housing and, in September 2025, launched bidding for three new cities designed to tackle a long-standing housing backlog of -100,000 applicants—a multi-year program with material implications for cement and ready-mix demand as frameworks mature

These regional drivers confirm a GCC cement market that is expanding through 2025 and into 2026, even if growth rates differ by country due to varying supply balances and export options.

International landscape demand, energy and policy

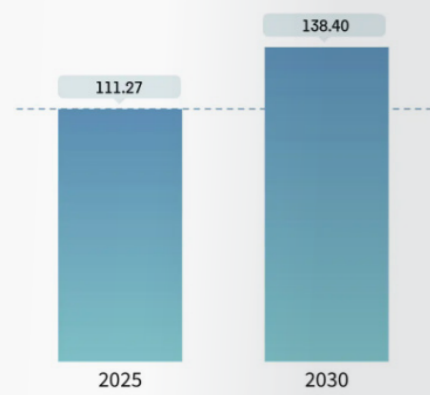
Globally, the sector is exiting a choppy 2024 into stabilisation in 2025. Industry trackers project modest global demand growth of about 0.3% to 3,866Mt in 2025, with ex-China demand expected to rise ~4% as interest-rate pressures ease. Commercial data houses also flag a positive value trajectory for the broader market through 2029. For GCC-based exporters, this translates into a more predictable external backdrop and better visibility on trade lanes

On the cost side, fuel and power remain the key swing variables. The IEA's 2025 Coal Mid-Year Update and subsequent press coverage point to elevated but easing coal markets, with the trajectory into 2026 broadly downward alongside weak commodity indices in the World Bank's Commodity Markets Outlook—a constructive signal for kiln-fuel procurement and delivered costs so long as petcoke differentials remain manageable

Trade policy will increasingly shape cross-border cement economics

The EU's Carbon Border Adjustment Mechanism (CBAM) is in transition through 2025, with full operation from 1 January 2026 for cement and clinker; importers will be required to report embedded emissions and purchase certificates aligned to the EU ETS trajectory. Preparatory customs and TARIC updates issued in December 2025 confirm the operational architecture for enforcement. For Gulf exporters, CBAM will incentivize lower-clinker products and documented emissions baselines to preserve optionality for any EU-bound flows

GCC Cement Market
Market Size in Million Tons
CAGR 4.46%

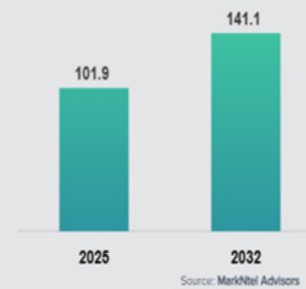


Source: Mordor Intelligence

GCC Cement Market

Projected 4.97% CAGR from 2026 to 2032

Study Period 2026-2032	Market Size (2025) 101.9 Million tons
Market Size (2032) 141.1 Million tons	Base Year 2025
Projected CAGR 4.97%	Leading Segments By Product Type: Portland Cement



Source: Market Advisors

Energy transition and sector competitiveness in Saudi Arabia

Saudi policy is simultaneously lowering structural energy intensity and improving grid reliability for heavy industry. Under the national Liquid Fuel Displacement Program (LFDP), cement plants are being connected to the grid, substituting liquid fuels with more efficient electricity and gas. In December 2025, Riyadh Cement signed an SAR 85 million EPC contract to build an 33/11 kV grid station for its Nisah plant—an LFDP milestone that supports operational reliability and reduces emissions from captive liquid-fuel generation. (11)

Complementing this, Riyadh Cement is constructing the Kingdom's first Organic Rankine Cycle (ORC) waste-heat recovery project—13 MWe of generation capacity that captures heat from clinker coolers and preheaters and operates with zero water consumption thanks to air-cooled condensers. The project, supplied by Turboden (MHI Group), is a flagship example of capital-efficient decarbonisation that also lowers delivered power costs and shields margins across the cycle.

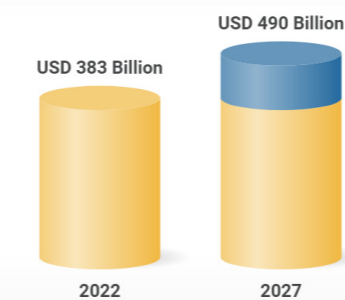
Outlook for 2026

Looking to 2026, most observers anticipate continued growth in Saudi cement demand, underpinned by city-scale infrastructure and housing and a steady cadence of awards—even as select giga-projects are paced to align budgets and execution capacity. In the GCC, Qatar's Ashghal plan enters its key delivery years, UAE construction remains active across logistics, industrial and hospitality, Oman's Duqm and related programs gain critical mass, and Kuwait's housing initiatives work through procurement and early works. Internationally, global demand is expected to be flat-to-modestly positive, with cost tailwinds from softer commodities partially offset by logistics and policy frictions, including CBAM's first year of full operation.

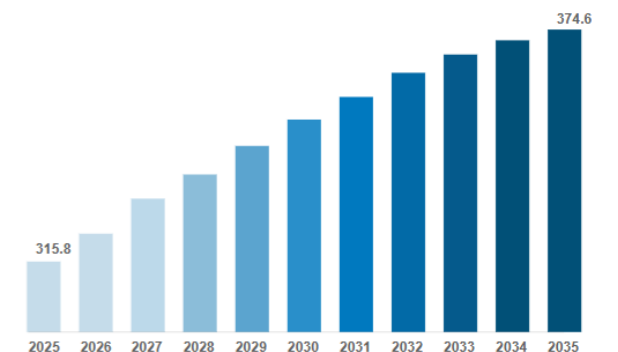
For Riyadh Cement, the combination of central-market exposure, export agility, white-cement leadership, LFDP grid connection and ORC start-up provides resilience and operating leverage to the cycle's next phase

Global Cement Market

Market forecast to grow at a CAGR of 5%



Global Cement Market Size 2035 (USD Billion)



Technology And Innovation

At Riyadh Cement, continuous innovation is a strategic enabler of safety, quality, efficiency, and sustainability. We invest in advanced manufacturing systems, data-driven plant management, and cleaner-energy solutions to strengthen our cost position and reduce environmental impact, while ensuring reliable supply to Saudi Arabia's giga- and mega-projects. In 2025 we intensified this program across three fronts: Industry digitalization, energy & emissions efficiency, and collaborative capability building

By deploying Fourth Industrial Revolution technologies and clean energy solutions, we are working to establish advanced standards for innovation and sustainability in the Saudi cement sector

01 Energy & Emissions Efficiency

Waste-Heat Recovery (ORC) under construction

The Company is building Organic Rankine Cycle waste-heat recovery systems that are expected to generate gross 12.7 MW. These projects reduce purchased power, lower CO₂ intensity, and strengthen resilience to fuel-price volatility.

Certified energy management

In 2024 we achieved ISO 50001:2018 certification for our Energy Management System, formalizing the governance, measurement, and continuous-improvement processes that underpin our 2025 initiatives

Circularity in raw materials

We advanced industrial-waste utilization (e.g., iron-slag recycling) and raw-material substitution, supporting clinker-factor optimization and our long-term pathway to lower embodied carbon.

Reliability-based maintenance on emissions controls

Reliability programs for process equipment and bag filters cut fugitive dust and stabilize operations, improving environmental performance alongside uptime.

02 Industry 4.0 & Smart Manufacturing

Top-10 national ranking in industrial transformation

with the first deployment of an AI Quality Optimizer that predicts clinker-quality deviations and automatically adjusts operations to enhance product consistency and customer satisfaction

Digital Plant Projects (three plants):

Roll-out of smart-manufacturing features includes real-time production monitoring, predictive-maintenance and quality-control systems, and digital-twin technology to optimize planning and execution. Early outcomes include a 4% reduction in energy consumption per ton of cement and predictive-maintenance routines that reduce downtime by ~5%.

Modern, flexible process platform

Our state-of-the-art equipment and AI-enabled lines continue to support production at up to 98% of rated capacity without compromising quality, underlining the robustness of our process-control and debottlenecking program.

03 Collaboration, Standards & Knowledge-Sharing

"Future Factories" programs & Industrial Competitiveness

Participation in national initiatives accelerates adoption of the latest manufacturing technologies and operational-excellence practices across the Kingdom's industrial base.

Information security for digital operations

To safeguard our data, systems, and partners, Riyadh Cement secured ISO 27001:2013 certification, reinforcing risk-managed digitalization and compliance with local and international standards.

HSE and quality systems

The Company maintains ISO 9001 (quality), ISO 14001 (environment), and ISO 45001 (OH&S) certifications; policies align with OSHA and NFPA, and all statutory permits are in force—forming the backbone for safe technology deployment

How technology is improving outcomes in 2025

Operational efficiency and stability

Digital twins and real-time analytics help operators tune kiln/VRM set-points, minimize variability, and maintain high clinker output, including a 7% increase in grey clinker and 24% in white clinker production in 9M-2025.

01

Energy intensity trending down

The energy-optimization program delivered a 4% reduction in energy consumption per ton of cement ahead of the ORC start-up, with further reductions expected as WHR phases come online

02

Asset reliability and uptime

Predictive-maintenance routines and reliability engineering are reducing unplanned stoppages (targeting ~5% downtime reduction) and improving mean-time-between-failures on critical subsystems.

03

Environmental footprint

Alongside WHR and energy management, the Company is progressing a materiality assessment and will publish its first ESG report, formalizing KPIs (including carbon neutrality by 2050) and programmatic actions such as afforestation (cumulative 110,000 trees planted to date)

04

Risk Management

Enterprise Risk Management Framework

Riyadh Cement Company (RCC) operates under a structured Enterprise Risk Management (ERM) framework designed to safeguard shareholder value, ensure regulatory compliance, and enhance resilience against operational and financial volatility. The framework follows best practices consistent with CMA governance requirements and draws alignment from internationally recognized standards, such as the COSO framework used by industry peers.

The Company's approach is guided by three principles:

- Integration**
 embedding risk assessment into all strategic and operational decision-making processes.
- Proactivity**
 identifying, evaluating, and mitigating risks before they materialize
- Accountability**
 ensuring clear ownership and oversight at every level of management.

RCC's Board of Directors maintains overall oversight of risk governance, supported by the Audit Committee, which monitors internal control systems and ensures their adequacy and effectiveness. Internal Audit provides independent assurance, evaluating risk exposure across operational, financial, and compliance domains.

Governance and Oversight

RCC's risk management structure ensures that risk control and oversight are distributed across multiple levels of accountability:

<p>Board of Directors 01</p> <p>Approves risk policies, reviews strategic and emerging risks, and ensures alignment with corporate objectives and shareholder interests.</p>	<p>Audit Committee 02</p> <p>Evaluates the adequacy of the internal control system, reviews audit findings, and supervises the implementation of corrective measures.</p>
<p>Executive Management: 04</p> <p>Identifies and mitigates operational, financial, and market risks in day-to-day operations.</p>	<p>Internal Audit 03</p> <p>Provides continuous assurance through risk-based audits, ensuring compliance with established governance standards.</p>

This multi-tier structure mirrors the "three lines of defense" model seen in leading industrial enterprises, ensuring that each control layer reinforces the others.

Risk Identification and Monitoring Approach

RCC systematically identifies and monitors risks that may affect its operations and performance through continuous review mechanisms:

01

Strategic Risks

Linked to long-term planning, expansion, and project execution

02

Operational Risks

Related to plant reliability, safety, raw materials, and production continuity.

03

Financial Risks

Including liquidity, funding access, and exposure to zakat and tax liabilities.

04

Regulatory and Compliance Risks

Covering adherence to quarry licensing conditions, environmental regulations and sustainability, and industrial permits.

05

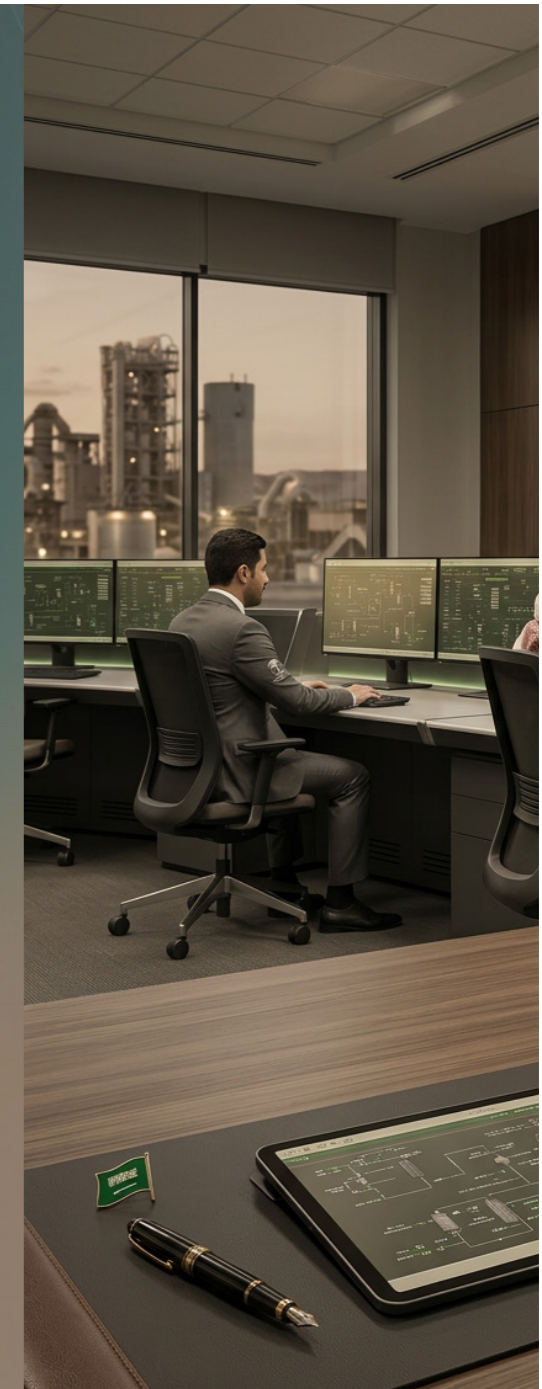
Technology and Information Security Risks

Managed through cybersecurity assessments and ISO 27001:2013-aligned controls.

The Company's internal audit department performs regular reviews to test the robustness of internal controls, reporting results to the Audit Committee, which found no significant weaknesses in the 2024 evaluation.

Principal Risks and Mitigation Measures

Category	Risk Description	Mitigation Actions
Raw Materials Quarry License Risk	Non-compliance with the Ministry of Industry and Mineral Resources' conditions could result in license termination, impacting operations and financial standing	Strict adherence to the Mining Investment Law, environmental protection programs, and continuous engagement with regulatory bodies.
Strategy Execution Risk	Failure to execute business expansion or production line upgrades on schedule could affect profitability and competitiveness.	Strong project governance, capability building, and efficient financial and operational planning.
Licensing and Regulatory Risk	Delays in renewing industrial or environmental permits could disrupt operations and trigger penalties.	Dedicated compliance function tracking renewal cycles and maintaining proactive regulator engagement.
Talent Retention Risk	Loss of key management and skilled professionals could affect operations and decision continuity.	Succession planning, competitive compensation, and targeted training programs.
Misconduct or Fraud Risk	Employee error or misconduct could result in financial or reputational damage.	Reinforced internal controls, segregation of duties, and continuous ethics training
Financial and Legal Exposure Risk	Potential liabilities from tax, zakat, or litigation could affect financial performance.	Periodic review of exposures and maintaining adequate provisions and insurance coverage.
Funding and Liquidity Risk	Limited access to funding may affect execution of future expansion projects.	Maintaining a strong balance sheet, low leverage, and disciplined capital allocation framework.
Market and Margin Pressure	Declining cement prices and elevated inventories can compress margins. Price pressure, energy-cost volatility, and inventory overhang remain the main external headwinds.	Continuous cost optimization, diversification into white cement, and operational excellence initiatives
Operational Reliability and Energy Efficiency	Plant downtime or energy inefficiency could increase production costs and impact profitability.	Implementation of predictive maintenance, waste-heat recovery systems, and energy-intensity reduction programs.
Cybersecurity and Digital Infrastructure Risk	Cyber threats may compromise systems and data integrity.	ISO 27001:2013-certified controls, proactive monitoring, and employee awareness programs.



Risk Mitigation Philosophy

RCC adopts a four-tier response strategy modeled after the “4Ts” framework used in regional industrial risk management:

- **Treat**
Implement preventive measures and control enhancements to reduce exposure.
- **Tolerate**
Accept minimal risks within defined thresholds when the cost of mitigation exceeds the benefit
- **Transfer**
Mitigate through insurance, outsourcing, or contractual safeguards.
- **Terminate**
Cease or avoid activities that exceed acceptable risk appetite

This framework ensures that all risk decisions are based on clear foundations, transparent, and aligned with the company’s strategic objectives.

Continuous Improvement and Way Forward

RCC is enhancing its enterprise risk management capabilities by integrating digital dashboards and key risk indicators (KRIs) to improve visibility across operations. The Company’s focus in 2025 includes:

- Strengthening data-driven monitoring of operational and financial risks
- Expanding internal audit scope to cover sustainability and cybersecurity risk.
- Embedding risk ownership at all management levels to foster a culture of accountability and proactive governance

By maintaining strong financial discipline, high operational reliability, and robust governance practices, Riyadh Cement Company continues to fortify its resilience and protect long-term shareholder value while supporting the Kingdom’s industrial growth and national sustainability objectives.

03

Operating Review

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Operational Highlights

Delivering stable operations, cost discipline, and capacity unlock

During 2025, our operating agenda was clear: protect safety, maximize plant stability, and deliver reliable volumes to our customers while tightening control over costs and energy intensity in a market shaped by pricing pressure and higher fuel costs. Through disciplined execution, we continued to strengthen Riyadh Cement's competitive position which is supported by modern production assets that can produce at ~98% of rated capacity without compromising quality or reliability.

Just as importantly, we maintained our safety-first culture and reinforced the systems, behaviors, and leadership routines that keep our people safe every day, achieving 4,167,798 safe man-hours with zero Lost Time Injuries (LTI) during the reporting period.

2025 operational highlights

Focus Area

What We Delivered in 2025

Production & Reliability

Grey cement production increased by ~42%, while white cement production decreased by ~46.7%, supported by sustained high clinker output and optimized production planning.

Energy Efficiency

Achieved a ~3% reduction in energy consumption per ton of cement, reinforcing cost competitiveness and operational efficiency.

Asset Performance

Predictive maintenance reduced downtime by ~10%, improving plant availability and minimizing operational disruption.

Decarbonization & Energy

Advanced the Waste Heat Recovery (ORC) project, generate 12.7 MW (gross), currently under construction.

Digital Operations

Recognized among the Top 10 national companies (out of 1,300) for Industrial Transformation and began deploying an AI-driven Quality Optimizer to predict clinker quality deviations and automatically adjust operations



Our operating footprint and production flexibility

Riyadh Cement operates

grey and white cement plants in Al-Muzahimiyah, northwest of Riyadh, a resource-rich area with high-quality limestone, using modern equipment and AI-enabled technologies. Proved limestone reserves support ~31 years of production at current extraction rates. This reserve life provides long-term supply assurance and supports disciplined capital and maintenance planning.

Our production platform is designed for flexibility across grey and white clinker, including:

A dedicated white cement plant with

320,000

tons clinker capacity

Grey clinker capacity across two production lines.

3.52

million tons per year

flexibility to increase white clinker production to approximately

1.0

million tons per year

A dual-process production line capable of producing grey and white clinker, upgraded in 2019 to produce white clinker with a designed capacity of

680,000

tons per year

This operational flexibility remains a key advantage as customer requirements shift between structural, infrastructure, and architectural applications.

Operational performance in 2025

01 Production stability and cost optimization

We sustained high clinker production and increased output to support cost optimization. Performance highlights show that production increased by ~42% in the grey segment, while white clinker production decreased by ~46.7% in 2025, reflecting production mix optimization. Total clinker produced in 2025 was approximately 3.70 million tons (grey) and ~0.31 million tons (white).

Operationally, this reflects a continued focus on:

- tighter production planning and execution discipline
- bottleneck removal and capacity unlock initiatives, and
- improved maintenance effectiveness and reliability routines.

02 Energy management and efficiency improvements

Energy performance remains central to our operating agenda. In 2025, our focus on energy efficiency and fuel mix optimization supported ~3% reduction in energy consumption per ton of cement. In parallel, we progressed the Waste Heat Recovery (ORC) project, generating 12.7 MW (gross), strengthening our long-term pathway to reduce purchased electricity and lower carbon intensity.

Fuel mix (2025):

- Grey Kilns 1 & 2: ~81.7% crude oil and 18.3% HFO
- White Kiln 3: 100% crude oil

Specific performance indicators:

- Specific heat - grey clinker: 3.17 GJ/t
- Specific heat - white clinker (Line 3): 4.82 GJ/t
- Specific power - cement: 107 kWh/t

03 Maintenance excellence and asset health

Our approach is increasingly predictive and data-driven. In 2025, predictive maintenance initiatives delivered a -10% reduction in downtime, supporting stronger plant availability and improved dispatch reliability.

These results reflect a systematic shift toward higher equipment uptime through monitoring, early fault detection, and structured shutdown planning.

Scope covered refractory change-outs; kiln shell inspection; drive alignment; burner checks/repairs; roller replacement; gearbox refurbishment; separator upgrade; false-air arrest; MCC refurbishment; instrumentation calibration; bag filter refurbishment; fan replacements; emissions-monitoring calibration delivering higher thermal efficiency, reduced heat loss/fuel, longer kiln life, fewer breakdown hours, steadier clinker output, and improved safety.

> Digital operations and quality assurance

Digital transformation is now deeply embedded in our operating model. In 2025, Riyadh Cement was recognized among the top 10 national companies (out of 1,300) for Industrial Transformation, and we began implementing an AI Quality Optimizer to proactively predict clinker quality deviations and automatically adjust operations.

It is directly tied to:

- more consistent clinker and cement quality,
- lower waste and rework,
- improved process stability, and
- stronger customer satisfaction through reliable, spec-compliant deliveries

> Safety, people, and operational culture

Safety remains non-negotiable. We delivered 4,167,798 safe man-hours with zero Lost Time Injuries (LTI) through the period reported; an outcome that reflects leadership visibility, effective controls, and continuous reinforcement of safe behaviors across employees and contractors.

In parallel, we continued strengthening organizational capability by aligning our operating priorities with the company's strategic goals (including operational efficiency and excellence in digital transformation)



Grey Cement Segment

Riyadh Cement's Grey Cement business underpinned the Company's momentum in 2025, demonstrating the scale, resilience, and service reliability required by Riyadh's fast-moving project pipeline. Operating from the fully integrated complex, the segment combines on-site quarry operations, raw-meal preparation, pyro-processing, finish milling, and bulk dispatch on a single site; an industrial footprint that translates directly into schedule discipline for customers across ready-mix, precast, and major contractor channels. The plant's location in a high-purity limestone belt continues to support kiln stability and uniform clinker chemistry and, critically, offers short haul distances to the city's flagship developments, allowing us to meet heavy-pour cadences without compromising quality or delivery windows.

› Plant Configuration and Flexibility

The Grey Cement Plant contains two production lines with a design capacity of 3.4 million tons of grey clinker annually. The first production line is a dual-process unit capable of manufacturing both grey and white clinker in various types. Commercial production began in 2007 with a design capacity of 1.7 million tons of grey clinker per year. In 2019, the line was upgraded to produce white clinker with a design capacity of 660,000 tons per year, giving the Company valuable product-mix flexibility while preserving grey throughput responsiveness. The second production line is dedicated to grey clinker and began commercial production in 2010 with a design capacity of 1.7 million tons annually. Together, these lines provide the operational scale to serve sustained demand in the Central Region while enabling tactical switching in response to relative grey and white cement economics and project specifications. In 2025, Line 1 operated fully in grey mode, with white clinker demand met from existing inventory.



2025 Milestones and Operating Base

The year 2025 marked a clear inflection in operating tempo and commercial delivery. The Company recorded the highest monthly grey-cement sales since 2016, reaching approximately 330 thousand tons in a single month.

These achievements translated into the strongest financial and operational performance in nine years, including total company sales of SAR 787.6 million, of which Grey Cement contributed SAR 625.4 million. Profitability metrics also reached post-2016 highs, with Gross Profit of SAR 257.8 million, Total Comprehensive Income of approximately SAR 206.9 million, and Net Profit of SAR 207.8 million. This record year established a strong base for 2026, validated the plant's ability to run sustained high-throughput campaigns, and reinforced our service credentials with the capital's Tier-1 contractors.

› 2025 Operating Momentum and Efficiency

Building on that base, the Grey segment sustained a high availability run pattern through out 2025. Production increased by approximately 6% year-on-year, reflecting stable kiln operations and the compounding impact of throughput and maintenance initiatives. Despite a more competitive pricing environment, sales volumes increased, and the segment delivered SAR 625.4 million of revenue, representing a 0.48% year-on-year decline, reflecting lower average selling prices.

