



Al majed oud  الماجد للعود



**Growth, Built on Trust**

ANNUAL REPORT 2025



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



# Introduction

Al Majed for Oud is one of the leading fragrance developers and manufacturers in the Middle East. With 70 years of experience, the Company has developed a unique and diverse fragrance collection.

From its origins as a pioneering oud trading house to its position today as a publicly listed regional industry leader, the Company continues to honor its heritage while confidently advancing into the future. At the heart of this performance lies a consistent commitment to value creation, operational excellence, and sustainable development.

Today, Al Majed for Oud operates 366 stores and sales platforms across the Kingdom of Saudi Arabia and multiple Gulf nations. This physical store network, combined with a powerful digital sales channel, services 2.7 million loyal customers annually. The Company's journey reflects a powerful truth: growth is not achieved by scale alone, but by trust—earned over decades, strengthened through quality, and renewed daily with every customer interaction.



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# About the Report

**Dear Al Majed for Oud shareholders,**

**May the peace, mercy, and blessings 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, 2025. This report provides a detailed overview of the Company's performance, operations, and strategic direction over the past year. Approved by the Board of Directors and authorized for release on 26 March 2026, it reflects our unwavering commitment to serving our customers and community, creating value for shareholders, and advancing excellence throughout the industry.

## The Company Activity

Al Majed for Oud Company ("the Company") is registered in the Kingdom of Saudi Arabia under commercial registration No 1010045397 dated 15 Ramadan 1402H, corresponding to 7 July 1982G. The Company's operations encompass both wholesale and retail trade, offering a variety of products including oud, musk, incense, saffron, oriental and western fragrances, cosmetics, bags, glasses, antiques, gifts, decorative flowers, room fragrances, air fresheners, and plants. The registered office is located at 8279 Al Hafouf Street, Al Sahafah District 4299, 13321, Riyadh, the Kingdom of Saudi Arabia. On October 7, 2024G, the Company's shares began trading on the Saudi Exchange's (Tadawul) main market.

The Company's activities also include manufacturing room fresheners, deodorizing products, men's and women's perfumes, oud oil, agarwood, incense, mixing and packaging of perfumes, oils and plants.

## Report Boundaries and Standards

All financial data and reporting boundaries of this report correspond to the consolidated financial statements of Al Majed for Oud SJSC for the calendar year from January 1 to December 31, 2025, unless otherwise stated. The report

is based on applicable regulations and standards, including the Corporate Governance Regulations and the Companies Law.

The sustainability information is disclosed following the guidance of the Saudi Exchange (Tadawul) ESG Disclosure Guidelines and with reference to the GRI 2021 Standards. The consolidated financial statements comply with International Financial Reporting Standards (IFRS) as endorsed in the Kingdom of Saudi Arabia, as well as with standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA). No restatements of the previously published information were made.

All figures presented are subject to rounding. As a result, totals may not always precisely match the sum of individual values, and minor discrepancies may occur. These variations do not affect the overall accuracy or interpretation of the data.

## Forward-Looking Statements

This document is not intended to be and should not be interpreted as a future performance forecast. It may include forward-looking statements based on current expectations and projections about future events. These statements may include, without limitation, any statements preceded by, followed by, or including words such as "target," "believe," "expect," "aim," "intend," "may," "anticipate," "estimate," "plan," "project," "will," "can have," "likely," "should," "would," "could," "continue," "forward" and other words and terms of similar meaning. These forward-looking statements are subject to risks, uncertainties, and other factors beyond the Company's control that could cause the Company's actual results, performance, or achievements to materially differ from the expected results, performance, or achievements expressed or implied by such forward-looking statements.

## Contacts and Feedback

We greatly value your feedback and invite you to share your thoughts, suggestions, or inquiries regarding this report at [ir@almajed4oud.com](mailto:ir@almajed4oud.com)



# Chairman's Message



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

**Esteemed shareholders,**

It is with gratitude and pride that I present to you the Annual Report of Al Majed for Oud for the year 2025 – a year in which we translated our strategy into measurable results and reaffirmed that growth built on trust is the most enduring form of progress.

**Majed Ali Othman Al Majed**  
Chairman of the Board

Throughout 2025, we continued to execute our long-term strategy with clarity and discipline. We strengthened our leadership in the Kingdom of Saudi Arabia while accelerating our presence across the GCC and international markets. By fully executing our annual innovation roadmap, we successfully delivered a whole new generation of fragrance, demonstrating our ability to convert creativity into commercial success. At the same time, by applying disciplined capital allocation, we balanced reinvestment for growth with high shareholder returns, including SAR 100 million in declared dividends for 2024 earnings (64% of net profit).

However, our commitment to long-term value creation extends well beyond financial performance. Our journey has always been guided by the values upon which Al Majed for Oud was founded – honesty, quality, and respect for heritage. These values continue to shape our culture, inform our strategy, and strengthen the trust that connects us to our customers and partners.

Sustainability remains a central pillar of this long-term vision. Our approach is closely aligned with national priorities, supporting private-sector development, job creation, digital advancement, and environmental stewardship. In 2025, we advanced our localization strategy in line with Saudi Vision 2030, with a share of Saudi nationals in our Saudi-based workforce to 48% and maintaining a Platinum Nitaqat rating across all branches. We accelerated national talent development through structured training programs, leadership development initiatives, and internal promotions, reinforcing a culture of merit-based progression.

The health and safety of our employees remain our utmost priority. We maintain a robust occupational health and safety management approach designed to prevent workplace injuries and ensure safe

working conditions. I am proud to say that in 2025, our efforts resulted in zero recordable injuries throughout the year.

In 2025, we also expanded community engagement through structured CSR programs, including hospital outreach initiatives, charitable partnerships, support for Qur'an memorization programs, volunteer initiatives during the holy month of Ramadan, and broader social contributions to strengthen our cultural and social impact.

Our continued growth and achievements would not have been possible without the visionary leadership of the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, and His Royal Highness Crown Prince Mohammed bin Salman bin Abdulaziz Al Saud. Through Saudi Vision 2030, the Kingdom has embarked on a transformative journey to diversify the economy, empower the private sector, and elevate national industries on a global scale. We are honored to support this ambitious vision by enhancing Saudi craftsmanship in fragrance manufacturing, increasing local content, creating job opportunities, and promoting fragrances as a symbol of Saudi excellence in both regional and international markets.

On behalf of the Board of Directors, I extend my sincere appreciation to our executive management and employees for their dedication and professionalism, and to our shareholders for their continued confidence in our vision and direction. With faith, discipline, and unity of purpose, we move forward, confident in our ability to build an even stronger future on the foundation of trust.

