



Annual Report

2024

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



Introduction

Dear Al Majed for Oud Shareholders,
May the peace, mercy, and blessing of Allah be upon you.

The Chairman and Board of Directors of Al Majed for Oud are pleased to submit the Company's annual report to its shareholders for the fiscal year ending on December 31, 2024. The report complies with the governance regulations issued by the Capital Market Authority, the Companies Law, and the Company's Articles of Association.

The report highlights the Company's activities, financial results, performance, achievements, and future plans for the fiscal year 2024, reflecting its commitment to transparency and effective governance.



The Custodian of the Two Holy Mosques
King Salman bin Abdulaziz Al-Saud



His Royal Highness
Prince Mohammed bin Salman bin Abdulaziz Al-Saud
Crown Prince - Prime Minister



Integrating Sustainability into Entrepreneurial Ventures

Al-Majed for Oud continues to solidify its position as a leading brand in Oud and fragrance investments across the Kingdom of Saudi Arabia and the Gulf Countries, keeping pace with the rapid advancements in the fragrance and personal care industry. Drawing on more than 60 years of experience, the Company has crafted unique and varied fragrance collections, while upholding the world's most rigorous sustainability standards. By adopting this approach, the Company has grown its customer base and strengthened its retail presence, operating more than 348 branches and sales platforms across the Kingdom and multiple Gulf nations.



+60

of experience in the manufacturing of oud, perfumes, and their preparations



348

Sales platform and branches





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A promising strategic transformation



Majed Ali Othman Al-Majed
Chairman of the Board

Chairman's Message

In the name of Allah, the Most Gracious, the Most Merciful
May the peace, mercy, and blessing of Allah be upon you.

We are incredibly proud to share Al Majed for Oud's successes in 2024. It is my pleasure to present the annual report, reflecting on the challenges we've faced and the opportunities we've pursued in our journey toward achieving our strategic objectives. Our journey has been marked by notable strides in fortifying our market presence and fostering sustainable growth, ensuring consistent value delivery to our shareholders and partners.

Driven by a clear vision for the future, our ongoing focus on meaningful innovation and expansion highlights our unwavering ambition to excel and set new standards in our industry. We are certain that these initiatives will drive continued success and growth in the coming years.

I extend my gratitude to our Board and team for their unwavering support and to our valued shareholders for their trust in our continued growth and success.

May the peace, mercy, and blessing of Allah be upon you.





Waleed Khalid Al Majed
CEO and Managing Director

CEO and Managing Director's Message

In the name of Allah, the Most Gracious, the Most Merciful

May the peace, mercy, and blessing of Allah be upon you.

With the conclusion of a remarkable year, I am delighted to highlight the significant milestones that shaped Al-Majed for Oud's path in 2024. This year stood as a defining moment in our journey, reinforcing our market position, driving sustainable growth, and bringing our bold vision to life through a dedication to innovation, expansion, and the highest standards of excellence and governance.

Joining the capital market has been a strategic milestone, reinforcing our leadership in the fragrance sector and solidifying our identity as a national brand driven by innovation, sustainability, and transparency. This listing has allowed us to broaden our investor base, strengthen shareholder confidence in our journey, and unlock new avenues for growth and development.

A Year of Carefully Studied Growth and Expansion

Throughout 2024, we remained committed to our strategy of product diversification and development, introducing 13 new products. This not only reinforced our competitive edge and addressed our customers' changing demands but also drove our revenue to SAR 926 million, underscoring the robustness of our operations and the strength of our brand.

Our growth journey continued with the addition of 62 new branches, increasing our total footprint to 348 branches. Carefully selected to align with a strategy that capitalizes on seasonal trends, these branches will play a vital role in supporting our 2025 targets by addressing rising demand across various peak periods. By planning ahead for all seasons, we are certain that these branches will greatly accelerate growth and yield remarkable outcomes early in the year, boosting our operational efficiency and underscoring our commitment to thoughtful expansion.

Sustainable Success: Financial Results That Speak Volumes

The results of our expansion and innovation are evident in our financial performance, with a remarkable 19.8% growth in revenue and a 5.6% increase in profits, as highlighted in our financial statements. These results have great significance as they reflect the effectiveness of our strategies in enhancing operational efficiency, broadening our client base, and leveraging opportunities across local and regional markets.

In tandem with our geographical growth, production surged to over 14 million units in 2024, up from 11 million units in 2023. This achievement highlights our ability to keep pace with increasing demand while upholding exceptional standards of quality and excellence.

Our People, Our Strength: Human Capital Fueling Success

We believe that human talent is the cornerstone of success. Our ongoing efforts to foster a work environment that inspires and supports creativity have led to an 86% increase in employee satisfaction. Our commitment to enhancing training and development programs reflects our belief that investing in our people drives long-term growth. By prioritizing performance, efficiency, and professionalism, we are shaping a sustainable future for the Company.

Stepping Into a More Ambitious Future

What we accomplished in 2024 is merely the beginning of a new chapter driven by ambition and innovation. We continue to pursue a clear vision centered on strategic growth, embracing digital transformation, elevating the customer experience, and exploring promising market prospects. It is our duty to continue pioneering innovation in the fragrance industry, ensuring we remain at the forefront by offering products that surpass our customers' expectations.

We are thankful for the support of Saudi Vision 2030, which has established a foundation for a thriving business environment, empowering national companies to compete on a global scale. My deepest appreciation goes to our esteemed shareholders for their unwavering confidence, to the Board of Directors for their prudent leadership, and to the Al-Majed for Oud team whose commitment and efforts have been the driving force behind our achievements.

With steadfast confidence, we press ahead, inspired by our bold vision for innovation and growth. We trust that the future holds even more promising opportunities and remarkable accomplishments.

May the peace, mercy, and blessing of Allah be upon you.





01. Executive Summary



- Key Achievements in 2024
- 2024 Performance Benchmarks: Financial and Operational KPIs
- Al-Majed for Oud: Competitive Advantages



Executive Summary

Key Achievements in 2024



Microsoft

06 Mar

In a major step towards digital evolution, Al-Majed for Oud has signed a strategic agreement with Microsoft International to enhance its digital transformation journey, boost technical capabilities, and offer a more dynamic and personalized experience across its diverse customer base.

تداول السعودية
Saudi Exchange

07 Oct

In a landmark strategic move, Al-Majed for Oud's shares were listed on the Saudi Stock Exchange (Tadawul) – the main Saudi market.



27 Oct

Al-Majed for Oud's Board of Directors approved the establishment of a wholly-owned subsidiary limited liability company in Qatar, with a capital of QAR 50,000, enhancing the company's regional expansion and reflecting confidence in the Gulf markets' growth potential. Notably, the subsidiary's Articles of Association and Commercial Register were completed on November 19, 2024.



Noir fragrance

Noir fragrance was named the most popular fragrance in the Middle East for the year 2024.



1,800,000+

A customer in the loyalty program.



Executive Summary

2024 Performance Benchmarks:
Financial and Operational KPIs



Total annual
revenues

926

Mn ﷮

%20

Rate increase
compared to 2023



Total annual
profits for 2024

609.7

Mn ﷮

%19

Rate increase
compared to 2023



ROI
Ratio

25%



Operational and
Production Metrics

675

high-quality
products

%70

factory operation rate
(actual production
capacity)

348

stores and sales platform
in KSA and the Gulf
Countries

50,000

units per day, the factory's
production capacity

132

trademarks are registered
under Al-Majed for Oud

Integrating Sustainability into Entrepreneurial Ventures

A comprehensive view, reflecting the
Company's strategy and leadership, with a
strong focus on sustainable development



Executive Summary

Al-Majed for Oud: Competitive Advantages

01.

With a rich legacy of crafting exquisite fragrances, Al-Majed for Oud stands as an established regional pioneer, strengthening its position in the fragrance sector.

02.

A reputable brand admired by discerning customers, cultivating lasting loyalty and trust.

03.

A diverse product range crafted to suit various preferences, fostering strong customer loyalty.

04.

An integrated sales approach featuring strategically placed stores across the Kingdom and the Gulf Countries, complemented by digital platforms to enhance customer reach.

05.

Strong potential for expansion into promising markets, driven by sustainable growth factors that enhance investment and development opportunities.

06.

Robust financial standing supported by a well-rounded growth plan, enhancing investor confidence in the Company's enduring success.

07.

Visionary leadership and seasoned management, driven by the Company's founders and a skilled executive team, ensuring the effective realization of strategic goals.

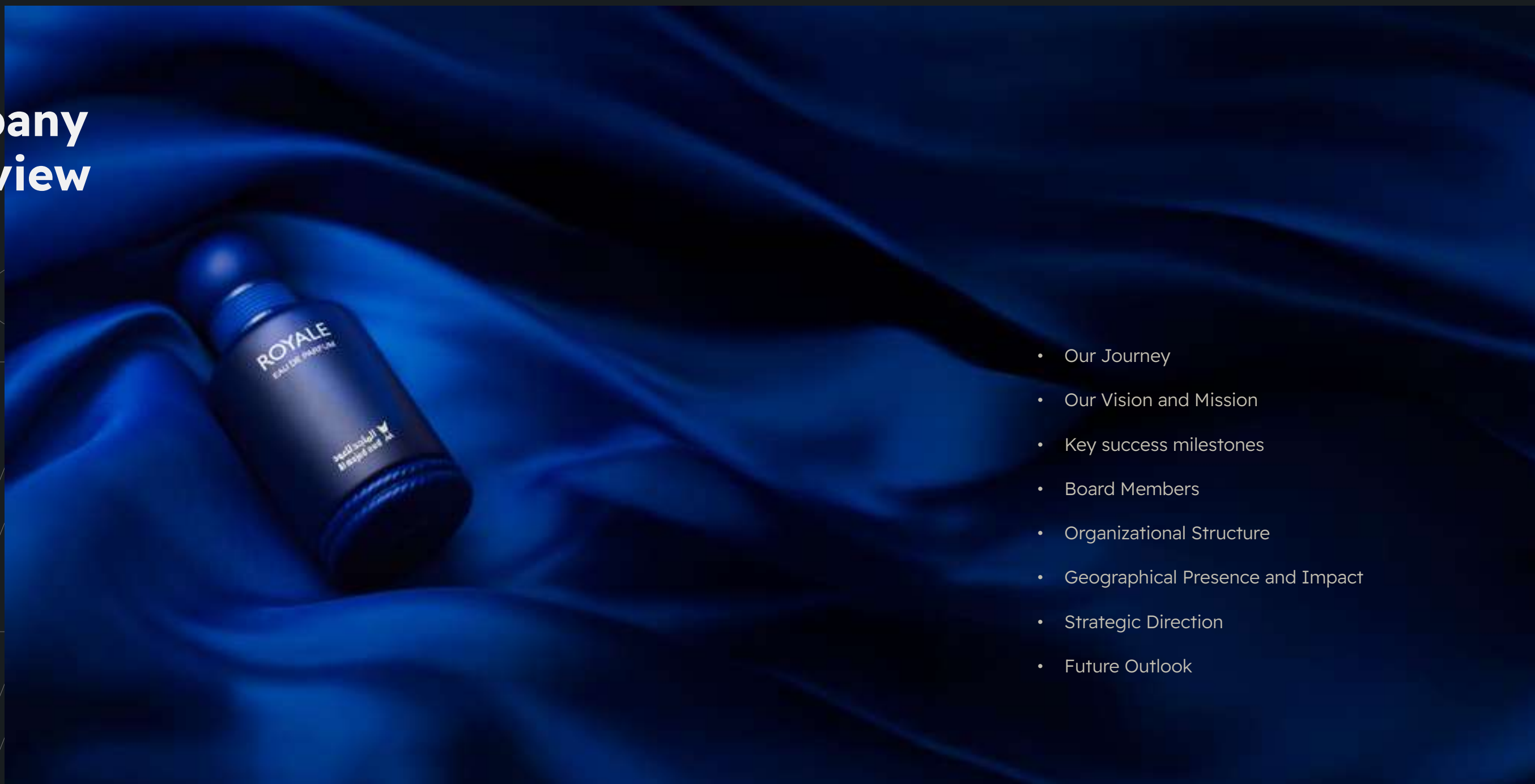
08.

Deep expertise in importing and strong partnerships with suppliers and manufacturers, ensuring consistent product quality and boosting market competitiveness.





02. Company Overview



- Our Journey
- Our Vision and Mission
- Key success milestones
- Board Members
- Organizational Structure
- Geographical Presence and Impact
- Strategic Direction
- Future Outlook



Company Overview

Our Journey

Our Journey

Our Establishment and Evolution



Sheikh Ali bin Othman Al-Majid embarked on his journey in 1956 with a bold strategic vision, focusing on the wholesale trade of oud and saffron in the Kingdom of Saudi Arabia. After achieving notable success, Al-Majed for Oud was formally established in 1982, expanding its presence in the wholesale and retail markets for oud, musk, incense, oriental and western perfumes, as well as accessories and gifts.

Over the years, Al-Majed for Oud has expanded its portfolio to over 650 high-quality products, thoughtfully crafted to suit varied tastes across KSA, Kuwait, UAE, Bahrain, Oman, and Qatar. Headquartered in KSA, the Company operates 286 stores strategically located throughout the Kingdom and the Gulf Countries. Additionally, the Company has bolstered its digital infrastructure with a comprehensive online store, widening its market access and promoting products across leading global digital platforms.

On the industrial front, the Company's Riyadh factory covers 4,000 square meters, producing up to 50,000 products daily, cementing its status as a top fragrance and oud manufacturer in the Kingdom with a market share exceeding 5.2%. As part of its ongoing growth and expansion journey, the Board of Directors approved the Company's restructuring and listing on the Saudi Stock Exchange on October 8, 2024, strengthening its financial performance, enhancing its market share, and expanding its customer reach. With a current capital of SAR 250 million, the Company is divided into 25 million ordinary shares, each carrying a fully paid nominal value of SAR 10.

As part of its regional expansion, the Company set up a wholly-owned limited liability company in Qatar, with a capital of QAR 50,000, dedicated to trading oud, incense, perfumes, cosmetics, and gifts. Al-Majed for Oud's expansion reflects its strategic vision of increasing proximity to customers across various markets while ensuring sustainable long-term growth.



15 million

Unit per year



Our Vision

The Company aspires to be a leader in the oud and perfume industry in the Middle East and the world, through the creation and/or development of distinguished fragrance products that suit the tastes of its customers and enable them to express their originality.

Our Mission

To innovate, develop and produce the best and finest types of perfumes, and to import the finest types of oud as per international industry standards to gain customer confidence, satisfaction and aspirations.



Company Overview

Key success milestones

1956

The foundation of Al-Majed for Oud goes back to Sheikh Ali bin Othman Al-Majid's early ventures in the wholesale trade of oud and saffron in KSA.

1982

Al-Majed for Oud was initially established as a sole proprietorship under the name Al-Majed for Oud Establishment.



1990

The first retail store was opened in Riyadh, expanding the product range to include perfumes, incense, essential oils, accessories, and gifts.



2007

Al-Majed for Oud redirected its activities towards the retail sector, suspending its wholesale business to strengthen its market presence.

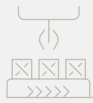
2010

Al Majed for Oud Establishment was converted into a limited liability company under the name Al Majed for Oud LLC.



2012

The Company established a factory in Riyadh for the production of perfumes, essential oils, and incenses, with a capacity of up to 5,000 units per day.



2018

The Company expanded its sales operations by opening a store in Kuwait and launching its online store.



2021

The Company launched its first stores in the UAE.



2022

- The Company opened its first store in Bahrain.
- The Company opened its 200th store.
- Acquired the assets of Khalta Perfumes Company, adding 41 stores to its portfolio

2023



- Converted into a closed joint-stock company.
- Established its first stores in Oman.




2024

- Al-Majed for Oud listed its shares on the Saudi Stock Exchange (Tadawul) – the main capital market – as a public joint stock company.
- Al-Majed for Oud established a wholly-owned limited liability subsidiary in the State of Qatar.







Board Members




Majed bin Ali AlMajed
Chairman
Non-Executive




Thamer bin Saad AlMajed
Vice Chairman
Executive



Waleed bin Khalid AlMajed
CEO and Managing Director
Executive



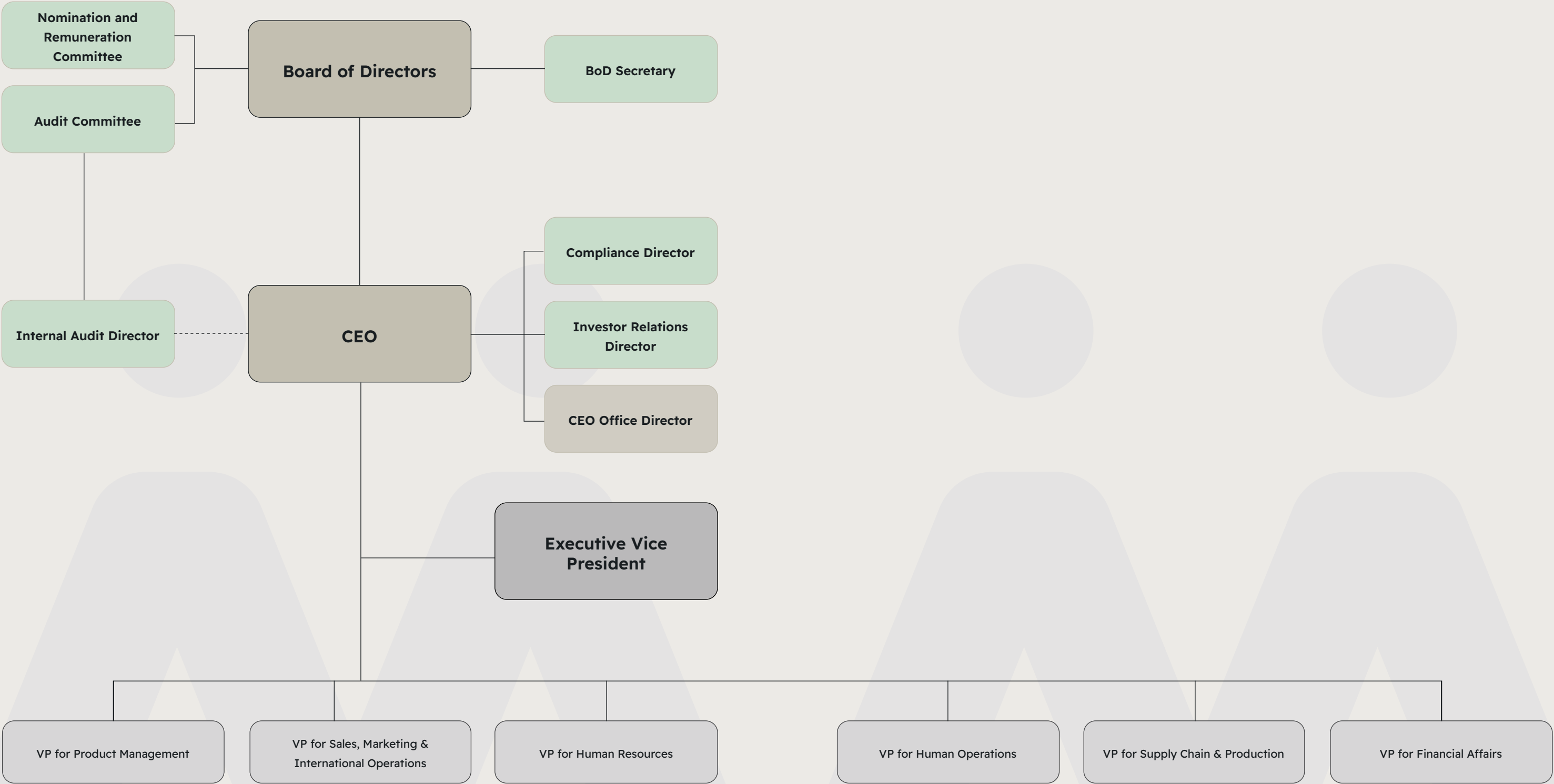
Yasser bin Zoman AlZoman
Board Member
Independent Member



Ahmed bin Ibrahim AlSunaidi
Board Member
Independent Member



Organizational Structure





Company Overview

Geographical Presence and Impact

Al-Majed for Oud pursues an ambitious expansion strategy, aimed at establishing a comprehensive presence across KSA and the Gulf Countries, and enhancing its connection with diverse customer segments. This expansion enables Al-Majed for Oud to offer its finest oud, perfumes, incense, and distinctive accessories, delivering a refined purchasing experience to its customers. The Company leverages primary sales channels, including:



Al-Majed for Oud’s retail outlets, including its permanent stores and kiosks.