This combination, higher volumes at softer pricing was achieved through disciplined allocation to project packages, tight logistics coordination with contractors and distributors, and proactive production planning to ensure reliable supply and optimized dispatch performance.

The efficiency agenda also supported cost optimization and operational efficiency, with downtime trending lower and unit energy consumption improving, while the waste-heat recovery project under construction advanced the platform toward structurally lower operating intensity.

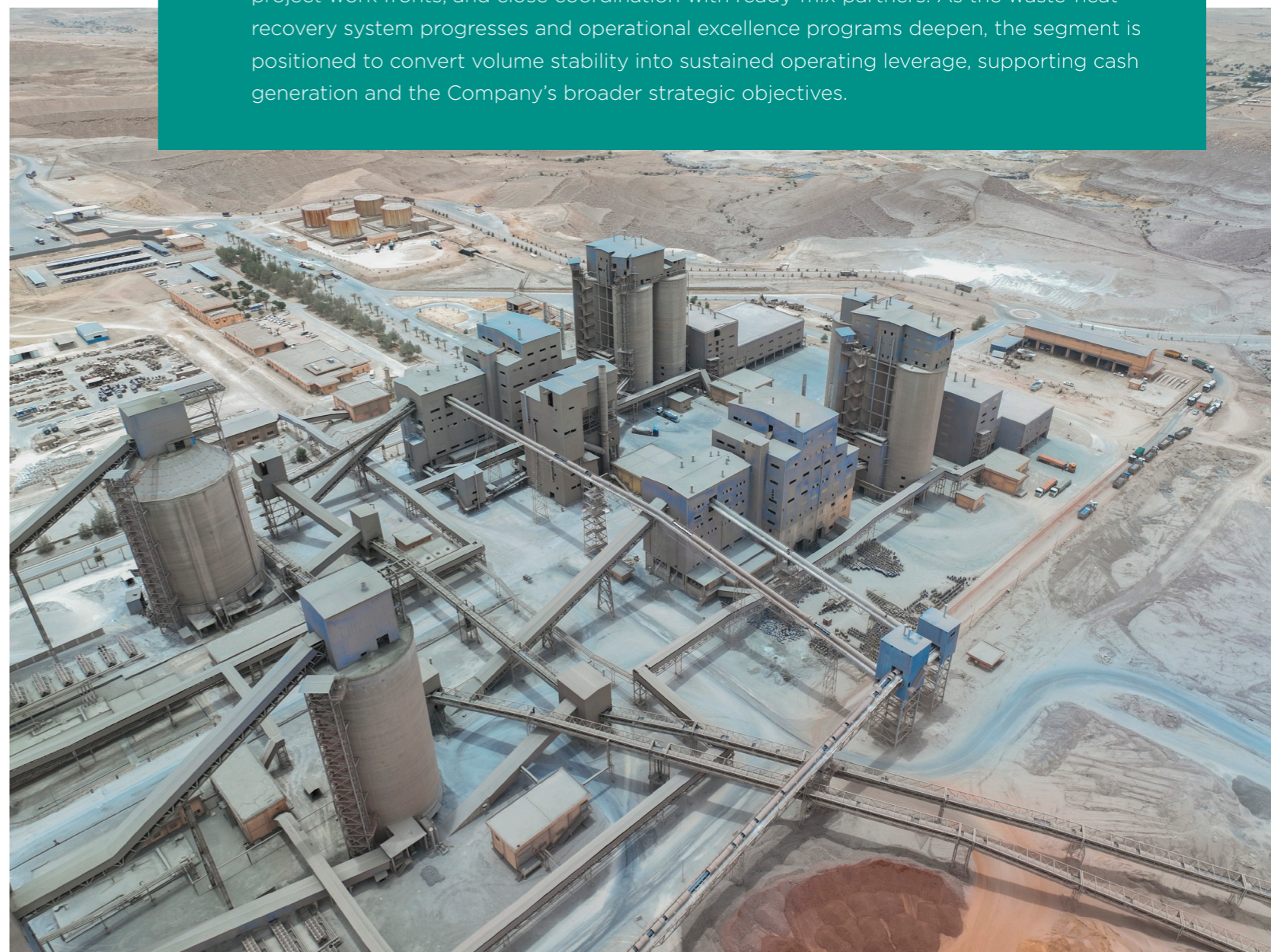
Grey Cement's commercial strategy remains anchored in Riyadh's transformation. The Company was active across 29 major projects during the period, including Diriyah Gate, King Salman Park, Qiddiya, the Sports Boulevard, Tuwaiq Tower, the King Fahd Stadium expansion, and the Riyadh Metro (Line 7). Proximity to these work fronts, combined with our integrated site and dedicated dispatch capability, enables fast mobilization, responsive slotting of bulk deliveries, and the consistency required for time-critical pours.

Dispatch mix in 2025: 77.32% bulk / 22.68% bag. This project-led approach supported an estimated market share of 6.4% in the capital region during FY 2025 and deepened long-term relationships with the ready-mix and contractor ecosystems that rely on Riyadh Cement for quality, schedule fidelity, and technical support.

The grey portfolio is calibrated to Saudi standards and the practical needs of construction sites. Ordinary Portland Cement (OPC) serves reinforced concrete, concrete pipe manufacturing, precast elements, and block manufacture. Sulfate-Resistant Portland Cement (SRC) addresses basements and below-grade structures, coastal exposure, sewage and water systems, and dam and bridge construction where sulfate attack is a design concern. Finishing Portland Cement (FC) is formulated for plastering, levelling and floor screeds prior to tiling. This focused product set, produced at an integrated site with stable raw-material chemistry, ensures consistent performance in mixes demanded by the region's iconic public-realm, residential, and transport programs.

› Outlook

With 3.4 million tons per year of installed grey-clinker capacity, proven monthly peak dispatch capability (~330 thousand tons in grey), cement grinding utilization averaged ~120% during 2025 following debottlenecking and privileged access to Riyadh's giga-project pipeline, the Grey Cement business remains central to Riyadh Cement's value creation. Management will continue to prioritize throughput discipline, schedule reliability for mega-project work fronts, and close coordination with ready-mix partners. As the waste-heat recovery system progresses and operational excellence programs deepen, the segment is positioned to convert volume stability into sustained operating leverage, supporting cash generation and the Company's broader strategic objectives.



White Cement Segment

Riyadh Cement's White Cement business delivered another year of purposeful growth in 2025, reinforcing the Company's leadership in a specialty segment that underpins architectural finishes, decorative elements, and premium concrete applications across the Kingdom. The business is anchored by the first white cement plant in Saudi Arabia, established in 1997, with an installed white-clinker capacity of 320,000 tons per year. Critically, the Company's dual-process Line 1: originally commissioned in 2007 for grey clinker was upgraded in 2019 to also produce white clinker at a design capacity of 660,000 tons per year. When operated in tandem for white clinker, Riyadh Cement can produce approximately one million tons of white clinker annually, giving the Company unmatched flexibility to meet large, time-bound project packages and to balance mix between structural and finishing works as market conditions evolve.

The white plant's strategic location ensures tight linkage with raw-material quarries, pyro-processing, finish milling and bulk dispatch on a single industrial site. Co-location with the grey lines delivers procurement and maintenance synergies while enabling the logistics responsiveness required by the capital's architectural and public-realm programs. The site's high-purity limestone resources support excellent kiln stability and uniform white-clinker chemistry, and the consolidated footprint continues to benefit from state-of-the-art equipment and AI-enabled process control already deployed across the campus.

2025 established a strong operating base for the white business. The Company recorded the highest monthly white-cement sales on record, reaching 36 thousand tons in a single month. The year culminated in the Company's financial and operational performance, with total sales of SAR 787.6 million, of which SAR 162.2 million related to the white segment; gross profit reached SAR 257.8 million, total comprehensive income SAR 206.9 million, and net profit SAR 207.8 million. These outcomes reflected deliberate actions by the Board and management to raise throughput, optimize the product mix and improve average prices, creating momentum that carried into 2026.



> Against this backdrop, F2025 results

show continued progress. White Cement revenue reached SAR 162.2 million, representing +0.76% year-on-year growth despite lower quantities in certain sub-segments

> the revenue performance

was supported by higher average selling prices relative to the prior period. Operationally, the white business recorded a 46.7% decrease in clinker production, while white cement grinding utilization averaged -110% in 2025, demonstrating the effectiveness of Riyadh Cement's capacity-unlock program and the benefit of coordinated scheduling between the dedicated white plant and the dual-process line. These operating gains were complemented by the groupwide predictive-maintenance regime and digital plant initiatives, which helped reduce downtime by -10% and reinforced schedule reliability for high-specification deliveries.

› The white portfolio is tailored to premium and value-adding applications.

White Portland Cement Type I (CEM I 52.5N) is positioned for reinforced concrete, concrete pipe manufacturing, precast concrete and block, where aesthetic requirements combine with structural performance. White Portland Cement Type II (CEM II 42.5N) serves grouts, marble-installation fillers, colored plastering and profile painting for exterior façades, in addition to colored concrete elements and ceramic works. Products are specified to SASO-GSO and EN 197-1 standards, with Type I white manufactured to CEM I 52.5N and Type II white to CEM II/A-LL 42.5N, enabling seamless adoption in government and private-sector projects that reference international codes.

White cement demand within Riyadh's development agenda continues to broaden as mega-projects move from site development to public-realm and placemaking phases. Riyadh Cement's white products are embedded across landmark programs including Diriyah Gate, King Salman Park, the Sports Boulevard, Tuwaiq Tower and the Riyadh Metro, as well as prestigious civic, educational and religious projects elsewhere in the Kingdom where consistent color, surface finish and durability are crucial for design intent and lifecycle performance. Our proximity to these work fronts, combined with dedicated dispatch planning and an integrated supply platform, allows the Company to service tight pour windows and complex finishing schedules with confidence.

› Riyadh Cement also dominates

the Kingdom's white cement market, with the investor presentation indicating more than 50% share; a reflection of our early-mover status, installed flexibility to reach ~320,000 tpa of white clinker in 2025 (with historical capability of ~1.0 million t/y) when required, and longstanding relationships with distributors and project owners. This leadership, together with our integrated manufacturing base, continues to translate into competitive advantage in technical specifications, availability and service.

› Outlook

The white business is set to remain a meaningful contributor to Riyadh Cement's growth. Near-term priorities include sustaining the high-tempo run-rate achieved in FY 2025, optimizing white/grey switching on Line 1 to serve peak decorative and facade requirements, and deepening project-based agreements with contractors and ready-mix partners. With the specialty product mix, flexible installed capacity approaching one million tons of white clinker per year, and active participation across the capital's architectural and civic programs, the White Cement segment is well placed to convert favorable price/mix and stable demand into durable operating leverage through the next phase of Riyadh's transformation.



Production & Sales Performance (6 Year)

Riyadh Cement's six-year volume story

is best understood through three lenses: (1) resilience of demand in the Central Region, (2) disciplined production planning and reliability-driven operations, and (3) active mix and inventory management across grey and white products. Over 2020–2025, grey cement remained the scale engine of the business, while white cement contributed a value-accretive mix supported by operational flexibility and selective market opportunities.

The period also highlights a clear management emphasis on protecting continuity and quality while avoiding excessive clinker build, evident in the significant reduction in grey clinker ending stock by 2024 compared to the elevated levels recorded in 2020–2021. As the market cycle strengthened into 2025, the Company entered the upturn with a leaner inventory position, better utilization, and stronger readiness to respond to project-led demand without compromising cost discipline

At a glance (2020–2025)

- Grey cement sales increased from 2.52 million tons (2020) to 3.50 million tons (2025), showing sustained scale growth over the period.
- White cement sales rose from 0.32 million tons (2020) to 0.39 million tons (2025), peaking in 2023 (0.45 million tons) before normalizing.
- Grey clinker year-end stock fell from -1.61 million tons (2020–2021) to -1.15 million tons (2025), reflecting stronger stock normalization and improved alignment between kiln output and dispatch needs.
- White clinker production recorded step-changes in 2022 and 2024, supporting mix flexibility and supply readiness for white cement demand.
- 2025 operational context: higher output momentum and efficiency improvements provide a forward bridge to the next cycle.



Grey segment performance

Grey cement performance over the period reflects both cyclical and operational resilience. After reaching a peak sales level of 3.52 million tons in 2021, the business experienced a pronounced production trough in 2022, with clinker output declining to 1.83 million tons before rebounding strongly in 2023 and stabilizing through 2024 at above 3.28 million tons. The momentum strengthened further in 2025, when sales rose to 3.50 million tons and clinker production reached 3.73 million tons, the highest output in the six-year series underscoring improved kiln loading, firmer dispatch alignment and a more confident operating stance heading into the next cycle.

Year	Grey Cement Sales	Grey Clinker Production
2020	2,517,429	3,331,847
2021	3,521,539	3,279,680
2022	2,966,354	1,830,238
2023	3,282,610	3,121,222
2024	3,287,777	2,624,636
2025	3,497,830	3,725,510

White segment performance

White cement remains a strategic product line supporting value mix, specialized applications and market optionality. Sales expanded steadily from 2020 through 2023, reaching a peak of 0.45 million tons, before normalizing to -0.40 million tons in 2024 and 0.39 million tons in 2025, reflecting typical demand variability linked to project timing and finishing cycles. White clinker production shows step-changes in 2022 and 2024, consistent with maintaining operational flexibility and clinker readiness; in 2025, production moderated to 0.31 million tons, aligning more closely with dispatch requirements and indicating tighter output discipline. Overall, the relationship between cement sales and clinker production over the period underscores a deliberate operating model: preserve quality and availability while allowing volumes to flex in response to demand conditions and channel opportunities.

Year	White Cement Sales	White Clinker Production	White Clinker Sales
2020	321,242	267,004	-
2021	365,611	252,175	2,892
2022	401,929	596,002	9,122
2023	447,519	250,739	14,929
2024	398,637	588,547	4,283
2025	393,312	314,021	-

Inventory management

Clinker stock is a critical indicator of operating balance and working-capital discipline. The six-year trend shows a meaningful improvement in grey clinker inventory, supporting a leaner operating position by 2025.

Grey clinker inventory declined sharply from approximately 1.61 million tons in 2020-2021 to 0.52 million tons in 2024, reflecting materially improved alignment between kiln output and dispatch volumes. In 2025, stock increased to approximately 0.75 million tons, indicating a partial rebuild alongside record production levels and stronger operating momentum.

White clinker inventory has fluctuated more visibly across the cycle, consistent with the segment's role in supporting specialized demand patterns. After peaking in 2022 and normalizing in 2023, stock rose again in 2024 and 2025 to support supply readiness and mix flexibility within the white product portfolio.

Ending Stock – Clinker (tons)

Metric	2020	2021	2022	2023	2024	2025
Ending Stock - Grey Clinker	1,614,770	1,614,700	745,120	837,819	520,451	1,175,981
Ending Stock - White Clinker	266,544	181,394	395,776	217,858	338,018	286,757

Operational flexibility enabling mix management

One of the most important operational takeaways from the six-year series is that Riyadh Cement's platform enables mix flexibility, especially in the white segment. A key contributor is the double production line (No.1) white clinker output, which supports planning agility when market requirements shift.

White clinker produced through the double production line (No.1) contributed:

2022
362,299
tons

2024
327,749
tons

This supports the Company's ability to preserve availability and respond to demand changes without compromising product quality or delivery reliability.

Project Execution

Riyadh Cement entered 2025 with its strongest execution slate to date. By the close of the reporting period, we were active across 29 projects in Riyadh, spanning cultural landmarks, entertainment and mixed-use districts, mobility corridors, sports venues and housing programs. The portfolio is staggered across design, excavation and execution phases, giving multi-year visibility on call-offs and allowing kiln loading, milling schedules and bulk dispatch to be synchronized with site needs. Year-to-date, the number of live projects increased by 13%, with mega-projects -65% of the active slate and housing/other -35%. Our market position strengthened at 6.4% share nationally (7th) and -20% in the Central Region, reflecting location advantage, an integrated white-and-grey platform, and service reliability across the region.

Backlog Mix & KPI Panel

+13%

YoY change
in projects

29

Projects in
progress

Backlog composition

35%

Housing & others

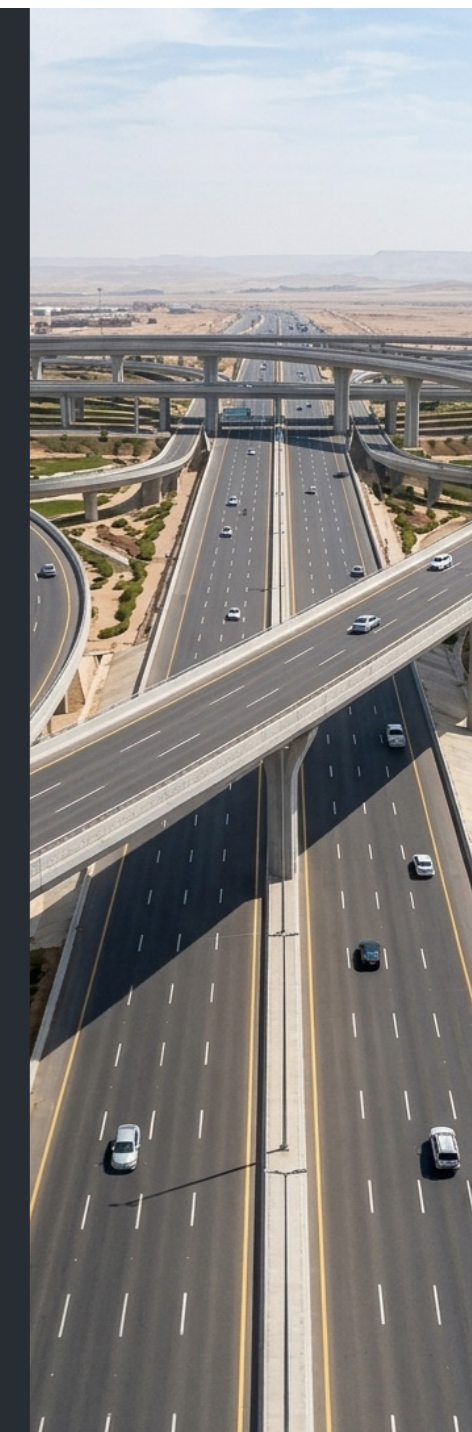
65%

Mega projects

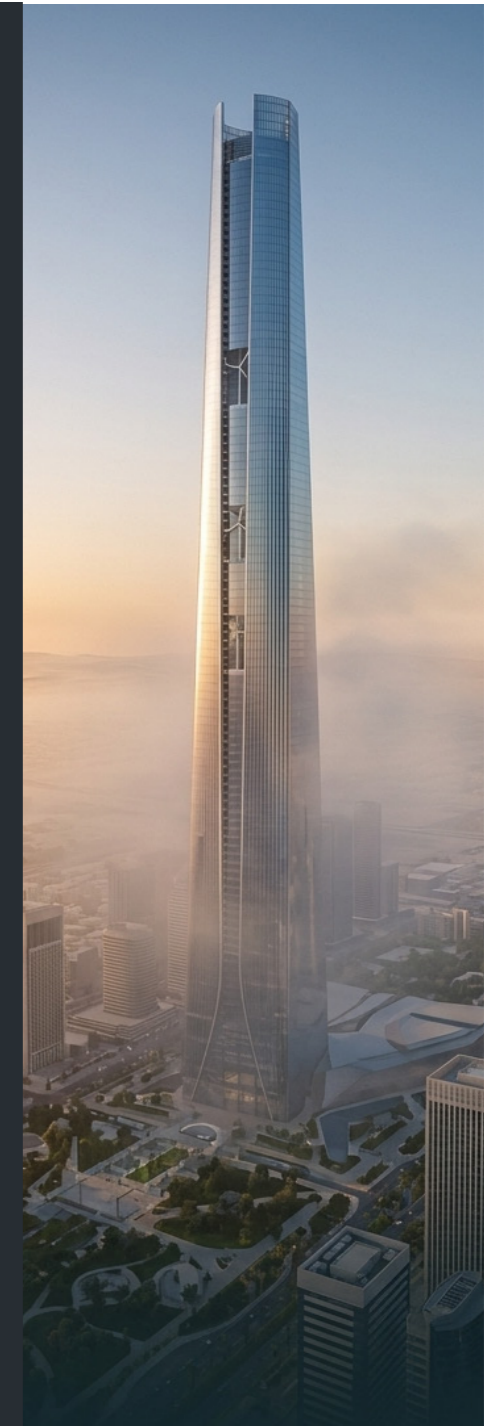
Project	Theme	Phase	Scope / Key Facts
Diriyah Gate (Diriyah Company/DGDA)	Urban landmark & cultural	Execution	Historic district transformation over ~14 km ² ; program scale ~SAR 237bn; Diriyah Square retail/parking packages advancing.
King Salman Park (KSP Foundation)	Urban landmark & cultural	Execution	16 km ² world-scale urban park; approx. 7 ² Hyde Park; major cultural/arts components under build.
Qiddiya City (QIC)	Entertainment & mixed-use	Execution	Giga-site; flagship Six Flags Qiddiya City opening announced for Dec-2025.
The Avenues – Riyadh (Shomoul)	Commercial/retail	Execution	Regional mall/mixed-use; large-format GLA with hotels/residential; advanced completion status.
Sports Boulevard (SBF)	Iconic public realm	Execution	Linear park spanning >135 km, connecting west–east Riyadh with active mobility corridors.
ROSHN – Sedra District (PIF/ROSHN)	Housing & community	Execution	Masterplanned housing packages in NE Riyadh; staged handovers and ongoing building permits.
Al Fursan Suburb (NHC)	Housing & community	Execution	>35 million m ² footprint; 50k+ residential units; extensive civic/green amenities.
Jewel of Riyadh	Mixed-use district	Execution	~2.3 million m ² in Al-Raed (west Riyadh); phased commercial/residential plots.
Prince Mohammed Bin Salman Non-Profit City (MiSK City)	Civic/education	Execution	~3.4 km ² innovation/education district adjacent to Wadi Hanifah; community assets under rollout.
Boulevard (Phase 2)	Entertainment/retail	Execution	Northern expansion of existing destination; fit-outs and infrastructure interfaces ongoing.



Project	Theme	Phase	Scope / Key Facts
East Gate (Phase 2)	Housing & community	Execution	NE Riyadh district; -6.5 million m ² masterplan; utilities and superstructure packages sequenced.
Wadi Laban Bridge / Western Ring Road (RCRC)	Transport & mobility	Execution	Capacity upgrade with two parallel bridges beside existing cable bridge; major ring-road junction works.
Al Urubah Park	Civic/green	Execution	-750,000 m ² park; 3-km elevated panoramic path (-12 m).
King Abdullah Gardens	Civic/green	Execution	Major green corridor between Arqa and Wadi Hanifah; early precincts commissioned.
Tuwaiq Tower	Iconic architecture	Execution	-305-m landmark; enabling/early works packages coordinated with adjacent plots.
King Fahd Stadium — Modernization (Ministry of Sport)	Sports & events	Execution	Transformation program to host AFC 2027 and support FIFA 2034 readiness; PM oversight in place.
Al Murabba (New Murabba Development Co.)	Entertainment & mixed-use	Excavation	Mukaab & podium areas progressing; excavation reported >80% complete across core zones.
Raya Hospital (Al-Narjis)	Healthcare	Excavation	-40,000 m ² medical complex; foundations/utilities sequencing underway.
King Salman International Airport (PIF/KSIADC)	Transport & mobility	Design / Early works	-57 km ² , 6 runways masterplan; enabling & procurement advancing.
Expo 2030 Riyadh (Expo 2030 Riyadh Co.)	National events	Design / Early works	North Riyadh site; site-prep ffi SAR 30bn; initial infrastructure tenders in progress.



Project	Theme	Phase	Scope / Key Facts
Rise Tower (concept)	Iconic architecture	Concept / Feasibility	Visionary super-tall concept; subject to feasibility and approvals.
Riyadh Metro — Line 7 (RCRC)	Transport & mobility	Design	New corridor linking Diriyah-New Murabba-Qiddiya-KSIA
King Salman Industrial City	Industrial	Design	Industrial city program in SE Riyadh; zoning and infrastructure design packages staged.
King Salman International Stadium	Sports & events	Design	North Riyadh venue near King Salman Road; early design coordination with event calendar.
Prince Mohammed Bin Salman Stadium (Qiddiya)	Sports & events	Design	Qiddiya venue; advanced multi-use technologies planned; part of wider event-venue cluster.
ROSHN Stadium	Sports & events	Design	Planned ~45k-seat venue; urban design integration with adjacent mixed-use plots.
New Murabba Stadium	Sports & events	Design	Core sports & entertainment facility within New Murabba's downtown fabric.
South Riyadh Stadium	Sports & events	Design	Future club home/community events hub; design brief aligned to 2027-2034 tournament cycle.
Riyadh Grove / City of the Future / Flower of the East	Housing & community	Design	Housing clusters in NE Riyadh; multi-parcel phasing to support steady call-offs.