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

**Majed Ali Othman Al Majed**  
Chairman of the Board



# CEO's Message



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

The year 2025 marked a decisive step forward in Al Majed for Oud's growth journey. Our performance this year reflects the strength of our strategy, the resilience of our business model, and our ability to translate innovation into tangible results.

**Waleed Khaled Ali Al Majed**  
CEO

Revenue increased by 19% year-on-year to SAR 1,104 million, reflecting the continued effectiveness of our innovation-led growth strategy and omnichannel sales and marketing model. Profitability improved significantly alongside revenue expansion. EBITDA increased by 26%, to SAR 377 million, while net profit grew by a record 39%, to SAR 218 million.

These results demonstrate the strength of Al Majed for Oud's operating excellence, product mix optimization, and cost discipline. The Company maintains a conservative capital structure, financing expansion primarily through internally generated cash flows. In 2025, this prudent approach to Assets management was complemented by strong operating cash flow generation, ensuring both growth capacity and financial resilience.

Product innovation remains central to our strategy. In 2025, 71 new products were launched – an 11% increase from 2024. Within the perfume alone, 14 new products were introduced, including seasonal launches aligned with Ramadan, summer, and winter demand cycles. To support our innovation pipeline, we comprehensively upgraded laboratory infrastructure, strengthening chemical, physical, and microbiological testing capabilities to enhance quality assurance. Our manufacturing efficiency was also enhanced, with factory capacity utilization increasing to 89%.

Retail expansion continued in parallel with the acceleration of production. The total number of physical stores and sales platforms increased by 5%, reaching 366 locations, with 32 new stores opened during the year. The customer loyalty program reached 2.7 million participants, a 50% increase over 2024.

Digitally, we continued to scale our online store across GCC markets and internationally through Al Majed Global, serving 22 countries beyond our physical footprint. In 2025, the online store had

more than 826,000 registered customers. The mobile application demonstrated even more spectacular performance, surpassing 900,000 downloads, achieving a 4.7/5 rating across Google Play and the App Store.

Our disciplined marketing execution in 2025 led to excellent results. Organic digital growth was particularly strong, with 527,000 new followers added organically (+65% year-on-year). Influencer-driven outreach also expanded significantly, with campaigns delivered in seven languages and generating 1.57 billion total views (+55%). Al Majed for Oud also sponsored POWR, one of the most prominent e-sports teams and content creator networks in the Middle East, further strengthening brand relevance among young, digitally native audiences.

Overall, 2025 demonstrated our ability to grow revenue, expand profitability, enhance operational efficiency, and deepen customer engagement simultaneously, while maintaining financial discipline and strengthening our long-term competitive position.

In 2026, we aim to strengthen our regional leadership while selectively expansion regionally and globally, deepening our omnichannel capabilities, and enhancing the customer experience across all touchpoints. We are confident in our ability to generate sustainable returns, preserve financial flexibility, and create long-term value for our shareholders for years to come, God willing.

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

**Waleed Khaled Ali Al Majed**  
CEO



# COMPANY OVERVIEW

## A Legacy of Trust, A Story of Growth

Al Majed for Oud is established on the principles of honesty, quality, and respect for heritage. Originally founded as a groundbreaking oud trading house, it has evolved into one of Saudi Arabia's leading fragrance houses over the decades. Today, it has a strong regional and international presence and is a publicly listed company, all while remaining true to the Founder's vision.

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**366**  
stores in 2025

**638**  
products

# At a Glance

Al-Majed for Oud, based in the Kingdom of Saudi Arabia, is a leading perfume and oud producer with a presence across the GCC area. The Company remains committed to its core values while adapting thoughtfully to change.

Our strategic goals are:

To be the first destination for lovers of oud and perfumes in the Kingdom of Saudi Arabia.

To advance social responsibility through partnerships with charitable organizations and government entities.

To strengthen our position through strategic international partnerships and alliances.

To lead the perfume and oud industry in the Middle East and beyond, contributing to the preservation and appreciation of Saudi cultural heritage.

To align with Saudi Vision 2030 by supporting localization, national industries, and local content.

To expand our global digital presence and online stores in step with the growth of e-commerce.



## Vision

To be a leading oud and perfume company in the Middle East and globally, creating fragrances that enable customers to express their originality.

## Mission

To innovate, develop, and produce the finest perfumes and oud in accordance with international standards, earning lasting customer confidence and satisfaction.

## Staying True to Our Founder's Vision

At the outset of the oud trade in the Kingdom of Saudi Arabia, Sheikh Ali bin Othman Al-Majed took a pioneering step, founding the Company in 1956. His approach, rooted in honesty, commitment, and belief in people, shaped a distinctive path in the industry and left a lasting mark that continues to guide the Company today.

Since its establishment, Al Majed for Oud has built on more than seven decades of experience in the manufacture of oud, perfumes, and their preparations across the Gulf. The enduring relationship between supplier and customer, based on trust and integrity, remains at the heart of the Company's culture and success. Guided by the Founder's principles, the Company has grown steadily to become a leading name in the regional fragrance market.

## Our Products

Beautiful by Nature.  
Distinguished by Design.

Al Majed for Oud offers a diverse portfolio of more than 638 high-quality products<sup>1</sup> across all brands, developed to serve different tastes and lifestyles. Thoughtfully designed, the range gives customers the freedom to express themselves with confidence and authenticity. From deep traditional compositions to contemporary interpretations, each product serves as a personal companion, accompanying its owner during life's most important moments.

Our portfolio includes:

- Fine perfumes
- Pure oud and alcohol-free oud oils
- Incense and traditional blends
- Essential oils and plant-based products
- Home fragrances, hair, and body scents
- Accessories and gifts



## Quality and Operational Excellence

The Company's strength lies in assets designed to ensure quality, continuity, and scale:

- A state-of-the-art manufacturing facility in Riyadh, spanning approximately 4,000 m<sup>2</sup>, operating in line with international standards and producing up to 50,000 units per day.
- A wide retail and distribution network of 366 stores and sales platforms across Saudi Arabia and GCC markets.
- A growing digital and e-commerce infrastructure, expanding access to customers locally and internationally.
- 157 brands, 112 registered trademarks, and a strong record of fragrance development and innovation.

Together, these assets form a fully integrated ecosystem that supports consistency, quality, brand value, and long-term resilience.

🔗 Learn more in the ["Product Development"](#) section

## Customer Engagement

Al Majed for Oud serves a diverse customer base across generations and cultures. The Company views fragrance as a form of personal expression — a quiet reflection of identity, mood, and presence. With a wide range of offerings, customers can choose scents that reflect their individuality and bring moments of joy, comfort, and beauty to everyday life.