The Company’s online store



Other third-party online stores such as Amazon, Nice One and Goldenscent



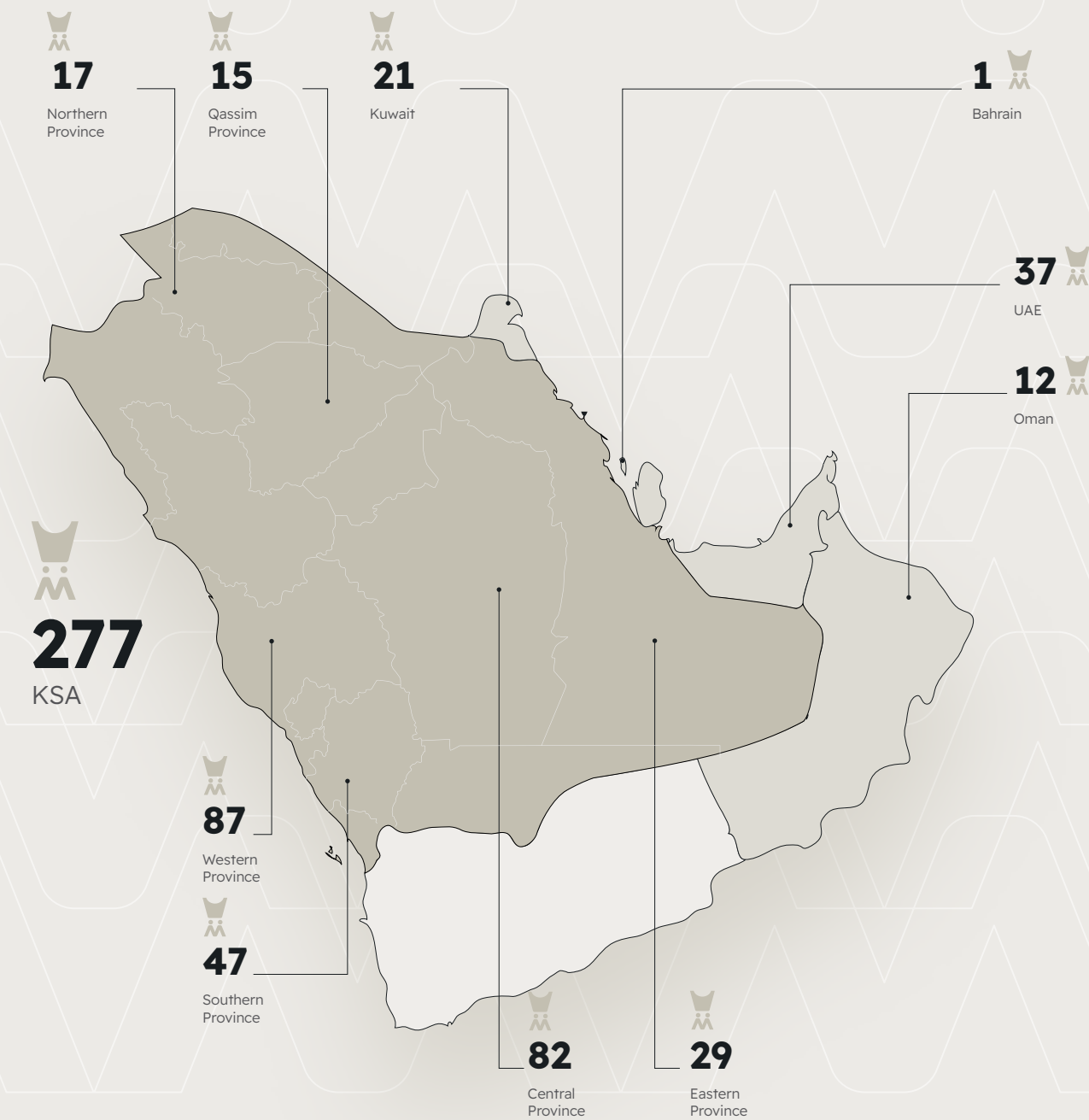
Temporary sale kiosks held in trade fairs and festivals.



Other sales, including in-store sales for companies, government entities, and large individual customers.

Company Subsidiaries

Company Name	Paid-Up Capital	Ownership Percentage & Core Business Activity	Operations Headquarters	Country of Incorporation
Almajed for Oud Co. (LLC) A single-member limited liability company.	QAR 50,000	%100 Trading in perfumes, oud, incense, and fragrances, as well as women’s cosmetics, beauty and hair care products, and trading in gift and jewelry boxes.	Qatar	Qatar





Company Overview

Strategic Direction

Al-Majed for Oud is dedicated to executing a development strategy aimed at solidifying its leadership as a top producer of oud and fragrances in KSA and the Gulf Countries. This strategy is based on the following pillars:

1. Expansion in KSA and abroad

- Enhance the Company’s physical and online presence, creating a premier shopping destination that delivers a refined and engaging customer experience.
- Launch new stores in strategic, untapped locations and strengthen market presence across KSA.
- Broaden digital sales channels via the online store and partnerships with e-commerce platforms, extending regional and international reach.
- Penetrate new markets across the Gulf Countries, North Africa, Europe, and North America through international exhibitions, owned stores, franchises, or commercial agreements, guided by ROI studies.

2. Product diversification and customer-centric enhancements

- Harness manufacturing proficiency and strategic alliances with international producers to offer a rich and creative array of fragrance products.

- Craft products that appeal to varied tastes, prioritizing superior quality and long-lasting excellence.
 - Enhance customer experience through seamless digital and in-store shopping solutions, strengthening brand loyalty.
3. Operational efficiency and sustainability
- Boost operational efficiency to improve productivity and reduce costs while maintaining product quality.
 - Ensure financial and operational transparency to strengthen the Company’s value and support data-driven decision-making.
 - Embrace environmental sustainability by collaborating with specialized entities to promote responsible resource use and safeguard the environment.



Future Outlook

Rooted in its legacy since 1982, and driven by a keen understanding of market demands, Al-Majed for Oud seeks to broaden its customer base and expand into new markets within KSA and internationally. Al-Majed for Oud continually diversifies its product portfolio to cater to diverse consumer tastes, boosting market share, strengthening customer loyalty, and driving greater profitability for shareholders and partners.

With its advanced manufacturing capabilities and extensive network of warehouses and retail outlets, Al-Majed for Oud reinforces its standing as a prominent force in local, regional, and global markets. With promising growth projections for 2025-2027, the Company aims to solidify its footprint in KSA, expand exports across the Gulf Countries, and extend its international reach.

The Company’s strategy of crafting varied, top-quality products at competitive prices strengthens its global competitiveness, enabling it to adapt to industry shifts and secure sustainable growth.



.03 Our Products and Trusted Brand



- Intellectual Property
- Our Signature Products
- Sustainable Supply Chains
- Marketing and Sales



Our Products and Trusted Brand

Intellectual Property

As part of its strategy to manage registered trademarks, Al-Majed for Oud prioritizes strengthening its core brands and designs to drive business success and solidify its market competitiveness.

Al-Majed for Oud has registered its trademark in KSA and 17 other countries, while also securing trademarks and industrial designs for its key products, adhering to Saudi Authority for Intellectual Property regulations. The Company owns 89 registered trademarks encompassing 173 products, as well as 3 distinct trademarks reserved for marketing efforts and promotional campaigns. Additionally, the Company holds 9 registered industrial models covering product designs and packaging.



89

Major Brands



3

Marketing brands



11

Registered industrial models

Our Signature Products

Key 2024 achievements



Rolled out 64 new products in 2024, following a carefully crafted plan rooted in comprehensive market analysis to ensure optimal product selection.



Reached a 100% completion rate in developing and updating the Product Management Division, leading to improved production quality and notable cost reduction.



Regularly conducted market research to assess product performance against competitors, ensuring timely updates on market trends and customer preferences for agile market adaptation.



Renowned for its variety and exceptional quality, Al-Majed for Oud delivers 675 distinguished products spanning perfumes, oud, incense, essential oils, plant-based products, accessories, and gifts. These products are crafted either at the Company’s Riyadh-based factory or sourced from trusted suppliers who adhere to the highest quality standards.

Offering a diverse selection of over 675 premium products, Al-Majed for Oud’s lineup features perfumes, essential oils, oud, incense, air fresheners, mats, hair and body care products, plant-based products such as saffron and frankincense, as well as accessories and gifts.

By implementing international best practices in production, development, and marketing, the Company guarantees top-tier quality for its products, whether manufactured at its Riyadh facility or sourced through reliable suppliers, meeting the varied tastes of its customers across different product lines.



675

SKUs



132

Brands

The table below illustrates the main categories of products sold by the Company, including the number of brands, key brand names and Stock Keeping Units (SKUs) in each product category:

Product category	Number of Brands	SKUs
Perfumes	85	199
Oud	11	90
Incense	3	20
Essential Oils	31	76
Plant-Based Products	2	5
Accessories & Gifts	-	285
Total	132	675




Our Products and Trusted Brand

Perfumes

The Company offers an extensive range of perfumes, blending natural and synthetic ingredients to cater to various preferences. This includes an exquisite range of Oriental and French perfumes, complemented by custom-crafted scents with distinct combinations.

The Company crafts all its perfumes at its Riyadh-based factory, utilizing premium raw materials sourced from trusted local and international suppliers, strengthening its market position and delivering a distinguished customer experience. The Company offers a diverse range of perfume products, including:





1990
Perfume Sales
Start Date


199
SKU


85
Brand



75
International
supplier


%64
% of Company Revenue
(Largest Category)


%88
of the company's revenues in
the perfume category


Western perfumes Across Six Fragrance Families

This category of fragrances is composed of the following scents: citrus, floral, fruity, woody, fougère, and chypre. It includes the following brands: Wood, Prestige, Bodry, Haiba, Rasmi, and Obq.


%6
of the company's revenues in
the perfume category


Oriental Perfumes, Featuring Eastern Ingredients

This category of fragrances is composed of oud, rose, and amber, and is offered under brands such as Musk, Maany, and Classic.


%3
of the company's revenues in
the perfume category

Hair and Body Care Perfumes

This category of fragrances is composed of oud, rose, and amber, and is offered under brands such as Musk, Maany, and Classic.


%3
of the company's revenues in
the perfume category

Air Fresheners

This category includes perfumes suitable for scenting spaces, and is offered under brands such as Jawak.






Our Products and Trusted Brand

Oud

Oud is a valuable material extracted from one of the rarest and most expensive woods in the world. It is used for personal application or to scent rooms and open spaces. It is available in various forms, including natural oud, which is extracted from trees found mainly in East Asia without any added substances, and artificial oud, which is made from tree wood combined with natural substances extracted from natural oud.



1956
Perfume Sales
Start Date



11
Brands



2
Synthetic Oud
SKUs



90
Natural Oud
SKUs



8
International
supplier



%14
% of Company Revenue
(2nd largest category)



% of Company Revenue
(2nd largest category)





Our Products and Trusted Brand

Incense

Incense is a blend of oud and essential oils available in various scents, including French and Oriental. It is offered in multiple forms, including:

- Dukhoon**
Oud powder mixed with perfumed oils and burned in powder form to scent open spaces.
- Mabsous**
Natural oud chips mixed with perfumed oils, used for both open spaces and personal use.
- Maamool**
Higher quality oud powder mixed with high-quality perfumed oils, shaped into balls, and intended for personal use.



Essential Oils

Essential oils are concentrated, alcohol-free perfumed oils that include Oriental oils, featuring eastern ingredients such as rose and amber; French oils, based on the six fragrance families (citrus, floral, fruity, woody, fougère, and chypre); and Oud oils, extracted from natural oud.

Essential oils are designed for personal use, offering a higher concentration compared to products in the perfume category. All products are crafted in the Company’s Riyadh factory using cutting-edge technologies and standards. They are offered under diverse brands like Dehn Oud Al Majed, Wood, Musk, and Dehn Mukhallat Al Majed, with a range of sizes and designs to cater to different customer preferences.





Our Products and Trusted Brand

Plant-Based Products

The Company also offers a selection of plant-based products, including natural saffron, extracted from the saffron flower and used in both perfumes and cuisine, and natural frankincense, extracted from the frankincense tree and used in incense and cuisine.



1956
Plant-based
Products Sales
Start Date



2
Brand



5
SKUs



10
Local and
International
Suppliers



%2
% of
Company
Revenue



Accessories & Gifts

The company offers fragrance-related accessories and gifts. These products include incense burners and gift boxes for perfumes, incense, oud, and essential oils.

This category encompasses the Company's own products, along with complementary items like packaging, providing diverse options that cater to customer needs and enrich the fragrance product experience.



1982
Accessories &
Gifts Sales Start
Date



13
Local and
International
Suppliers



285
SKU



%7
% of Company
Revenue





Our Products and Trusted Brand

Product Development Journey



Concept Development and Approval

This phase involves the identification of new ideas, which may include the introduction of new products, updates to existing products, the discontinuation of certain products, or the establishment of new product lines.



Data Collection

The product data is analyzed, including financial, marketing, and expert insights, as well as new market trends and comparative analyses of competitors.



Design and Planning

The initial concepts are translated into tangible plans, including financial estimates, marketing presentations, and the assembly and design of product samples.



Feedback and Report Preparation

After the trial period, comprehensive data and statistics are collected. Observations and insights from this stage inform decisions regarding the continuation or discontinuation of the product and are used to prepare the necessary reports to support these decisions.



Analysis

Future expectations are detailed, and alternative plans are prepared.



Testing

Rigorous tests and experiments are conducted on product samples to ensure compliance with regulatory authorities and industry standards.



Our Products and Trusted Brand

Sustainable Supply Chains



Occupational Health and Safety

The company is committed to environmental preservation through contractual partnerships for managing solid and liquid waste, while ensuring no unauthorized gaseous emissions are released during production operations. It is implementing the ISO 14001 Environmental Management System to enhance environmental sustainability.

The company implements continuous occupational safety training programs to raise employee awareness of occupational hazards, enhance compliance with safety regulations, and ensure safe equipment usage. It also provides personal protective equipment, prioritizing occupational safety in factory management.

Excellence Combined with a Competitive Edge

By implementing the best global standards in production, storage, and transportation, the Company boosts its products’ competitiveness on both local and international fronts, securing ongoing growth and market reach.

Sustainable Supply Chains

Al Majed Oud Company depends on an integrated logistics structure supporting production and distribution operations efficiently inside and outside the Kingdom. The company applies the Sales and Operations Planning (S&OP) methodology, which is one of the best international practices in supply chain management.

The company’s network includes nine integrated warehouses that support logistical depth between manufacturing facilities, marketing channels, and stores to ensure continuous availability of the product. This network includes six finished product warehouses within the Kingdom with a storage capacity of 4,230 pallets and a capacity of up to 180,000 cartons, in addition to three warehouses in the Gulf region (Kuwait, the UAE, and Oman) each having a storage capacity of 650 pallets. It also includes two warehouses for packaging materials with a storage capacity of 6,350 pallets and a capacity of over 265,000 cartons. These warehouses are managed

according to strict operational standards, maintaining temperatures not exceeding 26°C to ensure product quality and safety.

Logistics Capabilities

The company manages shipping operations via 48 diverse trucks covering 280 branches within the Kingdom, via 31 daily shipping routes, with an average daily shipping capacity of 270 tons. The company relies on logistics partners to deliver online orders within and outside the Kingdom, enhancing delivery efficiency and supply chain sustainability. The fleet is also equipped with a 24/7 tracking system for each truck, along with a highly reliable delivery and receipt system, to ensure operational accuracy and improve customer experience.

Sourcing and Procurement

The company relies on a comprehensive sourcing and procurement strategy based on reliable global sources and strategic partnerships with major companies specializing in the manufacture of essential perfumes using sustainable materials. The company adopts a flexible approach that achieves supply chain diversity to reduce risk, with 75 international suppliers and 123 local suppliers and service providers registered. The company also supports its operations with a flexible and streamlined operations strategy, enhancing its ability to make effective decisions and launch successful products in record time.

75 International Suppliers

China, Taiwan, Hong Kong, Thailand, Indonesia, Singapore, Spain, France, Italy, Netherlands, Germany, India, Turkey, UAE, Oman

Advanced Laboratories

1. Lab Development and Quality Enhancement

Al-Majed for Oud set up and refined a series of cutting-edge laboratories, maintaining top standards of precision and efficiency to guarantee the quality of its perfumes, essential oils, and incense. This accomplishment was made possible thanks to the efforts of Mr. Majed Khalid Al-Majed, Director of the Product Development Department, who led the creation of the following laboratories:

- Microbiology Laboratory:

Ensures products are devoid of microbial pollutants, including bacteria and fungi, guaranteeing their safety for human use.

- Chemical Laboratory:

Conducts quality tests on essential oils to verify their adherence to Saudi and FDA standards, employing state-of-the-art devices such as GCMS.

- Physical Laboratory:

Conducts precise physical and chemical tests at each manufacturing stage, guaranteeing adherence to the highest international quality standards.

An integrated work system was developed to connect the lab departments with the rest of the factory, enhancing operational efficiency as follows:



Procurement:
Verifies payment authorization after ensuring the quality and inspection of essential oils.