How the portfolio converts to backlog visibility

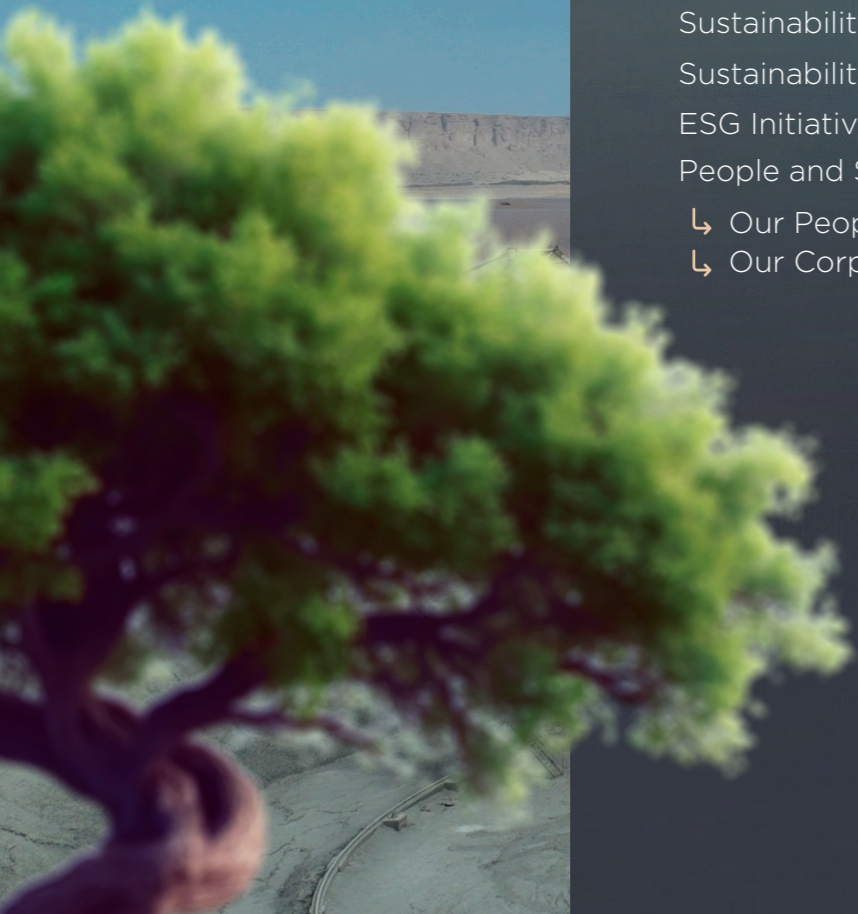
What distinguishes 2025 is not only the number and scale of projects but their phase distribution. Execution-phase giga projects (Diriyah Gate, King Salman Park, Qiddiya packages, Sports Boulevard, King Fahd Stadium, Wadi Laban upgrades) anchor near-term shipments with predictable weekly pour windows. Excavation-phase work (Al Murabba/ Mukaab) seeds medium-term demand as zones transition to superstructure. Design-phase programs (Riyadh Metro Line 7 and new event venues) provide a credible longer-dated runway; our early involvement with owners and EPCs allows us to match technical specifications with assured availability from our co-located quarry operations and integrated milling/dispatch at Al-Muzahmiyyah. The result is a pipeline that is both visible and executable, capable of supporting sustained kiln utilization and disciplined cash generation across the cycle.



04

SUSTAINABILITY

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Sustainability Journey

Accelerating our environmental and social impact

At Riyadh Cement Company, sustainability is embedded in how we operate, invest and govern. In 2025 we continued to integrate environmental stewardship, safety, accountability and technological efficiency across the value chain, aligning our actions with national priorities and global good practice. Our Board oversees a governance system designed to protect shareholders and stakeholders and to ensure transparent reporting; the Company confirms it has applied the provisions of the Corporate Governance Regulations issued by the Capital Market Authority (CMA), with advisory provisions to be applied if and when they become mandatory.

During the year, RCC sustained momentum on flagship decarbonization and efficiency projects. Construction advanced on Waste Heat Recovery (WHR) units using Organic Rankine Cycle (ORC) technology with Turboden (Japan). These units deliver c. 12.7 MW of gross power once fully commissioned, lowering purchased electricity and emissions intensity while improving cost competitiveness. In parallel, RCC progressed energy-transition agreements with Saudi Aramco and Saudi Electricity Company under the national Liquid Fuel Displacement Program; execution is scheduled over a two-year window. To enable reliable grid connection, the Company signed a SAR 85 million contract for a new 33/11 kV substation at Al-Muzahimiyah.

Our circular-economy track continued to scale. RCC implemented iron-slag recycling in cooperation with the National Center for Waste Management, aiming to reduce clinker factor and avoid natural raw-material extraction. In 2025 we also increased the utilization of industrial by-products and achieved -5% substitution of natural raw materials, with year-on-year growth in industrial waste usage.

We strengthened biodiversity and land stewardship through our Million Tree Program; a long-term commitment aligned with the Saudi Green Initiative and Green Riyadh. In 2025 alone, our nursery produced 101,500 native seedlings across species; December community distributions totaled 56,000 seedlings across municipal and NGO partners reinforcing on-site planting and regional greening. To date, RCC's nursery has produced -110,000 seedlings, with 7,500 planted at the factory, 9,000 in the housing area, and additional greening across site corridors and community spaces

Safety remains our foremost priority. By the end of 2025, RCC achieved 3,626,304 accumulated safe man-hours with zero Lost Time Injuries, supported by continuous HSE training such as defensive-driving and first-aid programs delivered at our sites. Our people agenda also advanced inclusion: RCC obtained the Mowaamah certification for accessible workplaces, reinforcing equal opportunity and workforce participation in line with Vision 2030.

Our innovation partnerships deepened. RCC was recognized among the top 10 national companies (out of 1,300) for Industrial Transformation and began deploying AI-enabled quality optimization to enhance process stability and customer outcomes. We strengthened ties with KACST and leading universities and institutes through technical visits, joint programs and talent pipelines, reflecting our commitment to research translation and national capability building.

RCC's sustainability reporting matured as we launched a refreshed materiality assessment and prepared our first stand-alone ESG Report, complementing this Annual Report and enhancing disclosure to investors, regulators and communities. We also expanded digital transparency through a new Investor Relations portal providing real-time access to financial and performance data. In line with CMA practice, the Board Report accompanies the AGM notice and is submitted within three months of year-end.



OUR SUSTAINABILITY POLICY

Sustainability is integral to our business model and competitive strategy. We commit to environmentally and socially responsible operations across our value chain.

Sustainability Principles

Riyadh Cement's policy rests on five pillars:



Environmental stewardship

01

energy efficiency, emissions reduction, waste minimization, biodiversity and land rehabilitation around our sites.

02

Circular economy

scaling alternative raw materials and valorizing industrial by-products (e.g., iron-slag) to conserve natural resources

03

Health & Safety

risk-based training (defensive driving, first aid), safety processes, and zero-harm culture.

04

People & communities

skills development (Himma program), inclusive workplace (Mowaamah), and community partnerships.

05

Governance & transparency

robust internal controls, committee oversight, and timely disclosures through Tadawul and our website, including explicit CGR "applied/not applied" reporting.

Looking ahead to 2026

Our roadmap prioritizes safe, reliable execution of the ORC/WHR program; phased grid connection and fuel-mix optimization; expanded secondary-raw-material substitution; and scaled afforestation and rehabilitation. We will continue to digitize production, deploy AI-assisted quality optimization, and publish our first ESG Report with quantified baselines, targets and KPI tie-backs.

Sustainability Snapshot



ORC Waste-Heat Recovery — ~12.7 MW

WHR generate electricity from kiln exhaust.



Power transition — SAR 85 million substation EPC

Grid connection advancing under the Liquid Fuel Displacement Program.



Afforestation & community greening — 101,500 seedlings (2025)

December distributions of 56,000 seedlings across partners; cumulative seedlings -110,000 to date



People & workforce — foundations for inclusive growth

766 employees Saudization 40% 13 nationalities

female colleagues 0.7% (5) employees

FY2025 turnover: 8.10% voluntary, 5.85% involuntary.



Capability building — Hemmah & digital learning

70 Hemmah trainees

~6,205 digital learning hours via Udemy Business (98% license utilization);

5 cooperative trainees; 5 training programs delivered; 6 workshops/conferences; training across 8+ departments.



CSR Award 2025

Second consecutive year — Ministry of Human Resources & Social Development.

Sustainability Framework

OUR SUSTAINABILITY FRAMEWORK

Riyadh Cement's sustainability framework is organized into five core focus areas— Environmental Sustainability, Employment Sustainability, Community Sustainability, Quality Sustainability, and Public Relations Sustainability so that strategy, projects, and day-to-day practices move together toward Vision 2030 and our long-term value ambitions.

Environmental Sustainability

Reducing environmental impact while safeguarding natural resources.

01

Energy Transition Roadmap

- Gas conversion of all kilns and calciners under the Liquid Fuel Displacement Program (gas station, pipeline network, new burners) is in tender; planned completion 31-Dec-2027.

Grid Connection & Substation

- 33/11 kV, 92 MW grid station to replace captive liquid-fuel/diesel power; contract under tender with target completion 31-Dec-2026.
- Separately, RCC signed a SAR 85 million substation EPC in 2025 to advance connection readiness (Al-Muzahimiyah).

Waste-Heat Recovery (WHR, ORC)

- Large-scale ORC system 11.17 MW net (ffi 12.7 MW gross) generating clean power from kiln/preheater exhaust; agreement signed (Simona Energy); under commissioning, targeted 31-Dec-2025.

Solar Energy (PPA)

- 30 MW solar PV project in tender to diversify energy and reduce Scope 2 footprint; targeted 31-Oct-2026.

Circular Economy & Industrial Integration

- Utilization of industrial by-products (e.g., iron-slag) to reduce clinker factor
- showcased at Cityscape - Malham with Mawan
- MoU with Rassas (National Lead Smelting Co.) to activate circular initiatives.

Afforestation & Vegetation Cover ("Riyadh Green")

- On-site nursery and planting programs; 1,000 Arta trees to be planted with Wasm Environmental Association in King Abdulaziz Royal Reserve.
- 2025 nursery production 101,500 seedlings (sidr, talh, ghaf and others); 56,000 seedlings distributed in December 2025 across municipal/NGO partners.

Environmental Governance & Workshops

- Company-wide ESG workshop emphasized integrating environmental and social factors in daily decisions and balancing growth with responsibility.

In-plant Controls

- Dust/air-quality improvements through filtration/housekeeping
- spill-prevention and emergency readiness as part of HSE routines reviewed during monthly site tours

Employment Sustainability

Building capability, safety, and inclusion for long-term performance

02

Human Capital Profile (2025 YTD)

- 766 employees (271 Saudi / 495 non-Saudi)
- Saudization 40%
- 13 nationalities
- 5 female colleagues (0.7%)
- Turnover: 8.10% voluntary, 5.85% involuntary

Human Capital Development

- Structured learning pathways
- “Himmah 4” with the Saudi Electronics Institute (70 trainees) moved to assessment phase, aligned to plant needs.
- Digital learning: Udemy Business license utilization 98%, adoption 90%, 6,204.7 learning hours (~21 hours per active learner).
- 5 cooperative trainees; 5 training programs delivered; coverage across 8+ departments; 6 workshops/conferences.

University & TVET Partnerships

- Field visits and practical learning for King Saud University and Al-Quwayiyah Technical College—exposure to production lines, labs, quarries, and safety culture.

Performance & KPI Discipline

- Monthly executive reviews of departmental KPIs; redesigned performance management around plan-monitor-review cadence and results orientation.

Occupational Health & Safety

- Defensive-driving and first-aid training delivered; national OSH bodies (National Council for OSH, Esnad)
- reviewed standards, PPE use, evacuation, blasting controls, and dust/emissions management.

Inclusion & Accessibility

- Mowaamah Certification obtained—accessible, inclusive workplace aligned with national standards.

Digital Workplace Enablement

- Launch of a Unified Internal Digital Platform to streamline employee access to content/services and modernize daily workflows.

Health Campaigns

- Seasonal influenza vaccination across HQ and plants
- blood-donation campaign aligned with Ministry of Health drive.

Community Sustainability

Creating shared value with the communities we serve

03

Strategic Community Programs

- Cement support for mosque project (Urawa Governorate)
- 10,000 seedlings delivered to Arwa Charity Association
- multi-agency volunteer planting

Religious & Cultural Partnerships

- Agreement with Mubeen Quran Memorization Association to run circles in the residential complex
- Ramadan Iftar participation on Social Responsibility Day
- Eid gatherings to foster cohesion.

Afforestation Season

- Joint activities with National Center for Vegetation Cover and the National Afforestation Program—on-site plantings, nursery visits, and guidance on species suited to industrial environments.
- December 2025 distributions: 56,000 seedlings across municipal and NGO partners (part of the 2025 nursery output noted above).

Clients & Market Relationships

- Distinguished-clients ceremony
- continuous on-site CEO tours reinforce responsiveness, operational transparency, and partnership culture.

International Collaboration

- Engagements with VDMA/AHK and participation at the 28th Arab International Cement & Building Materials Conference to share sector best practice and sustainability trends.

Recognition

- CSR Award 2025 (second consecutive year)
- acknowledgments at SIDF “Towards a Sustainable Industrial Future” event.

Quality Sustainability

Assuring product quality, compliance, and reliability end-to-end

04

Quality Governance & Certification

- SASO-GSO compliance and ISO 9001:2015 QMS maintained
- integration with energy/asset/information management certifications (e.g., ISO 50001, 55001, 56001, 27001).

Grinding & Material-Handling Upgrades

- **Bucket elevators replacing air lifts (two Raw Mills 550 TPH each;**
 - two Preheaters 450 TPH each
 - two Cement Mills 400 TPH
 - 7th elevator 400 TPH ongoing) to improve reliability and reduce power use
- **Roller presses**
 - CM L2 200 TPH
 - CM L3 60 TPH
 - Raw L1&2 450 TPH (pre-tender).

Operational Discipline (“7S” & S7 System)

- Regular field reviews of 7S/housekeeping and S7 control progress in raw-mill areas; measurable gains in productivity and waste reduction.

Digital Quality & Control Rooms

- “Industrial Beacons” initiative and The First Light centralized control room integrate operations, quality, and maintenance for real-time decision-making.

Reliability & Availability Outcomes

- Modernization projects target fewer stoppages, higher availability, better energy per ton, and more predictable supply for giga-projects

Public Relations Sustainability

Embedding sustainability in how we communicate, educate, and advocate

05

Governance & Frameworks

- Launch of ESG Framework & Systems Project with NCV Net Carbon Vision
- builds the Sustainability Roadmap and supports RCC’s first stand-alone ESG report.

Investor Transparency

- Launch of Investor Relations Portal with real-time data, reports, investment calculator, and share/market tools—raising disclosure quality and accessibility

Stakeholder Events & Recognition

- Official sponsorship at the International Exhibition for Construction & Sustainable Building
- CEO recognized Top Cement CEO 2024 (Argaam Awards) and Arab Professional Excellence Award 2025
- RCC ranked among Top-10 “Factories of the Future.”

Policy Engagement & Carbon Markets

- Exploratory meeting with the Regional Voluntary Carbon Market Company to understand participation pathways aligned with RCC’s decarbonization plan.

Media & Issues Readiness

- Coordinated channels and trained spokespeople for accurate, responsible communications, supported by monthly site reviews that surface performance and project milestones

ESG Initiatives and Targets for 2026

In 2025, Riyadh Cement launched the ESG Framework & Systems Project and signed the Sustainability Project Agreement with NCV (Net Carbon Vision) to build a sustainability roadmap and enable data-driven reporting. The project is underway with completion planned in 2026; deliverables include a stand-alone ESG Report aligned with recognized global standards and integrated dashboards for performance tracking.

We also enhanced transparency by launching a modern Investor Relations Portal that provides real-time access to financial data and reports, reinforcing disclosure and governance.

Environmental — Low-Carbon and Circular Operations

Power Transition and Energy Efficiency Grid Connection & Substation (LFDP)

Build a 33/11 kV, 92 MW grid station to replace captive liquid-fuel generation; currently at tender stage with planned completion 31-Dec-2026.

2026 target: Energize the new substation and complete grid tie-in by 31-Dec-2026.

Solar PV (PPA)

30 MW solar project under a PPA model; in tender with planned completion 31-Oct-2026.

2026 target: Execute the PPA and commence supply in line with the 31-Oct-2026 milestone.

Waste-Heat Recovery (ORC)

11.17 MW (net) Organic Rankine Cycle plant; agreement signed (Simona Energy); under commissioning with planned completion 31-Dec-2025 for handover.

2026 focus: Operate the commissioned facility in line with post-handover ramp-up; operational KPIs to be finalized in Q1-2026 following performance testing.

Fuel Switch to Natural Gas (LFDP)

Plant-wide conversion (gas station, pipeline network, new burners for all three lines); tender stage with planned completion 31-Dec-2027.

2026 milestone: Maintain procurement and construction schedule; target EPC award in 2026 and completion of detailed design/long-lead procurement per LFDP plan.

Material-Handling Modernization (Energy Efficiency)

Six high-efficiency bucket elevators completed (raw mills, preheaters, cement mills); the 7th elevator (400 TPH) is ongoing with planned completion 31-May-2026.

Complementary roller presses are in pre-tender (CM-L2 200 TPH, CM-L3 60 TPH, Raw L1&2 450 TPH) with completions in 2027.

2026 target: Complete the 7th elevator by 31-May-2026; advance roller-press awards per the capex schedule.

Circular Economy and Industrial Integration

Iron-Slag Utilization

Experience showcased at Cityscape – Malham with Mawan; MoU with Rassas (National Lead Smelting Co.) to activate circular initiatives.

2026 focus: Sustain the iron-slag circularity program; substitution and quality protocols to be set in Q1-2026 based on process trials.

Environmental Governance and Standards

Riyadh Cement maintains ISO 50001:2018 (Energy Management) and ISO 27001:2013 (Information Security); in 2025, also achieved ISO 56001:2024 (Innovation Management) and ISO 55001:2024 (Asset Management).

2026 focus: Maintain certifications and integrate ESG data controls under the ESG Systems Project; define data lineage, roles, and audit trails for all material environmental KPIs by mid-2026.

Social — People, Safety and Community

Occupational Health & Safety

Defensive-driving and first-aid training delivered in late-2025; national OSH bodies (National Council for OSH and Esnad) reviewed PPE, evacuation, quarry blasting controls, and dust/emissions management during an official visit.

2026 targets:

Conduct a minimum of 12 emergency drills across plants and key facilities. Deliver 2,500 HSE training hours. Maintain zero Lost Time Injuries (LTI).

Inclusion and Accessible Workplaces

Mowaamah Certification obtained, confirming an inclusive and accessible workplace.

2026 targets:

Maintain certification and close high-priority accessibility actions identified in the audit (tracking via quarterly reviews).

Capability Development and Education Partnerships

“Himmah 4” with the Saudi Electronics Institute entered assessment for 70 trainees; field learning continued with King Saud University and Al-Quwayiyah Technical College.

2026 targets:

Graduate ≥ 70 Himmah trainees and extend structured on-the-job learning to ≥ 50 employees across core operations.

Workforce Well-being

Seasonal influenza vaccination campaign delivered; Company events reinforced cohesion (Ramadan Iftar, Eid gathering, appreciation of industrial security personnel).

2026 targets:

Achieve ≥ 90% vaccination coverage among eligible employees and run two Company health-awareness campaigns.

Community Investment

Cement support for a mosque project in Urawa; participation in the Ministry’s Social Responsibility Day; CSR Award 2025 (second consecutive year).

2026 targets:

Reach ≥ 3,000 direct community beneficiaries through structured programs. Align strategic donations to documented local needs with quarterly impact summaries.

Governance — Systems, Disclosure and Digital Excellence

ESG Governance and Reporting

ESG Framework & Systems Project with NCV Net Carbon Vision is ongoing with planned completion 7-Mar-2026; outputs include a sustainability roadmap and an ESG report aligned with recognized standards.

2026 targets:

Publish the ESG Report by Mar-2026 and operate ESG dashboards (Board and Executive views) with quarterly updates from Q2-2026.

Transparency and Investor Communications

Investor Relations Portal launched to strengthen transparency and reliability with real-time data and tools.

2026 targets:

Integrate ESG highlights and KPI snapshots into the portal; track investor-engagement metrics (e.g., page views, downloads, response time) with a baseline in H1-2026 and improvement plan for H2.

Digital Operations (Industry 4.0)

The Company’s digital transformation—Industrial Beacons and The First Light centralized control room was highlighted during leadership field visits, alongside monthly KPI reviews and continuous 7S improvement. A Unified Internal Digital Platform was launched in 2025.

2026 focus:

Extend predictive monitoring to 100% of critical assets, embed monthly KPI cadence across all units, and reduce unplanned downtime by ≥ 10% versus 2025.

PEOPLE AND SOCIETY

Our People

Developing our Workforce

At Riyadh Cement, people are the engine of safe, reliable, and efficient operations. In 2025 we continued to align human capital with plant priorities and promotion paths, making capability building and performance discipline core to our operating model. Our Skills Development Center anchors technical, safety, and managerial learning for job families across production, control-room operations, quality laboratories, quarry & mining, maintenance, and reliability. Digital learning scaled materially through Udemy Business (high license utilization and adoption), while core technical modules remained 100% face-to-face to ensure hands-on mastery and rapid transfer to the line.

Employee Headcount (2025 YTD)

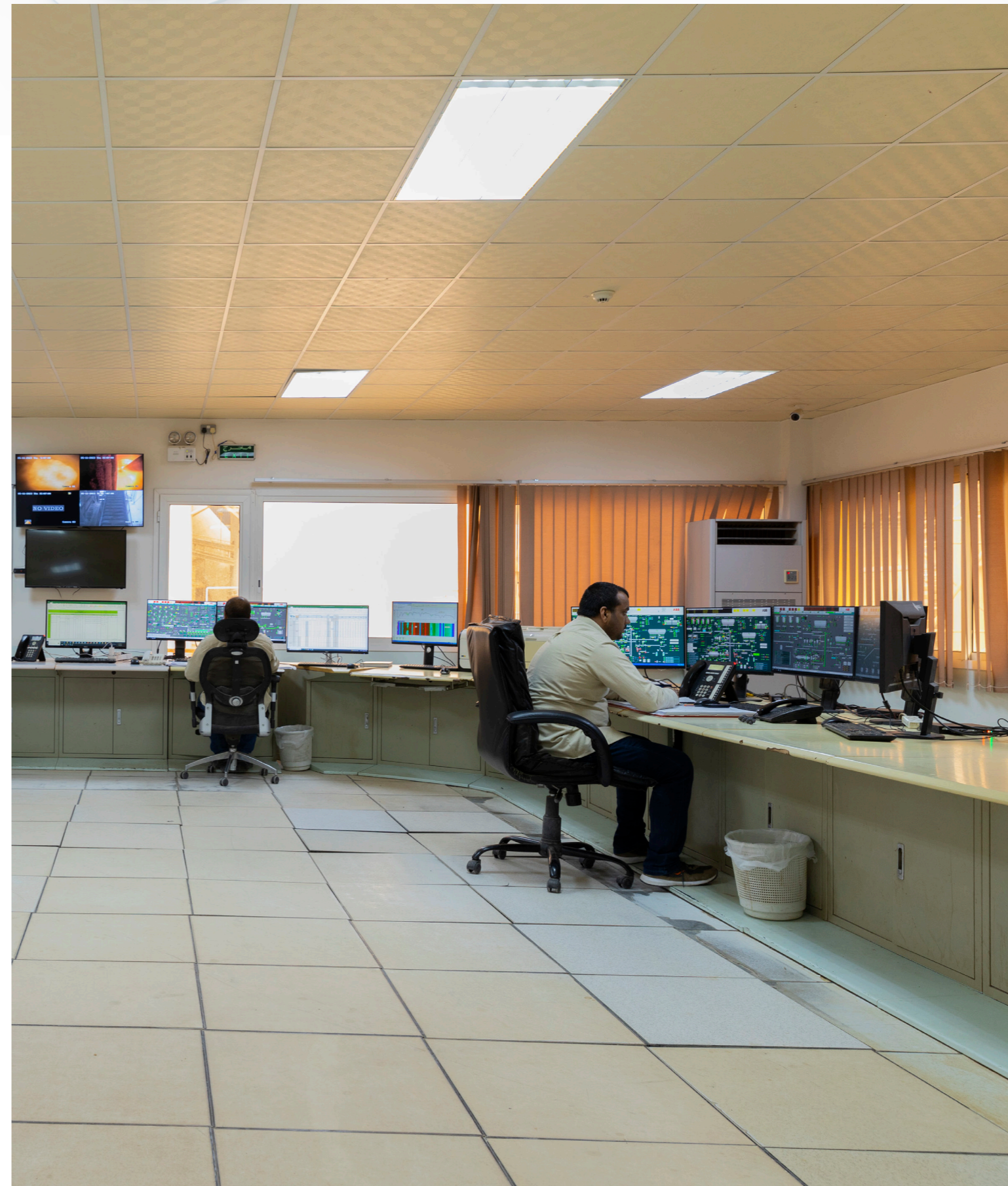
Female employees	Male employees	Total headcount
5 (0.7%)	761	766

Saudization

40% 271 Saudi, 495 non-Saudi

Nationality Mix (13)

Nepal	Egypt	Bangladesh	India	Pakistan	Philippines	Saudi
25	36	42	89	124	129	271
	Sri Lanka	Tanzania	Palestine	Jordan	Sudan	Yemen
	1	1	2	6	17	23



New Hires and Turnover (2025 YTD)

Involuntary turnover

5.85%

Voluntary turnover

8.10%

Saudization (2025 YTD)

Overall Saudization rate

40%

Non-Saudi nationals

495

Saudi nationals

271

Our pipeline focuses on building Saudi technical depth for shift leadership, control-room operations, quality, quarry & mining, and reliability functions through structured rotations and buddying on the line.