To support meaningful discovery and engagement, the Company adopts modern promotion channels, including:

- Carefully selected influencer collaborations.
- Visual storytelling through video, highlighting craftsmanship and emotion.
- A strong presence across e-commerce platforms and global marketplaces, alongside the Company's own online store.
- A mobile application enabling convenient ordering and immediate access to new offerings.

🔗 Learn more in the ["Omnichannel Sales"](#) section

## Our People

People are at the heart of Al Majed for Oud's success. Through a strategy focused on attracting and developing distinguished talent, the Company has built a powerful creative team of local and international experts capable of responding to rapidly evolving customer tastes and new market trends.

A supportive and professional work environment encourages collaboration, sharpens skills, and fosters continuous growth. With over 2,396 employees, the Company implements its strategic goals through shared trust, commitment, and pride in craftsmanship.

🔗 Learn more in the ["Our Employees"](#) section

## Certifications

The Company's commitment to quality, governance, and excellence has been recognized through:

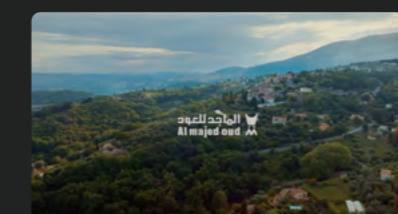
- ISO 9001:2015 Certification
- Good Manufacturing Practice (GMP) Certification
- Emirates Quality Mark (EQM)



## Recognition

A finalist in the A.15 Fashion, Beauty and Lifestyle category with "The Queen of Flowers" film (2025)

The Queen of Flowers (video)



<sup>1</sup> In this context, the term "product" refers to a "Stock Keeping Unit" (SKU).



# Our Journey

Founded on a legacy of craftsmanship and entrepreneurship, Al Majed for Oud has evolved over decades from a small business into a publicly listed group with a strong presence across the Gulf.



## 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.

## 1990

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

## 2007

The Company redirected its activities towards the retail sector, suspending its wholesale business.

## 1982

The Company was established under the name Al Majed for Oud Establishment.

## 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 to produce perfumes, essential oils, and incense.

## 2018

Al Majed for Oud opened its first physical store outside the Kingdom, in Kuwait, and launched the online store.

## 2019

The Riyadh factory was expanded, increasing production capacity to 50,000 units per day.

## 2021

The Company launched its first stores in the UAE.

## 2022

The Company expanded to Bahrain and acquired the assets of Khalta Perfumes Company, adding 41 stores to its portfolio.

## 2023

Al Majed for Oud opened its first stores in Oman.

## 2024

Al Majed for Oud established a wholly owned limited liability subsidiary in the State of Qatar.

**The Company listed its shares on the Saudi Stock Exchange (Tadawul).**

## 2025

The Board of Directors approved the establishment of a branch of the company in Abu Dhabi Global Market.

# Geographical Presence and Impact

Al Majed for Oud maintains a strong, well-structured geographic presence, reflecting its commitment to accessibility, proximity to customers, and sustainable growth.

The Company's footprint spans the Kingdom of Saudi Arabia and key Gulf Cooperation Council (GCC) markets, supported by a multi-channel sales model that combines physical retail, digital platforms, and strategic partnerships. In Saudi Arabia, Al Majed for Oud operates 283 retail outlets, ensuring nationwide coverage and close customer engagement across all major regions. This extensive network allows the Company to serve both high-density urban centers and emerging regional markets.

Beyond Saudi Arabia, Al Majed for Oud has established a growing presence across the GCC countries. To further support its regional operations, the Company has established Almajed for Oud Co. (LLC), its wholly owned subsidiary in Qatar.

The Company's delivery reach spans 22 countries and is supported by a diversified sales model designed to meet customers wherever they are.

[Learn more in the "Omnichannel Sales" section](#)



**11**

languages used in advertisements

- |         |           |
|---------|-----------|
| Arabic  | Urdu      |
| French  | Dutch     |
| English | Turkish   |
| Czech   | German    |
| Russian | Bulgarian |
| Italian |           |

**19**  
Northern Province

**17**  
Qassim Province

**88**  
Western Province

**81**  
Central Province

**48**  
Southern Province

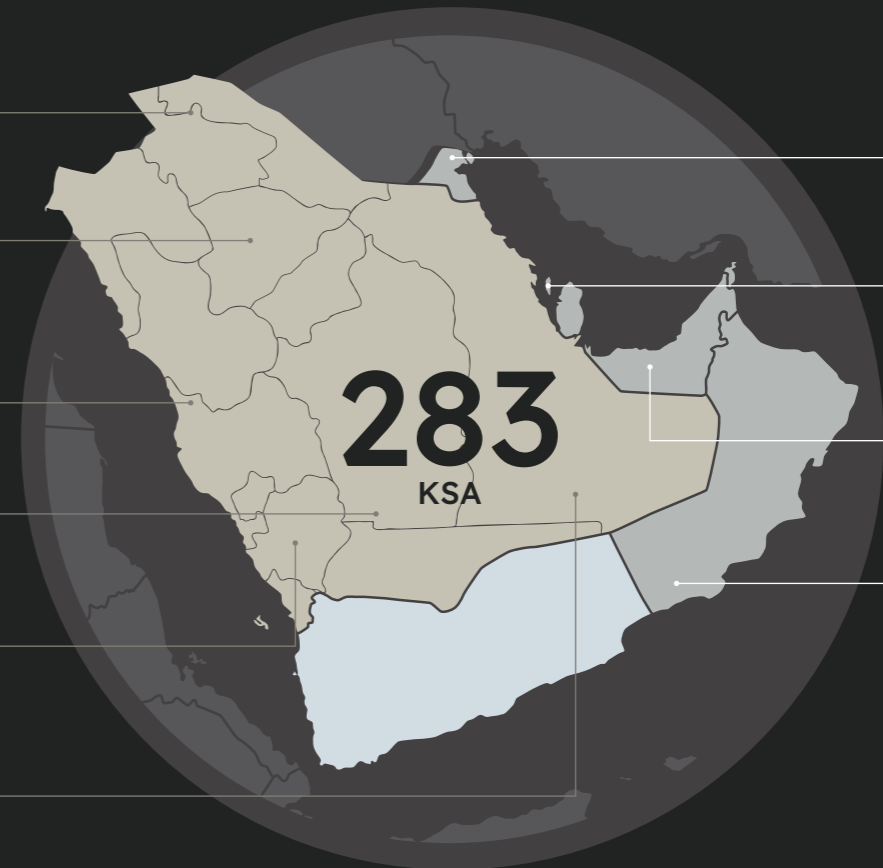
**30**  
Eastern Province

**19**  
Kuwait

**2**  
Bahrain

**43**  
UAE

**19**  
Oman



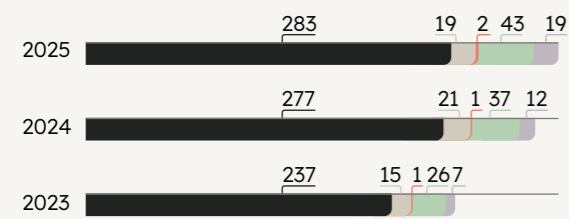
# 2025 Highlights

In 2025, Al Majed for Oud advanced its strategy through disciplined expansion, operational excellence, and broad strategic initiatives.