Mixing:
Oversees each stage of the blending process, guaranteeing accuracy and effectiveness.



Planning:
Oversees test execution, aligning with set priorities.



Production:
Verifies product compliance with specifications prior to packaging.



Design:
Verifies compliance of the product’s outer carton with SFDA requirements.

2. Driving Perfume Quality and Product Development

- Oversee the calibration and testing of essential oils for new projects, ensuring the development of each product’s unique fragrance composition.
- Create unique fragrance compositions for every perfume produced by the Company.
- Provide the design department with the necessary components to develop new products.
- Establish a comprehensive perfume library encompassing all the Company’s fragrances to support conformity and accreditation processes before mass production.

3. Driving Perfume Quality and Product Development

- Supply the aromatic components necessary for registering products on the SFDA website.
- Conduct a study to develop a new fragrance aging policy, aiming to reduce the aging period without compromising product quality.
- Assess all Company products to verify their compliance with SFDA standards.

4. Competency Development for Operational Growth

- Train all lab staff on modern equipment to ensure operational efficiency.





Al Majed for Oud implements global best practices through an integrated Sales and Operations Planning (S&OP) methodology, enhancing the flexibility and efficiency of its supply chains while strengthening their capacity to support decision-making and successfully launch products in record time. The company strives to establish a benchmark model in the fragrance industry through streamlined and sustainable operations that foster performance improvement and operational excellence.

Riyadh Factory's Strategic Capabilities for Growth and Scalability

The company conducts its manufacturing operations at its factory in Riyadh, adhering to international quality standards for perfume production and formulation. Inaugurated in 2012, the Riyadh factory was designed as a comprehensive integrated facility that houses all production lines within a single structure. Expanded in 2019, it now covers an area of 4,000 square meters and has a production capacity of 50,000 units per day, employing approximately 130 staff members. The factory also utilizes functional and tactical performance indicators to ensure operational efficiency, enhance productivity, and reduce waste, contributing to the sustainability of operations and the quality of outputs.

Production and Packaging Lines

The Riyadh factory houses three production lines for all company products. Some products, such as perfumes, are automatically packaged, while others, including oud and incense, are manually packaged, to uphold superior quality with a keen focus on detail.

Warehouses Capacity

The factory has a well-equipped warehouse that meets the highest storage standards to ensure a smooth flow of raw materials and finished products. Additionally, the warehouse holds finished products before they are transported to the main product warehouse.



15 million

packages annually



1,350 Tones

of essential oils annually



137 Tones

of Oud and incense annually



Accreditation and Quality

The factory complies with strict regulatory standards, including those set by the Saudi Food and Drug Authority. The Company holds the following certifications:

- ISO 9001 for quality management and enhanced production processes, ensuring high-quality products that meet customer expectations.
- Good Manufacturing Practices (GMP) certification, guaranteeing the continuous production of high-quality products aligned with global standards.
- Emirates Quality Mark (EQM) certification, confirming compliance with regional and international standards, and ensuring the implementation of an effective quality management system at the factory.





Our Products and Trusted Brand

Sales and Marketing

Al-Majed for Oud implements a sophisticated operational strategy in sales and marketing, integrating direct sales outlets, external branches, the e-store, and e-commerce platforms. This strategy emphasizes enhancing operational efficiency, expanding global reach, and enriching the customer experience, driving revenue growth and reinforcing its leadership in the perfume and oud retail sector. In pursuit of this goal, the Company enhanced its Sales Department by bringing in a proficient team comprising regional managers, area managers, and supervisors, as well as an administrative unit dedicated to operations, analysis, training, online store management, and corporate and business sales. This strategic move improves operational efficiency and aligns with the Company’s expansion and growth objectives.

Retail Stores

The Company is committed to managing its own stores, strategically choosing locations using a sophisticated approach that evaluates population density, purchasing power, competitor proximity, and accessibility. It comprises a network of stores throughout KSA, Kuwait, UAE, Bahrain, and Oman, with ongoing plans for growth.



62
Permanent sales
outlets opened in 2024



40
stores in KSA



6
stores in Kuwait



11
stores in UAE



5
stores in Oman



Online Store

Embracing digital transformation, the Company launched its online store in 2018, progressively expanding with dedicated operations centers in Kuwait, Bahrain, UAE, and Oman. In 2023, the company launched the “Al Majed Global” online store, which provides its services to customers in Qatar, Jordan, the United States, Europe, and East Asia. In 2024, the Company added delivery options to Russia, Greece, Switzerland, and Sweden.



+1 Million

App downloads across all platforms



4.8/5

Satisfaction rate



18

Global delivery reach



%25

% of rapid branch delivery for online orders



%95

% of satisfied online shoppers



%6

% of the company's total sales for 2024.

Other Third-party Online Stores

To reinforce its pioneering presence in the oud, perfumes, accessories, and gifts sector, while broadening its customer base and boosting market share, Al-Majed for Oud has extended its sales channels to specialized e-commerce platforms such as Amazon, Noon, Goldenscent, Nice One, and Boutique, along with delivery services like Mrsool and HungerStation. Initiated in 2021 with two major Gulf fragrance and beauty e-stores, this partnership has grown to 7 platforms, enhancing the brand's presence and growth. In 2024, external e-stores contributed more than 1.1% to the Company's total sales.



%1

% of the company's total sales for 2024.



7

External Online Stores

Temporary Kiosks

Alongside its permanent sales channels, Al-Majed for Oud offers its products through temporary kiosks set up at trade shows and exhibitions across KSA and the Gulf Countries throughout the year. Exhibitions span 3 to 10 days, whereas temporary kiosks remain open for 1 to 3 months, providing the company with access to a broad audience during different seasonal events.



28

Temporary exhibition



35

Temporary outlets



%4

% of the company's total sales for 2024.

Other Sales

Through its specialized Sales Department, the Company delivers personalized sales solutions to businesses, government bodies, and important individual clients, offering distinctive products and services to meet their requirements.



%1

% of the company's total sales for 2024.

New products

In line with its strategy to provide diverse options that cater to customer needs, the Company launched a new product range, featuring innovative collections of perfumes, incense, accessories, and essential oils, complemented by uniquely designed gift boxes. This diversity underscores the Company's dedication to delivering products that elevate the customer experience and align with their aspirations, strengthening the brand's presence and driving greater demand for its products.



%7

% of the company's total sales for 2024.



90

Gift box



25

New product





Campaigns

The Company implements integrated marketing strategies to elevate brand presence and enrich customer engagement. This includes:



Major Campaigns:
These campaigns are used for new product launches or during key sales seasons such as Ramadan, National Day, and end of year.



Ad Hoc Campaigns:
Spontaneous and unplanned initiatives, to seize market opportunities that align with sales objectives.



Brand Awareness Campaigns:
These aim to increase brand recognition and enhance the brand's identity and presence among the target audience.



Tactical Campaigns:
Focus on global and local events such as Teacher's Day and Back to School.



International Marketing
+18
Countries around the world including America and Europe



We reach
+ 1,800,000
Loyalty program customer



Social Media
Instagram channel achieves
First place in the perfume sector in the second quarter



%62
Increase in followers



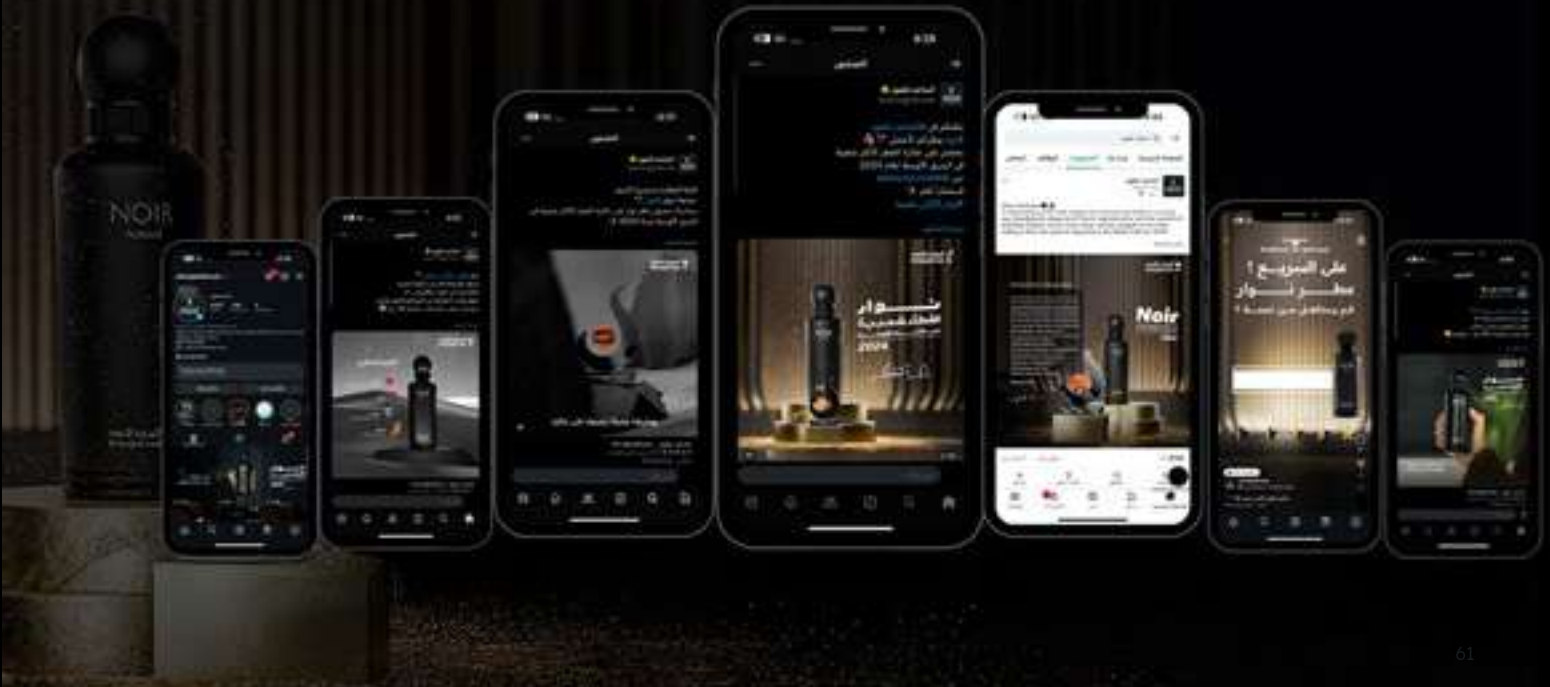
%159
Increase in engagement



%442
Trending visibility



Presenting 1,000 perfumes from Al Majed for Oud to Riyadh Metro passengers.





Digital Marketing:



317
Campaign



%69
Conversion rate increase



5 Billion
Number of impressions



Influencers and Celebrities:



+3820
Increase in followers



+7209
Number of advertisements



3 Billion
Number of appearances

Customer Service

The Company utilizes an integrated system to measure customer satisfaction and enhance services through periodic surveys, customer calls, and data analysis to identify trends and uncover development opportunities. The Company also offers multiple communication channels, such as direct lines, WhatsApp, social media, and a CRM system, to guarantee timely responses and efficient complaint resolution.

The Company offers a loyalty program that lets customers earn points on purchases, redeemable for discounts or free products, enhancing the customer experience and strengthening brand loyalty.





04. **Institutional Empowerment and Development**

- Digital Transformation
- Human Capital
- Engagements and External Events
- Internal Communication
- Social Responsibility



Institutional Empowerment and Development

Digital Transformation



Al-Majed for Oud pursues digital transformation through an advanced approach, driven by its dedication to implementing cutting-edge global practices that bolster its future growth strategy. The Company is committed to leveraging digital technology to refine its business model, offer advanced services tailored to customers and employees, and contribute positively to society.

With the rapid global shift toward digital transformation and its influence on the Saudi market, and as digital transformation is a cornerstone of Saudi Vision 2030, companies are required to boost investments in cutting-edge technologies and adopt flexible business models to meet the growing expectations of customers. The Company has achieved significant progress in its administrative and operational systems through an ambitious strategy focused on:



Enhancing digital infrastructure to optimize workplace efficiency and promote sustainable growth.



Strengthening governance and cybersecurity measures to guarantee service reliability and improve business performance.



Improving customer experience across all communication channels to drive revenue growth, strengthen financial performance, and expand market share.



Human Capital

Aligned with its dedication to improving its work environment and optimizing production efficiency, Al-Majed for Oud focuses on recruiting skilled Saudi talents, and equipping them with expertise through targeted training programs, development workshops, and empowerment initiatives that strengthen ongoing performance and inspire innovation.

The Company remains committed to the holistic implementation of its localization strategy, fostering job creation in the local market with competitive benefits, contributing to the human development objectives of Vision 2030, and reinforcing its role in establishing a sustainable and appealing work environment.

Saudization Strategy

Al-Majed for Oud remains committed to adopting a holistic approach to job localization, ensuring the recruitment and development of national competencies across different divisions and organizational levels. By prioritizing sustainable localization, the Company has achieved and maintained a 57.6% platinum rating in the Nitaqat program across all its branches.

An Optimal Work Environment for Seamless Operations

Al-Majed for Oud strives to create a dynamic and supportive workplace by adopting an integrated methodology that promotes job stability and actively involves employees in social, national, and cultural activities year-round. The Company remains committed to providing diverse services and programs that align with the goals of employees, enhancing their job satisfaction while improving overall performance and productivity.

Training and Development Programs – 2024

As part of the company's commitment to developing its human capital and enhancing the capabilities of its employees, several training initiatives were implemented during 2024, most notably:

- **117 Saudi employees** were trained across various departments within the company.
- **21 employees** received training within the Finance Department.
- **12%** of the targeted training programs for Saudi employees were achieved through the “Qiwa” platform.
- **7%** training compliance rate was recorded for the year 2024.



%86

job satisfaction rate



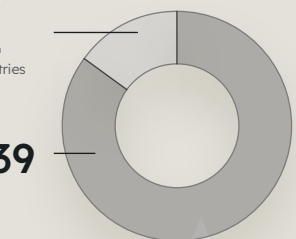
Nitaqat Program “Platinum”

392

Gulf Countries

2,239

KSA



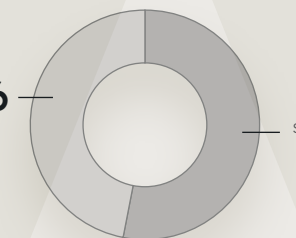
Number of employees in KSA and Gulf Countries

1,046

Non-Saudi

1,193

Saudi



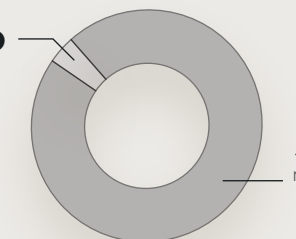
Number of employees in KSA

16

GCC

376

Non-GCC



Number of employees in Gulf Countries





Institutional Empowerment and Development

Engagements and External Events

The Company actively implements a holistic program to engage in events, sponsorships, and special occasions, aiming to enhance its entrepreneurial presence and maintain direct communication with existing and prospective customers. The Company is committed to building strategic partnerships with businessmen, official entities, and institutions, fostering brand recognition and broadening its market reach.



+150

Sponsorship

Notable Highlights:

1. Sponsorship of LEAP24 Oud.
2. Agreement with Microsoft.
3. Disseminating press releases through electronic and print media, ensuring broad reach across 16 different social media platforms.
4. Billboards in the Roshn League.
5. Billboards at King Abdulaziz International Airport - Jeddah.
6. Sponsorship of the Zahra Association closing ceremony through an Al-Majed for Oud Carriage.



+9

External exhibitions

Notable Highlights:

1. Teeb Alhazm Perfume Exhibition, Qatar.
2. Your Perfume Exhibition, Hail City.

Internal Communication



+100

Indoor event

Al-Majed for Oud strives to enhance its work environment and foster employee engagement through internal communication programs that boost job satisfaction, teamwork, and a sense of institutional belonging. The Company hosts diverse social and cultural events while involving employees in interactive activities, fostering continuous communication with management, and creating a dynamic, motivating work environment.

- Internal Communication Events
- The Company is dedicated to strengthening workplace culture and employee engagement by hosting a range of events and activities, such as:
 - Celebrating Saudi Founding Day.
 - Holding Ramadan events.
 - Commemorating the 94th National Day by decorating the premises, providing special employee promotions, and hosting festive and cultural activities.
- Al-Majed for Oud gathering event to enhance interaction between employees.
- 77 site tours across KSA to enhance public engagement.
- Enhance internal communication through emails to keep employees updated.





Institutional Empowerment and Development

Social Responsibility

Al-Majed for Oud upholds its commitment to social responsibility by supporting community development and charitable and humanitarian initiatives through sponsorships and programs that enhance quality of life, aid those in need, and promote health awareness. Through community partnerships, the Company aims to foster sustainable positive change while strengthening its support for national and charitable initiatives in line with its core values.

Social Responsibility Initiatives

Charity Initiatives

Based on its commitment to its social responsibility, Al-Majed for Oud contributes to various charitable initiatives, including:

1. Visiting cancer patients at King Fahad Medical City and presenting them with gifts.
2. Sponsoring incentive programs for employees of the Charitable Society for Teaching the Holy Quran.
3. Supporting International Volunteer Day activities at King Salman bin Abdulaziz Hospital in Riyadh.
4. Recognizing and honoring outstanding students with disabilities at King Saud University for their achievements.
5. Launching the “Awdan Hamidan” program to welcome cancer survivors in Makkah.
6. The “Khairak la Yatwaqaf” initiative, in collaboration with the Saudi Cancer Society.
7. The “Shifaa” patient support initiative in collaboration with the Patient Friends Association in 16 hospitals.
8. “Motaafi” initiative in collaboration with the Cancer Survivor Foundation.
9. Participating in the distribution of gifts to patients in collaboration with King Khalid Hospital in Al Kharj.
10. Contributing to health awareness efforts through initiatives like the “Walk to Fight Diabetes” campaign, with the theme “Towards a Better Life,” by offering gifts to participants.



+80

Initiatives

Sponsorship of Community Events and Occasions

1. Sponsoring various social events, including Iftar gatherings, Ramadan Suhoor, and blood donation campaigns in collaboration with the Damy Charity.
2. Sponsoring a mass wedding ceremony in Jeddah
3. Participating in organizing Ramadan competitions.
4. Sponsoring the annual Consumer Protection Association ceremony.
5. Sponsoring the student club for emergency services at King Saud University in Makkah.
6. Supporting “Minna wa Fina 2” celebration.
7. Engaging in community events such as Children’s Day, Men’s Day, Breast Cancer Awareness, World Cookie Day, the Ideal Employee event, flu vaccination campaigns, and internal fragrance launches.



Unwavering Commitment to Social Responsibility

Al-Majed for Oud reinforces its social role through these initiatives, demonstrating its ongoing commitment to supporting various groups and sectors, in line with its vision to create positive impact and foster social solidarity in accordance with its corporate values and strategic goals.