Transforming Human Resources for Strategic Impact

During 2025, Human Resources operated as a performance partner to Operations and HSE, aligning capability building with plant needs and promotion paths. Workforce planning mapped the roles most critical to safe, reliable output—shift leadership, control-room operations, quality laboratories, quarry & mining, and reliability engineering—and sequenced learning and on-the-job rotations accordingly. The Skills Development Center remained the engine of this approach, connecting classroom learning to simulator/control-room practice and line-side execution. Digital learning complemented face-to-face delivery: Udemy Business licenses reached 98% utilization with 90% user adoption, delivering 6,204.7 digital learning hours (approximately 21 hours per active learner). Performance management emphasized clear objectives, supervisor coaching, and standardized SOPs so that training translated into measurable outcomes on the floor

Riyadh Cement Skills Development Center

The Center anchors technical, safety, and managerial development for job families across production, maintenance, quality, quarry & mining, and reliability. In 2025 all core technical modules were delivered 100% face-to-face across 8+ departments, supported by 5 formal programs and 6 technical workshops/conferences used to codify best practice, refresh SOPs, and standardize troubleshooting and shutdown procedures. Knowledge transfer is embedded in the operating model: experienced specialists provide structured buddying and line-side coaching linked to departmental gap analyses and the Himmah rotations, ensuring continuity while national talent accelerates.

Driving National Talent Development

Riyadh Cement continued to invest in pathways that prepare Saudi nationals for skilled roles in cement manufacturing. Himmah 4 at the Saudi Electronics Institute (Diriyah) advanced to the assessment phase with 70 trainees; the program has achieved 100% completion across phases to date. University and TVET partnerships—most notably with King Saud University and Al-Quwayiyah Technical College—delivered structured plant-based learning; 5 cooperative trainees were hosted for practical assignments aligned to production and reliability priorities. On-site mentorship, supervisor coaching, and rotation planning connect graduates to real responsibilities with clear criteria for progression into shift leadership and control-room positions.



Safety, Health and Performance

Zero-harm culture

Riyadh Cement recorded 3,626,304 accumulated safe man-hours in 2025 with zero LTIs, supported by targeted defensive-driving and first-aid training, leadership safety walk-downs, and contractor alignment.

External checks.

The site was reviewed by the National Council for Occupational Safety and Health together with Esnad, covering PPE compliance, evacuation drills, blasting controls, and dust/emissions management reinforcing adherence to national standards and continuous improvement in operational controls.

Well-being.

A Company-wide seasonal influenza vaccination campaign was completed across headquarters and plants to promote workforce health and resiliency during peak seasons.

Inclusion and Accessibility

Mowaamah Certification (Dec-2025)

Facilities and practices were confirmed accessible and inclusive, reinforcing equal-opportunity hiring, reasonable accommodations, and barrier-free workplace design. HR audits focus on job-fit and accommodation plans so that qualified candidates can perform safely and effectively in technical and administrative roles.



Our Corporate Social Responsibility

Elevating our Communities and Nation

As a national industrial company, we aim to create tangible, lasting value in the communities where we operate. In 2025, Riyadh Cement advanced environmental stewardship and community well-being through initiatives aligned with Vision 2030 and local priorities. Our nursery delivered 10,000 seedlings to Arwa Charity Association for community planting, while our agreement with Wasm Environmental Association provides for planting 1,000 Arta trees in King Abdulaziz Royal Reserve. During the National Afforestation Season, we hosted teams from the National Center for Vegetation Cover and the National Afforestation Program for on-site plantings, nursery tours, and technical exchanges on native species and desertification control. We also supported community infrastructure by supplying cement for a mosque project in Urawa Governorate. Health and solidarity programs included a company-wide seasonal influenza vaccination campaign and participation in Ramadan Iftar and Eid gatherings that strengthen social cohesion among employees and families. Riyadh Cement received the CSR Award 2025 from the Ministry of Human Resources and Social Development for the second consecutive year, recognizing consistent community impact and environmental engagement.

Investing in the Future of Saudi Talent

Our CSR agenda prioritizes education-to-employment pathways for local youth. Himmah 4 at the Saudi Electronics Institute (Diriyah) progressed to the assessment phase with 70 trainees, achieving 100% completion across phases to date. We hosted structured field-learning visits for King Saud University and Al-Quwayiyah Technical College, and welcomed five cooperative trainees for plant-based assignments. These partnerships bridge classroom learning with real industrial practice preparing candidates for technical roles across production, control-room operations, quality, quarry & mining, and reliability. Knowledge sharing extended beyond academia. We hosted a delegation from VDMA/AHK to exchange insights on sustainability and advanced manufacturing and participated in the International Exhibition for Construction & Sustainable Building and SIDF's "Towards a Sustainable Industrial Future" event—platforms that helped amplify best practice and highlight the circular-economy potential of industrial by-products.



Afforestation & Biodiversity Nursery Program (2025)

Seedlings produced
101,500 7 native species

To support urban greening, reduce dust, and enhance biodiversity in arid conditions through resilient species and planned distribution.

Production by Species

Species	Qty
Sidr	30,500
Talh Najdi	31,000
Ghaf	9,000
Qard	15,000
Acacia saligna	6,000
Talh Malhi	4,500
Acacia glauca	5,500
Total	101,500

Distribution (Dec-2025)

Partner / Location	Qty
East Riyadh Municipality	30,000
Arwa Charity Association	10,000
Al-Muzahimiyah Club	10,000
RCC factory & housing	6,000
Total distributed	56,000

CSR Snapshot

Seedlings produced
101,500 (7 species)

Seedlings distributed (Dec-2025)
56,000 to 4 partners

Himmah trainees
70 phases completed 100%

Co-op trainees hosted
5

Digital learning hours
6,204.7 (utilization 98%, adoption 90%)

Training delivery

8+ departments **8+** departments **6** workshops **5** programs

100% face-to-face for core technical modules

05

Governance

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Corporate Governance Overview

Riyadh Cement Company (“RCC”) operates under a robust governance framework designed to meet the requirements of the Saudi Capital Market Authority (CMA) and the Saudi Exchange (Tadawul). The Board maintains clear oversight of strategy, performance, risk, and control, delegating detailed oversight to its standing committees while retaining full accountability. In 2025 the Company strengthened transparency through continuous regulatory disclosures and shareholder communications aligned to Main Market standards, including Ordinary General Assembly outcomes, the constitution

of the Board and its committees for the 2025–2028 term, and the Board’s decision to distribute an interim cash dividend for H1-2025.

RCC embeds integrity and compliance through documented policies and secure reporting channels. The whistleblowing program accessible through designated, confidential channels, protects confidentiality and enables escalation to the Audit Committee when appropriate.

Capital allocation is guided by a Board-approved dividend policy aimed at reliable, disciplined distributions. In 2025 the Board, under OGA authorization, adopted a semi-annual cadence and declared an interim cash dividend for H1-2025.

Compliance Statement and Corporate Governance Framework

Compliance Statement

RCC confirms that all mandatory provisions of the Corporate Governance Regulations issued by the CMA have been applied. RCC is committed to applying the highest standards and leading professional practices in corporate governance and to fostering a culture of compliance grounded in integrity and honesty across all of its professional activities. The Company focuses on embedding disclosure and transparency in all events and activities across its core business segments. RCC also affirms its constant commitment to all laws, regulations, and directives issued by the competent authorities relevant to the Company’s business and activities, thereby safeguarding its reputation and credibility and strengthening shareholder confidence in its successful approach; fully aligned with the standards of efficiency, quality, and excellence. This Corporate Governance Report has been prepared and published in accordance with the Corporate Governance Regulations issued by the Capital Market Authority, as amended.

Corporate Governance Framework

- ◆ **Board of Directors**
 Provides strategic leadership and oversight of performance, risk, and internal control.
- ◆ **Audit Committee**
 Oversees financial reporting integrity, risk assessment, internal control, and the internal audit function, receiving all Internal Audit reports and escalating outcomes to the Board.
- ◆ **Nomination & Remuneration Committee**
 Manages Board/Executive nominations, succession, and remuneration; also oversees corporate governance procedures and CGR compliance.
- ◆ **Whistleblowing & Stakeholder Channels**
 Confidential portal/email for reporting; IR contact for investors.
- ◆ **Dividend Policy**
 Semi-annual distribution model, subject to OGA authorization and prudent capital stewardship



Disclosure According to Regulations

All mandatory provisions of the Corporate Governance Regulations have been implemented.

Article No.	28	39	41	54(B)	70	71	72	76	77	88	89 (3)	95
Article / Clause	Board composition / independence parameters (advisory elements)	Board evaluation (advisory)	Board responsibilities (advisory sub-clauses)	Audit Committee – specific sub-clause	NRC formation/ mandate details	NRC responsibilities	NRC meetings	Stakeholder / disclosure provisions	Stakeholder / disclosure provisions	Disclosure & transparency provisions	Disclosure detail (sub-article)	Governance reporting provisions
Reason for Non-Application	Advisory; applied when/ if mandatory or appropriate to RCC's scale and operations.	Advisory; to be implemented if mandated.	Advisory; current charters address mandatory items; enhancements under review.	Advisory; duties performed; enhancements considered as needed.	Advisory; covered by existing NRC charter.	Advisory; responsibilities performed under current charter.	Advisory; cadence set by Board.	Advisory; applied where practicable.	Advisory; applied where practicable.	Advisory; applied where practicable.	Advisory; applied where practicable.	Advisory; applied where practicable.

Note

The Audit Committee continues to study and assess risk matters; the Board has not formed a separate Risk Committee as the relevant CGR provisions remain advisory. Internal Audit reports are presented to the Audit Committee and its Chairman; overall outcomes are submitted to the Board.

BOARD OF DIRECTORS

To ensure directors

especially Non-Executives, are fully apprised of shareholder perspectives, the Company operates a structured investor-communications. Shareholder inquiries, proposals, and complaints are captured through the IR mailbox and web portal; AGM notices, results, and dividend timetables are posted on the Company website and the Saudi Exchange (Tadawul). A confidential whistleblowing channel complements these touchpoints and is available to all stakeholders.

Information gathered is consolidated into periodic Board reports circulated ahead of each meeting and, when material, on an ad-hoc basis highlighting themes, volumes, and resolution status. The Chairman, Committee Chairs, and Non-Executive Directors receive concise dashboards covering market disclosures, analyst feedback, and shareholder engagement metrics, enabling independent challenge and timely follow-up with management.

Board Composition

Chairman of the Board



Mr. Salah bin Rashed Al Rashed
Chairman of the Board
Non-Executive

Vice Chairman



Eng. Khaled bin Abdullah Al Molhem
Vice Chairman
Non-Executive

Board Member



Dr. Fahd Saleh Hamad Al-Humaidah
Board Member
Independent



Mr. Fahad bin Hizam Al Nabit
Board Member
Non-Executive



Mr. Abdullah bin Ateeq Al Fawaz
Board Member
Independent



Eng. Mohammed bin Khalifa Al Mulhem
Board Member
Independent



Dr. Nasser bin Fadl Aqeel
Board Member
Non-Executive

Meetings of the Board of Directors

The Board of Directors held 5 meetings during 2025, and attendance was as follows

Name	1st Meeting 21/01/2025 (Minutes No. 116)	2nd Meeting 17/04/2025 (Minutes No. 117)	3rd Meeting 05/08/2025 (Minutes No. 118)	4th Meeting 22/10/2025 (Minutes No. 119)	5th Meeting 15/12/2025 (Minutes No. 120)	Attendance Rate
Mr. Salah bin Rashed Al-Rashed	Present	Present	Present	Present	Present	%100
Eng. Khaled bin Abdullah Al-Molhem	Present	Present	Present	Present	Present	%100
Dr. Nasser bin Fadl Aqeel	Present	Present	Present	Present	Present	%100
Eng. Mohammed bin Khalifa Al-Mulhem	Present	Present	Present	Present	Present	%100
Mr. Abdullah bin Ateeq Al-Fawaz	Present	Present	Present	Present	Present	%100
Mr. Fahad bin Hizam Al-Nabit	Present	Present	Present	Present	Present	%100
Dr. Fahd Saleh Hamad Al-Humaidah	—	—	Present	Present	Present	%100
Eng. Shoeil Jarallah Al Ayed	Present	Present	—	—	—	%100



General Assemblies of Shareholders

Name	Position (at OGA date 17/04/2025)	Ordinary General Assembly Meeting 17/04/2025	Ordinary General Assembly Meeting
Mr. Salah bin Rashed Al-Rashed	Chairman of the Board	Attended	—
Eng. Khaled bin Abdullah Al-Molhem	Vice Chairman	Did not attend	—
Dr. Nasser bin Fadl Aqeel	Board Member	Attended	—
Mr. Fahad bin Hizam Al-Nabit	Board Member; NRC Chairman	Attended	—
Eng. Mohammed bin Khalifa Al-Mulhem	Board Member	Attended	—
Mr. Abdullah bin Ateeq Al-Fawaz	Board Member; Audit Committee Chairman	Attended	—
Eng. Shoeil Jarallah Al Ayed	CEO	Attended	—

Note:

Meeting held via modern technology; shareholders' attendance 63.59%.

Election of Board members for the new term 15/06/2025-14/06/2028

01 Salah Rashed Al-Rashed

02 Eng. Khalid Abdullah Al-Mulhem

03 Dr. Naser Fadl Aqeel

04 Mr. Fahd Hizam Al-Nabit

05 Mr. Abdullah Ateeq Al-Fawaz

06 Eng. Mohammad Khalifa Al-Mulhem

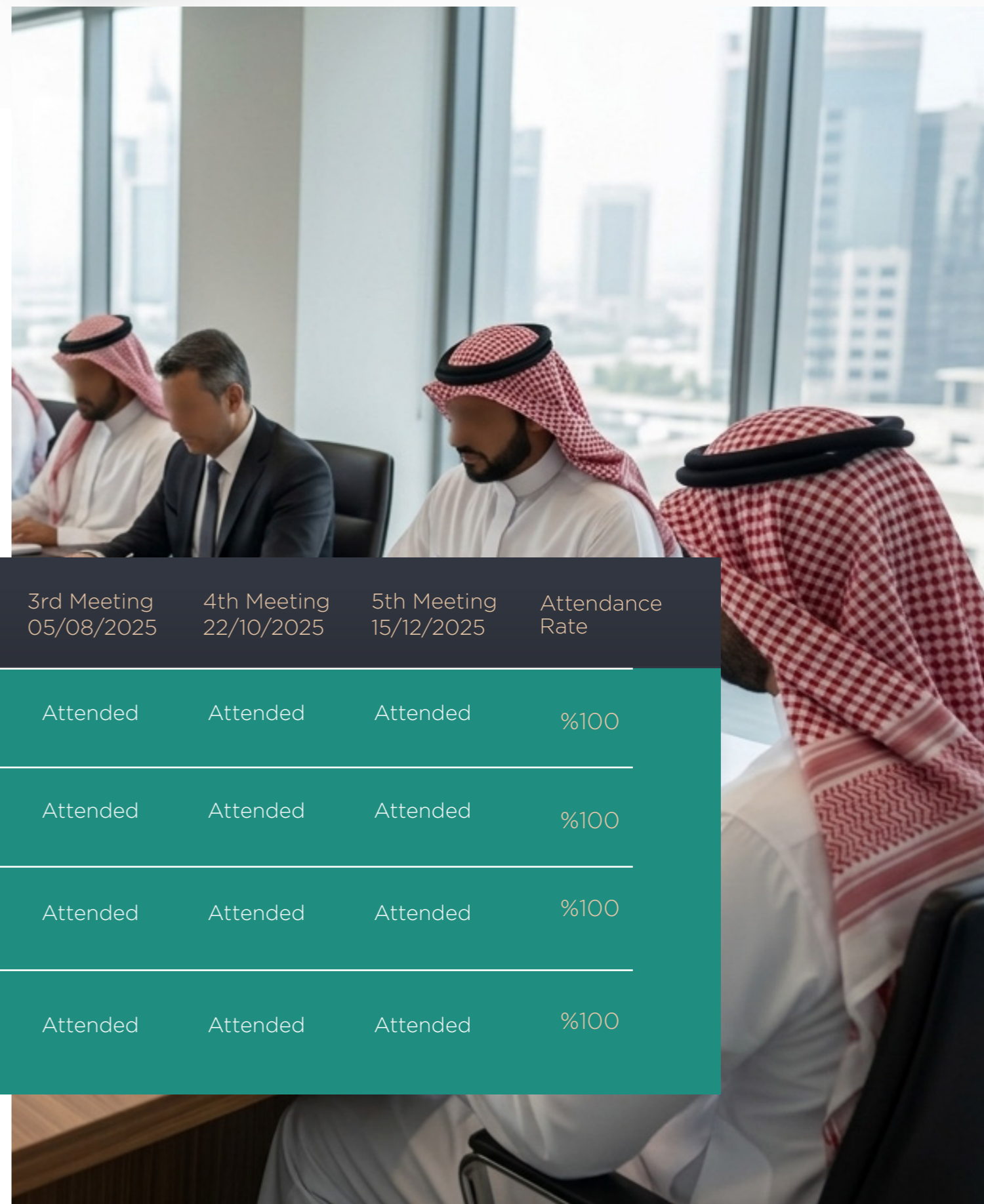
07 Fahad Al-Humaidah

BOARD COMMITTEES

Audit Committee

Meetings

During financial year 2025, the Audit Committee held five duly convened meetings. All members attended each meeting



Name	Position	1st Meeting 21/01/2025	2nd Meeting 17/04/2025	3rd Meeting 05/08/2025	4th Meeting 22/10/2025	5th Meeting 15/12/2025	Attendance Rate
Dr. Fahd Saleh Hamad Al-Humaidah	Board Member (Independent)	Attended	Attended	Attended	Attended	Attended	%100
Dr. Abdullah Saghir Al-Husseini	Member (from outside the Board)	Attended	Attended	Attended	Attended	Attended	%100
Mr. Mohammed Abdulaziz Al-Shaya	Member (from outside the Board)	Attended	Attended	Attended	Attended	Attended	%100
Mr. Abdullah bin Ateeq Al-Fawaz	Board Member (Independent)	Attended	Attended	Attended	Attended	Attended	%100

Mandate and scope

Under its Board-approved charter and in alignment with CMA CGR, the Committee oversees: (i) the preparation and fair presentation of interim/annual Financial Review; (ii) effectiveness of ICFR and Internal Audit coverage; (iii) independence, qualifications, performance and fees of the external auditor; and (iv) significant policies, estimates, judgments and any unusual transactions. It monitors management's responses and the timely closure of audit observations.

The Audit Committee is responsible for overseeing the company's activities and ensuring the accuracy and integrity of its financial reports, Financial Review, and internal control systems. The key duties and responsibilities are summarized as follows:

Results of the annual review of the effectiveness of the Company's internal control procedures, and the Audit Committee's opinion on the adequacy of the Company's internal control system:

Audit Committee's opinion on the adequacy of the Company's internal control system:

The Company's Internal Audit Department carries out continuous operational audit activities to verify the effectiveness and efficiency of the internal control system and procedures in safeguarding the Company's assets, assessing the risks of the Company's internal control framework, and submitting any recommendations to the Board of Directors that would enhance the system in a manner that achieves a positive impact for the Company and efficiently protects the interests of the Authority to a high standard.



Audit Committee's opinion on the adequacy of the Company's internal control system:

Based on the annual audit plan approved by the Audit Committee, the Company's Internal Audit Department conducts periodic review and examination of the Company's departments, including the Company's internal control system. Based on the results of the review and examination procedures performed during the year 2022 and prior years, the Audit Committee's assessment of the Company's internal and financial control systems and controls did not identify any material weakness. The assessment also indicated that the implementation of internal control procedures is operating effectively. On the other hand, the external auditor typically performs an evaluation of the internal control system as part of the audit of the Company's annual Financial Review, and the Company enables the external auditor to review all documents, systems, policies, procedures, Audit Committee meeting minutes, and Internal Audit Department reports for the period / financial year under examination.

Recommendations of the Audit Committee that conflict with Board of Directors' resolutions, or that the Board declined to adopt, regarding the appointment of the Company's external auditor and determination of the auditor's fees and performance evaluation, or the appointment of the internal auditor, together with the justifications for such recommendations and the reasons for not adopting them.

There is no conflict between the Audit Committee's recommendations and the Board of Directors' resolutions, and the Board of Directors has not declined to adopt the Audit Committee's recommendations regarding the appointment or dismissal of the Company's external auditor, the determination of the auditor's fees and performance evaluation, or the appointment of the internal auditor.

Composition and independence

Audit Committee comprised three members with relevant financial expertise: Dr. Fahd S. H. Al-Humaidah (Independent Board member) and Dr. Abdullah S. Al-Husseini & Mr. Mohammed A. Al-Shaya (both from outside the Board).

Working practices & key matters

Agendas and pre-reads (management reports, IA deliverables, draft FS, auditor materials) were circulated in advance; an action tracker monitored open items to closure; closed sessions with the external auditor were held where appropriate. Key work covered interim/annual FS reviews, IA plan & coverage, follow-up on ICFR observations, and RPT/compliance topics.

Nomination & Remuneration Committee NRC

Meetings

The NRC held two duly convened meetings during 2025. All members attended each meeting

Name		Meeting 1 2025	Meeting 2 2025	Attendance
Eng. Mohammed bin Khalifa Al-Mulhem	Committee Chairman (Independent – Board)	—	Attended	%100
Mr. Salah bin Rashed Al-Rashed	Member (Non-Executive – Board)	Attended	Attended	%100
Eng. Khaled bin Abdullah Al-Melhem	Member (Non-Executive – Board)	Attended	Attended	%100
Mr. Fahad bin Hizam Al-Nabit	Member (Non-Executive – Board)	Attended	—	%100

Mandate and scope

The NRC supports the Board on nominations (Board/Senior Management), succession for critical roles, remuneration philosophy/policy & disclosure for Directors/Committees/Senior Executives, and periodic assessments of Board & executive effectiveness, independence, and skills mix in line with strategy and regulations.

The most important duties and responsibilities are summarized as follows:

- Recommending to the Board of Directors nominations for membership of the Board.
- Reviewing the structure of the Board of Directors and conducting an annual review of members' capabilities and qualifications, and submitting recommendations on changes that may be made.
- Establishing clear policies for the remuneration of Board members and senior executives based on performance-linked criteria.
- Ensuring the independence of independent members and the absence of conflicts of interest.
- Preparing the remuneration policy for the Board committees and executive management and submitting it to the Board of Directors.

Remuneration policy and the relationship between remuneration granted and the remuneration policy in force:

- An amount of 300,000 Saudi riyals is granted annually to each Board member, and executive management is granted annual bonuses commensurate with the effort exerted and the extent of commitment to achieving the Company's objectives, after approval by the Board of Directors.
- Remuneration was granted in accordance with the mechanism in force, and there were no material deviations from this mechanism.

Note

In 2025, Mr. Mohammed bin Khalifa Al-Mulhem was appointed NRC Chairman in place of Mr. Fahad bin Hizam Al-Nabit.



BOARD AND EXECUTIVE MANAGEMENT PROFILE

Composition & Committee Memberships (2025–2028 Term)

Name	Role	Classification	Committee Memberships
Mr. Salah bin Rashed Al-Rashed	Chairman	Non-Executive	Nomination & Remuneration Committee – Member
Eng. Khaled bin Abdullah Al-Molhem	Vice Chairman	Non-Executive	Nomination & Remuneration Committee – Member
Dr. Nasser bin Fadl Aqeel	Board Member	Non-Executive	—
Eng. Mohammed bin Khalifa Al-Mulhem	Board Member	Independent	Nomination & Remuneration Committee – Chairman
Mr. Abdullah bin Ateeq Al-Fawaz	Board Member	Independent	—
Mr. Fahad bin Hizam Al-Nabit	Board Member	Non-Executive	—
Dr. Fahd Saleh Hamad Al-Humaidah	Board Member	Independent	Audit Committee – Chairman

Committee members (non-directors)

01

Dr. Abdullah Saghir Al-Husseini
Audit Committee Member (external)

02

Mohammed Abdulaziz Al-Shaya
Audit Committee Member (external)



Mr. Salah bin Rashed Al-Rashed

Chairman (Non-Executive) and Nomination & Remuneration Committee Member

Academic qualifications

- ✓ Bachelor's in Civil Engineering, University of Washington, USA (1977).