## Operational Results

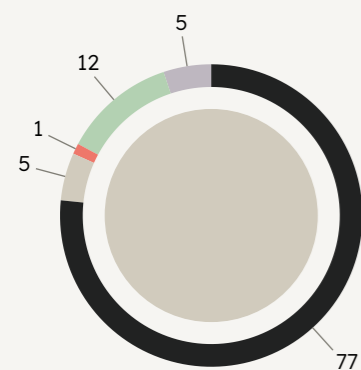
The total number of permanent stores and sales platforms increased by 5% in 2025, reaching 366. In total, 32 new stores were opened. The growth was driven primarily by the continuous expansion in Saudi Arabia, where the number of stores increased by 2%, to 283.

### Stores and sales platforms, unit



- KSA
- Kuwait
- Bahrain
- UAE
- Oman

### Stores and sales platforms by country in 2025, %

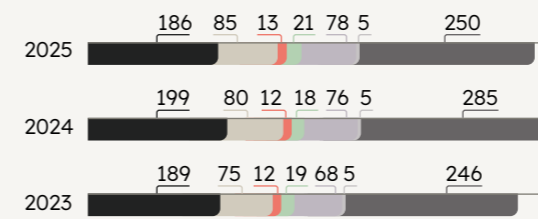


- KSA
- Kuwait
- Bahrain
- UAE
- Oman



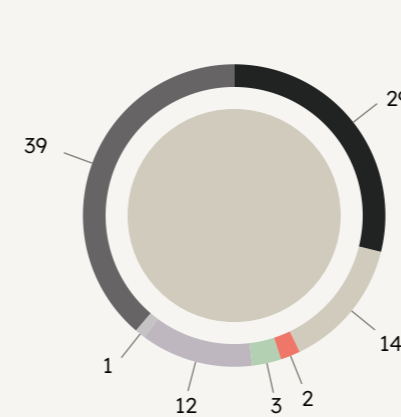
The product range expanded significantly in 2025, with 71 new products launched, including 14 new perfumes, among them Rose de Mai, Mistral, Candy Musk, Prestige Pearl, and Boisée. However, the total number of products declined by 5%, to 638, due to optimization and streamlining of the portfolio.

### Number of products, SKUs



- Perfumes
- Oud
- Synthetic oud
- Incense
- Essential oils
- Plant-based products
- Accessories and gifts

### Product range in 2025, %



- Perfumes
- Oud
- Synthetic oud
- Incense
- Essential oils
- Plant-based products
- Accessories and gifts

🔗 Learn more in the "Omnichannel Sales" section

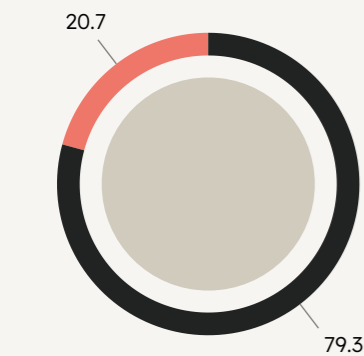


## Financial Results

The Company's results for 2025 surpassed expectations, with both sales and net profit growing beyond forecasts.

Revenue increased by 19% to ₪ 1.1 billion. The primary contributor was the successful launch of new products, including Rose de Mai, Candy Musk, and Mistral, which achieved strong market acceptance and boosted overall sales performance.

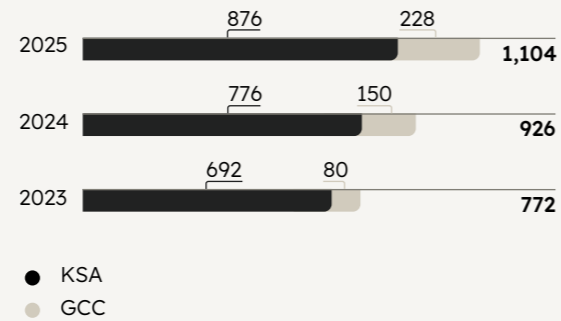
### Revenue by segment in 2025, %



- KSA
- GCC

The continued expansion of the store network and the significant growth in e-commerce played a vital role in sustaining this upward momentum. The GCC region demonstrated particularly fast growth (+52% year-on-year), driven by effective marketing campaigns. This region's share of revenue grew by 5 percentage points, to 21% of total revenue.

### Revenue, SAR million



- KSA
- GCC

## Community Support

In 2025, Al-Majed for Oud advanced its commitment to social responsibility through a wide range of initiatives, including the Iftar Saem program, hospital patient support, Qur'an memorization promotion, and active participation in national

and community sports events. These efforts have delivered measurable social impact, strengthening the communities' well-being and supporting families in need across the Kingdom.

🔗 Learn more in the "Community Impact" section

# 2,000

Iftar meals distributed

# 2,300+

fragrance products distributed

# 45

initiatives implemented

# 14

hospitals and 17 charitable organizations supported

## 2025 Milestones

### Expanding to the Beauty Sector

Al Majed for Oud signed a non-binding Memorandum of Understanding (MoU) to evaluate the potential acquisition of 100% of Al Safa Pharmaceuticals and Medical Supplies LLC. This initiative reflects a deliberate step toward selective diversification, with the intent to broaden the Company's presence in beauty and personal care alongside its core fragrance portfolio.

### Aligning UAE Branches with the ADGM Requirements

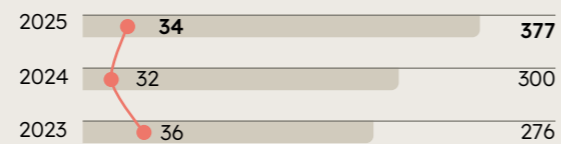
In 2025, the Board of Directors issued a resolution to align the status of several UAE branches operating within the Abu Dhabi Global Market jurisdiction. This step supports business continuity and reinforces the Company's regional operating model by ensuring compliance with applicable laws and regulations, supporting a stable foundation for the Company's long-term growth in the UAE.