05. Financial Results and Business Data



- Financial Metrics
- Annual Financial Results Development from 2020 to 2024
- Revenue and Profitability Growth Rates from 2023 to 2024
- Explanation of Significant Changes in Operating Results Compared to Previous Years
- Geographical Breakdown of the Company's Total Revenues
- Explanation of Significant Changes in Operating Results Compared to Previous Year
- Statement of Paid and Outstanding Regular Payments
- Statement of the Company's Loan Liabilities.



Financial Results and Business Data

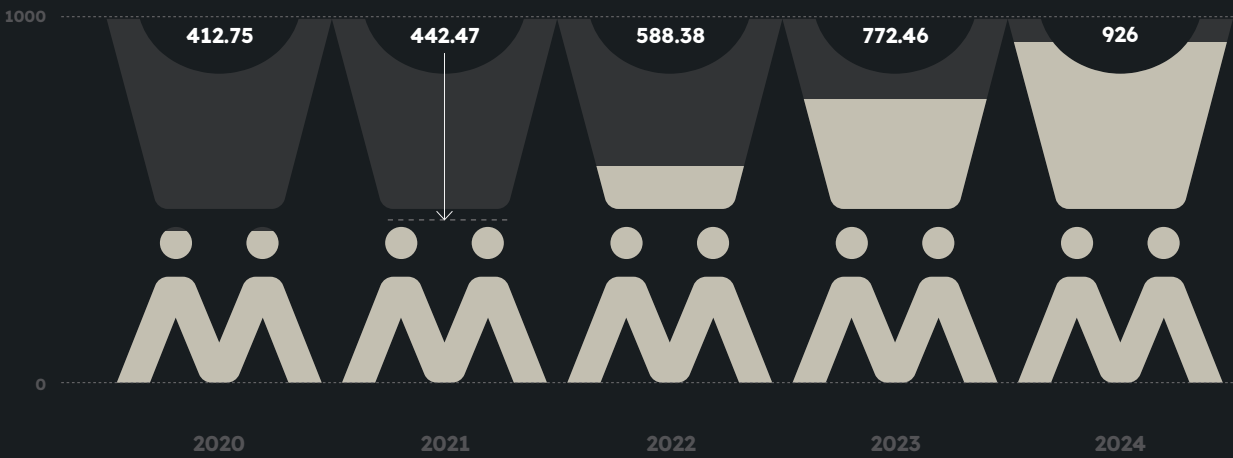
Key Financial Indicators:
A Review of Past Years

SAR Million	2020	2021	2022	2023	2024
Income Statement					
Revenue	926.00	772.46	588.38	442.47	412.75
Cost of Revenue	(316.31)	(259.59)	(210.96)	(169.47)	(161.49)
Gross Profit	609.70	512.87	377.43	273.00	251.26
Shareholder Net Income	156.96	148.68	125.35	100.97	123.85
Balance sheet					
Current Assets	414.72	397.74	282.91	247.64	269.39
Current Liabilities	167.62	235.56	146.29	74.71	64.28
Net Working Capital	247.10	162.18	136.63	172.93	205.11
Non-Current Assets	379.01	372.07	350.11	251.17	248.95
Non-Current Liabilities	157.92	156.99	168.99	134.12	146.72
Equity	468.19	377.26	317.76	289.98	307.34
Cash Flow					
Cash Flows from Operating Activities	220.63	169.28	236.82	167.70	120.77
Cash Flows Used in Investing Activities	(36.19)	(58.32)	(59.34)	(19.96)	(14.69)
Cash Flows Used in Financing Activities	(208.88)	(79.64)	(161.71)	(154.89)	(96.23)
Cash and Cash Equivalents	29.65	54.07	22.76	6.99	14.14
KPIs					
Profit Before Zakat to Sales	17.9%	20.3%	22.6%	24.2%	31.6%
Operating Profit to Sales	19.3%	21.2%	23.4%	24.7%	31.4%
Return on Assets	19.8%	19.3%	19.8%	20.2%	22.2%
Return on Equity	33.5%	39.4%	39.4%	34.8%	48.3%
Net Debt to Equity (Interest-Bearing Liabilities – Cash) / Equity	44.6%	58.4%	67.6%	59.6%	53.5%
Basic Earnings Per Share*	6.28	5.95	5.01		

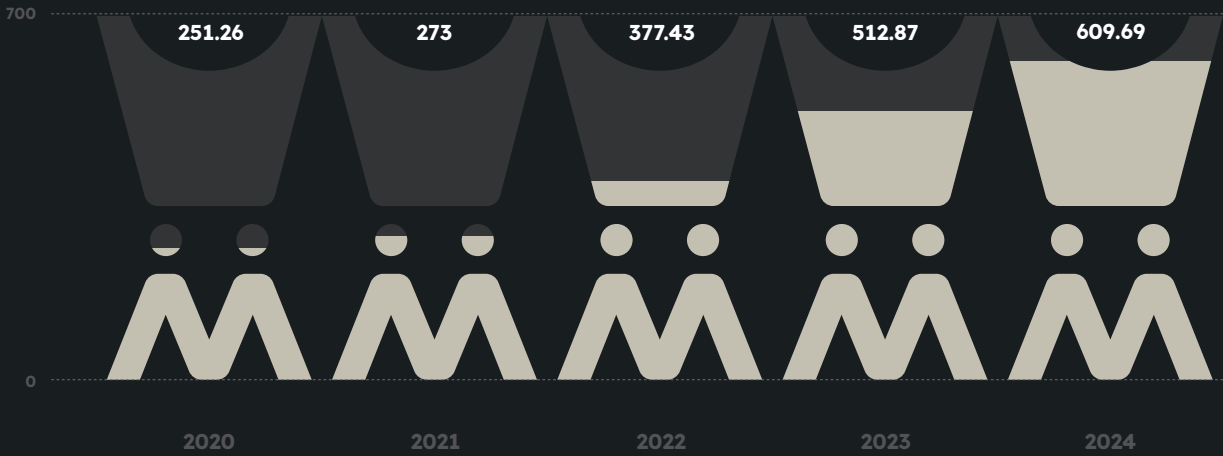


YoY Financial Results Progress 2020-2024 (ﷲ Mn)

1- Revenues



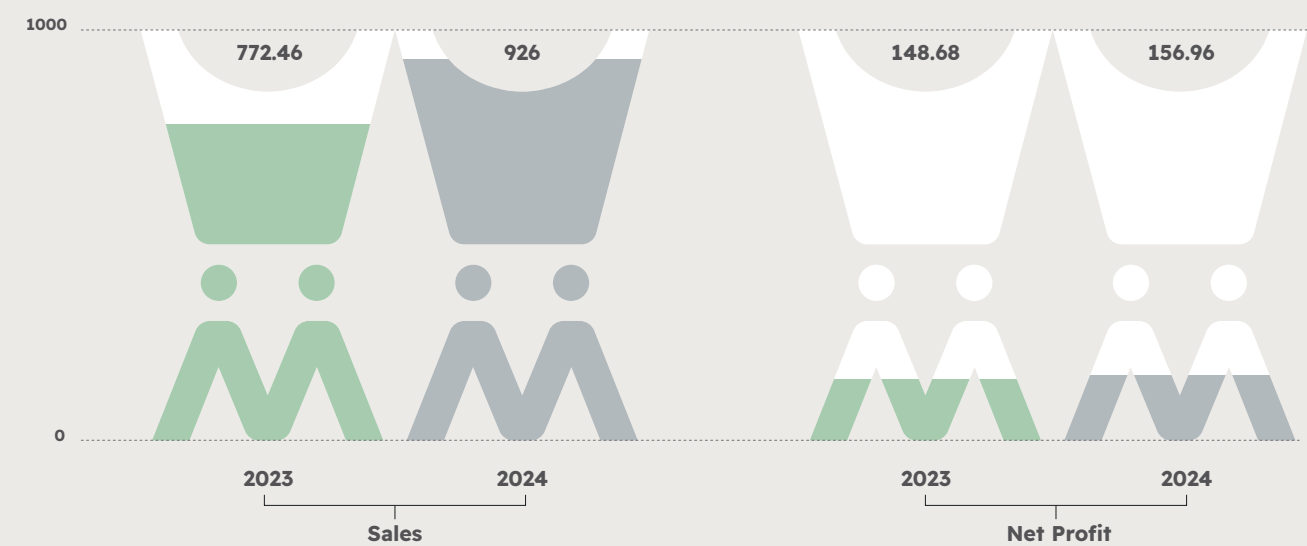
2- Gross Profit



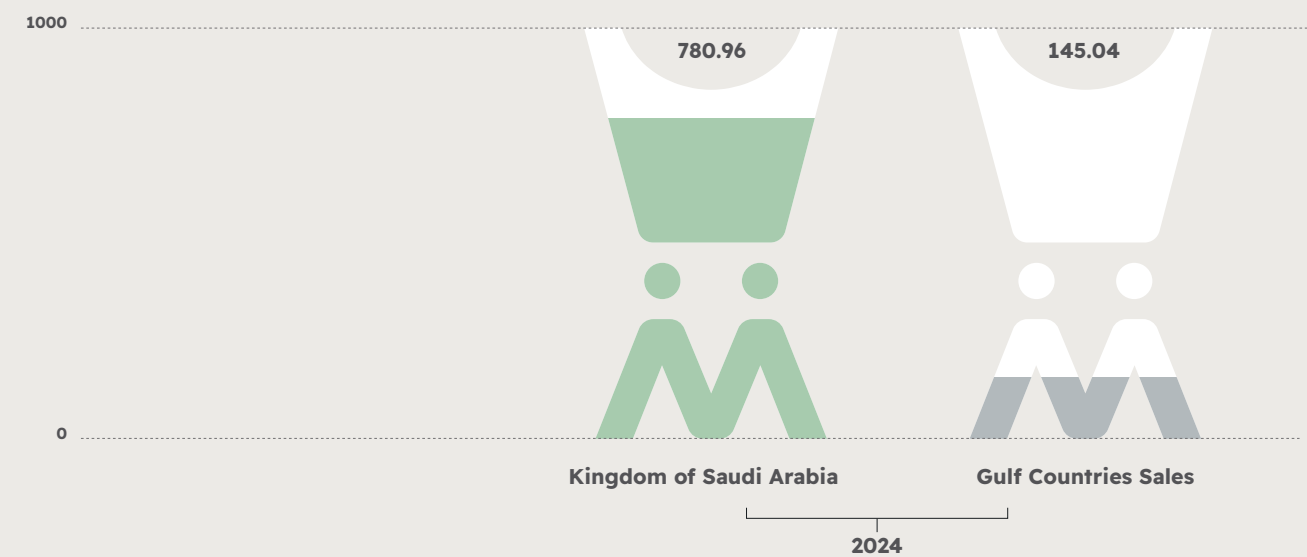


Revenue Growth and Profitability Rates
2023-2024 (ﷲ Mn)

Geographical Analysis of the Company’s
Total Revenues in KSA in 2024:



Geographical Analysis of the Company’s
Total Revenues (ﷲ Mn)





Explanation for any Material Differences in the Operating Results of the Previous Year (٠ Thousands)

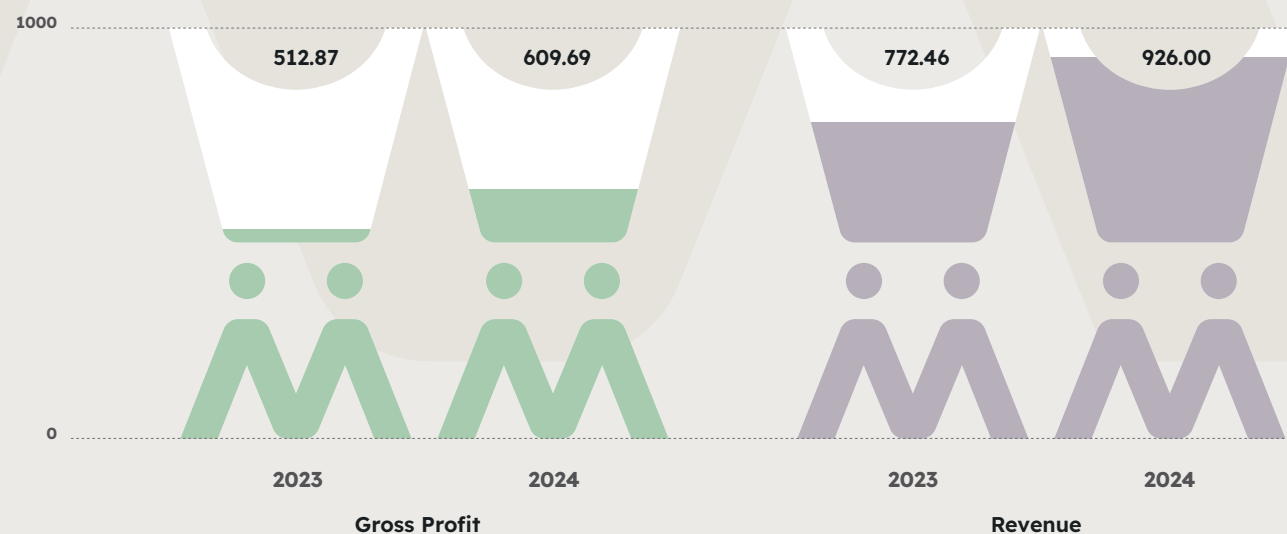
Statement	2024	2023	Changes +/-	Changes %
Revenue	926.00	772.46	153.54	19.9%
Cost of Revenue	(316.31)	(259.59)	56.72	21.8%
Gross Profit	609.69	512.87	96.82	18.9%
Operating Expenses - Others	(431.18)	(349.18)	82.00	23.5%
Operating Profit/Loss	178.51	163.69	14.82	9.1%

Statement of Paid and Outstanding Regular Payments as on December 31, 2024

Statement	2024		Brief Description
	Paid	Outstanding Amounts as of the End of the Fiscal Year	
Zakat	7,927,006	6,628,179	
Tax	183,774	2,151,331	Income tax in the UAE and Oman
General Organization for Social Insurance	11,214,726	992,653	
Visa and Passport Costs	2,284,448	-	
Labor Office Charges	1,772,922	-	

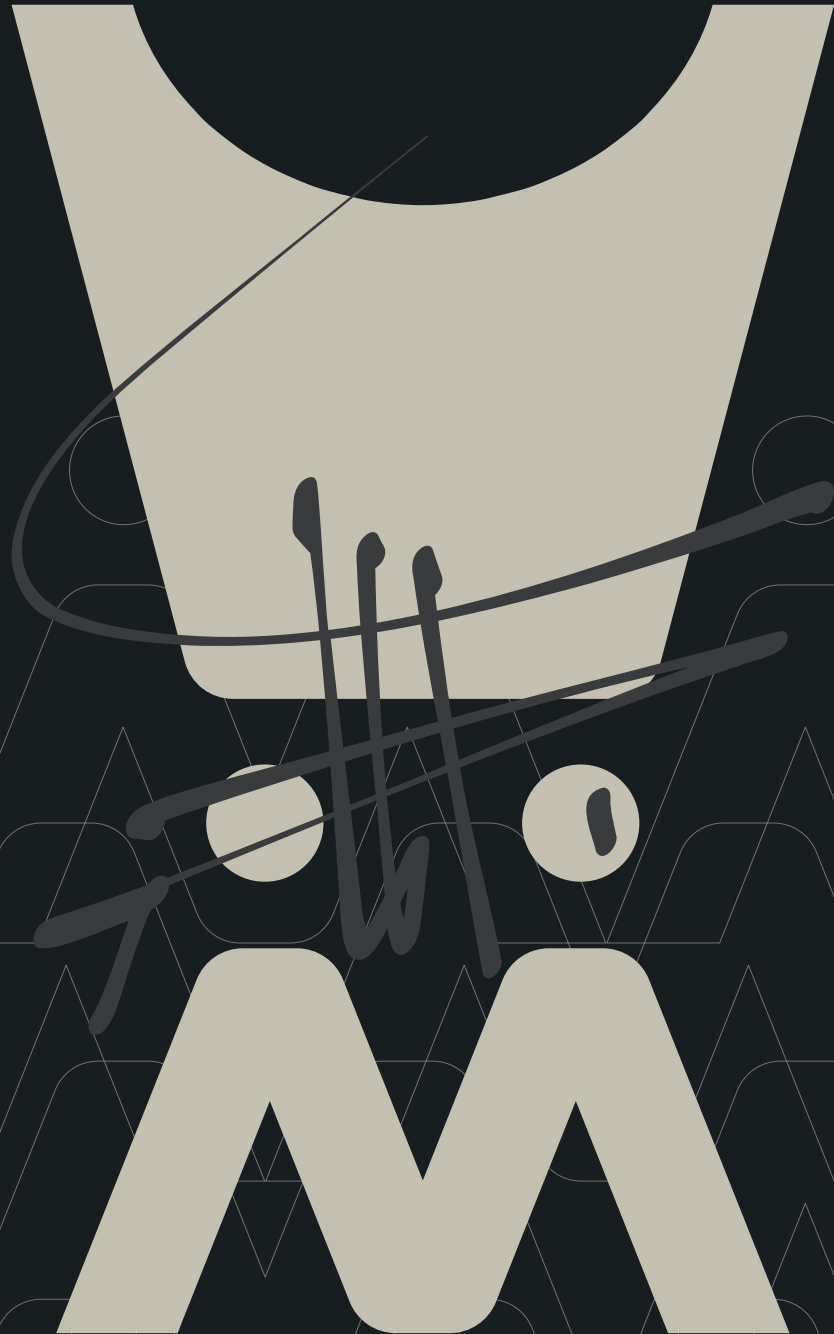
Statement of the Company's Outstanding Loans to Banks as of December 31, 2024

#	Lender Name	Loan Principal Amount	Loan Balance at the Beginning of the Year	Loan Term	Loan Interest Accrued Over the Year	Loan Amount Paid in the Year	Year-End Loan Balance
1	Bank AlJazira	10,000,000	5,000,000	1 Year	0	(5,000,000)	0
2	Bank AlJazira	20,000,000	20,000,000	1 Year	0	(20,000,000)	0
3	Bank AlJazira	20,000,000	20,000,000	1 Year	0	(20,000,000)	0
4	Bank AlJazira	20,000,000	0	1 Year	20,000,000	(20,000,000)	0
5	Bank AlJazira	75,000,000	0	1 Year	75,000,000	(75,000,000)	0
Total		145,000,000	45,000,000		95,000,000	(140,000,000)	0





06. Governance Report



- Governance and Related Applications
- Board of Directors
- Board Committees
- Executive Management
- Remunerations of Board Members, Committees, and Senior Executives
- Shareholders' Equity
- Requests for Shareholders' Records in 2024
- Transactions with Related Parties
- Risk Management
- Dividend Distribution Policy
- Earnings per Share
- Dividend Distribution
- Approval of Internal Controls and Other Declarations



Al-Majed for Oud upholds the highest governance standards and professional best practices, embedding transparency and disclosure into all its operations to strengthen trust among shareholders and partners. The Company remains dedicated to adhering to all regulatory requirements, and maintaining excellence in efficiency, quality, and sustainable practices. This report aligns with the Corporate Governance Regulations set by the Capital Market Authority, incorporating the most recent amendments.