Professional experience

- ✓ General Manager, Rashid Al Abdulrahman Al-Rashed & Sons Company (1977-present).
- ✓ Chairman, Board of Directors, Riyadh Cement Company (2016-present)

Memberships in other boards

- ✓ Chairman: Arab National Bank (2017-present); Technical Investments Co. (2016-present); Al-Rashed A. Betong Co. (2015-present); Trade & Contracting Co. (2016-present); Golden Chicken Farms Co. (2013-present); Saudi Electrical Business Services Co. (2013-present); Care & Medical Sciences Co. (2015-present); Al-Rashed & Al-Omran Co. (1970-present).
- ✓ Board Member: Gulf Applications Co. (2007-present); Imdad Solutions for Information Technology (2014-present); Al-Yamama Medical Co. (2010-present); Al-Malz Financial Co. (2008-present).



Eng. Khaled bin Abdullah Al-Melhem

Vice Chairman (Non-Executive) and Nomination & Remuneration Committee Member

Academic qualifications

- ✓ B.Sc. in Engineering Management, University of Evansville, USA (1981).
- ✓ B.Sc. in Electrical Engineering, University of Evansville, USA (1981).

Professional experience

- ✓ Vice Chairman, Board of Directors, Riyadh Cement Company (2016-present).
- ✓ General Manager, Saudi Arabian Airlines (2006-2014).
- ✓ Chief Executive Officer, Saudi Telecom Company (2001-2006).
- ✓ Vice President of Finance, Saudi Telecom Company (1998-2001).
- ✓ Chief Executive Officer, Almarai Dairy Company (1997-1998).
- ✓ Various senior positions, Saudi British Bank (SABB): Senior Manager – Retail Banking; Executive Director – Investment Banking; Regional Manager; Executive Director – Investment (1989-1997).
- ✓ Head of Task Force, Saudi Industrial Development Fund (1983-1989).
- ✓ Engineer, King Abdulaziz Airbase – Royal Saudi Air Force (1981-1983).

Memberships in other boards

- ✓ Board Member: MBC Group; Kadana Development and Real Estate; Al-Aqeer Development Co.; Al-Awwal Investment Co.



Mr. Fahad bin Hizam Al-Nabit

Board Member (Non-Executive)

Academic qualifications

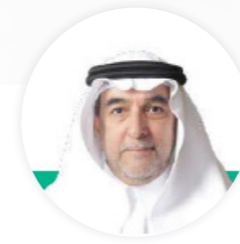
- ✓ Bachelor's in Law, King Saud University, Saudi Arabia (1992).

Professional experience

- ✓ General Manager: Heritage Buildings Company (2018-present); National Food Investment Company (1998-present); Mawarid Holding Company (1997-present).

Memberships in other boards

- ✓ None disclosed.



Dr. Nasser bin Fadl Aqeel

Board Member (Non-Executive)

Academic qualifications

- ✓ Ph.D., Civil Engineering, University of Colorado Boulder, USA (1989).
- ✓ M.Sc., Civil Engineering - Construction Engineering & Management, University of Colorado Boulder, USA (1985).
- ✓ B.Sc., Civil Engineering - Construction Engineering & Management, King Saud University, Saudi Arabia (1981).

Professional experience

- ✓ CEO, Riyadh Cement Company (1997-2016).
- ✓ General Manager, Riyadh Cement Company (2006-2011).
- ✓ Coordinator, Engineering Management Sector & Member, Training Board, Institute of Public Administration (1989-1995).
- ✓ Graduate Researcher, University of Colorado Boulder (1987-1989).
- ✓ Teaching Assistant, University of Colorado Boulder (1981-1982)

Memberships in other boards

- ✓ Chairman, Board of TOWA Development Company (to present)



Mr. Abdullah bin Ateeq Al-Fawaz

Board Member (Independent)

Academic qualifications

- ✓ Master's in Law, Indiana University (1988).
- ✓ Bachelor's in Law, King Saud University (1985).

Professional experience

- ✓ Legal Advisor, Expert Committee of the Council of Ministers (1988–2016).

Memberships in other boards

- ✓ Chairman, Board of Directors, Faza Industrial Company.



Eng. Mohammed bin Khalifa Al-Melhem

Board Member (Independent) and Nomination & Remuneration Committee Chairman

Academic qualifications

- ✓ Master's in Banking & Finance, Queen Mary University of London (2011).
- ✓ Bachelor's in Civil Engineering, Concordia University (2014).

Professional experience

- ✓ Civil Engineer, Aramco (2014–2017).
- ✓ Business Development Manager, Modular Concrete Buildings Systems Company (2017–present).

Memberships in other boards (independent, personal capacity)

- ✓ Al-Etefaq Steel Company; Advanced Petrochemical Company; Al-Jazeera Support Services Company.



Dr. Fahad Saleh Hamad Al-Humaidah

Board Member (Independent) and Audit Committee Chairman

Academic qualifications

- ✓ PhD in Financial Markets, University of Reading, United Kingdom (2015).
- ✓ Master's in Investment Management, University of London, United Kingdom (2005).
- ✓ Bachelor's in Financial Sciences, King Fahd University of Petroleum & Minerals, Kingdom of Saudi Arabia (2003)

Professional Experience

- ✓ Deputy Minister of Economy and Planning for Strategic Planning and Institutional Excellence (since May 2023 to date).
- ✓ Senior Advisor to the Minister of Economy and Planning (since November 2022).
- ✓ Advisor to H.E. the Minister of Finance, Director of the Advisory Department, and Head of the Advisory Team to H.E. the Minister of Finance (2017-2022).
- ✓ Held multiple positions at the Saudi Arabian Monetary Authority (SAMA) (now the Saudi Central Bank), including Investment Advisor and Head of Fixed Income and Alternatives (2006-2016).
- ✓ Board Member, Saline Water Conversion Corporation (2003-2004).
- ✓ Teaching Assistant and Assistant Lecturer, King Fahd University of Petroleum & Minerals (2003-2004).

Memberships in Other Boards (in a personal and independent capacity)

- ✓ Sustainability Holding Company — Board Member (Independent).
- ✓ National Center for Social Studies and Research — Board Member (Independent).



Dr. Sultan bin Saad Al-Owais

Secretary of the Board of Directors

Academic qualifications

- ✓ Ph.D. in Media (Public Relations), Imam Muhammad bin Saud Islamic University (2025).
- ✓ Master's in Media (Public Relations), IMSIU (2016).
- ✓ Higher Diploma in Business Administration, IMSIU (2012).
- ✓ Bachelor's in Media, King Saud University (2007)

Professional Experience

- ✓ Secretary of the Board of Directors, RCC (2023-present).
- ✓ Public Relations Manager, RCC (2023-present)
- ✓ Director of Media Affairs, Riyadh Municipality (2021-2023).
- ✓ Public Relations Manager, Municipal Council (2016-2021).
- ✓ Media Officer, Public Relations Department, Riyadh Municipality (2007-2016).

Memberships

- ✓ Board Member, Saudi Public Relations & Advertising Association (2023-present).

Audit Committee External Members' Profiles



Dr. Abdullah bin Sagheer bin Mohammed Al-Hussaini

Audit Committee Member (external)

Academic qualifications

- ✓ Ph.D. in Financial Accounting & Auditing, University of Kent (2015).
- ✓ Master's in Accounting, King Saud University (1997).
- ✓ Bachelor's in Accounting, King Abdulaziz University (1995).

Professional experience

- ✓ Professor of Accounting & Auditing — Dean, Prince Sultan University (2010–present).
- ✓ Financial Management / HR Management (2005–2010).
- ✓ Financial & Administrative Consulting — Zakat and Taxes (2000–2005).
- ✓ Accounting & Auditing roles (1990–2000).
- ✓ Chairman, Board of Directors, Faza Industrial Company (1437–1443 AH).

Memberships in other boards

- ✓ None disclosed.



Mr. Mohammed bin Abdulaziz bin Abdulrahman Al-Shaya

Audit Committee Member (external)

Academic qualifications

- ✓ Certified Internal Auditor (CIA), IIA (USA, 2003).
- ✓ SOCPA (Saudi Organization for Certified Public Accountants, 2000).
- ✓ CPA (AICPA, USA, 1999).
- ✓ Bachelor's in Accounting, Imam Muhammad bin Saud Islamic University (1990)
- ✓ Master's in Accounting, University of Illinois (1998).

Professional experience

- ✓ Chairman of the Board, SAB Takaful.
- ✓ Chief Executive Officer, Medgulf Insurance Company.
- ✓ General Manager, Supervision of Financing Companies, Saudi Central Bank (SAMA).

Memberships in other boards

- ✓ None disclosed

Executive Management



Eng. Shoeil Jarallah Al Ayed

Chief Executive Officer

Academic qualifications

- ✓ Master's in Engineering Management, Florida Institute of Technology (1985).
- ✓ B.Sc. in Physical Engineering, Jacksonville University (1983)
- ✓ B.Sc. in Electrical Engineering, Jacksonville University (1983).

Professional experience

- ✓ CEO, Riyadh Cement Company (2017-present).
- ✓ CEO, Sabic Steel (2013-2016).
- ✓ Vice President, Southern Cement Company (2010-2013).
- ✓ General Manager, Hif Southern Region (2007-2010).
- ✓ Distribution Engineering Manager, Saudi Electricity Company - Southern Region (2005-2007).
- ✓ Electrical Manager, Saudi Electricity Company - Asir Region (2003-2005).
- ✓ Distribution & Transmission Manager, Saudi Electricity Company - Asir Region (1987-2003).
- ✓ Project Engineer, Saudi Electricity Company (1985-1987).
- ✓ Chairman, National Steel Committee, Council of Saudi Chambers (2014-2016).

Other affiliations

- ✓ Vice Chairman, First Copper Company (2016-present).
- ✓ Board Member, Rummat Company (2023-present).
- ✓ Board Member, National Company for Metal Recycling (2013-2016).



Mr. Muhannad Muhammad Melhem

Chief Financial Officer

Academic qualifications

- ✓ Master's in Accounting, Arab Academy for Banking and Financial Sciences University (Jordan, 2006).
- ✓ Bachelor's in Accounting, Al-Zaytoonah University (Jordan, 2003).

Professional experience

- ✓ Director of Financial Management / CFO, Riyadh Cement Company (2018-present).
- ✓ Financial Manager, Umm Al-Qura Cement Company (2016-2018).
- ✓ Financial Manager, Northern Cement Company (2012-2016)
- ✓ Financial Manager, Fawaz Al-Hokair Company (2008-2012).



Eng. Girish Kumar

Plant Manager

Academic qualifications

- ✓ Executive MBA, CMJ University, India.

Professional experience

- ✓ 28+ years in cement and lime industry.
- ✓ Factory Manager, Riyadh Cement Company (2024-present)
- ✓ Former Head of Manufacturing at multiple global cement companies: ARM Cement; FLSmidth O&M; Kanodia; UltraTech Cement; Lafarge Cement; Ambuja Cement; Andhra Cement; Pioneer Cement; JP Cement.

Shareholder Matters, Ownership & Dividend Policy

Board Members' Share Ownership

Board Member	Shares at the beginning of the year 2024	Shares at the end of the year 2025	Change (shares)	Percentage
Mr. Salah bin Rashid Al-Rashed	27,856,198	27,856,198	0	0%
Eng. Khaled bin Abdullah Al-Melhem	2,275,675	2,275,675	0	0%
Dr. Nasser bin Fadl Aqeel	2,261,666	3,140,000	878,334	38.8%
Eng. Mohammed bin Khalifa Al-Melhem	25,176	25,176	0	0%
Mr. Abdullah bin Atiq Al-Fawzan	1,020,000	1,020,000	0	0%
Dr. Fahad Al-Humaidah	0	0	0	0%
Mr. Fahd bin Hizam Al-Otaibi	0	0	0	0%
Mr. Eng. Shoeil Jarallah Al Ayed	1,080,000	1,081,376	376	0.034%
Mr. Mohannad Mohammed Melhem	0	1510	1510	100%

Foreign Ownership Levels vs. Limits

49%

Foreign ownership limit
(per Tadawul/Argaam profile)

5%

Actual foreign ownership at 31 Dec 2025

Dividend Distribution Policy

The Company's annual net profits, after deducting all general expenses, other costs, and provisions for zakat, are distributed as follows:

- 01** Discretionary reserve (up to 5% of net profit).
The Ordinary General Assembly (OGA), based on a proposal from the Board of Directors, may allocate 5% of net profits to form a discretionary reserve to be used for purposes decided by the OGA.
- 02** Other reserves (as needed).
The OGA may also decide to create other reserves in a manner that benefits the Company or ensures the distribution of consistent dividends to shareholders.
- 03** Social/employee institutions.
The OGA may allocate amounts from net profits to establish social institutions for the Company's employees or to support existing institutions.
- 04** Minimum shareholder dividend (5% of paid-up capital).
After the allocations above, the remaining profits are first distributed to shareholders at 5% of the Company's paid-up capital.
- 05** Board compensation (10% of the remainder).
In accordance with Article 19 of the Company's Bylaws and Article 70 of the Companies Law, and after the allocations above, 10% of the remaining amount is dedicated as compensation for Board members; eligibility is proportional to the number of meetings attended by each member.
- 06** Distribution of any further remainder.
Any remaining profits may then be distributed in any manner decided by the OGA.
- 07** Interim dividends.
The Company may distribute interim dividends (annual, semi-annual, or quarterly) in accordance with Capital Market Authority guidelines, based on an OGA mandate authorizing the Board of Directors to distribute interim dividends.

Dividend Distribution Data for Fiscal Year Ending 31 Dec 2025

Announcement Date	Eligibility Date	Distribution Method	Distribution Date	Dividend Amount (SAR/share)	Total
15-12-2025	Date of the General Assembly meeting	To be determined later	To be determined later	0.60	72,000,000
5-08-2025	08-09-2025	Transfer to shareholders' accounts	18-09-2025	1.00	120,000,00
21-01-2025	17-04-2025	Transfer to shareholders' accounts	29-04-2025	1.25	150,000,00



Penalties or Violations

No penalties or violations were disclosed for Riyadh Cement Company on the Saudi Exchange website during 2025.

REMUNERATION DISCLOSURES AND RELATED PARTY TRANSACTIONS

Remuneration Policy

Riyadh Cement Company maintains a Board-approved compensation policy covering Directors, Board-Committee members, and Senior Executives. The policy is fixed-criteria based and aims to reward service responsibly while meeting the Saudi Companies Law and the CMA Corporate Governance Regulations.

Policy Implementation Mechanism

Board of Directors

- Attendance allowances**
 paid for Board meetings and for committee meetings attended by the Director (including any chair responsibilities). Amounts are set by the Board on NRC recommendation and disclosed in the annual "Statement of Rewards" tables
- Independence safeguard**
 Independent Directors' compensation is not linked to company profits or profitability measures; it is structured as fixed fees and allowances to preserve objectivity (CGR-consistent).
- Other elements (if applicable)**
 reasonable expense allowances and in-kind benefits related to official duties; any additional role-based stipends (e.g., Board/Committee chair) must remain within regulatory caps and be disclosed in the tables noted above.

Board Committees

- Committee service is compensated**
 via fixed committee fees (ex-attendance) plus meeting attendance allowances; chairs may receive higher fees reflecting added responsibilities. Amounts are approved by the Board following NRC recommendation and disclosed in the committee rewards table.

Senior Executives

- Pay comprises fixed salary**
 allowances/benefits, and performance-related elements (periodic/annual bonuses and incentive plans) approved by the Board. The NRC's mandate explicitly includes clear policies for senior-executive compensation based on performance-related criteria and market competitiveness.
- Executives (including the CEO)**
 receive compensation aligned with effort and the level of commitment to Company goals, per Board approval. No material deviations from the approved mechanism were disclosed in the prior year baseline.

Governance, approval & disclosure

- NRC prepares and recommends → Board approves → Ordinary General Assembly (OGA) ratifies** where required (e.g., Board bonuses), with per-director and per-committee disclosures in the Annual Report.

Regulatory compliance & limits

- All remuneration arrangements must comply with CMA Corporate Governance Regulations, Companies Law, and other competent-authority instructions;** totals must remain within regulatory caps and reflect arm's-length principles.

Board & Committee Remuneration

Board of Directors

Board members — Fixed remuneration

Notes:

- ✓ The term of Mr. Abdullah Atiq Al-Fawzan ended on 14-06-2025
- ✓ Dr. Fahad Saleh Hamad Al-Humaidah was appointed on 15-06-2025.
- ✓ Eng. Shuail bin Jarallah Al-Ayedserved as an executive Board member until 14-06-2025

Independent Members						
	A Specific Amount (SAR)	Allowance for attending Board meetings (SAR)	Total allowance for attending Committee meetings (SAR)	Non-monetary benefits (SAR)	Reward of the Chairman / Managing Director / Secretary (if any) (SAR)	Total (SAR)
Eng. Mohammed bin Khalifa Al-Melhem	300,000	25,000	—	—	—	325,000
Mr. Abdullah bin Ateeq Al-Fawaz	300,000	25,000	—	—	—	325,000
Dr. Fahd Saleh Hamad Al-Humaidah	163,333	15,000	—	—	—	178,333

Non-Executive Members						
	A Specific Amount (SAR)	Allowance for attending Board meetings (SAR)	Total allowance for attending Committee meetings (SAR)	Non-monetary benefits (SAR)	Reward of the Chairman / Managing Director / Secretary (if any) (SAR)	Total (SAR)
Mr. Salah bin Rashed Al-Rashed	300,000	25,000	—	—	—	325,000
Eng. Khaled bin Abdullah Al-Melhem	300,000	25,000	—	—	—	325,000
Dr. Nasser bin Fadl Aqeel	300,000	25,000	—	—	—	325,000
Mr. Fahad bin Hizam Al-Nabit	300,000	25,000	—	—	—	325,000

Executive Members						
	A Specific Amount (SAR)	Allowance for attending Board meetings (SAR)	Total allowance for attending Committee meetings (SAR)	Non-monetary benefits (SAR)	Reward of the Chairman / Managing Director / Secretary (if any) (SAR)	Total (SAR)
Eng. Shoeil Jarallah Al Ayed	136,667	10,000	—	—	—	146,667

Audit Committee Members

Member	Fixed Remuneration (excluding attendance) (SAR)	Attendance Allowance (SAR)	Total (SAR)
Dr. Fahd Saleh Hamad Al-Humaidah – Chairman	54,521	20,000	74,521
Mr. Abdullah Atiq Al-Fawzan – Member (Independent)	45,205	20,000	65,205
Dr. Abdullah bin Sagheer Al-Hussaini – Member (external)	120,000	40,000	160,000
Mr. Mohammed bin Abdulaziz Al-Shaya – Member (external)	120,000	40,000	160,000

Nomination and Remuneration Committee Members

Member	Fixed Remuneration (excluding attendance) (SAR)	Attendance Allowance (SAR)	Total (SAR)
Eng. Mohammed bin Khalifa Al-Melhem – Chairman	50,000	10,000	60,000
Mr. Salah bin Rashed Al-Rashed – Member	50,000	10,000	60,000
Eng. Khaled bin Abdullah Al-Melhem – Member	50,000	10,000	60,000

Senior Executives (Top Five Including CEO & CFO)

Component	Amount (SAR)
Salaries & Compensation	4,128,000
Allowances	1,444,800
Allowances	2,296,000
Periodic/Annual Bonuses & Incentives	-
Total	7,868,800

Related Party Transactions

Policy & controls

Riyadh Cement Company conducts all dealings with Related Parties on a competitive, arm's-length basis that safeguards shareholder rights. All RPTs are:

- Reviewed by the Audit Committee,
- Approved by the Board
- Submitted to the General Assembly for voting when required (the interested party abstains).
- Disclosures are made on the Saudi Exchange (Tadawul) in line with CMA rules.



Transactions approved by the Ordinary General Assembly dated 17-04-2025

Related party	Relationship / interested Board member	Nature of transaction	Amount (Saudi riyals)	Key terms
TOWA Development Company	A company chaired by Dr. Nasser bin Fadl Aqeel	Sale of cement	40,876,786	Prevailing commercial terms
Al-Rashed Cement Company	A company chaired by Mr. Salah bin Rashed Al-Rashed	Sale of cement	129,826,390	Prevailing commercial terms
Precast Building Systems for Cement	A related party linked to Engineer Mohammed bin Khalifa Al-Melhem	Sale of cement	505,781	Prevailing commercial terms

Transactions with related parties during the fiscal year 2025

Related party	Relationship / interested person	Nature of transaction	Period	Amount (Saudi riyals)	Terms (pricing / credit / settlement)
TOWA Development Company	A company chaired by Dr. Nasser bin Fadl Aqeel	Sale of cement	2025	22,973,528	Prevailing commercial terms
Al-Rashed Cement Company	A company chaired by Mr. Salah bin Rashed Al-Rashed	Sale of cement	2025	92,858,395	Prevailing commercial terms

Shareholder register

Company Name	Symbol	Request Date & Time	Announcement Date	Reason
Riyadh Cement Company	3092	28/08/2025 09:28	10/9/2025	Dividend File
Riyadh Cement Company	3092	21/04/2025 09:37	21/04/2025	Dividend File
Riyadh Cement Company	3092	17/04/2025 18:15	17/04/2025	General Assembly
Riyadh Cement Company	3092	8/4/2025 9:59	8/4/2025	Corporate Actions
Riyadh Cement Company	3092	12/3/2025 12:59	2/1/2025	Other
Riyadh Cement Company	3092	29/01/2025 09:57	28/01/2025	Other



Declarations of the Board of Directors

The Board of Directors declares the following:

- 01** Accounting records have been prepared correctly.
- 02** Internal control system has been designed on sound bases and implemented effectively.
- 03** There is no doubt regarding the Company's ability to continue as a going concern.
- 04** There is no interest in any class of voting shares held by persons who have notified the Company of such rights pursuant to Article (68) of the CMA Rules on the Offer of Securities and Continuing Obligations.
- 05** The Company has not issued or granted during the financial year any classes or amounts of convertible debt instruments, contractual securities, warrants, or similar rights.
- 06** There are no conversion or subscription rights under any convertible debt instruments, contractual securities, warrants, or similar rights issued or granted by the Company.
- 07** The Company has not redeemed, purchased, or cancelled any redeemable debt instruments during the year.
- 08** There are no arrangements or agreements under which any Board member or Senior Executive has waived any remuneration.
- 09** There are no arrangements or agreements under which any shareholder has waived rights to dividends.
- 10** Employee share program (ESOP/RSU)
- 11** Penalties / sanctions / precautionary measures / reserve restrictions: None imposed on the Company in 2025.
- 12** Internal Auditor: There is no recommendation from the Audit Committee to appoint an internal auditor, as the Company already has an Internal Audit function.
- 13** Alignment of Audit Committee and Board: There is no conflict between the Audit Committee's recommendations and Board resolutions, and no AC recommendations were rejected by the Board.
- 14** External auditor's report (FY2025): No qualifications on the annual Financial Review.
- 15** There is no recommendation from the Board to change the external auditor before the end of the appointed term.
- 16** Competing business: No Board member conducts—or has conducted—any business that competes with the Company or any of its business lines
- 17** The Company has no loans as at 31 December 2025.
- 18** There is no departure from the accounting standards issued by the Saudi Organization for Chartered and Professional Accountants.

19 Measures taken by the Board of Directors to keep its members, in particular the non-executive members, informed of shareholders' proposals and observations regarding the Company and its performance:

The Board of Directors did not receive any observations from shareholders regarding the Company and its performance. It should be noted that all shareholders' inquiries and questions are addressed during General Assembly meetings, and the questions and answers are documented in the General Assembly minutes

20 Statement of Statutory Payments

	Amount paid	Amount due	Note
Value Added Tax (VAT)	54,274,498	8,566,543	Value Added Tax for December 2025 was paid in January 2026.
Zakat	13,852,789	0	None
Social Insurance (GOSI)	5,679,054	491,500	Social insurance for December 2025 was paid in January 2026.



06

Financial Report

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Financial Review

Pricing Discipline, Margin Protection, and Operational Strength

Riyadh Cement Company delivered a resilient financial performance in 2025 reflecting disciplined pricing policies, improved operational reliability, and effective cost control despite weak demand in the central region. The Company maintained strong profitability margins while prioritizing value over volume, preserving sound profitability and a strong financial position, supported by operational efficiency, disciplined cost management and continued focus on value preservation.

Revenue for the year amounted to SAR 787.6 million (2024: SAR 789.4 million), representing a modest 0.22% year-on-year decline. The decrease in revenue during the current year compared to the previous year was deliberate management of sales volumes and selective export participation. This reflects the competitive market environment during the year and the Company's continued focus on sustaining its market position. Grey cement remained the principal contributor to revenue at SAR 625.4 million, representing 79.4% of total revenue while white cement contributed SAR 162.2 million representing 20.6% of total revenue. Export revenue totaled SAR 2.7 million (0.4%), reflecting the Company's predominantly domestic market focus.