EBITDA and net profit have both been growing rapidly, reflecting rigorous cost discipline. EBITDA increased by a record 26%, and EBITDA margin improved by 2 percentage points. The net profit grew by 39%, with the net profit margin increasing by 3 percentage points, to 20%.



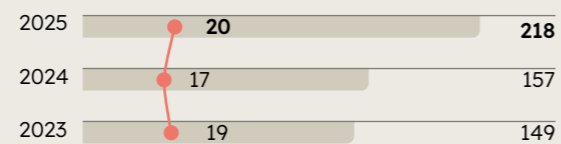
🔗 Learn more in the "Financial Review" section

### EBITDA



- EBITDA, ₪ million
- EBITDA margin, %

### Net profit



- Net profit, ₪ million
- Net profit margin, %

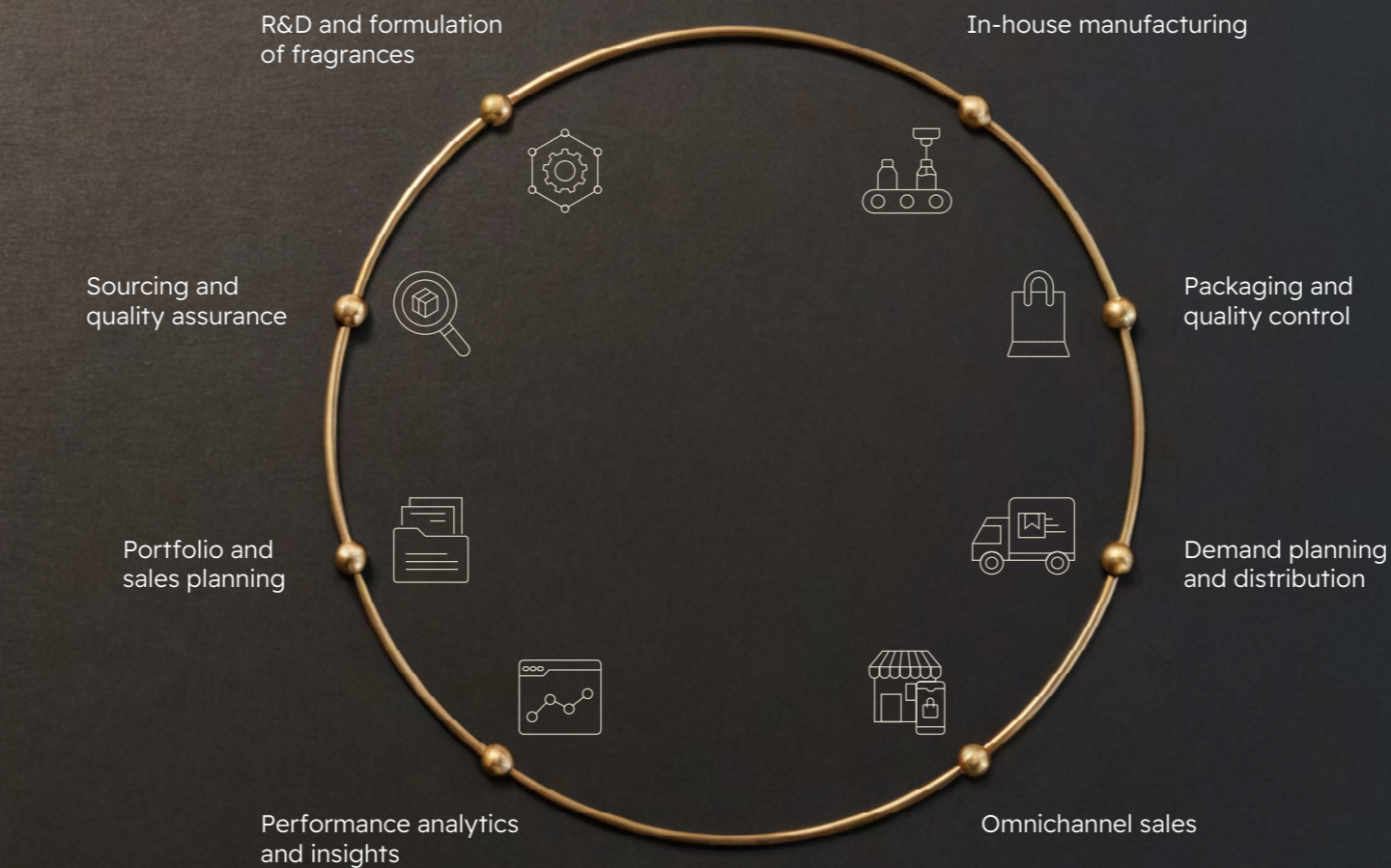
# Business Model

The Company's business model brings together strategic resources, integrated activities, and disciplined execution to create long-term value.

## Resources We Use

- Robust, quality-driven manufacturing capabilities
- A high-visibility retail footprint spanning Saudi Arabia and international markets
- A modern, customer-centric digital ecosystem
- Long-standing, trusted supplier partnerships
- Reliable warehousing and logistics capabilities
- Dedicated product development facilities and laboratories

## Activities We Perform



**Our integrated operating model transforms expertise and scale into consistent quality, outreach, and value.**

### Growth levers

- Brand marketing
- Seasonal and occasion campaigns (Ramadan, Hajj, Eid, National Day)
- Customer management
- Influencer promotion
- Loyalty program
- Cooperation with international platforms

## Value We Create

- Premium customer experience
- Sustained revenue growth
- Strong profitability and healthy cash generation
- Greater operational resilience via diversification
- Strong brand equity
- Stable dividend payout and growing shareholder value
- Jobs creation
- Training and development of Saudi professionals
- Positive community impact
- Support for local producers of oud, oils, raw materials, and packaging
- Increased global recognition of Saudi craftsmanship
- Contribution to the international presence of Saudi products

## Foundation on Which We Build

- People and expertise, supported by a culture of accountability and professionalism
- Heritage-led brand equity, built since 1956 and strengthened over generations
- A trusted portfolio of established brands and protected trademarks
- Governance, compliance, and operating licenses that safeguard continuity and trust
- Ethics and integrity as enduring principles guiding decisions and relationships
- A clear mission, vision, and values, shaping long-term direction and daily execution

# Investment Thesis

Al Majed for Oud's investment appeal is founded on a set of clearly defined competitive advantages that reinforce one another and support long-term, sustainable value creation.

These advantages underpin the Company's ability to grow profitably, defend market position, and capitalize on favorable market dynamics.

## 1 Innovative and expertise-driven fragrance creation

Al Majed for Oud benefits from proven expertise in developing premium aromatic formulations built on decades of experience. The Company combines traditional craftsmanship with modern formulation techniques, enabling it to consistently introduce fragrances that resonate with consumers' individual preferences. This expertise supports continuous portfolio renewal and reinforces the Company's reputation for quality and authenticity in a highly competitive market.