Governance Practices Framework

Al-Majed for Oud adopts an integrated governance framework aligned with the highest standards in the Saudi capital market, structured around the following core principles:

- 1. Safeguarding shareholders’ rights and guaranteeing the balanced and enduring fulfillment of their interests.
- 2. Ensuring the protection of all stakeholders’ rights while fostering stability and sustainability through robust financial performance.
- 3. Guaranteeing precise and complete disclosure within the designated timeframes for shareholders and regulators.
- 4. Handling conflicts of interest by identifying, reporting, and addressing them effectively to safeguard the interests of the Company and its shareholders.
- 5. Empowering employees to report any misconduct or improper practices within the Company through reliable and confidential channels, ensuring appropriate corrective actions are taken.
- 6. Regulating transactions with related parties, including those involving the Company, its employees, Board of Directors, Executive Management, or subsidiaries.
- 7. Aligning the Company’s strategies with its social responsibilities by adopting sustainable practices across all activities and supporting community initiatives.
- 8. Enhancing communication channels with investors to strengthen the Company’s market position and attract new investments.

Pillars of Governance Implementation



Transparency
The Board of Directors must explain to the shareholders the reasons for making key decisions.



Responsibility
Each member of the Board of Directors is responsible for carrying out his or her duties with the highest professional standards.



Accountability
Board members must be accountable to shareholders for any mistakes they commit.



Justice
All shareholders are equal before the Board of Directors and executive management.



Governance Report

Board of Directors

The Board of Directors of Al-Majed for Oud is responsible for the overall supervision of the Company’s management, and is the primary party accountable toward shareholders. It acts in their best interest by guiding the Company’s business and monitoring its performance. The Board is also committed to exercising due care and loyalty in managing the Company, while also approving the general strategic direction and overall policy framework.

The Board fulfills its duties by supervising the Company’s management. If committees, entities, or individuals are assigned to handle some of its tasks, this delegation must be specific and unambiguous. The Board retains ultimate responsibility for the Company’s decisions. Board members are expected to be truthful, just, and committed, aligning with established laws and regulations, and adhering closely to the applicable Company policies.

Powers of the Board of Directors

According to the Company’s Articles of Association, and considering the General Assembly’s designated powers, the Board of Directors holds the widest authority to manage the Company, shape its policies, set its investments, and oversee its operations within and beyond KSA. According to the Board of Directors’ work regulations, the Board’s authority encompasses the following:

- All powers outlined in the Articles of Association required to manage the Company effectively. Exercise care and loyalty in managing the Company and all efforts to safeguard its interests, foster its growth, and enhance its value.
- The Board of Directors of the Company oversees its operations and delegates specific tasks to committees, entities, or individuals. In all instances, the Board of Directors cannot grant broad or unlimited delegation.
- Approve and update the Company’s organizational framework when required. Approve and update the Company’s overall policies and exclude them when required. Approve the setup of Board committees and select their members.
- Approve the annual plans and the Company’s strategy, oversee their execution, review them regularly, and ensure the availability of the human and financial resources needed to accomplish them.
- Approve the Company’s CEO appointment, set his compensation, establish his annual performance goals, assess them as needed, and dismiss him if required.
- Approve, amend and exclude the CEO’s work rules. Approve the salary scale and incentives for working at the Company and any amendments thereto. Set up frameworks and controls for internal oversight and broadly monitor them. Supervise the Company’s finances, cash flows, and financial and credit relationships with third parties.
- Approve the Company’s annual budget.
- Prepare the initial and annual financial statements and approve them before publishing.
- Prepare and approve the Board of Directors’ report before publishing. Approve tasks, contracts, and projects based on the authority matrix.
- Notify the General Assembly during its meeting of any works and contracts involving a Board member’s direct or indirect interest, accompanied by a special report from the Company’s external auditor.
- Provide recommendations to the General Assembly concerning the use of the Company’s established reserve in the absence of a defined purpose, and suggest a plan for profit disbursement.
- The Board may delegate specific tasks to any Board member for a defined period through a written resolution. The Board retains the right to review all decisions made under such delegation.

Composition of the Board of Directors

The Board of Directors of Al-Majed for Oud Company comprises five members, appointed by the Ordinary Shareholders’ Assembly as stipulated in the Company’s Articles of Association. The Companies Law, the Corporate Governance Regulations, the Company’s Bylaws and the Internal Corporate Governance Manual shall define the duties and responsibilities of the Board of Directors. The current Board term began on 21/03/2023 and will conclude on 21/03/2027, spanning a four-year period. The following individuals constitute the Board of Directors:



Biographies of Board Members

Majed bin Ali bin Othman Al-Majed - Chairman of the Board (Non-Executive)	
Academic Qualification	Emad Al-Din Elementary School in Riyadh in 1976
Current Experience	N/A
Previous Experience	General Manager of the Company, from 2018 until 2023
Current Memberships	
Within KSA	N/A
Outside KSA	N/A
Previous Memberships	
Within KSA	Chairman of the Company, from 2010 until 2018
Outside KSA	N/A
Thamer bin Saad bin Ali Al Majed - Vice Chairman (Executive)	
Academic Qualification	Bachelor's degree in Accounting from Imam Mohammad Ibn Saud Islamic University, Riyadh, KSA, 2012.
Current Experience	Vice President of Finance at the Company from 2019.
Previous Experience	CEO of the Company, from 2013 until 2019.
Current Memberships	
Within KSA	Board Member, SurePay Company, a closed joint stock FinTech company, since 2021.
Outside KSA	N/A
Previous Memberships	
Within KSA	N/A
Outside KSA	N/A



Waleed Khalid Al Majed - Managing Director (Executive)	
Academic Qualification	High School degree from Prince Sultan Educational Complex, Riyadh, 2004
Current Experience	CEO of the Company, from 01/01/2022
Previous Experience	N/A
Current Memberships	
Within KSA	Member of the Incense and Perfumes Committee, at the Riyadh Chamber of Commerce, from 2021
Outside KSA	N/A
Previous Memberships	
Within KSA	<ul style="list-style-type: none">Vice President of Oud Procurement and Director of the Property Management Department of the Company, from 2019 until 2022.Vice President of Oud and Oud Derivatives International Procurement at the Company, from 2015 until 2019.Vice Director of the Property Management Department of the Company, from 2009 until 2015.
Outside KSA	N/A



Ahmed Ibrahim Al Senaidi - Board Member (Independent)	
Academic Qualification	<ul style="list-style-type: none">Management Accountants Fellow, the American Institute of Accountants, USA, 2022.Saudi Accountants Fellow, the Saudi Organization for Certified Public Accountants, KSA, 2016.Master's degree in Accounting and Finance from Bangor University, UK, 2013.Bachelor's degree in Accounting from King Saud University, KSA, 2008.
Current Experience	<ul style="list-style-type: none">Financial Administration Manager for one of the Public Investment Fund's subsidiaries, a company operating in the real estate development sector, since 2021.
Previous Experience	<ul style="list-style-type: none">Financial Administration Manager for the General Ports Authority, a government entity operating in the ports and logistics sector, from 2020 to 2021.Manager of the Financial Statement Consolidation Department for Special Purpose Entities at STC, a listed joint stock company operating in the telecommunications and information technology sector, from 2016 to 2020.
Current Memberships	
Within KSA	<ul style="list-style-type: none">Chairman of the Audit Committee at the Company, since 2023.Member of the Nomination and Remuneration Committee at the Company, since 2023.Member of the Audit Committee for Tabuk Agricultural Development Company, a listed joint stock company operating in the agricultural sector, since 2018.
Outside KSA	N/A
Previous Memberships	
Within KSA	<ul style="list-style-type: none">Member of the Audit Committee at Afaq Foods, a listed joint-stock company engaging in the field of food, from 2022 until 2024.Chairman of the Audit Committee at Tabuk Agricultural Development Company, a listed joint-stock company engaging in the field of agriculture, from 2021 until 2024.Member of the Audit Committee at Tabuk Agricultural Development Company, a listed joint-stock company engaging in the field of agriculture, from 2018 until 2021.
Outside KSA	N/A

Yasser Zoman Saad Al Zoman - Board Member (Independent)	
Academic Qualification	<ul style="list-style-type: none">MBA from Aston University, UK, 2012.Saudi Fellowship for Chartered Accountants, the Saudi Organization for Certified Public Accountants, KSA, 2010.Bachelor's degree of Accounting, from Qassim University, KSA, 2007.Bankruptcy Trustee majored in bankruptcy procedures from the Bankruptcy Committee, Riyadh, KSA, 2019.Bankruptcy expert and accounting expert, the Bankruptcy Commission, Riyadh, 2021.
Current Experience	<ul style="list-style-type: none">Director of AlSaleh & AlZoman & AlFahad CPA, a limited liability company engaging in the field of accounting and auditing, from 2016 2016.
Previous Experience	<ul style="list-style-type: none">CFO, Watani Iron Steel, a listed joint-stock company engaging in the field of iron industry, from 2015 until 2016.Financial Director, Al-Tadrea Manufacturing, a limited liability company engaging in the field of manufacturing military vehicles, from 2013 until 2015.CFO of Saudi Asateer, a closed joint-stock company engaging in the field of manufacturing prefabricated buildings, from 2013.
Current Memberships	
Within KSA	<ul style="list-style-type: none">Chairman of the Nomination and Remuneration Committee at the Company, from 2023.Member of the Audit Committee at the Company, from 2023.Independent Board Member and Member of the Audit Committee, Sure Information Technology, a listed joint-stock company engaging in the field of IT, from 2022.Chairman of the Audit Committee, Sure Information Technology, a listed joint-stock company engaging in the field of IT, from 2024.Chairman of the Audit Committee, Asas Makeen Real Estate Development and Investment Company, a closed joint-stock company engaging in the field of real estate development, from 2022.
Outside KSA	N/A
Previous Memberships	
Within KSA	<ul style="list-style-type: none">Independent Board Member and Chairman of the Audit Committee, Watani Iron Steel, a listed joint-stock company engaging in the iron industry, from 2020 until 2024.Member of the Audit Committee, Sure Information Technology, a listed joint-stock company engaging in the field of IT, from 2022 until 2024.Chairman of the Audit Committee, Al Daajan Holding Company, a closed joint-stock company engaging in the field of investment, from 2020 until 2024.Member of the Board of Directors of Women's Business Park, a limited liability company engaging in the technology sector.
Outside KSA	N/A



Board Meetings

The Al-Majed for Oud's Board of Directors convened four meetings during 2024. The following is a record of these meetings and the attendance of the Board members:

#	Member Name	First Meeting 2024/08/15	Second Meeting 2024/09/29	Third Meeting 2024/11/28	Fourth Meeting 2024/12/29
1	Majed bin Ali bin Othman Al-Majed	✓	✓	✓	✓
2	Thamer bin Saad bin Ali Al Majed	✓	✓	✓	✓
3	Waleed bin Khalid bin Ali Al Majed	✓	✓	✓	✓
4	Ahmed Ibrahim Al Senaidi	✓	✓	✓	✓
5	Yasser Zoman Saad Al Zoman	✓	✓	✓	✓

Description of any interest held by Board members and their relatives in the company's shares, debt instruments, or any of its subsidiaries

#	Interest Holder Name	Total number of shares on 01/01/2024	Total number of shares on 31/12/2024	Net Change	Ratio Change
1	Majed bin Ali bin Othman Al-Majed	19,375,000	13,562,500	5,812,500	-30%
2	Thamer bin Saad bin Ali Al Majed	5,625,000	3,937,500	1,687,500	-30%
3	Waleed bin Khalid bin Ali Al Majed	5,625,000	3,937,500	1,687,500	-30%





Governance Report

Board Committees

The Board of Directors shall form committees in order to better run the Company. Each Committee shall have its own charter which determines the Committee’s roles, responsibilities, and powers. The Committees shall periodically hold meetings for the purpose of carrying out the tasks entrusted to them. These Committees include the Nomination and Remuneration Committee and the Audit Committee formed by the Company’s Board of Directors.

Audit Committee

Ensuring that an effective internal control system is in place is one of the responsibilities entrusted to the Board of Directors. The main task of the Audit Committee is to verify the adequacy and effective implementation of the internal control system and to make any recommendations to the Board of Directors that would activate and develop the system to achieve the Company’s objectives. The Committee is also responsible for approving risk management policies and procedures and reviewing risk assessment activities and risk mitigation plans before presenting the same to the Board of Directors. The Committee is responsible for ensuring compliance with the Company’s Corporate Governance Regulations and Practices issued by the CMA and the Company’s Corporate Governance Manual. The Company’s Board of Directors approved the Charter of the Audit Committee and accepted to present it to the General Assembly during its meeting held on 04/12/1444 AH (corresponding to 22/06/2023). This Charter was also approved by the Ordinary General Assembly of the Company during its meeting held on 21/01/1445H (corresponding to 08/08/2023). In its meeting held on 26/10/1445H (corresponding to 05/05/2024), the Company’s General Assembly also approved the updated Charter of the Audit Committee.

The scope of the Committee’s work includes all actions that enable it to fulfil its functions, including:

Roles and Responsibilities of the Internal Audit Department

- Overseeing the Audit Department’s work, approving the annual internal audit plan, and taking whatever actions deemed appropriate by the Committee to enable the Department to achieve its goals, carry out its tasks, and ensure its independence.
- Issuing recommendations to the Board of Directors to approve the necessary internal audit policies at the Company.
- Reviewing and approving the Department’s organizational structure.
- Recommending to the Board of Directors the appointment, dismissal, and substitution of a Director General of Internal Audit, and determining his/her remuneration.



Determining the performance indicators of the Director General of Internal Audit, and evaluating him/her based on them. - Reviewing the Company’s internal control, financial, disclosure, and IT systems, ensuring their adequacy in order for the Company to conduct its business, and submitting recommendations to the Board in that regard.

Roles and Responsibilities related to the External Auditor

Issuing recommendations to the Board of Directors to nominate, dismiss, determine the remuneration, and evaluate the performance of the auditors, after verifying their independence and reviewing the scope of their work and the terms of their contracts, before presenting the same to the General Assembly.

- Verifying the auditor’s independence, objectivity and fairness, and the effectiveness of auditing activities, taking into account relevant rules and standards; and considering and addressing any restrictions on the auditor’s work that would affect the auditor’s ability to carry out their work and tasks.
- Reviewing and determining the scope of the plan and work of the Company’s auditor, and ensuring that the auditor does not provide any technical, administrative, or consultancy works that are beyond the scope of auditing; and that the auditor complies with the scope of work entrusted thereto; and discussing and responding to the auditor’s queries.
- Reviewing the auditor’s report and notes on the financial statements and following up on actions taken in their regard.
- Following up on the auditor’s work, ensuring the auditor’s compliance with the determined scope of work; and discussing and responding to the auditor’s queries.

Roles and Responsibilities related to Financial Statements and Financial Reports

- Analyzing the Company’s interim financial statements before presenting them to the Board, and providing its opinion thereon to ensure their integrity, fairness and transparency.
- Providing its technical opinion, at the request of the Board, regarding whether the Board’s report and the Company’s financial statements are fair, balanced, understandable, and contain information that allows Shareholders and investors to assess the Company’s financial position, performance, business model, and strategy.
- Verifying accounting estimates on material issues contained in the financial reports, and meticulously investigating any issues raised by the Company’s CFO, or any person assuming their duties, or the Company’s Compliance Officer or Auditor.
- Examining the accounting policies followed by the Company and providing its opinion and recommendations thereon to the Board.

- Submitting an annual report to the Board of Directors that includes the Committee’s views on the adequacy of the Company’s internal and financial control system and risk management system.
- Reviewing the reports of the internal audit, external auditor, and any other reports issued by the Company that fall under the responsibility of the Audit Committee, and following up on the implementation of corrective actions taken with regards to the comments contained therein.

Roles and Responsibilities related to Risk Management and Compliance

- Verifying that the Company and its employees comply with the relevant laws and regulations, and recommending appropriate measures in the event of non-compliance.
- Determining the Company’s risk appetite and tolerance and ensuring the effectiveness of the Company’s procedures to protect itself against legal claims and lawsuits arising from the risks of non-compliance with the relevant laws and regulations.
- Considering any conflict of interest that may arise for any member of the Board of Directors and Board Committees, including reviewing contracts and transactions proposed to be concluded between the Company and related parties, and expressing its opinion thereon to the Board of Directors.
- Periodically reviewing the report of the Head of the Risk and Compliance Department or any person assuming their duties, and making decisions with regard thereto.
- Reporting to the Board on any issues where it deems necessary to take action, and providing recommendations as to the procedures that should be taken.

The Audit Committee shall consist of at least three (3), and at most five (5) non-executive Board members to be appointed by the Board of Directors for a period of four (4) years, provided that the Committee includes at least one (1) independent Board member as well as an expert member in financial and accounting affairs.