Profitability held at strong levels. Gross profit reached SAR 257.8 million, delivering a gross profit margin of 32.7% while operating profit totaled SAR 216.2 million, representing an operating profit margin of 27.5%. Net profit amounted to SAR 207.8 million (2024: SAR 310.4 million), with a net profit margin of 26.4% and earnings per share of SAR 1.73.

The 2025 results demonstrate Riyadh Cement Company's ability to sustain high earnings quality through pricing discipline, optimization of fuel and energy costs, and improved asset utilization efficiency.

Cash Flow and Capital Structure

Cash flow generation remained positive, with net cash generated from operating activities amounting to SAR 243.1 million in 2025 (2024: SAR 435.0 million), movement primarily reflects working capital movements, including increased receivables collection period and improved supplier terms.

The Company maintained prudent credit controls: the average trade receivables collection period was 107 days (2024: 99 days), with an expected credit loss provision of SAR 2.0 million, reflecting stable collection levels. Average trade payables days stood at 22 days (2024: 27 days), while the cash conversion cycle remained broadly stable at approximately 304 days.

Capital Investment during the year remained focused on supporting and enhancing the operating asset base with capital expenditure totaling SAR 131.4 million (2024: SAR 91.8 million), directed to improving plant performance, enhancing operational reliability.

The balance sheet remained strong, with total assets of approximately SAR 1.9 billion, total liabilities of approximately SAR 178.7 million, and Cash and cash equivalents stood at SAR 62 million, resulting in net debt of approximately SAR 116.7 million. Liquidity levels remain strong, supported by a current ratio of approximately 4.70x, providing significant financial flexibility.

Free cash flow after capital expenditure was approximately SAR 111.7 million, supporting a dividend distribution of SAR 192.0 million, equivalent to a payout ratio of approximately 96%, consistent with the Company's approved capital allocation framework.

Key Financial Highlights

Net Profit

SAR 207.8
million

-33.1% YoY
vs SAR 310.4 million 2024

Gross Profit

SAR 257.8
million

-22% YoY
vs SAR 328.8 million 2024

Total Assets

SAR 1,896.9
million

vs SAR 1,970.5 million (2024)

Operating Profit

SAR 216.2
million

-26.9% YoY
vs SAR 292.9 million (2024)

Shareholders' Equity

SAR 1,718.2
million

vs SAR 1,781.2 million (2024)

Revenue
SAR 787.6
million

-0.22% YoY

Operating Margin
27.5%

-9.7 pts YoY

Current ratio
4.70x

-3.26% YoY

Operating Cash Flow
SAR 243.1
million

-44.0% YoY

Capex
SAR 131.4
million

+43.1% YoY

EPS (basic)
SAR 1.73
million

-33.5% YoY

Free Cash Flow
SAR 111.7
million

-67.5% YoY

Gross margin
32.7%

-8.9 pts YoY

Net Profit Margin
26.4%

-12.9 pts YoY

Dividends
SAR 192.0
million

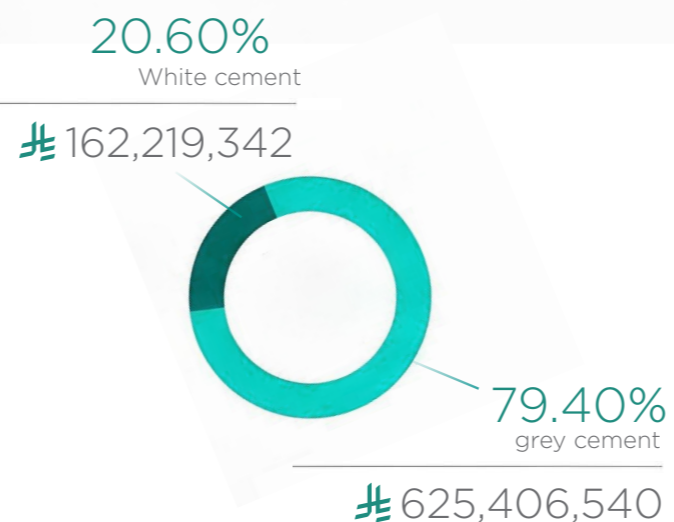
-28.9% YoY

Outlook

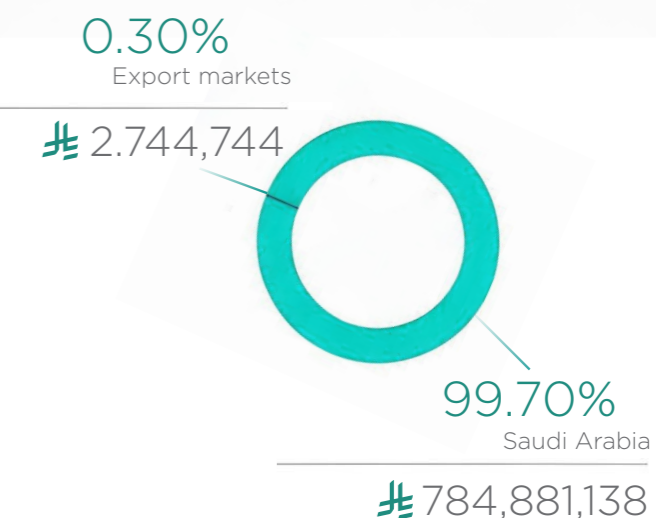
Looking ahead, Riyadh Cement Company will continue to prioritize margin flexibility, operational reliability, and working capital management efficiency, while maintaining a disciplined approach to capital allocation.

The Company enters 2026 with a strong financial base, high levels of asset utilization, and sustainable earnings capacity. With a focus on pricing policy integrity, cost efficiency, and operational excellence, Riyadh Cement Company remains well-positioned to navigate cyclical market fluctuations and deliver sustainable long-term value for shareholders.

Revenue by Product



Revenue by Geography



Income Statement 5 year summary

	2025 (SAR 000)	2024 (SAR 000)	2023 (SAR 000)	2022 (SAR 000)	2021 (SAR 000)
Revenue	787,626	789,396	643,383	598,006	671,066
Cost of Revenue	529,808	460,629	406,484	366,460	404,516
Gross Profit	257,818	328,767	236,899	231,546	266,550
Operating Profit	216,248	292,936	201,064	201,936	233,303
Net Profit Before Zakat	219,390	299,240	201,513	199,340	231,731
Zakat	11,564	11,199	12,740	9,500	18,000
Net Profit	207,827	310,439	188,772	189,840	213,731
Gross Profit Margin	32.7%	41.6%	36.8%	38.7%	39.7%
Net Profit Margin	26.4%	39.3%	29.3%	31.7%	32.5%

The Company's assets, liabilities, and equity 5 year summary

Line Item	2025 (SAR 000)	2024 (SAR 000)	2023 (SAR 000)	2022 (SAR 000)	2021 (SAR 000)
Total Current Assets	665,338	758,487	611,607	601,950	550,397
Total Non-Current Assets	1,231,549	1,211,983	1,226,901	1,289,041	1,337,396
Total Assets	1,896,887	1,970,470	1,838,508	1,890,992	1,887,793
Total Current Liabilities	141,427	155,974	125,988	182,812	190,508
Total Non-Current Liabilities	37,269	33,247	32,753	32,994	35,205
Total Liabilities	178,696	189,221	158,740	215,806	225,713
Total Equity	1,718,191	1,781,249	1,679,768	1,675,186	1,662,080
Total Equity and Liabilities	1,896,887	1,970,470	1,838,508	1,890,992	1,887,793

Geographical Analysis of the Company's Total Revenues

	Kingdom of Saudi Arabia	State of Iraq	Sultanate of Oman	Hashemite Kingdom of Jordan	Kingdom of Bahrain	State of Yemen	State of Kuwait	Total
31 December 2025 (SAR)	784,881,138	464,094	1,158,718	-	409,092	712,840	-	787,625,882
31 December 2024 (SAR)	785,231,370	1,613,810	1,062,287	528,124	480,596	480,173	-	789,396,360

Independent Auditor's Report



Ernst & Young Professional Services (Professional LLC)
Paid-up capital (SR 5,500,000 – Five million five hundred thousand Saudi Riyal)
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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF RIYADH CEMENT COMPANY (A SAUDI JOINT STOCK COMPANY)

Opinion

We have audited the financial statements of Riyadh Cement Company (the "Company"), which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia, as applicable to audit of financial statement of public interest entities. We have fulfilled our other ethical responsibilities in accordance with that Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.



**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF RIYADH CEMENT COMPANY
(A SAUDI JOINT STOCK COMPANY) (continued)**

Key Audit Matter (continued)

Key audit matter	How our audit addressed the key audit matter
Existence of raw materials and work in process under inventories	
<p>As at 31 December 2025, the Company's inventories amounted to SR 338.2 million of which:</p> <ul style="list-style-type: none"> - SR 47.5 million represents raw materials inventories that mainly include iron ore, kaolin, shale, sand, pyrophyllite and gypsum, which are stored in stockpiles; - SR 192.5 million represents work in process inventories that mainly include clinker and limestone, which are stored in stockpiles. <p>As at 31 December 2025, these two items of inventories represent 71% of total inventories, and 13% of total assets.</p> <p>Since the weighing of these inventories is not practicable, management assesses the quantities available at the year-end by obtaining measurements of the stockpiles and converting these measurements into unit of volumes by using relevant density. In doing so, management appoints external surveyor (the "Management Expert") to estimate the quantities by using certain scientific systematic measurements calculations, which are applied for similar type of inventories in the cement industry.</p> <p>We have identified this as a key audit matter as it involves management's assumptions and use of judgement as well as the materiality of the amounts involved.</p> <p>Refer to note 3.8 for the accounting policy related to inventories, note 4.1 for the significant accounting estimates and judgments, and note 9 for the related disclosures.</p>	<p>Our audit procedures performed included, among others, the following:</p> <ul style="list-style-type: none"> - Obtained an overall understanding of the inventory count process and basis of measurement including surveying equipment and conversion methods used towards eventual determination of the inventory quantities; - Attended the physical inventory count performed by the Company and the Management Expert; - Evaluated competence, capabilities, and objectivity of the Management Expert engaged by the Company; - Obtained and reviewed the inventory count report of the Management Expert's for the major stock items and recalculated the conversion to the volumes; - Traced, on a sample basis, the inventory count result to and from the Management Expert's reports against the Company's final inventory compilation listings; - Assessed the reasonableness of the density conversion factors applied by management in the density conversion calculation; - Tested the mathematical accuracy of the density conversion calculation used by management to arrive at the quantities on hand at the year-end and - Assessed the completeness and adequacy of the relevant disclosures related to inventories in the financial statements.



**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF RIYADH CEMENT COMPANY
(A SAUDI JOINT STOCK COMPANY) (continued)**

Other matter

The financial statements of the Company for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those financial statements on 19 Ramadan 1446H (Corresponding to 19 March 2025).

Other Information Included in the Company's 2025 Annual Report

Other information consists of the information included in the Company's 2025 annual report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information in its annual report. The Company's 2025 annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

Those charged with governance i.e, the Audit Committee is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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



Shape the future
with confidence

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF RIYADH CEMENT COMPANY
(A SAUDI JOINT STOCK COMPANY) (continued)**

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

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

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

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



Shape the future
with confidence

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF RIYADH CEMENT COMPANY
(A SAUDI JOINT STOCK COMPANY) (continued)**

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

for Ernst & Young Professional Services



Abdullah A. Alshenaibir
Certified Public Accountant
License No. (583)



Riyadh: 26 Ramadhan 1447H
(15 March 2026)

Statement of Financial Position

Riyadh Cement Company (A Saudi Joint Stock Company)

STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

(All amounts are in Saudi Riyals unless otherwise stated)

		31 December 2025	31 December 2024
	<i>Notes</i>	<i>SR</i>	<i>SR</i>
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	1,230,642,147	1,211,000,605
Right-of-use assets	8	906,779	982,344
TOTAL NON-CURRENT ASSETS		1,231,548,926	1,211,982,949
CURRENT ASSETS			
Inventories	9	338,175,517	294,236,319
Trade and other receivables	10	245,984,261	216,680,873
Advances, prepayments and other current assets	11	9,205,118	12,464,206
Short term Murabaha	12	10,001,347	86,403,264
Cash and cash equivalents	13	61,971,835	148,702,353
TOTAL CURRENT ASSETS		665,338,078	758,487,015
TOTAL ASSETS		1,896,887,004	1,970,469,964
EQUITY AND LIABILITIES			
EQUITY			
Share capital	14	1,200,000,000	1,200,000,000
Reserve	15	360,000,000	360,000,000
Retained earnings		158,190,701	221,249,005
TOTAL EQUITY		1,718,190,701	1,781,249,005
LIABILITIES			
NON-CURRENT LIABILITIES			
Employee benefit obligations	16	27,456,249	23,884,010
Assets retirement obligations	17	8,876,757	8,306,603
Lease liabilities	8	936,211	1,056,211
TOTAL NON-CURRENT LIABILITIES		37,269,217	33,246,824
CURRENT LIABILITIES			
Trade payables		22,188,285	41,769,631
Accruals and other current liabilities	18	94,342,161	82,394,680
Dividend payable	30	12,477,451	14,758,822
Current portion of lease liabilities	8	720,000	3,062,672
Zakat liability	19	11,699,189	13,988,330
TOTAL CURRENT LIABILITIES		141,427,086	155,974,135
TOTAL LIABILITIES		178,696,303	189,220,959
TOTAL EQUITY AND LIABILITIES		1,896,887,004	1,970,469,964


 Chairman


 Chief Executive Officer


 Chief Financial Officer

Statement of Profit or Loss

Riyadh Cement Company (A Saudi Joint Stock Company)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

(All amounts are in Saudi Riyals unless otherwise stated)

		31 December 2025	31 December 2024
	Notes	SR	SR
Revenue	20	787,625,882	789,396,360
Cost of revenue	21	(529,807,593)	(460,629,498)
GROSS PROFIT		257,818,289	328,766,862
General and administrative expenses	22	(37,742,279)	(32,197,042)
Selling and marketing expenses	23	(3,827,998)	(3,633,426)
PROFIT FROM OPERATIONS		216,248,012	292,936,394
Murabaha income	12	5,137,245	6,301,164
Finance costs	25	(2,840,961)	(3,847,680)
Other income, net	24	845,977	3,850,075
PROFIT BEFORE ZAKAT		219,390,273	299,239,953
Zakat (expense) / refund	19	(11,563,648)	11,199,067
PROFIT FOR THE YEAR		207,826,625	310,439,020
OTHER COMPREHENSIVE INCOME			
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:</i>			
Remeasurement (loss)/ gain on defined benefit obligations	16	(884,929)	1,042,164
Other comprehensive income for the year		(884,929)	1,042,164
TOTAL COMPREHENSIVE INCOME		206,941,696	311,481,184
Earnings per share of profit for the year attributable to the shareholders of the Company			
Basic and diluted earnings per share	27	1.73	2.59



Chairman



Chief executive officer



Chief financial officer

Statement of Changes in Equity

Riyadh Cement Company (A Saudi Joint Stock Company)

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

(All amounts are in Saudi Riyals unless otherwise stated)

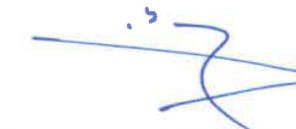
	<i>Share capital</i> <i>SR</i>	<i>Reserve</i> <i>SR</i>	<i>Retained earnings</i> <i>SR</i>	<i>Total</i> <i>SR</i>
1 January 2025	1,200,000,000	360,000,000	221,249,005	1,781,249,005
Profit for the year	-	-	207,826,625	207,826,625
Other comprehensive income for the year	-	-	(884,929)	(884,929)
Total comprehensive income for the year	-	-	206,941,696	206,941,696
Dividends (note 30)	-	-	(270,000,000)	(270,000,000)
31 December 2025	1,200,000,000	360,000,000	158,190,701	1,718,190,701
1 January 2024	1,200,000,000	360,000,000	119,767,821	1,679,767,821
Profit for the year	-	-	310,439,020	310,439,020
Other comprehensive income for the year	-	-	1,042,164	1,042,164
Total comprehensive income for the year	-	-	311,481,184	311,481,184
Dividends (note 30)	-	-	(210,000,000)	(210,000,000)
31 December 2024	1,200,000,000	360,000,000	221,249,005	1,781,249,005



Chairman



Chief Executive Officer



Chief Financial Officer

Statement of Cash Flows

Riyadh Cement Company (A Saudi Joint Stock Company)

STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

(All amounts are in Saudi Riyals unless otherwise stated)

		31 December 2025	31 December 2024
	<i>Note</i>		
OPERATING ACTIVITIES			
Profit before zakat		219,390,273	299,239,953
Adjustments for non-cash items			
Depreciation of property, plant and equipment	7	111,794,132	105,719,608
Depreciation of right-of use assets	8	75,565	412,610
Write-off of inventory	21.1	-	12,747,048
Assets retirement obligations	17	570,154	477,139
Provision for employees' benefits obligations	16	4,629,632	3,707,424
Interest on lease liabilities	8	57,328	450,098
Provision for slow moving inventories	9	11,198,862	-
Gain on disposal of property, plant and equipment	7	-	(317,798)
Change in operating assets and liabilities			
Change in inventories		(55,138,060)	(17,099,064)
Change in trade and other receivables		(29,303,388)	(4,954,143)
Change in advances, prepayments and other current assets		3,259,088	(4,393,608)
Change in trade payables		(19,581,346)	15,157,485
Change in accruals and other current liabilities		11,947,481	38,303,831
Cash generated from operations		258,899,721	449,450,583
Employee benefits obligations paid	16	(1,942,322)	(2,738,227)
Zakat paid	19	(13,852,789)	(11,735,735)
Net cash generated from operating activities		243,104,610	434,976,621
INVESTING ACTIVITIES			
Short term Murabaha		76,401,917	(65,785,416)
Additions to property, plant and equipment	7	(131,435,674)	(91,847,142)
Proceeds from disposal of property, plant and equipment		-	950,913
Net cash used in investing activities		(55,033,757)	(156,681,645)
FINANCING ACTIVITIES			
Dividends paid	30	(272,281,371)	(210,780,215)
Payment of lease liabilities	8	(2,462,672)	(120,000)
Interest on lease liabilities paid	8	(57,328)	-
Net cash used in financing activities		(274,801,371)	(210,900,215)
Net (decrease) / increase in cash and cash equivalents		(86,730,518)	67,394,761
Cash and cash equivalents at beginning of year		148,702,353	81,307,592
Cash and cash equivalents at end of year	13	61,971,835	148,702,353
Significant non cash transactions			
Accruals and other current liabilities settled	19	2,043,066	10,453,563
Zakat liability settled	19	-	14,592,829



Chairman



Chief Executive Officer



Chief Financial Officer

Notes to the Financial Review

Riyadh Cement Company (A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2025

(All amounts are in Saudi Riyals unless otherwise stated)

1. ORGANIZATION AND ACTIVITIES

Riyadh Cement Company (the "Company") is a Saudi joint stock company registered in Riyadh, Kingdom of Saudi Arabia under unified number 7001387864 and commercial registration number 1010146169 dated 25 Safar 1418H (corresponding to 1 July 1997). The Company's shares are publicly traded.

The Company is principally engaged in the production and selling of cement pursuant to Industrial License No. 494 dated 25 Jumada II 1414H (corresponding to 8 December 1993) as amended in Ministerial Resolution No. 797 dated 29 Rajab 1419H (corresponding to 18 November 1998).

The accompanying financial statements includes the results, assets and liabilities of the Company and its branches, registered in Riyadh, under CR numbers 1010210405, and 1010449308. The registered address of the Company is P.O. Box 17775, Riyadh 11494, Kingdom of Saudi Arabia.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia ("IFRS") and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

2.2 Basis of measurement

These financial statements have been prepared on a historical basis except for employee defined benefit liabilities that are measured at the present value using the projected unit credit method. The Company has prepared the financial statements on the basis that it will continue to operate as a going concern. The financial statements provide comparative information in respect of the previous period.

2.3 Functional and presentation currency

These financial statements are presented in Saudi Riyals ("SR"), which is the functional and presentational currency of the Company.

3. MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Current versus non-current classification

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

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash and bank balances unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Riyadh Cement Company (A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As at 31 December 2025

(All amounts are in Saudi Riyals unless otherwise stated)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Revenue from contract with customers

The Company generates revenue from the sale of cement.

Where the revenue is recognised at the point in time.

The following are some of the key indicators used by the Company in determining when control has passed to the customer:

- i. the Company has a right to payment for the product or service;
- ii. the customer has legal title to the product;
- iii. the Company has transferred physical possession of the product to the customer;
- iv. the customer has the significant risks and rewards of ownership of the product; and
- v. the customer has accepted the product

Revenue from sale of cement

Revenue is measured at the fair value of the consideration received or receivable in the ordinary course of the Company's activities. The Company recognizes revenue when control of cement has transferred, being when cement is delivered to the customer, the customer has full discretion over the use or sale of cement, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. Delivery occurs when cement is received by the customer at the Company's premises as per the terms of the contract, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the acceptance provisions have lapsed.

Revenue is recognized net of discounts and returns. Revenue from the sales with discounts, if any, is recognized based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A refund liability, if any (included in trade and other payables) is recognized for expected volume discounts, if any, payable to customers in relation to sales made until the end of the reporting period.

No element of financing is deemed present as the sales are made with a credit term of 30 days, which is consistent with market practice. A receivable is recognized when the cement is delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Contract liability

A contract liability is recognised if a payment is received from a customer before the Company transfers the related goods. Contract liabilities are recognised as revenue when the Company transfers control of the related goods to the customer.

3.3 Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The financial statements are presented in "SR", which is the Company's presentation as well as functional currency.

Riyadh Cement Company (A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As at 31 December 2025

(All amounts are in Saudi Riyals unless otherwise stated)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.3 Foreign currencies (continued)

(b) Transactions and balances

Foreign currency transactions are translated into Saudi Riyals using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the period-end exchange rates of monetary assets and liabilities denominated in foreign currencies other than Saudi Riyals are recognized in the statement of profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognized in other comprehensive income.

3.4 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

3.5 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. When significant parts of property and equipment are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.

Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the equipment if the recognition criteria are satisfied.

All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred.

Land is not depreciated as it is deemed to have an indefinite life.

Depreciation is calculated on property, plant and equipment so as to allocate its cost, less estimated residual value, on a straight-line basis over the estimated useful lives of the assets.

Depreciation is charged to the statement of profit or loss over the following estimated economic useful lives:

	Years
Buildings, constructions and internal roads	6 – 30
Machinery and equipment	3 - 30
Vehicles and transportation equipment	4 – 6
Furniture and fixture	4 - 10

Riyadh Cement Company (A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As at 31 December 2025

(All amounts are in Saudi Riyals unless otherwise stated)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.5 Property, plant and equipment (continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each annual reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in statement of profit or loss. Major spare parts qualify for recognition as property, plant and equipment when the Company expects to use them during more than one year. Transfers are made to relevant operating assets category as and when such items are available for use.

Assets in the course of construction or development are capitalized in the capital work in progress. The capital work in progress or development is transferred to the appropriate category in property, plant and equipment, once the asset is in a location and / or condition necessary for it to be capable of operating in the manner intended by management. The cost of an item of assets under construction comprises its purchase price, construction / development costs and any other directly attributable costs to the construction or acquisition of an item of assets under construction. Assets under construction are not depreciated.

Borrowing costs related to qualifying assets are capitalized as part of the cost of the qualifying assets until the commencement of commercial production.

3.6 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
 - (i) the Company has the right to operate the asset; or
 - (ii) the Company designed the asset in a way that predetermines how and for what purpose it will be used.

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased assets are available for use by the Company.

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

Riyadh Cement Company (A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As at 31 December 2025

(All amounts are in Saudi Riyals unless otherwise stated)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.6 Leases (continued)

(i) At initial recognition

The Company acting as lessee recognizes a right-of-use asset and a lease liability for all leases with a term of more than 12 months, unless the underlying asset is of low value.

The right-of-use asset is initially measured at cost, which comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date (net of any lease incentives received), any initial direct costs incurred by the Company, and an estimate of costs that the lessee expects to incur in dismantling and removing the underlying asset, restoring the site on which it is located, or restoring the asset to the condition required by the lease terms and conditions, unless such costs are incurred to produce inventories. The lease liability is measured at the present value of lease payments that remain unpaid as of the date of the statement of financial position.

Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable.
- Variable lease payments that depend on an index or rate, initially measured at the applicable index or rate at the lease commencement date;
- The exercise price of a purchase option if the Company is reasonably certain to exercise that option, or the penalty payable on the exercise of a termination option unless the Company is reasonably certain not to exercise the option; and
- Any amounts expected to be payable under residual value guarantees.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liabilities.