**71**  
new product launches in 2025

## 2 Trusted brand with high customer loyalty

Trust is a core asset of Al Majed for Oud. Through its long-standing presence in the Kingdom and the GCC, the Company has established a brand that enjoys strong customer recognition and loyalty. This trust is reflected in repeat purchases, gifting behavior, and sustained demand across generations. Brand strength reduces reliance on short-term promotions and supports stable revenues across economic cycles.

**94.1%**  
overall customer satisfaction in 2025

**2.7 million**  
participants of the loyalty program (+50% year-on-year)

## 3 Unique product variety serving diverse preferences

The Company offers one of the most comprehensive product portfolios in the regional fragrance sector, spanning perfumes, oud, essential oils, incense, plant-based products, and accessories. This breadth allows Al Majed for Oud to serve multiple customer segments, price points, and usage occasions, while responding quickly to shifts in consumer taste. Product diversity strengthens customer retention and supports cross-selling opportunities.

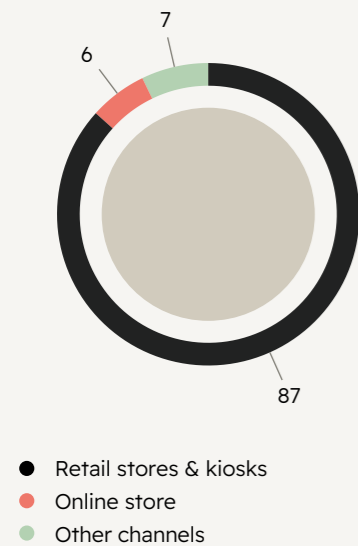
**18-50**  
years age span  
of the primary audience



#### 4 Integrated sales model with extensive reach

Al Majed for Oud operates an integrated, scalable sales model that combines a broad physical retail network with expanding digital channels. Strategically located stores across Saudi Arabia and the GCC are complemented by the Company's online store, mobile application, and third-party e-commerce platforms. This omnichannel structure maximizes customer access, enhances brand visibility, and supports resilient performance amid evolving shopping behaviors.

Revenue breakdown by sales channel in 2025, %



#### 5 Strategic partnerships supporting quality and growth

The Company maintains strong relationships with leading international suppliers, manufacturers, and partners across the fragrance value chain. These partnerships enhance product quality, secure access to premium raw materials, and support innovation. Long-standing supplier relationships and supplier diversification also provide operational flexibility and contribute to cost efficiency, strengthening competitiveness in a global sourcing environment.

**73**  
international suppliers in 2025

**150**  
local suppliers

#### 6 Inspirational leadership and experienced management

Al Majed for Oud is led by visionary founders and an experienced management team with deep sector knowledge and a proven track record of execution. The leadership team has successfully expanded the Company's footprint, strengthened operational efficiency, and overseen consistent growth across markets. A family-led culture, supported by professional governance, ensures strategic continuity and long-term decision-making, while independent directors provide transparency and strong oversight.

**70**  
years of the Company's experience in the fragrance market

**40%**  
of the Board members are independent directors

#### 7 Solid financial position and investor confidence

The Company's growth strategy has been executed alongside disciplined financial management. Al Majed for Oud has delivered strong revenue growth while maintaining healthy margins and consistent free cash flow generation. Its conservative capital structure, CAPEX-light model, and strong balance sheet provide flexibility to pursue growth opportunities without compromising financial stability, while also paying high dividends.

**35**  
million of CAPEX in 2025 (3% of revenue)

**0**  
loans and borrowings

**100%**  
of growth funded through operating cash flows

#### 8 Growth potential in a promising market

Al Majed for Oud operates in a fragrance market characterized by strong structural tailwinds, including rising disposable income, an expanding tourism under Saudi Vision 2030, an increasing digital adoption, and the growing demand for premium and personalized products. With its established brand, scalable platform, and deep market insights, the Company is well-positioned to capitalize on these trends and continue expanding its market share, both regionally and globally.



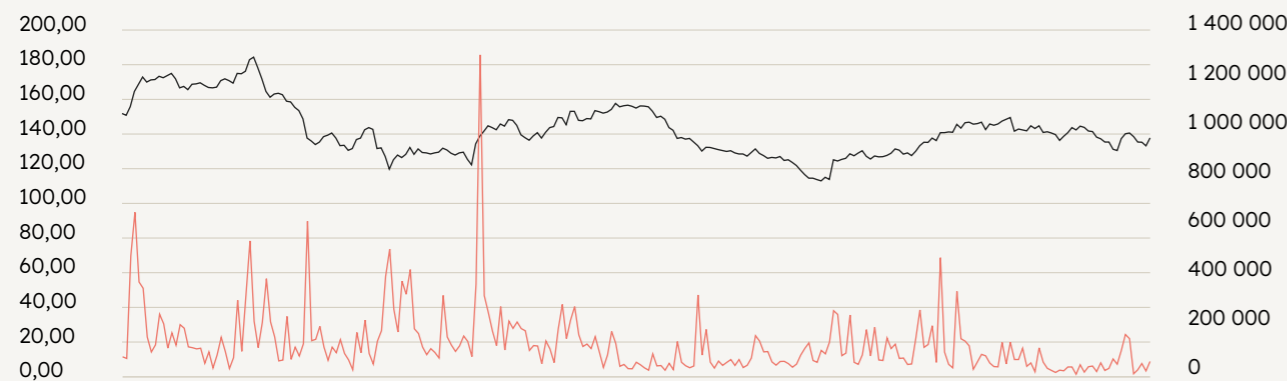
# Shareholder Information

Since Al Majed for Oud's debut on the Saudi Exchange (Tadawul) Main Market in October 2024, the Company's share price has grown by 41%, as of December 31, 2025, reflecting strong investor trust and confident financial growth.