Subject to the requirements to be met by members of the Audit Committee, the Committee shall be formed pursuant to a resolution passed by the Board of Directors for a period of four (4) years. The Board shall take the necessary measures to enable the Committee to carry out its functions, including granting the Committee access to, without any restrictions, all data, information, reports, records, correspondences or other matters that the Committee deems important to have access to. The following members were appointed to the Audit Committee during the Board of Directors meeting held on 04/12/1444 AH (corresponding to 22/06/2023):





Audit Committee Members

The following is a brief summary of the Members of the Audit Committee

Ahmed Ibrahim Abdulaziz Al Senaidi – Chairman of the Audit Committee	
Please refer to the above-mentioned biographies of the members of the board.	
Faisal Mohammed Hammad AlObaid – Audit Committee Member (Independent)	
Academic Qualification	<ul style="list-style-type: none">● Certified by the Saudi Organization for Chartered and Professional Accountants, KSA, 2022.● MBA from the Gulf University, Kingdom of Bahrain, 2012.● Bachelor’s degree of Accounting from King Saud University, KSA, 2007.
Current Experience	<ul style="list-style-type: none">● Vice President for Investment, Strategy and Excellence of the Saudi Public Transport Company (SAPTCO), a listed joint-stock company engaging in the field of transportation, from 2018.
Previous Experience	<ul style="list-style-type: none">● Vice President of Investment, Meraas Holding Company, a limited liability company engaging in the field of investment, from 2016 until 2018.● Director of the Investment Sector, Al Rajhi Capital, a limited liability company engaging in the field of investment, from 2012 until 2016.
Current Memberships	
Within KSA	<ul style="list-style-type: none">● Chairman of the Audit Committee, Watani Iron Steel, a listed joint-stock company engaging in the iron industry, from 2023.● Member of the Audit Committee, Sure Information Technology, a listed joint-stock company engaging in the field of IT, from 2023.● Member of the Audit Committee, Takamol Business Solutions, a limited liability company engaging in the field of IT, from 2021.● Board Member, Capital Transport Company, a joint-stock limited liability company engaging in the field of transportation, from 2020.
Outside KSA	N/A
Previous Memberships	
Within KSA	N/A
Outside KSA	N/A



Naif Saad AbdulRahman AlQarni - Audit Committee Member (Independent)	
Academic Qualification	<ul style="list-style-type: none">● Saudi Fellowship for Chartered Accountants, Saudi Organization for Chartered and Professional Accountants, KSA, 2016.● MBA from Notre Dame de Namur University, USA, 2012.● Bachelor’s degree of Accounting from King Saud University, KSA, 2005.
Current Experience	<ul style="list-style-type: none">● Vice President for Internal Audit, The Saudi Information Technology Company, a closed joint-stock company engaging in the field of IT, from 2022.
Previous Experience	<ul style="list-style-type: none">● General Manager of the Internal Audit for Operations and Information Technology, STC Channels Company, a closed joint-stock company engaging in the field of retail and distribution of telecommunications services, from 2018 until 2021.● Director of Internal Audit, Job Creation Commission, a government body engaging in the field of employment, from 2017 until 2018.● Acting Director of the Internal Audit Unit for Operations, The Saudi Industrial Development Fund, a government financial institution engaging in the field of industrial development, from 2007 until 2017.
Current Memberships	
Within KSA	<ul style="list-style-type: none">● Independent Member of the Audit Committee, Sure Information Technology, a listed joint-stock company engaging in the field of IT, from 2024.
Outside KSA	N/A
Previous Memberships	
Within KSA	N/A
Outside KSA	N/A
Yasser Zoman Saad AlZoman - Audit Committee Member (Independent)	
Please refer to the above-mentioned biographies of the members of the board.	



Audit Committee Meetings

The Audit Committee held seven meetings in 2024. The following is a record of these meetings, including member attendance and absences:

#	Member Name	First Meeting	Second Meeting	Third Meeting	Fourth Meeting	Fifth Meeting	Sixth Meeting	Seventh Meeting
		2024/02/28	2024/03/30	2024/06/12	2024/09/25	2024/10/02	2024/10/31	2024/12/18
1	Ahmed Ibrahim Abdulaziz Al Senaidi	✓	✓	✓	✓	✓	✓	✓
2	Faisal Mohamed Hammad AlObaid	✓	✓	✓	✓	✓	✓	✓
3	Naif Saad AbdulRahman AlQarni	✓	✓	✓	✓	✓	✓	✓
4	Yasser Zoman Saad AlZoman	✓	✓	-	✓	✓	✓	✓

Report of the Board Audit Committee to the General Assembly for the Fiscal Year Ending on December 31, 2024

According to the work regulations of the Audit Committee approved by the company’s general assembly on May 5, 2024, the committee consists of four members selected by the Board of Directors, all of whom meet the membership criteria outlined in the regulations. In 2024, the Audit Committee held seven meetings during which it fulfilled its assigned tasks and responsibilities it.

In 2024, the Audit Committee reviewed the entire business of the company and confirmed the accuracy and integrity of the reports, financial statements, internal control systems, finance and risk management processes, as well as the accounting estimates for substantial issues included in the financial statements statements.

The Audit Committee has also reviewed the results of the internal audit reports and ensured that the necessary corrective actions for the observations are being implemented. Additionally, the Audit Committee assessed the performance of the internal audit function and related activities, managed the internal audit within the company, and verified the availability of required resources and the effectiveness of the assigned scope work.

The Audit Committee verified the external auditor’s independence and confirmed the effectiveness of the audit scope. Additionally, it was confirmed that the auditor did not submit any technical or administrative work unrelated to the audit scope framework. The Audit Committee reviewed the external auditor’s report plan and relevant observations of the financial statements, and followed up on and evaluated the necessary actions taken regarding the external auditor’s observations and requirements with executive management.

The Audit Committee’s Assessment of the Adequacy of Internal and Financial Control and Risk Management Systems

According to the scope of work set by the Audit Committee and based on information provided by management, the internal auditor, and the accounting standards for this year, it was concluded that the auditing processes did not reveal any significant failures in the internal financial control system and risk management. Additionally, the financial statements were prepared in compliance with the legal and authorized requirements as of December 31, 2024.

A. Financial Reports:

1. Review the company’s interim and annual financial statements prior to presenting them to the Board of Directors, and provide opinions and recommendations to ensure integrity, fairness, and transparency.
2. Examine any significant or unusual matters included in the financial reports.
3. Carefully investigate any issues raised by the Financial Director, his designee, the Compliance Officer, or the external auditor.
4. Verify accounting estimates in material matters included in the financial reports.

B. Internal Audit:

1. Review and assess the company’s internal control, financial, and risk management systems.
2. Study internal audit reports and follow up on the implementation of corrective actions for the observations raised.
3. Monitor and supervise the performance and activities of the internal audit function to ensure availability of necessary resources and its effectiveness in carrying out assigned tasks.
4. Recommend to the Board of Directors the appointment of the Head of Internal Audit and propose his remuneration.

C. External Auditor:

1. Recommend to the Board the nomination of external auditors, determination of their fees, and evaluation of their performance after verifying their independence and reviewing their scope of work and contract terms.
2. Verify the independence, objectivity, and fairness of the external auditor, and assess the effectiveness of their auditing activities, taking into account relevant rules and standards.
3. Review the external auditor’s plan and work, ensuring that they do not perform non-audit services such as technical, administrative, or advisory work, and provide feedback accordingly.
4. Respond to queries raised by the external auditor.
5. Review the auditor’s report and remarks on the financial statements and follow up on actions taken.

D. Compliance Assurance:

1. Verify the company’s compliance with applicable regulations, policies, and related instructions.



Nomination and Remuneration Committee

The main function of the Nomination and Remuneration Committee is to determine the policies and procedures related to the nomination of the members of the Board, its Committees, and the executive team, and to determine the policies and procedures related to their remunerations. The Committee's scope of work includes all duties designed to enable it to fulfill its functions, including:

Roles and Responsibilities related to Nominations

1. Suggesting clear policies and standards for membership of the Board and the executive management.
2. Recommending nominees to the Board of Directors pursuant to the approved policies and procedures, provided that no person who has been convicted of a felony involving breach of trust shall be nominated.
3. Setting out descriptions of the capabilities and qualifications required for Board membership and for executive management positions.
4. Determining the amount of time a Board member shall allocate to the work at the Board of Directors.
5. Annually reviewing the necessary skills or experience required for Board membership and executive management positions.
6. Reviewing the structure of the Board of Directors and executive management and providing recommendations as to the changes that can be made thereto.
7. Annually verifying the independence of the independent members and ensuring there is no conflict of interest in cases where a Board member is also a board member in another company.
8. Developing job descriptions for executive, non-executive, and independent members, as well as senior executives.
9. Identifying the weaknesses and strengths of the Board of Directors and proposing solutions to address them in line with the Company's interest.
10. Establishing procedures to be followed in the event that the position of a Board member or senior executive becomes vacant.

The Nomination and Remuneration Committee shall consist of at least three (3), and at most five (5) members to be appointed by the Board of Directors for a period of four (4) years. Subject to the conditions to be met by the Members of the Nomination and Remuneration Committee, the Board of Directors shall appoint members of the Nomination and Remuneration Committee for a period of four (4) years. The Board shall take the necessary measures to enable the Committee to carry out its functions, including granting the Committee access to, without any restrictions, all data, information, reports, records, correspondences or other matters that the Committee deems important to have access to.

Roles and Responsibilities related to Remunerations.

1. Preparing a clear policy for the remuneration of the members of the Board of Directors, Board Committees, and executive management and submitting it to the Board for consideration, before presenting it to the General Assembly for approval; provided that such policy follows standards related to performance, which shall be disclosed and the implementation thereof shall be verified.
2. Clarifying the relationship between the remunerations granted and the applicable remuneration policy, and indicating any material deviation from this policy.
3. Periodically reviewing the remuneration policy, evaluating its effectiveness in achieving the desired goals.
4. Recommending to the Board of Directors the remuneration of the members of the Board of Directors, Board Committees, and the Company's senior executives in accordance with the approved policy.



The Charter of the Nomination and Remuneration Committee was approved and accepted to be presented to the General Assembly by the Company's Board of Directors in its meeting held on 04/12/1444 AH (corresponding to 22/06/2023). This Charter was also approved by the Ordinary General Assembly of the Company during its meeting held on 21/01/1445H (corresponding to 08/08/2023). The following Members were appointed to the Nomination and Remuneration Committee during the Board of Directors meeting held on 04/12/1444 AH (corresponding to 22/06/2023).





Nomination and Remuneration Committee Members

#	Name	Position
1	Yasser Zoman Saad AlZoman	Committee Chairman - Independent
2	Ahmed Ibrahim Abdulaziz Al Senaidi	Independent Member
3	Faisal Mohammed Hammad AlObaid*	Independent Member

* Faisal Mohammed Hammad AlObaid was appointed pursuant to Board Resolution dated 25/07/1445 AH (corresponding to 06/02/2024).

Biographies of the Members of the Board

Yasser Zoman Saad AlZoman - Committee Chairman (Independent)
Please refer to the above-mentioned biographies of the members of the board.
Ahmed Ibrahim Abdulaziz Al Senaidi – Committee Member (Independent)
Please refer to the above-mentioned biographies of the members of the board.
Faisal Mohammed Hammad AlObaid – Committee Member (Independent)
Please refer to the above-mentioned biographies of the members of the board.

#	Member Name	First Meeting 2024/02/26	Second Meeting 2024/11/24
1	Yasser Zoman Saad AlZoman	✓	✓
2	Ahmed Ibrahim Abdulaziz Al Senaidi	✓	✓
3	Faisal Mohammed Hammad AlObaid	✓	✓

Company Shares Held by Board Members at the Start and End of 2024:

Name	Position	Direct				
		Count of Shares at Start of Listing	End of Year Share Count	Ownership Percentage	Increase (Decrease)	Percentage
Majed bin Ali bin Othman Al-Majed	Chairman of the Board	3,937,500	3,937,500	%15.75	-	%15.75
Thamer bin Saad bin Ali Al Majed	Vice Chairman	-	-	-	-	-
Waleed bin Khalid bin Ali Al Majed	Board Memeber	-	-	-	-	-
Ahmed Ibrahim Al Senaidi	Board Memeber	-	-	-	-	-
Yasser Zoman Saad Al Zoman	Board Memeber	-	-	-	-	-



Remuneration Policy for Board Members, Board Committees, and Executive Management of Al Majed Oud Company

Article (1) Definitions

The following words and phrases shall have the meanings indicated opposite them unless the otherwise is required by the context:

- **The Authority (CMA):** Capital Market Authority.
- **Policy:** The policy of remuneration for members of the Board of Directors, its committees, and executive management.
- **Governance Regulations:** Corporate Governance Regulations issued by the Capital Market Authority Board.
- **Corporate Governance Regulation:** Al Majed Oud Company Governance Regulation (Al Majed Oud Company Governance Regulation)
- **The company:** Al Majed Oud Company
- **General Assembly:** An assembly formed from the company’s shareholders in accordance with the provisions of the Companies Law and the company’s articles of association.
- **Board of Directors or the Board:** Board of Directors of Al Majed Oud Company
- **Executive Management / Senior Executives:** Includes the company’s CEO and the rest of the company’s executive board members.
- **Rewards:** Amounts, allowances, profits and equivalent, periodic or annual bonuses linked to performance, short- or long-term incentive plans and any other in-kind benefits, excluding the actual reasonable expenses and costs incurred by the company on behalf of a member of the Board of Directors for the purpose of performing his work.

Article (2) Reward Criteria

Without prejudice to the regulatory requirements, the company’s articles of association, and the requirements of the governance regulations, the remuneration of members of the Board of Directors, its committees, and the executive management is subject to the following criteria:

1. Its consistency with the company’s strategy and objectives.
2. To provide rewards to encourage members of the Board of Directors and executive management to contribute to the success and development of the company in the long term.
3. Rewards should be determined based on the job level, duties and responsibilities assigned to the employee, academic qualifications, practical experience, skills, and performance level.
4. Its consistency with the size, nature and degree of risks in the company.
5. Taking into account the practices of other companies in determining bonuses, while avoiding any unjustified increase in bonuses and compensation that may result from this.
6. To aim to attract, retain and motivate professional competencies without exaggeration.
7. The standards shall be prepared in coordination with the Nominations, Remuneration and Human Resources Committee on new appointments.
8. Organizing the granting of shares in the company to members of the Board of Directors and executive management, whether they are new issues or shares purchased by the company.

9. The remuneration must be fair and commensurate with the member’s competencies and the work and responsibilities undertaken and borne by the members of the Board of Directors, which are intended to be achieved during the fiscal year.
10. Rewards should be commensurate with the company’s activity and the skills required to manage it.
11. Taking into account the sector in which the company operates, its size, and the experience of the board members.
12. The remuneration shall be reasonably sufficient to attract, motivate and retain Board members with appropriate experience and competence.
13. A member of the Board of Directors may receive compensation for his membership in the Audit Committee formed by Board of Directors or in exchange for any additional work, executive, technical, administrative or advisory positions - under a professional license - that he is assigned to in the company, in addition to the reward that he may receive in his capacity as a member of the Board of Directors and in the committees formed by the Board of Directors in accordance with the Companies Law and the Articles of Association.
14. The remuneration of members of the Board of Directors may vary in amount to reflect the member’s experience, competence, duties, independence, number of meetings attended and other considerations.
15. If the Audit Committee or the Authority finds that the remuneration paid to any member of the Board of Directors or the Executive Management is based on incorrect or misleading information presented to the General Assembly or included in the Board of Directors’ annual report, it must be returned to the Company and the Company has the right to demand its return.



Article No (3) Remuneration of members of the Board of Directors and its Committees

1. The remuneration of a member of the Board of Directors and all benefits he receives - if any - shall be as approved by the Ordinary General Assembly in accordance with the official decisions and instructions issued in this regard and within the limits stipulated in the Companies Law and its regulations.
2. The remuneration of a member of the Board of Directors may be a certain amount, an attendance allowance for meetings, in-kind benefits, or a certain percentage of net profits. Two or more of these benefits may be combined.
3. If the bonus is a certain percentage of the company’s profits, this percentage may not exceed (10%) of the net profits after

deducting the reserves decided by the General Assembly in compliance with the provisions of the Companies Law and the company’s articles of association, provided that the entitlement to this bonus is proportional to the number of sessions attended by the member, and any estimate contrary to this shall be void.

4. The remuneration of independent board members shall not be a percentage of the company’s profits or be based directly or indirectly on the company’s profitability.
5. The remuneration of the members of the Board of Directors and its committees is detailed as follows:

Board of Directors’ Remuneration	
Allowance of Attending BOD Sessions	The Chairman of the Board, the Board Member or his representative shall be paid an attendance allowance of (3000) three thousand Saudi Riyal each session of the Board. The Secretary of the BOD shall be paid an attendance allowance of (2500) Two thousand five hundred Saudi Riyal for each session of the Board of Directors.
Annual Bonus for the Chairman of the Board of Directors	An annual bonus of (250,000) only Two hundred and fifty thousand Saudi Riyals, and its disbursement is linked to the number of sessions attended by the Chairman of the Board of Directors out of the total sessions held by the Board of Directors during the relevant fiscal year.
Annual bonus for a member of the board of directors	Annual bonus paid to an independent member of the Board of Directors with an amount of (SR 200,000) only two hundred thousand Saudi Riyal, and an annual bonus paid to an executive and non-executive member of the Board of with the amount of (100,000) only one hundred thousand Saudi Riyal, and the payment of the bonus will depend on the number of meetings attended by a member of the Board of Directors out of the total number of meetings held by the Board of Directors during the relevant fiscal year. The annual bonus shall be divided among the representatives in the event that new members of the Board of Directors are appointed, according to the date of appointment.
Board of Directors Membership Remuneration Payment Schedule	Annual remuneration for BoD membership is paid to members on an annual basis.
Audit Committee Members’ Remuneration	
Allowance of Attending Audit committee Sessions	The Chairman of the Committee, the Committee member, or his representative shall be paid an attendance allowance of 3,000 (three thousand Saudi Riyals) for each Committee session. The Secretary of the Audit Committee shall be paid an attendance allowance of 2,500 (two thousand five hundred Saudi Riyals) for each Committee session.
Annual Bonus for the Audit Committee	An annual remuneration of SAR 50,000 (fifty thousand Saudi riyals only) is granted to the Chairman of the Audit Committee, and a fixed annual remuneration of SAR 50,000 (fifty thousand Saudi riyals only) is granted to the Committee members. The disbursement of this remuneration is linked to the number of meetings attended by each member out of the total meetings held by the Committee during the relevant financial year. The annual remuneration is prorated among representatives in the event of appointing new Committee members, based on the date of their appointment.
Audit Committee Membership Remuneration Payment Schedule	Annual remuneration for Audit Committee membership is paid to members on an annual basis.
Nomination and Remuneration Committee Members’ Remuneration	
Allowance of Attending Remuneration Committee Membership Sessions	The Chairman of the Committee, the Committee member, or his representative shall be paid an attendance allowance of 3,000 (three thousand Saudi Riyals) for each Committee session. The Secretary of the Audit Committee shall be paid an attendance allowance of 2,500 (two thousand five hundred Saudi Riyals) for each Committee session.
Annual Bonus for the Nomination and Remuneration Committee	An annual remuneration of SAR 50,000 (fifty thousand Saudi riyals only) is granted to the Chairman of the Nominations and Remuneration Committee, and a fixed annual remuneration of SAR 50,000 (fifty thousand Saudi riyals only) is granted to the Committee members. The disbursement of this remuneration is linked to the number of meetings attended by each member out of the total meetings held by the Committee during the relevant financial year. The annual remuneration is prorated among representatives in the event of appointing new Committee members, based on the date of their appointment.
Nomination and Remuneration Committee Membership Remuneration Payment Schedule	Annual remuneration for Nomination and Remuneration Committee membership is paid to members on an annual basis.
Date of implementation of the compensation and benefits policy for members of the Board of Directors and its committees	The compensation and benefits policy applies to members of the Board and its committees. As of the 2023 fiscal year bonus date



Article (4) Executive Management Rewards

The company grants its senior executives – in accordance with the procedures and standards approved by the Board of Directors – specific financial benefits based on the salary scale and its approved policy in this regard. Executive management bonuses include the following:

- A basic monthly salary paid at the end of each Gregorian month.
- Medical insurance for him and to his family according to the regulations.
- Allowances according to the company’s approved benefits and compensation schedule.
- Annual bonus linked to performance indicators based on the annual evaluation conducted in this regard.
- Any other bonus or allowance approved by the company’s board of directors.