The lease payments are discounted using the interest rate implicit in the lease if that rate can be readily determined. If that rate cannot be readily determined, the Company is using the lessee's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

(ii) Depreciation of right-of-use assets

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. Depreciation is charged to statement of profit or loss using the straight-line method to allocate their costs over their lease term.

(iii) Subsequent measurement

Right-of-use assets

The Company adopts the cost model to measure right of use assets. After recognition as an asset, right-of-use assets are carried at its initial recognition amounts less any accumulated depreciation and impairment losses, if any.

Lease liabilities

The lease liability is measured as follows:

- Increasing the carrying amount to reflect interest on the lease liability;
- Reducing the carrying amount to reflect the lease payments made; and

Riyadh Cement Company
(A Saudi Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As at 31 December 2025

(All amounts are in Saudi Riyals unless otherwise stated)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)
3.6 Leases (continued)
(iii) Subsequent measurement (continued)
Lease liabilities (continued)

- Remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in substance fixed lease payments.

Where the Company is exposed to potential future increases in variable lease payments based on an index or rate, these are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(iv) Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less, and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.7 Financial instruments
(i) Classification of financial instruments

The Company classifies its financial assets at amortized cost.

The Company classifies its financial liabilities as those measured at amortized cost.

(ii) Recognition and derecognition

A financial asset or financial liability is recognized when the Company becomes a party to the contractual provisions of the instrument, which is generally on trade date.

The Company derecognizes a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

A financial liability is derecognized from the statement of financial position when the Company has discharged its obligation, or the contract is cancelled or expires.

(iii) Measurement
Initial recognition

At initial recognition, the Company measures a financial asset at its fair value plus, transaction costs that are directly attributable to the acquisition of the financial asset

Riyadh Cement Company
(A Saudi Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As at 31 December 2025

(All amounts are in Saudi Riyals unless otherwise stated)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)
3.7 Financial instruments (continued)
Initial recognition (continued)

Financial liabilities are recognized initially at fair value plus any directly attributable transaction costs.

Subsequent measurement

Subsequent measurement of financial assets is as follows:

Debt instruments

The debt instruments are subsequently measured at amortised costs.

Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other income together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss. This category generally applies to trade and other receivables, amounts due from related parties, and bank balances.

Financial liabilities

Subsequent to initial recognition financial liabilities are measured at amortized cost using the effective interest method. Non-derivative financial liabilities of the Company comprise trade payables, accruals and other liabilities

(iv) Impairment

The Company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost e.g. deposits, trade and other receivables, due from related parties and bank balances. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Refer Note 29, which details how the Company determines whether there has been a change in credit risk.

For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables, see Note 29 for further details.

Impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit or loss.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower,
- a breach of contract, such as a default or past due event (see (ii) above);
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider,

Riyadh Cement Company (A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.7 Financial instruments (continued)

Credit-impaired financial assets (continued)

- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

Reclassifications

Financial assets are reclassified when the Company changes its business model for managing financial assets. For example, when there is a change in management's intention to hold the asset for a short-term or long-term. Financial liabilities are not reclassified.

Offsetting financial assets and liabilities

Financial assets and liabilities are offset so that the net amount is reported in the statement of financial position where the Company currently has a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

3.8 Inventories

Raw materials and spares, work in process and finished goods are stated at the lower of cost and net realizable value. Cost comprises direct materials, direct labor and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Spare parts inventory is reduced by the value of obsolete and slow-moving items according to management estimates and inventories aging.

Work in process and finished goods

Clinker represents work in process inventories and cement represents the finished goods inventories that are carried at the lower of cost or net realizable value. Cost is determined on the weighted-average cost basis. The cost of clinker and cement inventories includes the cost of raw materials, direct labor and manufacturing overheads and all other costs necessary to bring the cement inventories to their existing condition and location.

Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

Raw materials

Raw materials are valued at the lower of cost or net realizable value. Cost is determined on the weighted average cost basis.

3.9 Impairment of non-financial assets

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

Riyadh Cement Company (A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.9 Impairment of non-financial assets (continued)

In assessing value in use, the estimated future cash flows are discounted to their present value using appropriate discount rate that reflects current market assessments of the time value of money. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

An assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

3.10 Trade receivables

Trade receivables are amounts due from customers for products sold in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest rate method, less provision for impairment.

3.11 Cash and cash equivalents

For the purpose of statement of financial position and presentation in the statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

3.12 Provisions

Provisions are recognized when; the Company has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. If the effect of the time value of money are material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Assets retirement obligations

Provision for assets retirement obligations is recognized when the Company has a liability for restoration work or land rehabilitation. The extent of decommissioning required, and the associated costs are dependent on the requirements of current laws, regulations and the lease terms.

Costs included in the provision includes all decommissioning obligations expected to occur over the life of the asset. The provision for decommissioning is discounted to its present value and capitalized as part of the asset under property, plant and equipment and then depreciated as an expense over the expected life of that asset.

Riyadh Cement Company (A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As at 31 December 2025

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3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.12 Provisions(continued)

Assets retirement obligations (continued)

Adjustments to the estimated amount and timing of future decommissioning cash flows are a normal occurrence in light of the significant judgments and estimates involved. Such adjustments are recorded as an increase in liability and a corresponding increase in the related asset. Factors influencing those adjustments include:

- developments in technology;
- regulatory requirements and environmental management strategies;
- changes in the estimated extent and costs of anticipated activities, including the effects of inflation; and
- changes in economic sustainability.

3.13 Employee benefit obligations

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay the amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Post-employment obligation

The Company operates a single post-employment benefit scheme of defined benefit plan driven by the labor laws and workman laws of the Kingdom of Saudi Arabia which is based on most recent salary and number of service years.

The post-employment benefits plans are not funded. Accordingly, valuations of the obligations under the plan are carried out by an independent actuary based on the projected unit credit method. The costs relating to such plans primarily consist of the present value of the benefits attributed on an equal basis to each year of service and the interest on this obligation in respect of employee service in previous years.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized directly in other comprehensive income and transferred to retained earnings in the statement of changes in equity in the period in which they occur. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. Net interest expense and other expenses related to defined benefit plans are recognized in the statement of profit or loss.

Changes in the present value of the defined benefit obligations resulting from plan amendments or curtailments are recognized immediately in statement of profit or loss as past service costs. End of service payments are based on employees' final salaries and allowances and their cumulative years of service, as stated in the labor law of Saudi Arabia.

The rate used to discount post-employment benefit obligations is determined by reference to market yields at the statement of financial position date on high quality corporate bonds. In countries where there is no deep market in such bonds, the market yield (at the end of the reporting period) on government bonds shall be used. The currency and term of the corporate bonds or government bonds shall be consistent with the currency and estimated term of the post-retirement benefit obligations.

The Company uses the yield available on the Kingdom of Saudi Arabia bonds as a reasonable assumption for the discount rate.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As at 31 December 2025

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3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.14 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing net profit or loss for the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the net profit or loss for the Company and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3.15 Advances and prepayments

Advances and prepayments are carried at cost less provision for impairment. An advance or prepayment is classified as non-current when the goods or services relating to the advance or prepayment are expected to be obtained after one year, or when the advance relates to an asset which will itself be classified as non current upon initial recognition. Advances to acquire assets are transferred to the carrying amount of the asset once the Company has obtained control of the asset and it is probable that future economic benefits associated with the asset will flow to the Company. Other prepayments are written off to profit or loss when the services relating to the prepayments are received. If there is an indication that the assets, goods or services relating to an advance or prepayment will not be received, the carrying value of the advance or prepayment is written down accordingly and a corresponding impairment loss is recognised in profit or loss for the year.

3.16 Government grants

Government grants are recognized when there is reasonable assurance that the Company will comply with all conditions attached to the grants. When a grant relates to an expense item (which is mostly the case relate to grant from the Industrial Competitiveness Program), it is recognized in the statement of profit or loss under cost of revenue over the periods in which the related costs is expensed for which the grant given.

3.17 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' operating results are reviewed regularly by the Board of Directors and Chief executive officer (collectively considered to be the Chief Operating Decision Maker) which makes decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Board of Directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. For further details about segment information refer to note 6.

3.18 Zakat and tax

The Company is subject to the Regulations of the Zakat, Tax, and Customs Authority ("ZATCA") in the Kingdom of Saudi Arabia. Zakat is provided on an accrual basis. Any difference in the estimate is recorded when the final assessment is approved, at which time the provision is cleared.

The Company is subject to the value-added tax (VAT) system. The tax is calculated immediately when the invoice is issued, the goods are delivered, or the price or part thereof is received. The VAT return is submitted on a monthly basis. Management deducts withholding taxes on non-resident parties, if any, in accordance with the regulations of ZATCA, which are not recognized as expenses because the amounts of liabilities on the counterparty are deducted on behalf of the counterparty.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As at 31 December 2025

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3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.19 Fair value measurement

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above

3.20 Share Capital

Ordinary shares are classified as equity. Transaction costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

3.21 Trade Payables

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method.

3.22 Cost of sales

Cost of sales includes materials and consumables and other direct costs. Allocations between cost of sales and other operating costs, when required, are made on a consistent basis.

Riyadh Cement Company (A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As at 31 December 2025

(All amounts are in Saudi Riyals unless otherwise stated)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.23 General and administrative expenses

General and administrative expenses include direct and indirect costs not specifically part of cost of sales. Allocations between general and administrative expenses and cost of revenue, when required, are made on a consistent basis.

3.24 Selling and marketing expenses

Selling and marketing expenses principally consist of costs incurred in the distribution and selling of the Company's products and services. All other expenses are classified as general and administrative expenses.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with IFRS Accounting Standards, that are endorsed in the Kingdom of Saudi Arabia, require the use of certain critical estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenue and expenses during the reporting period. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and judgments concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve-month period are discussed below:

4.1 Inventory quantities

Inventories comprise of raw materials (mainly iron ore, kaolin, shale, sand and gypsum) and work in process (mainly clinker which are stored in stockpiles). Since the weighing of these inventories is not practicable, management assesses the quantities on hand at the year-end by obtaining measurements of the stockpiles and converting these measurements to unit of volumes by using surveying and other techniques and density. In doing so, management appoints an expert (i.e. external surveyors) to estimate the quantities by using certain scientific systematic measurements calculations, after which management applies the density conversion method which is applied for similar stock in the cement industry. At year-end, if the estimated quantity increased / decreased by 5% with all other variables held constant, profit for the year would have been SR 11.17 million higher or lower.

4.2 Useful life and residual value of property, plant and equipment

The management determines the estimated useful lives of property, plant and equipment for computing depreciation. This estimate is determined after considering expected usage of the assets or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charges are adjusted where management believes the useful lives differ from previous estimates. At year end, if the useful life increased / decreased by 5% against the current useful life with all other variables held constant, profit for the year would have been SR 5.3 million higher or lower.

At year end, if the residual value increased / decreased by 5% against the current residual value with all other variables held constant, profit for the year would have been SR 881,741 higher or lower.

4.3 Employment benefits obligations

Employment benefits represent obligations that will be settled in the future and require assumptions to project obligations. International Financial Reporting Standards, that are endorsed in Kingdom of Saudi Arabia, requires management to make further assumptions regarding variables such as discount rates, rate of compensation increases and return on assets, mortality rates, employment turnover and future healthcare costs. Changes in key assumptions can have a significant impact on the projected benefit obligation and/or periodic employees' benefits costs incurred, for further details please refer to note 16.

Riyadh Cement Company
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)
Estimates and assumptions (continued)
4.4 Provision for slow moving spare parts

The Company holds spare parts inventory for the machinery of its plant held longer than one reporting period, which may be ultimately disposed or sold below cost as a result of obsolescence or retirement of the related machinery. Management estimate the appropriate level of provisioning for spare parts at the end of each reporting period. Factors influencing this estimate includes management's expectations for future utilization, disposal or sale plans for the spare parts. At year-end, if management expectations increased / decreased by 5% with all other variables held constant, profit for the year would have been impacted by SR 1.8 million higher / lower.

4.5 Impairment of expected credit losses in trade receivables

Measurement of ECLs is a significant estimate that involves determination methodology, models, and data inputs. Details of ECL measurement methodology are disclosed in Note 29.1.

The Company uses a provision matrix to calculate ECL for trade receivables. The provision matrix is initially based on the Company's historical observed default rates. The Company calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed and incorporated if considered relevant and significant.

The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default in the future.

4.6 Asset retirement obligation

The Company has recognised a provision for decommissioning obligations associated with a land owned by the Government. In determining the fair value of the provision, assumptions and estimates were made in relation to discount rates, the expected cost to dismantle and remove the plant from the site in order to remediate the environmental damage caused and the expected timing of those costs. In estimating the expected cost, the Company took into account changes in environmental legislation and regulations that may impact the process for dismantling and removing the plant. The carrying amount of the provision as at 31 December 2025 was SR 8.8 million (2024: SR 8.3 million). The Company has estimated that the costs would be realized over the license period which will end by 2037 and it is measured at the present value of the expected cost to restore the site, using a discount rate at the commencement date of the license over the term of the license. If the estimated pre-tax discount rate used in the calculation had been 1% higher than management's estimate, the carrying amount of the provision would have been SR 1.3 million lower.

5. STANDARDS, INTERPRETATIONS AND AMENDMENTS
New and amended standards and interpretations

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Lack of exchangeability – Amendments to IAS 21

For annual reporting periods beginning on or after 1 January 2025, Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flow.

The amendments did not have any impact on the Company's financial statements.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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5. STANDARDS, INTERPRETATIONS AND AMENDMENTS (Continued)
5.1 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the International Accounting Standards Board (IASB) issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes. In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards. IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Company is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

Other Standard, Amendment or Interpretation which will not have any impact on the Company's financial statements.

<u>Particulars</u>	<u>Effective date</u>
- Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	1 January 2026
- Amendments to Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 January 2026
- Annual Improvements to IFRS Accounting Standards - Volume (11)	1 January 2026
- IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures	1 January 2027

6. SEGMENT INFORMATION

All of the Company's operations are related to one operating segment which is cement manufacturing and are substantially sold to local customers. The information related to revenue from major customers and geographic area are disclosed in note 20.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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7. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings, constructions and internal roads	Machinery and equipment	Vehicle and transportation equipment	Furniture and fixture	Capital work in progress	Total
Cost:							
At 1 January 2025	18,389,032	880,321,623	1,905,574,370	7,712,759	32,382,197	79,192,222	2,923,572,203
Additions	-	4,535,969	21,997,284	667,000	303,918	103,931,503	131,435,674
Transfers	-	1,100,000	26,135,108	-	-	(27,235,108)	-
At 31 December 2025	18,389,032	885,957,592	1,953,706,762	8,379,759	32,686,115	155,888,617	3,055,007,877
Accumulated depreciation							
At 1 January 2025	-	518,982,858	1,160,140,968	6,357,906	27,089,866	-	1,712,571,598
Depreciation charge for the year	-	28,172,164	81,900,423	400,402	1,321,143	-	111,794,132
At 31 December 2025	-	547,155,022	1,242,041,391	6,758,308	28,411,009	-	1,824,365,730
Net book value:							
At 31 December 2025	18,389,032	338,802,570	711,665,371	1,621,451	4,275,106	155,888,617	1,230,642,147
Cost:							
At 1 January 2024	18,389,032	870,698,903	1,893,184,654	10,728,887	31,709,115	18,545,262	2,843,255,853
Additions	-	9,622,720	19,830,716	1,073,664	673,082	60,646,960	91,847,142
Disposal	-	-	(7,441,000)	(4,089,792)	-	-	(11,530,792)
At 31 December 2024	18,389,032	880,321,623	1,905,574,370	7,712,759	32,382,197	79,192,222	2,923,572,203
Accumulated depreciation							
At 1 January 2024	-	490,792,767	1,091,841,138	10,116,268	24,999,494	-	1,617,749,667
Depreciation charge for the year	-	28,190,091	75,107,715	331,430	2,090,372	-	105,719,608
Disposal	-	-	(6,807,885)	(4,089,792)	-	-	(10,897,677)
At 31 December 2024	-	518,982,858	1,160,140,968	6,357,906	27,089,866	-	1,712,571,598
Net book value:							
At 31 December 2024	18,389,032	361,338,765	745,433,402	1,354,853	5,292,331	79,192,222	1,211,000,605

Riyadh Cement Company
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7. PROPERTY, PLANT AND EQUIPMENT (continued)

7.1 Depreciation charge for the year has been allocated as follows:

	Note	31 December 2025	31 December 2024
Cost of revenue	21	109,452,216	103,334,282
General and administrative expenses	22	2,282,490	2,313,154
Selling and marketing expenses	23	59,426	72,172
		111,794,132	105,719,608

7.2 The assets under construction are mainly for the construction of bucket elevator and waste heat recovery plant, which are expected to be completed during the year 2026. Remaining items in the capital work in progress relates to the development and enhancement works in factory.

7.3 The Company leases land from the Ministry of Energy and Mineral Resources on which the Company's plant is situated. The lease term spans from 8 January 2008 to 31 December 2037, representing a period of 30 years.

8. LEASES

The Company leases a land from the Ministry of Energy and Mineral Resources on which the Company's plant is situated. The lease term spans from 8 January 2008 to 31 December 2037, representing a period of 30 years.

The Company does not provide residual value guarantees in relation to any of its leases.

Right-of-use assets

The estimated useful life of the right-of-use assets for the calculation of depreciation has 19 years.

	Land
Cost:	
At 31 December 2025 and 31 December 2024	3,458,006
Depreciation:	
At 1 January 2024	2,063,052
Charge for the year (note 21)	412,610
At 31 December 2024	2,475,662
Charge for the year (note 21)	75,565
At 31 December 2025	2,551,227
Net book value:	
At 31 December 2024	982,344
At 31 December 2025	906,779

Lease liabilities

The lease liabilities are presented in the statement of financial position as follows:

	31 December 2025	31 December 2024
At the beginning of the year	4,118,883	3,788,785
Accretion of interest (note 25)	57,328	450,098
Payments	(2,520,000)	(120,000)
At the end of the year	1,656,211	4,118,883

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8. LEASES (continued)
Lease liabilities (continued)

	31 December 2025	31 December 2024
Non-current portion	936,211	1,056,211
Current portion	720,000	3,062,672
	1,656,211	4,118,883

Amounts recognized in the statement of profit or loss

	31 December 2025	31 December 2024
	SR	SR
Depreciation expense of right-of-use assets (note 21)	75,565	412,610
Interest on lease liabilities (Note 25)	57,328	450,098
	132,893	862,708

The aging of minimum lease payments together with the present value of minimum lease payments as of 31 December 2025 and 31 December 2024 are as follows:

	2025		2024	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Within twelve months	720,000	665,883	3,120,000	3,062,672
One to five years	600,000	383,646	600,000	364,947
Over five years	720,000	606,682	840,000	691,264
Total minimum lease payments	2,040,000	1,656,211	4,560,000	4,118,883
Less: financial charges	(383,789)	-	(441,117)	-
Present value of minimum lease payments	1,656,211	1,656,211	4,118,883	4,118,883

9. INVENTORIES

	31 December 2025	31 December 2024
Work in process	192,532,687	139,738,105
Spare parts and supplies, not held for sale	120,618,242	114,953,721
Raw materials	47,531,196	47,990,910
Finished goods	8,996,199	11,857,528
	369,678,324	314,540,264
Less: provision for slow-moving inventories	(31,502,807)	(20,303,945)
	338,175,517	294,236,319

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9. INVENTORIES (continued)**9.1 Movement in provision for slow-moving inventories:**

	31 December 2025	31 December 2024
Opening balance	20,303,945	20,530,824
Charge / (reversal) (note 21)	11,198,862	(226,879)
Closing balance	31,502,807	20,303,945

10. TRADE AND OTHER RECEIVABLES

	31 December 2025	31 December 2024
Trade receivables – third parties	176,613,984	154,670,397
Trade receivables – related parties	26 46,115,057	61,504,466
Expected credit loss allowance	10.2 (1,995,586)	(2,153,999)
	220,733,455	214,020,864
Receivable from Industrial Sector Competitiveness Program (the “Program”)	10.1 25,223,481	2,530,290
Employee receivables	27,325	129,719
	245,984,261	216,680,873

10.1 Receivable from Industrial Sector Competitiveness Program (the “Program”)

The Company recorded an amount of SR 45.4 million (2024: 30.56 million) from Industrial Sector Competitiveness Program (the “Program”) out of which SR 22.7 million (2024: 28.04 million) were received by the Company during the year. The purpose of the program is to reduce production cost of the Company which was affected by increase in fuel prices. Accordingly, the impact has been adjusted in cost of sales and inventory. Below is the movement in government grant for the year ended 31 December:

	31 December 2025	31 December 2024
Opening balance	2,530,290	-
Recorded during the year (charged to cost of revenue)	45,445,648	30,570,290
Received during the year	(22,752,457)	(28,040,000)
Closing balance	25,223,481	2,530,290

Subsequent to year end, Company has received SR 24.9 million from Industrial Sector Competitiveness Program.

10.2 Movement of expected credit loss allowance on trade receivables is as follows:

	31 December 2025	31 December 2024
Opening balance	2,153,999	2,048,293
(Reversal) / Charge during the year	(158,413)	105,706
Closing balance*	1,995,586	2,153,999

* Expected credit loss allowance reversal pertaining to related parties receivables amounted to SR 284,319 (31 December, 2024: SR 281,887).

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10. TRADE AND OTHER RECEIVABLES (continued)**10.2 Movement of expected credit loss allowance on trade receivables is as follows (continued)***(i) Classification as trade receivables*

Trade receivables are non-derivative financial assets carried at amortized cost and are generally on terms of 30 to 90 days. The carrying value may be affected by changes in the credit risk of the counterparties. The vast majority of the Company's trade receivables are concentrated in the Kingdom of Saudi Arabia. As at 31 December 2025, three largest customers accounted for 92% (31 December 2024: three largest customers accounted for 91%) of the outstanding trade receivables.

(ii) Fair values of trade receivables

Due to short-term nature of the trade receivables, their carrying amounts are considered to approximate their fair values.

(iii) Impairment and risk exposure

Information about the impairment of trade receivables and the Company's exposure to credit risk and foreign currency risk can be found in Note 29.

(iv) Collateral

The Company has collateral in the form of bank guarantees against trade receivables which are considered integral part of trade receivables and considered in the calculation of ECL. During the year ended 31 December 2025 and 31 December 2024, there has not been any change in the quality of collateral.

11. ADVANCES, PREPAYMENTS AND OTHER CURRENT ASSETS

	31 December 2025	31 December 2024
Advances to suppliers, net (note 11.1)	6,795,120	10,526,590
Prepaid expenses	1,581,063	1,111,236
Others	828,935	826,380
	9,205,118	12,464,206

11.1 During the year ended 31 December 2025, a provision amounting to SR 4.09 million (2024: SR nil) was recorded against long-outstanding advances that had not yet been settled.

12. SHORT TERM MURABAHA

As at 31 December 2025, short-term Murabaha deposits represent deposits amounting SR 10 million, (31 December 2024: SR 86.40 million) and were placed with investment and local banks, with a maturity period of more than three months and less than twelve months, and generates returns based on profit rates stipulated in the Murabaha agreements. All short term Murabaha matured during the year.

13. CASH AND CASH EQUIVALENTS

	31 December 2025	31 December 2024
Cash at banks	26,684,179	53,132,011
Cash on hand	255,677	90,411
Short-term Murabaha	13.1 35,031,979	95,479,931
	61,971,835	148,702,353

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13. CASH AND CASH EQUIVALENTS (Continued)

13.1 These represent deposits placed in Murabaha deposits with a maturity period of three months or less from the date of placement and generate returns based on profit rates stipulated in the Murabaha agreements.

14. SHARE CAPITAL

The authorized, issued and paid-up capital of the Company is SR 1,200,000,000 divided into 120 million shares of Saudi Riyals 10 each.

15. RESERVE

This balance represents the total amounts appropriated from net income for prior years as statutory reserves in accordance with the requirements of the previous Companies Law and the Company's By-Law prior to alignment with the new Companies Law. The utilization of these reserves is subject to the decisions of the shareholders' assembly.

16. EMPLOYEE BENEFIT OBLIGATIONS

The Company operates a defined benefit plan in line with the Labor Law requirement in the Kingdom of Saudi Arabia. The end-of-service benefit payments under the plan are based on the employees' final salaries and allowances and their cumulative years of service at the date of their termination of employment, as defined by the conditions stated in the Labor Laws of the Kingdom of Saudi Arabia. Employees' end-of-service benefit plans are unfunded plans and the benefit payment obligation are met when they fall due upon termination of employment.