## Share Information

Listing date: October 7, 2024	Number of shares as of December 31, 2025: 25,000,000
Exchange: Saudi Exchange (Tadawul) – Main Exchange	Closing price as of 31 December 2025: ﷲ 132.3
Symbol: 4165	Market cap as of 31 December 2025: ﷲ 3,307,500,000.0
ISIN: SA164HF212H1	

## Share price

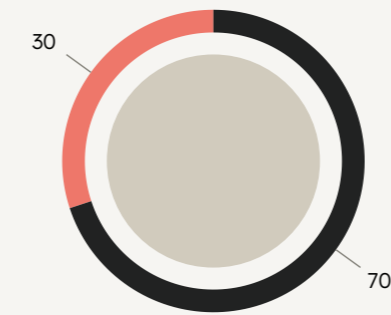


- Share price, ﷲ
- Trade volume (right axis)

## 2025 share price performance

Open	146.0
Close	132.3
High	179.4
Low	106.4

## Share Ownership, %



- Al Majed family
- Public

For the full ownership information, refer to the "Governance Report" section



## Dividend History, ﷲ

	Fiscal year ending on December 31, 2025 (Proposed)	Fiscal year ending on December 31, 2024
Declared dividends for the period	100 000 000	100 000 000
Dividends paid for the year	0	100 000 000
Dividend per share	4	4
Ratio of declared dividends to the Company's net profit (%)	46%	64%

\* As per announced 24 March 2026 on Saudi Exchange the board of director's recommendation to distribute cash dividends for Fiscal Year 2025

## Investor Relations contacts

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[ir@almajed4oud.com](mailto:ir@almajed4oud.com)



# STRATEGIC DIRECTION

## The Strategy of Scale. The Precision of Implementation.

The Company's strategic focus is centered on scalable growth in the fast-evolving fragrance market, supported by disciplined execution and a strong commitment to customer experience and long-term value creation.



**+19%**  
brand-number increase in 2025

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# Market Overview

Saudi Arabia's macroeconomic environment supports growth in consumer and lifestyle sectors, driven by population increase, rising disposable income, urbanization, and a shift toward discretionary spending, accelerated by the non-oil sector development objective of Vision 2030.



## Market and Segment Overview

Saudi Arabia's fragrance retail market is widely regarded as the largest in the GCC. It is projected to grow at a CAGR of approximately 14% between 2024 and 2029<sup>1</sup>, reaching around SAR 18.5 billion by the end of this period, according to Euromonitor International. The strong growth potential is supported by a cultural connection to perfumes, oud, and incense, as well as a long-standing gifting tradition linked to social and national occasions.

Growth is also supported by ongoing premiumization trends. As one of the wealthiest countries in the region, Saudi Arabia benefits from rising disposable income, supporting higher spending on high-end, customized personal care products.

Consumer preferences are also increasingly influenced by global and regional beauty trends, including interest in natural and organic formulations. As a result, manufacturers continue to innovate and introduce products infused with distinctive scent profiles derived from both traditional Arabian ingredients, such as oud and rose, and modern international fragrance notes.

Demographics also support long-term sector growth. Saudi Arabia has a young population, with a high proportion under the age of 30, which is increasingly inclined to explore new products aligned with evolving lifestyle and global beauty standards. In parallel, the continued growth of digital marketing, influencer-driven promotion, and omnichannel retail models is accelerating brand awareness and strengthening consumer engagement across the sector.

<sup>1</sup> According to the estimates of Euromonitor International Ltd. (2025).

## Al Majed for Oud's Role in the Market

Within this expanding market, Al Majed for Oud continues to strengthen its position as one of the leading fragrance companies in Saudi Arabia. The competitive landscape in the Saudi and GCC fragrance market includes a mix of established regional fragrance brands with strong heritage and extensive retail networks, international luxury

fragrance houses, and niche players. Within this environment, Al Majed for Oud is positioned as an established regional brand, leveraging its long-standing market presence, vertically integrated operations, and broad retail footprint. Al Majed for Oud operates primarily in the premium segment.



# Strategy and KPIs

Al Majed for Oud's strategy is designed to strengthen its leadership position in Saudi Arabia's fragrance market while expanding its regional and international footprint.

## The Company's strategy is built on three core pillars:

- Strengthening the retail footprint while accelerating omnichannel growth.
- Emphasizing product diversification and customer-centric improvement, supported by innovation and strategic partnerships.
- Enhancing the sustainability of operations and value chain through responsible resource use and positive social impact.

# Outlook

Looking ahead, Al Majed for Oud will continue advancing its strategy through disciplined expansion, portfolio enhancement, and operational excellence. Under its first strategic pillar, the Company intends to further strengthen its footprint across Saudi Arabia while maintaining a selective approach to regional and international growth, supported by continued development of its omnichannel model in addition to an expanded customer access through both physical and digital channels.

The Company will also continue advancing product diversification and customer-centric improvement by strengthening its innovation pipeline and expanding its offering in line with evolving consumer preferences. This includes maintaining

focus on product quality and customer experience, while also exploring opportunities to expand into adjacent categories.

Operational efficiency and sustainability will remain key enablers of the Company's long-term development. The Company aims to build on its progress in manufacturing performance, quality improvement, and resource efficiency, while further strengthening sustainability governance and reporting processes to support consistent monitoring, transparency, and continuous improvement across the value chain.

### → Strategic pillar



#### Expansion in KSA and abroad

### → Goals

- Enhance the Company's physical and online presence, creating a premium 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 through 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.



#### Product diversification and customer-centric improvement

- 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 performance.
- Enhance customer experience through seamless digital and in-store shopping solutions, strengthening brand loyalty and engagement.



#### 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.
- Strengthen sustainability governance and reporting by enhancing internal data collection processes and improving the consistency and transparency of sustainability-related disclosures.

### → Progress in 2025



In 2025, the Company maintained an active expansion strategy supported by an integrated distribution and warehousing network. It expanded into new locations in Saudi Arabia, including Al Bukayriyah, Al Ahdabi, Al Aridah, and Al Midhnab, and opened 32 new stores.

Over the period, the Company also strengthened its regional and international reach through broader market engagement, supported by omnichannel sales and partnerships. In 2025, the online store's registered customer numbers exceeded 826,000. The total number of orders made via the Company's own online store increased by 13%, to over 325,000.

🔗 [Learn more in the Omnichannel Sales section](#)



In 2025, the Company continued to broaden its product offering, expanding the number of brands to 157 and launching 71 new products.

The Company maintained focus on delivering high-quality products aligned with evolving consumer preferences, combining traditional Saudi fragrance identity with modern fragrance trends. Also, Al Majed for Oud strengthened its customer engagement model through digital platforms and in-store experience improvements. In addition, expansion into adjacent beauty categories may form part of the Company's growth agenda, including through potential acquisitions.

🔗 [Learn more in the Our Products section](#)



In 2025, the Company delivered measurable operational improvements, such as an increase in the factory capacity utilization to 89%.

The Company also increased waste recycling and reuse rates, reflecting improved quality control. It continued to invest in workforce development and localization, achieving a Platinum Nitaqat rating, as Saudi nationals represent 48% of total workforce in 2025.

Al Majed for Oud also continued to reinforce transparency and governance practices, reflecting its responsibilities as a listed company and its focus on long-term stakeholder trust.