Article No (5): Remuneration of the Secretary of the Council and Secretaries of the Council’s Committees

The company pays to the Secretary of the Board of Directors and the Secretaries of the board committees a monthly bonus/or monthly salary determined by a decision of the Board of Directors.

Article No (6): Disclosure

The Board of Directors’ report, which is presented to the annual ordinary general assembly, must include details of the policies related to remuneration, how they are determined, and a comprehensive statement of all the remuneration, expense allowances, and other benefits that the members of the Board of Directors received during the fiscal year. It must also include a statement of what the members of the Board received in their capacity as employees or administrators, or what they received in exchange for technical, administrative, or consulting work. The report must also include a statement of the number of board meetings and the number of meetings attended by each member from the date of the last meeting of the general assembly.

Article No (7): Payment of Bonuses

Rewards are paid in Saudi Riyals or its equivalent in any other currency and are paid through direct credit to the bank accounts designated by the person concerned.

Article No (8): Not Entitlement to the Bonus or its Return

1. If the Ordinary General Assembly decides to terminate the membership of a member of the Board of Directors who is absent due to his failure to attend (three) consecutive meetings or (five) separate meetings during his term of membership without a legitimate excuse accepted by the Board of Directors, then this member shall not be entitled to any remuneration for the period following the last meeting he attended, and he must return all remuneration paid to him for that period.
2. If it becomes clear that the bonuses paid to any member of the Board of Directors are based on incorrect or misleading information, the member of the Board must return them to the company, and the company may demand that he return them.
3. The cases mentioned in paragraph (1.2) above shall apply to committee members in accordance with the conditions of each committee.

Article No (9): General Provisions (Review and amendment to this policy)

1. Board members may not vote on the item of Board members’ remuneration at the Ordinary General Assembly meeting.
2. This policy is effective from the date of its approval by the General Assembly and may not be amended without getting approval of the Assembly on those amendments.
3. This policy is complementary to the Company’s Articles of Association, Corporate Governance Law and Governance Regulations.
4. Anything not specifically addressed in this policy shall be subject to the relevant rules and regulations issued by the competent authorities.
5. This policy supersedes and replaces all conflicting procedures, decisions and internal regulations of the Company.



Governance Report

Executive Management

#	Name	Position
1	Waleed Khalid bin Ali Al Majed	CEO
2	Thamer Saad bin Ali Al Majed	Vice Chairman (Executive)
3	Firas Dhirar Shihadeh Mismar	Chief Financial Officer
4	Ramadan Muhammad Muhammadin Ahmad	Supply Chain General Manager
5	Abdulrahman bin Khalid bin Ali Al-Majed	Chief Officer of Sales, Marketing, and International Business Operations
6	Mohammed bin Ibrahim bin Mohammed Al-Damigh	Chief Human Resources Officer

Biographies of the Executive Management

Waleed Khalid bin Ali Al Majed - CEO
Please refer to the above-mentioned biographies of the members of the board.
Thamer Saad Ali Al Majed - Vice Chairman (Executive)
Please refer to the above-mentioned biographies of the members of the board.

Firas Dhirar Shihadeh Mismar - Chief Financial Officer	
Qualifications	<ul style="list-style-type: none">● Master of Project Management - Midocean University - 2023● MA, New York Institute of Technology, Jordan, 2004.● BSc in Accounting from the University of Jordan, Jordan, 2000.
Previous Work Experience	<ul style="list-style-type: none">● Chief Financial Officer of Wallan Group, 2023-2024● Chief Financial Officer - Majid Al Futtaim Entertainment Group, 2021-2023● Chief Financial Officer - Al Guthmi Company, 2020-2021● Chief Financial Officer - Al Mawared Company, 2016-2020
Ramadan Muhammad Muhammadin Ahmad - General Manager of Supply Chain and Production	
Qualifications	<ul style="list-style-type: none">● Executive MBA from Cardiff University, Wales, UK, 2025● MSc International Supply Chain and Logistics Management, AASTMT, Egypt, 2012● Bachelor of Commerce and Business Administration, Cairo University, Egypt, 1992
Previous Work Experience	<ul style="list-style-type: none">● Supply Chain Director, TROFI, 2021 - 2024, Riyadh- KSA● Supply Chain Director, Yazeed Al Rajhi Food Unit Company, 2018 - 2021, Riyadh, KSA.● Regional Supply Chain Manager for Binzagr CO-RO Company, 2015 -2018, Jeddah - KSA.● Regional Supply Chain Manager for Americana, 2014 - 2015, Jeddah – KSA.● Director of Supply Chain Planning for Halwani Bros Company, 2012 - 2014, Jeddah - KSA● - Vice President of Supply Chain, IFFCO Group, 2011-2012 Cairo-Egypt.



Abdulrahman bin Khalid bin Ali Al-Majed
– Chief Officer of Sales, Marketing, and International Business Operations

Qualifications

- High School Diploma, 2012.

Previous Work Experience

- Acting General Manager of the E-commerce Department at the Company, from 2021 until 2024.
- Vice Chief Officer of Sales, Marketing, and International Business Operations at the Company, from 2021 until 2024.
- Acting Director of the E-commerce Department at the Company, from 2021 until 2022.
- Regional Manager of the Kuwait Branch at the Company from 2018 until 2022.
- Regional Manager of the Company from 2014 until 2021.

Mohammed bin Ibrahim bin Mohammed Al-Damigh - Chief Human Resources Officer

Qualifications

- Diploma in Human Resources Management from the Chamber of Commerce in Riyadh, KSA, 2004..
- B.A. in German from King Saud University, KSA, in 2002.

Previous Work Experience

- General Manager of Human Resources and Strategic Planning at the Company, from 2023 until 2024.
- Director of Human Resources and Administrative Affairs at the Company from 2018 until 2023. - Director of the Human Resources Department at Abdullah M. Bin-Saedan Real Estate Co., a closed joint stock company, engaging in the field of real estate, from 2017 until 2018.
- Director of the Human Resources Department at Saudi Tumpene Company Limited, a subsidiary of Abunayyan Holding, a limited liability company, engaging in the field of construction, water and treatment plants, from 2015 until 2016.
- Director of Human Resources Department at KSB, a subsidiary of Abunayyan Holding, a limited liability company, engaging in the field of pump manufacturing, from January 2016 until August 2016.
- Director of the Human Resources Department, Riyadh Development Company, a joint stock company, engaging in the field of government services and leasing, from 2009 until 2014.
- Personnel Affairs Manager at Carrefour, a global retail company, from 2006 until 2009.

Company Shares Held by Executive Management at the Start and End of 2024:

Name	Position	Direct				
		Start of Year Share Count	End of Year Share Count	Owner-ship Per-centage	Increase (De-crease)	Percentage
Waleed Khalid Ali Al-Majed	CEO	-	-	-	-	-
Thamer Saad Ali Al Majed	Vice Chairman (Executive)	-	-	-	-	-
Firas Dhirar Shihadeh Mismar	Chief Financial Officer	-	-	-	-	-
Ramadan Muhammad Mu-hammadin Ahmad	Supply Chain General Manager	-	-	-	-	-
Abdulrahman Khalid Ali Al-Majed	Chief Officer of Sales, Marketing, and International Business Operations	-	-	-	-	-
Mohammed bin Ibrahim bin Mohammed Al-Damigh	Chief Human Resources Officer	-	-	-	-	-

Description of any interest of the senior executives and their relatives in the company shares, debt instruments, or in any of its subsidiaries:

#	Interest Holder Name	Total number of shares on 01/01/2024	Total number of shares on 31/12/2024	Net Change	Ratio Change
1	Abdulrahman Khalid Ali Al-Majed	5,625,000	3,937,500	1,687,500	-30%



Governance Report

Remunerations of Board Members, Committees, and Senior Executives

Below we provide details of the expenses and remuneration paid and due to the Board members and Board committees, in addition to the salaries and remuneration paid to five senior executives of the company for the fiscal year 2024:

Board Members' Remuneration

Name	Fixed Remuneration							Variable Remuneration								
	Fixed Amount	Board Meeting Attendance Allowance	Total Committee Meeting Attendance Allowance	In-kind Benefits	Amounts received by directors as employees or officers, or for technical, administrative or advisory services	Remuneration of the chairman of the Board, Managing Director, the secretariat, if a member	Total	Profitshar- ing Percentage	Regular Bonuses	Allowance for attend- ing council meetings	Long-Term Incentive Plans	Granted Shares	Total	End-ofser- vice benefit	Gross Total	Expenses Allowance
First: Executive Members																
Waleed Khalid Ali Al Majed	-	12,000	-	-	-	100,000	112,000	-	-	-	-	-	-	-	112,000	-
Thamer Saad Ali AlMajed	100,000	12,000	-	-	-	-	112,000	-	-	-	-	-	-	-	112,000	-
Total	-	24,000	-	-	-	100,000	224,000	-	-	-	-	-	-	-	224,000	-
Second: Non-Executive Members																
Majed bin Ali AlMajed	-	12,000	-	37,384	-	250,000	299,384	-	-	-	-	-	-	-	299,384	-
Total	-	12,000	-	37,384	-	250,000	299,384	-	-	-	-	-	-	-	299,384	-
Third: Independent Members																
Ahmed Ibrahim Al Senaidi	200,000	12,000	-	-	-	-	212,000	-	-	-	-	-	-	-	212,000	-
Yasser Zoman Saad Al Zoman	200,000	12,000	-	-	-	-	212,000	-	-	-	-	-	-	-	212,000	-
Total	400,000	24,000	-	-	-	-	424,000	-	-	-	-	-	-	-	424,000	-
Total	500,000	60,000	-	37,384	-	350,000	947,384	-	-	-	-	-	-	-	947,384	-



The committee members’ remuneration is as follows:

	Fixed Remuneration (excluding attendance allowance)	Allowance for attending sessions	Total
Audit Committee			
Ahmed Ibrahim Abdulaziz Al Senaidi	50,000	21,000	71,000
Faisal Mohammed Hammad AlObaid	42,857	18,000	60,857
Naif Saad AbdulRahman AlQarni	50,000	21,000	71,000
Yasser Zoman Saad AlZoman	50,000	21,000	71,000
Total	192,857	81,000	273,857
Nomination and Remuneration Committee			
Yasser Zoman Saad AlZoman	50,000	6,000	56,000
Ahmed Ibrahim Abdulaziz Al Senaidi	50,000	6,000	56,000
Faisal Mohammed Hammad AlObaid	44,932	6,000	50,932
Total	144,932	18,000	162,932
Total	337,789	99,000	436,789

The periodic remunerations noted in the preceding table reflect committee member compensations for 2024, to be disbursed in 2025. Session attendance allowances represent compensation for Board members attending 2024 sessions.

Compensation and Remuneration for Senior Executives

The Company has provided disclosure of senior executive remunerations and compensation for 2024, as required by sub-paragraph (b) of paragraph (4) of Article 90 of the Corporate Governance Regulations. The table below presents the aggregate compensation for the Company’s five highest-paid senior executives, including the CEO and CFO:

المجموع الكلي	مجموع مكافأة التنفيذيين عن المجلس إن وجدت	مكافأة نهاية الخدمة	المكافآت المتغيرة						المكافآت الثابتة				
			المجموع	الأسهم	خط	خط	نسبة من الأرباح	مكافآت دورية	المجموع	مزايا عينية	بدلات	رواتب	
				الممنوحة يتم إدخال القيمة	تحفيزية طويلة الأجل	تحفيزية قصيرة الأجل							
9,126,579	-	1,671,631	3,047,655	-	-	-	1,162,500	1,885,155	4,407,293	570,772	962,816	2,873,705	الإدارة التنفيذية
9,126,579	-	1,671,631	3,047,655	-	-	-	1,162,500	1,885,155	4,407,293	570,772	962,816	2,873,705	المجموع



Governance Report

Shareholders' Equity

Actions taken by the Board to communicate shareholder suggestions and observations about the Company and its performance to all members, with a focus on non-executive members.

An Investor Relations Unit was established to serve as the liaison between the Board of Directors and shareholders. This unit facilitated numerous in-person meetings and participated in various conferences, including individual and group meetings with investors both locally and internationally.

The Board of Directors also authorized measures to enable shareholders to convey suggestions and observations by contacting the Investor Relations Department via:

- Tel: 920000480 Ext. 115
- WhatsApp 0550167152
- Email: IR@almajed4oud.com

The Company's Governance Regulations also outlined the Board of Directors' operational procedures, which prioritized addressing shareholder suggestions and inquiries, and included providing members with meeting minutes from assemblies featuring shareholder questions.

Requests for Shareholders' Records

Number of Record Requests	Request Date	Reason for Request
1	2024/11/05	Company Process
2	2024/11/05	Company Process
3	2024/11/10	Company Process
4	2024/12/03	Company Process
5	2024/12/31	General Assembly

General Assembly Meetings for Shareholders

Date	Type of Assembly (ordinary/extraordinary)	Statement on the attendance of the Board of Directors	Voting results on the Assembly agenda
05/05/2024	extraordinary	100% - All BoD members and committee Charimans attended	N/A

Note that the company was listed on 10/07/2024



Dividend Distribution Policy

Under Article 107 of the Companies Law, a shareholder shall have all the rights associated with their shares, including, in particular, the right to receive a share of the dividends declared for distribution. The Board of Directors shall recommend the distribution of any dividends before approval by the shareholders at the meeting of the General Assembly. The Company is under no obligation to declare dividends, and any decision to do so will depend on, inter alia, the Company's historic and anticipated earnings and cash flow, financing and capital requirements, market and general economic conditions, the restrictions to which the dividend distribution process is subject under Financing and Debt Agreements, Zakat, and other legal and regulatory considerations.

For example, shares give their holders the right to receive the dividends announced by the Company from the date of their publishing and in the following fiscal years. Despite the Company's intention to distribute annual dividends to its shareholders, there are no guarantees that such dividends will be actually distributed, nor is there any guarantee regarding the amounts of dividends paid in any year. Dividend distribution is also subject to the restrictions set out in the Company's Bylaws. Dividends shall be distributed in Saudi Riyals.

Dividend Distribution

It's important to highlight that the company has recommended distributing cash dividends for the financial year 2024, amounting to 4 Saudi Riyals per share, which equates to a distribution rate of 40% of the nominal value of each share. The total amount to be distributed is 100 million Saudi Riyals. The eligibility date for dividends will include shareholders registered with the Securities Depository Center at the end of the second trading day following the date of the company's General Assembly meeting.

The date of the General Assembly meeting will be announced following the receipt of regulatory approvals from the appropriate government authorities, and the dividend payment date will be set once the General Assembly approves this recommendation.

Declared distributions during the financial years ending December 31, 2021, 2022, 2023, and 2024.

	Fiscal year ending on December 31, 2024 SAR	Fiscal year ending on December 31, 2023 SAR	Fiscal year ending on December 31, 2022 SAR	Fiscal year ending on December 31, 2021 SAR
Declared Dividends for the period	100,000,000	39,500,000	98,000,000	118,000,000
Dividends Paid for the Year	125,000,000	39,500,000	98,000,000	118,000,000
Net Profit for the period	156,958,529	148,677,253	125,346,716	100,967,833
Ratio of declared dividends to the Company's net income (%)	%64	%27	%78	%117



Governance Report

Transactions with Related Parties

Disclosure of works or contracts in which the Company is involved with related parties, or where a Company Board member, senior executive, or affiliated individual holds an interest, detailing the participants, nature, terms, duration, and financial value of those works or contracts.

التعاملات التي لأعضاء المجلس مصلحة فيها

#	Related party	Nature of Transaction or Contract	Start of Transaction or Contract and Its Duration	Stakeholder	Value of Transaction or Contract
1	Aromatic Mix Trading Company	Revenue from Providing Services Through a Packaging Contract Noting that the contract value is variable based on packaging requests. (From a Related Party)	Five years starting from 25/10/2020	Majed Ali Al Majed – Chairman of the Board (Indirect Interest)	454,931
Total					454,931
2	Shurfah Real Estate Development Company	Costs allocated from the development and supervision contract for the concrete and building section of the land owned by the company in the Al-Sahafa district, Riyadh (to a related party).	160 days Contract Date: 5/05/2024	Majed Ali Al Majed – Chairman of the Board (Indirect Interest)	4,284,900
Total					4,284,900
3	Mohammed Ali Othman Al-Majed Badr Ali Othman Al-Majed	Lease contracts for the East Branch on Makarona Street in Jeddah (to a related party).	One year starting from 01/01/2024	Majed Ali Al Majed – Chairman of the Board (Indirect Interest)	172,500
	Suliman Ali Othman Al Majed Khalid Ali Othman Al Majed Saad Ali Othman Al Majed Majed Ali Othman Al Majed	Residential lease contract on Ruba'i Al-Dahli Street, Al-Narjis District, Riyadh (to a related party).	One year starting from 28/03/2023, noting that the contract has been terminated.	Majed Ali Al Majed – Chairman of the Board (Indirect Interest)	14,850
Total					187,350

#	Related party	Nature of Transaction or Contract	Start of Transaction or Contract and Its Duration	Stakeholder	Value of Transaction or Contract	
4	Suliman Ali Othman Al Majed Khalid Ali Othman Al Majed Saad Ali Othman Al Majed Majed Ali Othman Al Majed	Lease contract for the company's branch in Al-Owais (to a related party).	Five years starting from 01/01/2022	Majed Ali Al Majed – Chairman of the Board (Direct and Indirect Interest) Walid Khalid Al Majed – Managing Director and CEO (Indirect Interest) Thamer Saad Al Majed – Vice Chairman of the Board and Deputy CEO (Indirect Interest)	230,000	
	Suliman Ali Othman Al Majed Khalid Ali Othman Al Majed Saad Ali Othman Al Majed Majed Ali Othman Al Majed	Lease contract for the company's branch in Al-Owais (to a related party).	Five years starting from 01/01/2022	Majed Ali Al Majed – Chairman of the Board (Direct and Indirect Interest) Walid Khalid Al Majed – Managing Director and CEO (Indirect Interest) Thamer Saad Al Majed – Vice Chairman of the Board and Deputy CEO (Indirect Interest)	92,000	
	Suliman Ali Othman Al Majed Khalid Ali Othman Al Majed Saad Ali Othman Al Majed Majed Ali Othman Al Majed	Lease contract for the company's branch in Al-Rabi' District – King Abdulaziz Road (to a related party).	Three years starting from 01/01/2024.	Majed Ali Al Majed – Chairman of the Board (Direct and Indirect Interest) Walid Khalid Al Majed – Managing Director and CEO (Indirect Interest) Thamer Saad Al Majed – Vice Chairman of the Board and Deputy CEO (Indirect Interest)	353,976	
Total					675,976	
5	Majed Ali Othman Al Majed Khalid Ali Othman Al Majed Saad Ali Othman Al Majed Suliman Ali Othman Al Majed Badr Ali Othman Al Majed Mohammed Ali Othman Al Majed	These are costs related to the listing and initial public offering paid on behalf of and allocated to the selling shareholders (from a related party).	-	Majed Ali Al Majed – Chairman of the Board (Direct and Indirect Interest) Walid Khalid Al Majed – Managing Director and CEO (Indirect Interest) Thamer Saad Al Majed – Vice Chairman of the Board and Deputy CEO (Indirect Interest)	3,878,648	
Total					3,878,648	
Transactions with Related Parties in Which the Board Has No Interest						
#	Related party	Nature of Transaction or Contract	Type of Transaction	Value of the transaction during 2024	Start of the current Transaction	Duration
1	Reef Perfumes Trading Company	Revenue from providing services	Providing services through a packaging and filling contract	12,798,686	2020/05/02	One Year Renewable
2	IMAA Perfumes Company			400,370	2023/09/20	One Year Renewable
Total				13,199,056		