The movement in employee defined benefit liabilities for the year ended 31 December, is as follows:

	<i>31 December</i> <i>2025</i>	<i>31 December</i> <i>2024</i>
Opening balance	23,884,010	23,956,977
Payments during the year	(1,942,322)	(2,738,227)
Current service cost	3,500,029	2,564,478
Interest cost	1,129,603	1,142,946
Actuarial loss / (gain)	884,929	(1,042,164)
Closing balance	27,456,249	23,884,010

16.1 Key actuarial assumptions

	<i>31 December</i> <i>2025</i>	<i>31 December</i> <i>2024</i>
Discount rate	5.00%	4.93%
Salary growth rate	5.20%	4.75%
Average duration period (Years)	7	7

16.2 Sensitivity analysis for actuarial assumptions

	<i>31 December</i> <i>2025</i>	<i>31 December</i> <i>2024</i>
Discount rate + 1%	(1,897,909)	(1,751,041)
Discount rate - 1%	2,039,496	1,848,290
Expected rate of future salary increase + 1%	2,038,843	1,847,721
Expected rate of future salary increase - 1%	(1,898,223)	(1,751,314)

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16. EMPLOYEE BENEFIT OBLIGATIONS (Continued)
16.2 Sensitivity analysis for actuarial assumptions (continued)

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with projected unit credit method at the end of the reporting period) has been applied when calculating the employee termination.

16.3 Expected maturity analysis

The following are the expected payments or contributions to the defined benefit plan in future years:

	<i>31 December</i> <i>2025</i>	<i>31 December</i> <i>2024</i>
Within the next 12 months (next annual reporting period)	2,310,249	2,014,637
Between 2 and 5 years	17,414,392	15,706,734
Over 5 years	29,635,236	26,062,997

The average duration of the defined benefit plan obligation at the end of the reporting period is 7 years (2024: 7 years).

17. ASSETS RETIREMENT OBLIGATIONS

The provision for asset retirement obligations relates to the requirement to vacate the land provided to the Company by the Ministry of Industry and Mineral resources under an operating license. The Company is required to return the land and restore it to the same condition in which it was originally provided. The present value of the expected restoration costs is recognized as a provision, and the land must be fully rehabilitated and returned to the Ministry by 2037.

	<i>31 December</i> <i>2025</i>	<i>31 December</i> <i>2024</i>
Opening balance	8,306,603	7,829,464
Accretion of interest	570,154	477,139
Closing balance	8,876,757	8,306,603

18. ACCRUALS AND OTHER CURRENT LIABILITIES

	<i>31 December</i> <i>2025</i>	<i>31 December</i> <i>2024</i>
Accrued expenses	42,649,164	35,502,587
Contractors retentions	16,794,567	15,585,654
Accrued quarry extraction fees	9,830,461	7,653,965
VAT payable	8,566,543	5,840,481
Accrued bonuses	7,573,798	7,536,250
Advances from customers	3,967,416	6,778,222
Others	2,540,212	1,077,521
Accrued Board of Directors' remuneration	2,420,000	2,420,000
	94,342,161	82,394,680

The carrying amounts of accruals and other current liabilities are considered to be the same as their fair values, due to their short-term nature

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18 ACCRUALS AND OTHER CURRENT LIABILITIES(Continued)

18.1 Movement in advances from customer is as follows:

	31 December 2025	31 December 2024
At the beginning of the year	6,778,222	5,627,597
Revenue for the year*	(217,282,258)	(243,744,129)
Billing raised / advance received during the year	214,471,452	244,894,754
Closing balance	3,967,416	6,778,222

* The above revenue represents revenue from contracts paid in advance by customers.

19. ZAKAT

19.1 Components of the zakat base for the year ended is as follows:

	2025 SR	2024 SR
Profit after zakat	207,826,625	310,439,020
Adjustment	351,363	144,157
Amended profit after zakat	208,177,988	310,583,177
Share capital	1,200,000,000	1,200,000,000
Reserve	360,000,000	360,000,000
Retained earnings	158,190,701	221,249,005
Dividend payable	12,477,451	14,758,822
Zakat payable	11,699,190	13,988,330
Adjustment to profit after zakat	351,363	144,157
Non-current liabilities	37,269,217	33,246,824
Additional current liabilities in relation to spare parts and supplies	19,558,801	19,282,090
Non-current deductible assets	(1,231,548,926)	(1,211,982,949)
Spare parts and supplies, not held for sale	(120,618,243)	(114,953,721)
Zakat base	447,379,554	535,732,558
Zakat base pro rata (366/354)	462,545,958	553,892,984
Zakat due on zakat base	11,563,648	13,847,325

19.2 Zakat expense / (refund)

	31 December 2025	31 December 2024
Zakat provision made for the year	11,563,648	13,847,325
Adjustment of credit received from ZATCA	-	(25,046,392)
Zakat (refund) / expense	11,563,648	(11,199,067)

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19 ZAKAT (Continued)
19.3 Movement

The movement in Zakat provision is as follows:

	31 December 2025	31 December 2024
Opening balance	13,988,330	26,469,569
Provision for the year	11,563,648	13,847,325
Payment during the year	(13,852,789)	(11,735,735)
Adjustment of credit received from ZATCA	-	(25,046,392)
Settlement of VAT liability against credit received from ZATCA	-	10,453,563
Closing balance	11,699,189	13,988,330

19.4 Status of final assessments

The Company has filed its zakat return up to 31 December 2024 and have received zakat certificates for the same.

The Company has finalized its assessment with ZATCA up to 31 December 2020.

During the year ended 31 December 2024, the Company received the final decision issued by the General Secretariat for Zakat, Tax and Custom Committees ("GSZTC") regarding withholding taxes for the years 2006 – 2010 for a total amount of SR 26,972,457 in favor of the Company. On 22 July 2024, the Company received statement of account from ZATCA reflecting the amounts credited to the Company's account amounting to SR 25,046,392 against which the Company utilized SR 10,453,563 to settle VAT payable and utilized SR 14,592,829 to settle zakat liability pertaining to zakat assessments for the years 2015-2020 as mentioned below. On 13 February 2025, the Company has received statement of account from ZATCA reflecting the credit of the remaining amount of SR 2,043,066. The Company has utilized this amount to settle VAT payable settled and recorded as other income in the statement of profit or loss for the year ended 31 December 2025.

ZATCA issued assessments for the years 2015 – 2020 and claimed an additional zakat liability amounting to SR 48,649,706. The Company paid SR 7,045,469 and objected against the remaining amount of the assessments to the Tax Dispute and Violation Appellate Committee (the "Committee") and GSZTC.

The Committee and GSZTC rendered its decision and reduced zakat liability of the Company by SR 27,011,407 for the years 2015-2020. The Company received final invoices from ZATCA amounting to SR 14,592,829 for the years 2015-2020. The Company settled these invoices against the credit received of SR 25,046,392 in respect of withholding taxes for the years 2006-2010.

20 REVENUE

	31 December 2025	31 December 2024
Revenue from sale of cement	838,810,297	844,475,274
Less: volume discounts and rebates	(51,184,415)	(55,078,914)
	787,625,882	789,396,360
a) Disaggregation by customer type		
	Note	
	31 December 2025	31 December 2024
Non-related parties	671,793,959	640,519,006
Related parties	115,831,923	148,877,354
	787,625,882	789,396,360

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20. REVENUE (continued)*b) Disaggregation by geography*

	<i>31 December</i> <i>2025</i>	<i>31 December</i> <i>2024</i>
Kingdom of Saudi Arabia	784,881,138	785,231,370
State of Iraq	464,094	1,613,810
Sultanate of Oman	1,158,718	1,062,287
Hashemite Kingdom of Jordan	-	528,124
Kingdom of Bahrain	409,092	480,596
State of Yemen	712,840	480,173
	787,625,882	789,396,360

c) Disaggregation by product type

The Company derives revenue from the sale of cement at a point in time in the following product lines:

	<i>31 December</i> <i>2025</i>	<i>31 December</i> <i>2024</i>
Grey cement	625,406,540	628,400,274
White cement	162,219,342	160,996,086
	787,625,882	789,396,360

Revenue from two major customers amounted to SR 298.8 million and SR 92.8 million, respectively. (31 December 2024: SR 282.9 million and SR 112.9 million, respectively). The rest of the revenue is derived from various customers whose individual revenue is less than 10% of total revenue.

21. COST OF REVENUE

	<i>Note</i>	<i>31 December</i> <i>2025</i>	<i>31 December</i> <i>2024</i>
Raw materials consumed		207,915,792	154,210,390
Depreciation of property, plant and equipment	7.1	109,452,216	103,334,282
Salaries and wages		86,908,086	74,510,202
Repairs and maintenance		59,809,209	60,775,498
Quarry extraction fees		34,955,774	27,556,125
Packing material consumed		13,683,614	14,058,763
Write-off of inventory	21.1	-	12,747,048
Insurance		435,927	387,652
Depreciation expense of right of use assets	8	75,565	412,610
Charge / (reversal) for slow moving inventories	9.1	11,198,862	(226,879)
Others		5,372,548	12,863,807
		529,807,593	460,629,498

21.1 Write-off of Inventory represents low quality white clinker written off during the year ended 31 December 2024.

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22. GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Note</i>	<i>31 December</i> <i>2025</i>	<i>31 December</i> <i>2024</i>
Salaries and other benefits		22,138,751	20,468,852
Professional and subscription fees*		3,641,209	4,580,621
Board of directors' and other committees remuneration	26	2,880,000	2,752,268
Depreciation of property, plant and equipment	7.1	2,282,490	2,313,154
Utilities		1,228,639	1,207,301
Provision against supplier advance long outstanding		4,094,730	-
Others		1,476,460	874,846
		37,742,279	32,197,042

* Includes fees of the Company external auditor for audit and interim reviews services amounting to SR 644,000 for the year ended 31 December 2025 (2024: SR 892,858).

23. SELLING AND MARKETING EXPENSES

	<i>Note</i>	<i>31 December</i> <i>2025</i>	<i>31 December</i> <i>2024</i>
Employee related costs		3,556,719	3,320,787
Depreciation of property, plant and equipment	7.1	59,426	72,172
Others		211,853	240,467
		3,827,998	3,633,426

24. OTHER INCOME, NET

	<i>Note</i>	<i>31 December</i> <i>2025</i>	<i>31 December</i> <i>2024</i>
Refund of withholding tax	19	2,043,066	-
(Loss) / gain on foreign exchange translation		(1,321,698)	1,652,538
Gain on sale of scrap		-	1,862,000
Gain on disposal of property, plant and equipment		-	317,798
Other		124,609	17,739
		845,977	3,850,075

25. FINANCE COST

	<i>Note</i>	<i>31 December</i> <i>2025</i>	<i>31 December</i> <i>2024</i>
Bank Charges		1,083,876	1,777,497
Interest on employee's defined benefits liabilities	16	1,129,603	1,142,946
Unwinding of discount of assets retirement Obligations	17	570,154	477,139
Interest on lease liabilities	8	57,328	450,098
		2,840,961	3,847,680

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26 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise the shareholders, directors, associate company, key management personnel. Related parties also include business entities in which certain directors or senior management have an interest (other related parties).

Rashid Development Company Limited (Rashidco) is one of the major shareholder of the Company with effective ownership interest percentage of 23.21% as at 31 December 2025, and 2024. Rashidco is 100% owned by Al Awael Investment Holding Company which is its ultimate parent.

(a) *Following are the transactions with related parties:*

Name	Nature of transactions	31 December 2025	31 December 2024
Alrashed Cement Company (common ownership)	Revenue	92,858,395	112,892,513
Towa Development Company (common directorship)	Revenue	22,973,528	35,545,026
Precast Building System Company (common directorship)	Revenue	-	439,810

(b) *Key management personnel compensation:*

	31 December 2025	31 December 2024
Salaries and other employee benefits expense for the year	10,303,900	9,429,299
Post-employment benefits outstanding balance	2,466,572	1,818,622
	12,770,472	11,247,921

(c) *Directors and other committees' remuneration and related expenses*

	31 December 2025	31 December 2024
Board of Directors' and other committees' remunerations	2,880,000	2,752,268
	2,880,000	2,752,268

(d) *Directors and other committees' remuneration outstanding balance*

Nature of relationship	Note	31 December 2025	31 December 2024
Accrued Board of Directors' and other committees remuneration	Board of Directors	18	
		2,420,000	2,420,000
		2,420,000	2,420,000

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26 RELATED PARTY TRANSACTIONS AND BALANCES (continued)
(e) *Due from related parties*

	31 December 2025	31 December 2024
Alrashed Cement Company (common ownership)	36,473,983	48,651,445
Towa Development Company (common directorship)	9,638,958	12,364,396
Precast Building System Company (common directorship)	2,116	488,625
	46,115,057	61,504,466

Due from related parties are recorded under trade and other receivables (refer note 10).

(f) *Terms and conditions*

The transactions with related parties are entered at mutually agreed terms and conditions and a price agreed upon according to a contract / arrangement / agreement. Key management personnel remunerations are made according to their contractual terms.

27 EARNINGS PER SHARE

Earnings per share have been calculated by dividing the profit for the year of the Company by the weighted average number of shares outstanding during the year.

	31 December 2025	31 December 2024
Profit for the year attributable to shareholders of the Company	207,826,625	310,439,020
Weighted average number of ordinary shares	120,000,000	120,000,000
Basic and diluted, earning per share	1.73	2.59

The company does not have any dilutive potential shares

28 FINANCIAL INSTRUMENTS
Categories of financial instruments

The accounting policies for financial instruments have been applied to the line items below:

31 December	At amortized cost	
	2025	2024
Assets as per statement of financial position		
Trade and other receivables	245,984,261	216,680,873
Short term Murabaha	10,001,347	86,403,264
Cash and cash equivalents	61,971,835	148,702,349
Total	317,957,443	451,786,486

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28 FINANCIAL INSTRUMENTS (Continued)

31 December	At amortized cost	
	2025	2024
Liabilities as per statement of financial position		
Trade payables	22,188,285	41,769,631
Accruals and other current liabilities	94,342,161	82,394,680
Lease liabilities	1,656,211	4,118,883
Dividend payable	12,477,451	14,758,822
Total	130,664,108	143,042,016

29 FINANCIAL RISK MANAGEMENT
29.1 Financial risk factors

The Company's activities expose it to a variety of financial risks including the effects of changes in market risk (including currency risk, fair value and cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. Risk management is carried out by the management under policies approved by the board of directors.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies, and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit department. Internal Audit department undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(a) Market risk
(i) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in currency that is not the Company's functional currency.

The company is exposed to currency risk pertaining to its operations that are denominated in a currency other than the functional currency of the Company which is Saudi Arabian Riyal (SR). The company transactions are primarily denominated in SR, United Arab Emirates Dirham (AED), United States Dollar (USD), and EURO.

The company exposure of financial instruments in Euro is SR 6.4 million.

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29 FINANCIAL RISK MANAGEMENT (Continued)
29.1 Financial risk factors (Continued)
(a) Market risk (Continued)
(ii) Currency risk (Continued)
Sensitivity analysis

A 1% possible strengthening (weakening) of the SR against EURO at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by SR 63,670.

(iii) Fair value and cash flow interest rate risk

Interest rate risks are the exposures to various risks associated with the effect of fluctuations in the prevailing interest rates on the Company's financial position and cash flows. The Company manages the interest rate risk by regularly monitoring the interest rate profiles of its interest-bearing financial instruments. Management monitors the changes in interest rates and believes that the fair value and cash flow interest rate risks to the Company are not significant. As at 31 December 2025 and 2024, there are no outstanding borrowings and the fair value of interest bearing financial assets approximate their fair values.

(iv) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from special commission rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instruments or it's issuer, or factors affecting all similar financial instruments traded in the market. Price risk is not applicable to the Company as it does not have any equity investment or any derivative that is affected by market fluctuations.

(b) Credit risk

Credit risk arises from cash and cash equivalents, short term murabah and credit exposures to customers, including outstanding receivables.

Credit risk is managed on a company basis. For banks, only independently rated parties above P-2 ratings are accepted (rated by Moody's credit rating agency or equivalent). For trade receivables, internal risk control department assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set in accordance with limits set by the management. The compliance with credit limits by customers is regularly monitored by line management. See Note 10 for concentration of credit risk.

A significant increase in credit risk is presumed if a debtor is more than 365 days past due in making a contractual payment. The Company defines trade receivables as in default when the counterparty fails to make contractual payments within 365 days of when they fall due. The Company categorizes a receivable for write off when a debtor fails to make contractual payments greater than 720 days past due and when there is no reasonable expectation of recovery. During the year, the Company has not written-off any over-due balances (2024: no write-off).

For majority of the trade receivables, the Company obtains security in the form of bank letter of guarantee, which can be called upon if the counterparty is in default under the terms of the agreement.

Where receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in statement of profit and loss.

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29 FINANCIAL RISK MANAGEMENT (Continued)
29.1 Financial risk factors (Continued)
(b) Credit risk (Continued)
Impairment of financial assets

The Company has the following financial assets that are subject to the expected credit loss model:

	31 December 2025	31 December 2024
Trade receivables – third parties	176,613,984	154,670,397
Trade receivables – related parties	46,115,057	61,504,466
Short term Murabaha	10,001,347	86,403,264
Cash and cash equivalents	61,971,835	148,702,353
Receivable from the Program	25,223,481	2,530,290
Employees and other receivables	27,325	129,719
	319,953,029	453,940,489

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

IFRS 9 uses forward-looking 'expected credit loss' (ECL) model. Cash at banks are placed with banks with sound credit ratings.

Employee and other receivables are financial assets and are considered to have low credit risk. Based on management impairment assessment, there is no provision required in respect of these balances for all the periods presented.

For trade receivables, the Company applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The provision matrix takes into account historical credit loss experience and is adjusted for average historical recovery rates. The historical loss rates are also considered to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP rate to be the most relevant macro-economic factors of forward-looking information accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade receivables are grouped based on collateral:

	31 December 2025	31 December 2024
Balances secured by bank guarantees	219,662,416	211,423,576
Balances unsecured	3,066,625	4,751,287
	222,729,041	216,174,863

The following table provides information about the exposure to credit risk and ECL for secured and unsecured trade receivables separately:

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29 FINANCIAL RISK MANAGEMENT (Continued)
29.1 Financial risk factors (Continued)
(b) Credit risk (Continued)
Secured trade receivables

	31 December 2025		
	Gross carrying amount	Loss rate	Loss allowance
Current (0 -90 days)	153,049,167	0.01%	22,364
91-180 days	65,378,425	0.02%	14,329
181-270 days	1,234,824	0.51%	6315
	219,662,416		43,008

	31 December 2024		
	Gross carrying amount	Loss rate	Loss allowance
Current (0 -90 days)	156,865,349	0.02%	35,295
91-180 days	54,221,674	0.02%	12,276
181-270 days	336,553	0.02%	76
	211,423,576		47,647

Unsecured trade receivables

	31 December 2025		
	Gross carrying amount	Loss rate	Loss allowance
Current (0 -90 days)	1,072,616	0.02%	215
91-180 days	7,350	0.03%	2
181-270 days	34,540	0.7%	242
above 365 days	1,952,119	100%	1,952,119
	3,066,625		1,952,578

	31 December 2024		
	Gross carrying amount	Loss rate	Loss allowance
Current (0 -90 days)	2,285,916	1.78%	40,789
91-180 days	7,000	4.07%	285
181-270 days	522,082	24.71%	128,989
above 365 days	1,936,289	100.00%	1,936,289
	4,751,287		2,106,352

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29 FINANCIAL RISK MANAGEMENT (Continued)
29.1 Financial risk factors (Continued)
(b) Credit risk (Continued)

Reversal / impairment loss on financial assets recognized in the statement of profit and loss are as follows:

	Note	31 December 2025	31 December 2024
Reversal / impairment loss on financial assets	11	(158,413)	105,706
		(158,413)	105,706

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 720 days past due. During the year, the Company has not written-off any over-due balances (2024: no write-off).

(c) Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available through committed credit facilities to meet any future commitments. For instance, concentrations of liquidity risk may arise from the repayment terms of financial liabilities, bank overdraft or reliance on a particular market in which to realize liquid assets.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	31 December 2025			
	One or less than one year	1 to 5 years	More than 5 years	Total
Trade payables	22,188,285	-	-	22,188,285
Other current financial liabilities	94,342,161	-	-	94,342,161
Dividend payable	12,477,451	-	-	12,477,451
Lease liabilities	720,000	600,000	720,000	2,040,000
	129,727,897	600,000	720,000	131,047,897
	31 December 2024			
	One or less than one year	1 to 5 years	More than 5 years	Total
Trade payables	41,769,631	-	-	41,769,631
	82,394,680	-	-	82,394,680
Other current financial liabilities	-	-	-	-
Dividend payable	14,758,822	-	-	14,758,822
Lease liabilities	3,120,000	600,000	840,000	4,560,000
	142,043,133	600,000	840,000	143,483,133

Liquidity risk is managed by monitoring on a regular basis that sufficient funds and banking and other credit facilities are available to meet the Company's future commitments. Refer to Note 31 (iv) for unused credit facilities. The Company's terms of sales require amounts to be paid on a terms basis.

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29 FINANCIAL RISK MANAGEMENT (Continued)
29.2 Capital risk management

The primary objective of the Company's capital management is to ensure that it maintains a proper capital ratio in order to support its business and maximize shareholders' value. The capital structure includes all component of shareholders' equity totaling Saudi Riyals 1.72 billion at 31 December, 2025 (31 December, 2024: Saudi Riyals 1.78 billion). The Board of directors manages the Company capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated based on the net debt divided by total equity.

	31 December 2025	31 December 2024
Lease liabilities	1,656,211	4,118,883
Less: cash and cash equivalents	(61,971,835)	(148,702,353)
Net funds	(60,315,624)	(144,583,470)
Total equity	1,722,188,923	1,781,249,005
Total capital	1,200,000,000	1,200,000,000
Gearing ratio	(4%)	(8%)

The net fund position indicates that the Company's capital structure is effectively comprised of equity only.

29.3 Fair value estimation

As at 31 December, 2025 and 2024, the fair values of the Company's financial instruments are estimated to approximate their carrying values since the financial instruments are short term in nature, bear no interest, except for short-term deposits which are at prevailing market rates.

30 Dividends

On 21 Rajab 1446H (corresponding to 21 January 2025), the Board of Directors of the Company recommended dividends of SR 150 million at SR 1.25 per share for distribution from the retained earnings. The General Assembly approved these dividends on 19 Shawwal 1446H (corresponding to 17 April 2025).

On 11 Safar 1447H (corresponding to 5 August 2025), the Board of Directors of the Company resolved to distribute dividends of SR 120 million at SR 1 per share for distribution from the retained earnings. The General Assembly authorized the Board of Directors to distribute the interim dividends for the financial year 31 December 2025 in its meeting held on 19 Shawwal 1446H (corresponding to 17 April 2025).

On 27 Jumada al-Ula 1445H (corresponding to 11 December 2023), the Board of Directors of the Company recommended dividends of SR 90 million at SR 0.75 per share for distribution from the retained earnings. The General Assembly approved these dividends on 14 Shawwal 1445H (corresponding to 23 April 2024).

On 3 Safar 1446H (corresponding to 7 August 2024), the Board of Directors of the Company resolved to distribute dividends of SR 120 million at SR 1 per share for distribution from the retained earnings. The General Assembly authorized the Board of Directors to distribute the interim dividends for the financial year 31 December 2024 in its meeting held on 14 Shawwal 1445H (corresponding to 23 April 2024).

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30. Dividends (Continued)

Below is the movement of dividend during the year ended 31 December:

	<i>31 December</i> 2025	<i>31 December</i> 2024
At the beginning of the year	14,758,822	15,539,037
Dividend declared during the year	270,000,000	210,000,000
Paid during the year	(272,281,371)	(210,780,215)
At the end of the year	12,477,451	14,758,822

31. CONTINGENT LIABILITIES, GUARANTEES, LETTERS OF CREDIT AND COMMITMENTS
i) Contingent liability

During the year ended 31 December 2025, one of the Company's suppliers filed a lawsuit against the Company demanding SR 1.8 million. The Company has recorded full amount under accruals and other current liabilities.

ii) Guarantees and letters of credit

The bank issued guarantees and letters of credit on behalf of the Company as at 31 December 2025 for an amount of SR 61.12 million (31 December 2024: SR 140.98 million).

iii) Capital commitments

The Company has capital commitments in relation with contracts for constructing property, plant and equipment as at 31 December 2025 amounting to SR 185.25 million (31 December 2024: SR 112.65 million).

Subsequent to the year ended 31 December 2025, the Company has entered into a contract of SR 59.34 million with a foreign engineering, procurement and construction company for the conversion to natural gas under the Liquid Fuel Displacement Program.

iv) Credit facilities

The Company has unutilized credit facilities amounting to SR 20 million (31 December 2024: SR 20 million). These credit facilities are secured against promissory notes. The credit facilities are denominated in SR and bears variable finance charge based on prevailing market rates of interest which are based on Saudi Arabian Interbank Offered Rate (SAIBOR) plus spread.

32. EVENTS SUBSEQUENT TO THE REPORTING DATE

Except as disclosed in note 31, in the opinion of management, there are no events have occurred subsequent to the reporting date and before the issuance of these financial statements which requires adjustment to, or disclosure, in these financial statements.

33. BOARD OF DIRECTORS APPROVAL

The financial statements were authorized for issue by the Company's Board of Directors on 19 Ramadhan 1447H (corresponding to 8 March 2026).