Corporate Governance Regulation Compliance: Status and Reasons for Non-Compliance

In accordance with the Corporate Governance Regulations issued by the CMA, the Company is required to make disclosures as stipulated therein. The Board of Directors of the Company hereby declares full compliance with the provisions of this Regulation, save for the articles listed below:

Text of the article	Article number	Paragraph	Degree of application	Clarification
<p>a. The Board of Directors, based on the proposal of the Nominations Committee, shall establish the necessary mechanisms to evaluate the performance of the Board, its members, committees, and executive management annually. This shall be done through appropriate performance measurement indicators related to the extent to which the Company's strategic objectives are achieved, the quality of risk management, the adequacy of internal control systems, and others. Strengths and weaknesses shall be identified and proposed for remediation in amannerconsistentwiththeCompany'sinterests.</p> <p>b. Performance evaluation procedures should be written, clear, and disclosed to board members and those involved in the evaluation.</p> <p>c. The performance evaluation should include the skills and experience of the board, identifying its strengths and weaknesses, and working to address these weaknesses through possible means, such as nominating professional competencies that can enhance the board's performance. The performance evaluation should also include an assessment of the board's overall work mechanisms.</p> <p>d. The individual evaluation of Board members takes into account the extent of the member's effective participation and commitment to performing his duties and responsibilities, including attending Board and committee meetings and allocating the necessary time for them.</p> <p>e. The Board of Directors shall make the necessary arrangements to obtain an evaluation of its performance by a competent external party every three years.</p> <p>f. The non-executive members of the Board of Directors shall conduct a periodic evaluation of the performance of the Chairman of the Board after taking the views of the executive members - without the Chairman of the Board attending the discussion designated for this purpose - provided that the strengths and weaknesses are identified and a proposal is made to address them in a manner consistent with the company's interest.</p>	39		Partially applied	<p>"Guidance material"</p> <p>The Board of Directors' performance will be evaluated internally or by an external party whenever necessary, noting that the Board has established mechanisms to evaluate the performance of the Executive Management based on the proposal of the Nominations and Remuneration Committee.</p>
Formation of the Risk Management Committee	67		Not Applied	<p>"Guidance material"</p> <p>The Board does not see the need to form a committee at the present time, as the Audit Committee plays an effective role in managing risks in the company, noting that the article is advisory.</p>
Risk Management Committee Competencies	68		Not Applied	
Risk Management Committee Meetings	69		Not Applied	



Text of the article	Article number	Paragraph	Degree of application	Clarification
<p>The company establishes programs to develop and motivate the participation and performance of the company's employees, which should include:</p> <p>In particular - the following:</p> <ol style="list-style-type: none">Forming committees or holding specialized workshops to listen to the opinions of company employees and discuss with them the issues and topics that are the subject of important decisions.Programs that grant employees shares in the company or a share of the company's profits, retirement programs, and the establishment of an independent fund to cover these programs.Establishing social institutions for the company's employees.	82	All paragraphs	Not applied	<p>"Guidance material"</p> <p>The company develops other programs to develop and motivate the participation and performance of the company's employees</p>
<p>The Ordinary General Assembly shall, based on a proposal from the Board of Directors, establish a policy that ensures a balance between its objectives and the objectives that society aspires to achieve, with the aim of developing the social and economic conditions of society.</p>	84		Not applied	<p>"Guidance material"</p> <p>The company pays special attention to social responsibility and has many initiatives in this regard. A policy will be put in place whenever the company deems it necessary.</p>
<p>The Board of Directors sets the programs and determines the necessary means to launch the company's initiatives in the field of social work, including the following:</p> <ol style="list-style-type: none">Developing measurement indicators that link the company's performance to the social work initiatives it provides, and comparing this to other companies with similar activities.Disclosing the company's social responsibility objectives to its employees and educating and raising their awareness of them.Disclosure of plans to achieve social responsibility in periodic reports related to the company's activities.Develop community awareness programs to introduce the company's social responsibility.	85	All paragraphs	Not applied	<p>"Guidance material"</p> <p>The company pays special attention to social responsibility and has many initiatives in this regard. Performance indicators will be set when there is a social responsibility policy, whenever the company deems it necessary.</p>
<p>If the Board of Directors forms a committee specialized in corporate governance, it must delegate to it the powers stipulated in Article Ninety-One of these regulations. This committee must follow up on any issues related to governance applications and provide the Board of Directors, at least annually, with the reports and recommendations it reaches.</p>	92		Not applied	<p>"Guidance material"</p> <p>The implementation of governance rules is monitored and their effectiveness verified, and the Board will form a special committee whenever it deems it necessary.</p>



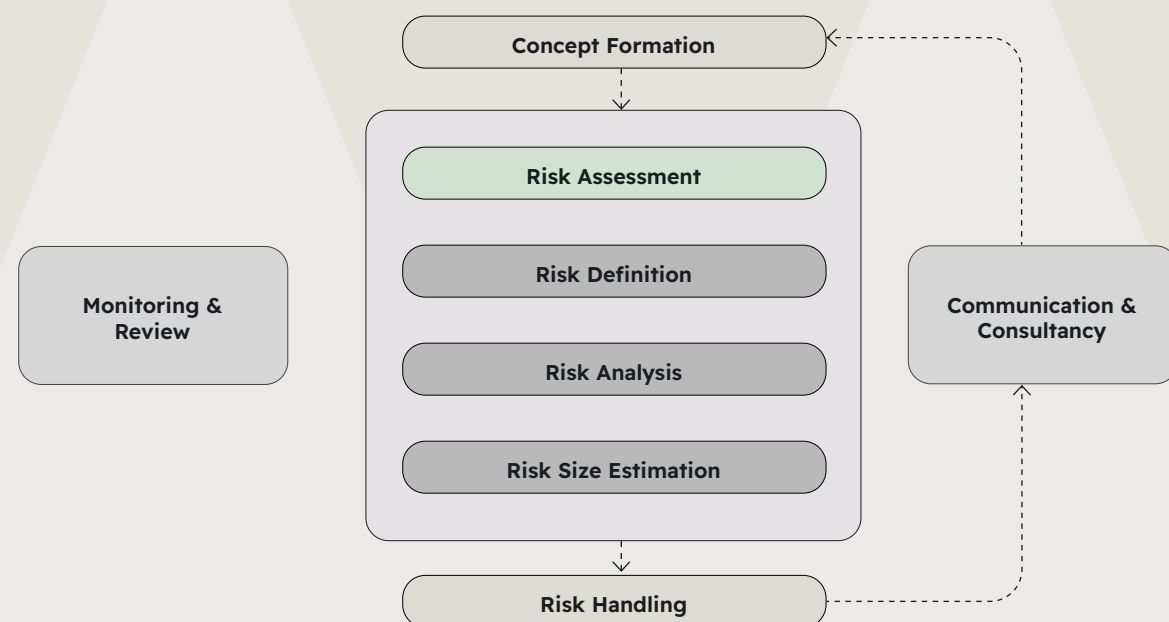
Governance Report

Risk Management

The Al-Majed for Oud Board of Directors is committed to implementing a comprehensive risk management program, employing well-defined procedures to mitigate potential risks that may affect the Company's operational performance. Efforts are underway to cultivate a culture of awareness among all Company stakeholders regarding their responsibilities in managing these risks. The Company is continually working to strengthen internal monitoring and ensure corporate governance controls are implemented with maximum transparency. Focused on the following key themes:

- Effective self monitoring
- Sense of responsibility
- Accuracy and transparency
- Proactivity

The Company is committed to achieving maximum efficiency in risk management, ensuring a balance between its strategic objectives and the preservation of its value chain and sustainability, through the following methodology:



Risk Factors Faced by the Company

Risk management is fundamental to the Company's operations. It is implemented through a framework that includes risk identification and assessment, control activation, response procedure definition, and the timely documentation and communication of relevant risk information, thereby enabling the Board of Directors and executive management to fulfill their responsibilities. Management within the Company classifies risks as either external or internal, encompassing strategic, operational, financial, and compliance risks, which include:

External Factors: These encompass technological advancements, shifts in customer needs and behaviors, competitive pressures, evolving legislation and regulations, economic fluctuations, and natural disasters.

Internal Factors: These include operational risks, data processing systems, staff performance, changes in management responsibilities, and the effectiveness of the governance framework.

Key Strategic and Operational Risks

1. Strategic Risks

Risks impacting the Company's strategic objectives are addressed through an effective and efficient strategic risk management system, developed by the Company's management.

2. Innovation and Digitization Risks

Risks arising from the inability to keep pace with innovation and digital transformation in the sales sector through electronic platforms and the rapidly evolving IT sector, potentially leading to challenges and opportunities.

As part of its strategy, the Company employs an integrated digital plan, which is executed and tracked in multiple phases, while factoring in technical, organizational, and economic factors

3. Risk of Cyberattacks and Cloud Security Threats

This encompasses risks stemming from cyberattacks and cloud computing security vulnerabilities, as the electronic platform sales sector and the information technology sector are prime targets for such attacks. The Company has initiated efforts to bolster its cybersecurity unit, develop internal regulations and policies, and enhance security protocols.

4. Data Governance Risks

Risks arising from the rapid increase in data production and usage, a key trend in global retail, information technology sales, and digital transformation projects. This growth increases the risk of personal, commercial, and operational

data being compromised. The Company implements comprehensive data governance policies, aligned with data privacy, by adopting standardized specifications and standards for data description, storage, circulation, classification, and protection.

5. Potential Risks from Inadequate Service Provider Practices

Risks resulting from potential material disruptions in service provision procedures. The Company deals with a large number of service providers in order to avoid the risk of relying on one provider to carry out essential works in the Company. The Company has designed a network of approved suppliers. Executive management periodically reviews the status of contracted companies to ensure their financial solvency and the safety of their business plans and technical systems.

The risks resulting from potential material disruptions in service provision procedures are the risks that the Company deals with a large number of service providers in order to avoid the risks of relying on one provider to carry out basic works in the Company. The Company has designed a network of approved suppliers. The Executive Management periodically reviews the status of contracted companies to ensure their financial solvency and the safety of their business plans and technical systems.





Financial Risks

The Company’s principal financial risks relate to market risk (including cash flow and fair value interest rate risk), credit risk, and liquidity risk. The Company is not exposed to foreign currency risk as the Company’s transactions are in Saudi Riyals.

The Company is exposed to risks from its use of financial instruments. This note describes the Company’s objectives, policies, and processes for managing those risks and the methods used to measure them. Additional quantitative information on these risks is presented in all of these financial statements.

There have been no material changes in the Company’s exposure to risks from financial instruments, nor to the objectives, policies, and processes used to manage these risks, or the methods used to measure them, compared with prior periods.

The Board of Directors has overall responsibility for determining the Company’s risk management objectives and policies. The Company’s finance function assists the Board of Directors in fulfilling its responsibility by designing and operating processes that ensure the effective implementation of the objectives and policies. The overall objective of the Board of Directors is to develop policies aimed at minimizing risk.

Risks related to cash flows and fair value of interest rate

Risks related to cash flow and fair value interest rate result from the exposure 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 is not significantly exposed to fair value interest rate risk as the interest rate on borrowings is close to the current market rate. The Company is exposed to interest rate risks for cash flows as loans carry variable interest rates.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to fulfill an obligation and cause the other party to incur a financial loss. Cash is placed with banks having sound credit ratings. The Company seeks to limit its credit risk with respect to counterparties by setting credit limits for individual counterparties and by monitoring outstanding receivables.

The table below shows the Company’s maximum exposure to credit risk for the components of the statement of financial position:

	December 31, 2024	December 31, 2023 (adjusted)
Cash and Cash Equivalents	29,649,142	51,472,501
Trade Receivables	5,898,864	9,336,001
Due from Related Parties	6,746,583	2,268,297
Payables and Other Credit Balances	12,244,191	11,437,963
	54,012,279	74,514,762



The Company applies the IFRS 9 simplified approach for measuring ECL, which uses a lifetime expected loss allowance. The method is applied to assess an allowance against dues from related parties.

Liquidity Risk

Liquidity risk is the risk that a Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risks may result from the inability to realize a financial asset quickly at an amount close to its fair value. The Company manages its liquidity risks by monitoring working capital requirements and cash flows on a regular basis. The Company limits its liquidity risks by ensuring that sufficient funds are available from its shareholders and banking facilities.

The table below summarizes the maturity profile of the Company’s financial liabilities based on contractual undiscounted payments:

December 31, 2024	Less than a year	Over 1 year	Total
Trade payables	44,766,807	-	44,766,807
Payables and other credit balances	33,722,585	-	33,722,585
Lease liabilities	93,282,636	165,206,573	258,489,209
	171,772,028	165,206,573	336,978,601

December 31, 2024	Less than a year	Over 1 year	Total
Trade payables	23,571,137	-	23,571,137
Payables and other credit balances	38,617,285	-	38,617,285
Due from Related Parties	48,058,382	-	48,058,382
Lease liabilities	80,451,404	186,217,665	266,669,069
Loans	45,000,000	-	45,000,000
	235,698,208	186,217,665	421,915,873



Fair Value

The following tables present the carrying amount and fair value of the Company’s financial assets and liabilities, including fair value hierarchy levels. For financial assets and liabilities with short-term maturities that are not measured at fair value, the carrying amount is assumed to approximate fair value; therefore, fair value information is not included for these instruments. These include bank balances, prepayments and other receivables, loans, trade payables, accrued expenses, and other credit balances.

Book value				Fair Value			
As on December 31, 2024	Financial Assets at Fair Value Through Other Comprehensive Income	Amortized Cost	Total	Level 1	Level 3	Level 3	Total
Financial Assets							
Prepayments and Other Receivables	-	12,244,191	12,244,191	-	-	-	-
Due from Related Parties		6,746,583	6,746,583				
Cash and Cash Equivalents	-	29,649,142	29,649,142	-	-	-	-
	-	48,639,916	48,639,916	-	-	-	-
Financial Liabilities							
Trade payables	-	44,766,807	44,766,807	-	-	-	-
Payables and other credit balances	-	33,722,585	33,722,585	-	-	-	-
	-	78,489,392	78,489,392	-	-	-	-



Book value				Fair Value			
As on December 31, 2024	Financial Assets at Fair Value Through Other Comprehensive Income	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets							
Prepayments and Other Receivables	-	11,437,963	11,437,963	-	-	-	-
Due from Related Parties	4,618,879	-	4,618,879	4,618,879			4,618,879
Cash and Cash Equivalents	-	54,069,792	54,069,792	-	-	-	-
	4,618,879	65,507,755	70,126,634	4,618,879	-	-	4,618,879
Financial Liabilities							
Short Term Loans	-	45,000,000	45,000,000	-	-	-	-
Trade payables	-	23,571,137	23,571,137	-	-	-	-
Due to Related Parties	-	48,058,382	48,058,382	-	-	-	-
Payables and other credit balances	-	38,617,285	38,617,285	-	-	-	-
	-	155,246,804	155,246,804	-	-	-	-



Compliance Risk

Risks arising from non-compliance with government legislation and regulations, issued by official authorities or agencies. This includes adherence to legislation, disclosure, the application of accounting standards issued by the Saudi Organization for Certified Public Accountants, and compliance with the directives of the Ministry of Commerce and Industry and the Zakat, Tax and Customs Authority, as well as, but not limited to, Capital Market Authority instructions regarding compliance and income. The Company conducts ongoing reviews of all obligations and requirements, ensuring their timely fulfillment to stakeholders

Marketing Risks

The Company may face competition from local and international store operators, posing risks related to high competitive advantages in its sector, including department stores, specialty retailers, discount stores, and other areas of retail trade, as well as competitors' pricing strategies. To address these challenges, the Company conducts detailed feasibility studies and analyzes market trends to guide its strategy. Additionally, management monitors product offerings, expands its store network, and ensures full compliance with applicable laws and regulations.

Operational Risk

The number of consumers and their spending levels can impact the Company's business. Economic factors beyond the Company's control — such as consumers' borrowing ability, interest rates, unemployment rates, salary and tax levels, the cost of essential goods and services, or the partial or complete removal of state subsidies for certain groups — may significantly affect consumer spending.





Approval of Internal Controls and Other Declarations

- The Audit Committee did not recommend appointing an internal auditor for the Company during the last fiscal year.
- The chartered accountant has no reservations regarding the annual financial statements.
- The Board did not recommend replacing the chartered accountant before the expiration of their appointed term.
- There is no conflict between the Audit Committee's recommendations and the Board of Directors' decisions regarding the appointment or dismissal of the Company's auditor, the determination of their fees, the evaluation of their performance, or the appointment of the internal auditor, nor with the justifications for such recommendations.
- There are no differences from the accounting standards approved by SOCPA.
- No shares or debt instruments have been issued to subsidiaries.
- The Company confirms that no voting shares are held by individuals outside its Board of Directors, senior executives, and their relatives. Furthermore, it has not received any notification regarding such rights under Article 85 of the Rules on the Offer of Securities and Continuing Obligations.
- No interest, contractual securities, or subscription rights belonging to the company's board members, senior executives, or their relatives in the shares or debt instruments of the company or any of its subsidiaries, with the exception of the Chairman of the Board, the Vice Chairman of the Board (Deputy Chief Executive Officer), the Managing Director (Chief Executive Officer), and the Chief Executive Officer for Sales, Marketing, and International Operations.
- No category or number of convertible debt instruments, contractual securities, subscription memoranda, or similar rights were issued or granted by the Company during the fiscal year.
- The Company has not issued or granted any conversion or subscription rights under convertible debt instruments, contractual securities, or subscription right memoranda.
- The Company or its subsidiaries have not refunded, purchased, or canceled any redeemable debt instruments, and the value of the remaining securities remains unchanged.
- No Board member is involved in any business that competes with the Company or any of its activities.
- The Company's shareholders have not waived any rights to profits.
- No Board member or senior executive has waived their remuneration.
- No investments or reserves have been established for the benefit of the Company's employees.

Board of Directors Declarations

1. Account records have been correctly prepared.
2. The internal control system was established on solid foundations and implemented effectively.
3. There is no doubt about the Company's ability to continue its activity.

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