🔗 [Learn more in the Sustainability Review section](#)



# PERFORMANCE REVIEW

## Excellence of Operations. Momentum of Growth.

Al Majed for Oud's performance reflects the strength of its heritage and the discipline of its execution. In 2025, the Company made significant progress across its core pillars, translating strategic focus into measurable outcomes.



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**71**  
new product launches

**2.7 million**  
participants of the loyalty program  
(+50% year-on-year)

**94.1%**  
overall customer satisfaction rate

# Our Products

In 2025, Al Majed for Oud offered a diversified portfolio of 638 high-quality products across multiple categories, including perfumes, oud, incense, essential oils, plant-based products, accessories, and gifts.

The Company's products are either developed and manufactured at its Riyadh-based factory, operating in line with the best international practices, or sourced from reputable external suppliers that meet strict quality standards. This integrated approach enables the Company to maintain consistency, reliability, and a high level of craftsmanship across its portfolio.

The product portfolio reflects the Company's commitment to variety and the best customer experience, encompassing fine perfumes, oud,

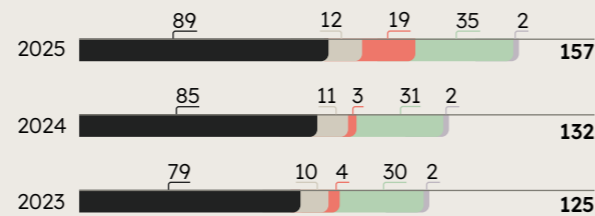
essential oils, incense, air fresheners, personal care products, plant-based items such as saffron and frankincense, and accessories and gift offerings. By applying rigorous standards across product development, production, and marketing, Al Majed for Oud ensures that all products, whether manufactured in-house or sourced externally, deliver a premium experience aligned with the brand's positioning.



## Portfolio Expansion

During the year, the number of brands increased by 19% to 157, reflecting continued portfolio evolution.

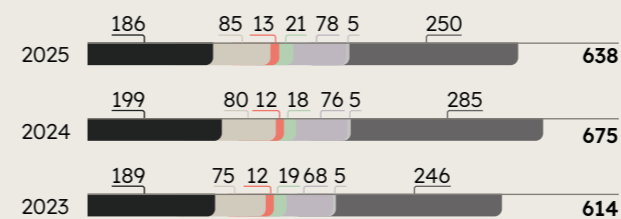
### Number of brands



- Perfumes
- Oud
- Incense
- Essential oils
- Plant-based products

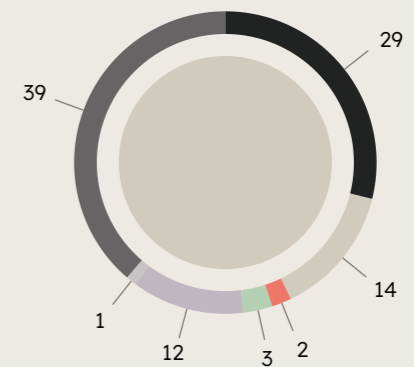
At the same time, the Company undertook a deliberate portfolio optimization initiative, resulting in a 5% reduction in total products (SKUs) to 638. This streamlining focused on consolidating overlapping items, improving inventory efficiency, and prioritizing higher-performing products, while preserving breadth of choice and customer appeal.

### Number of products (SKUs)



- Perfumes
- Oud
- Synthetic oud
- Essential oils
- Plant-based products
- Accessories and gifts

### Product range in 2025, %

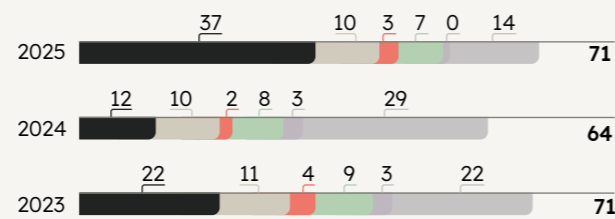


- Perfumes
- Oud
- Synthetic oud
- Essential oils
- Plant-based products
- Accessories and gifts

## New Launches in 2025

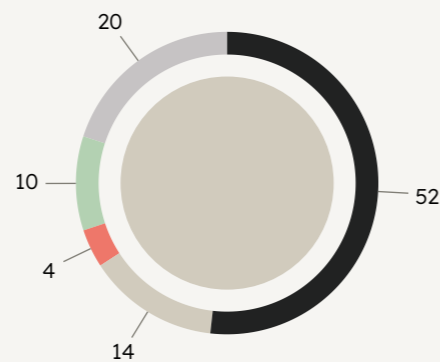
Product innovation remained a key focus in 2025, with 71 new product launches (an 11% increase from 2024). Perfumes and accessories accounted for 72% of total launches. This balanced approach to innovation and portfolio discipline supports sustainable growth while ensuring that the Company's offerings remain relevant, competitive, and aligned with evolving consumer demand.

### New product launches



- Perfumes
- Oud
- Incense
- Essential oils
- Plant-based products
- Accessories and gifts

### New launches by category in 2025, %



- Perfumes
- Oud
- Incense
- Essential oils
- Accessories and gifts

## Perfumes

Sales start date:  
**1990**

Number of brands in 2025:  
**89**

Number of products:  
**186**

Share in the Company's revenue in 2025:  
**65%**



#### Western perfumes

This category of fragrances includes citrus, floral, fruity, woody, fougère, and chypre notes.

**90%**  
of revenues in the category

#### Oriental perfumes

This category comprises oud, rose, and amber scents.

**4%**  
of revenues in the category

#### Air fresheners

This category includes fresheners suitable for scenting spaces, under brands such as Jawak.

**2%**  
of revenues in the category

#### Personal care

These products include body mists and fragrances suitable for direct use on hair and body under brands such as Wood.

**4%**  
of revenues in the category

Perfume is more than a scent; it is a personal signature, and the best expression of mood and identity. At Al Majed for Oud, perfumes represent the heart of the Company's product universe and the largest revenue contributor. By offering a broad spectrum of fragrances crafted from natural, synthetic, and blended sources, the Company enables customers to select scents that reflect their personality, lifestyle, and cultural values. Since its first offerings in 1990, when the Company sold just four fragrances, Al-Majed for Oud has expanded its perfume portfolio to encompass 82 distinct brands and 163 products in 2025.

The Company's perfume offerings span several families and styles, including both Western and Oriental compositions. Western scents account

for the majority of perfume revenues, reflecting a well-executed premium strategy. Oriental perfumes, featuring rich regional ingredients such as oud, rose, and amber, add depth and cultural relevance to the portfolio. All the perfumes are manufactured at the Company's Riyadh facility using premium raw materials sourced from trusted local and international suppliers.

In 2025, the perfume category continued to benefit from a strategic focus on balanced innovation. The Company launched 37 new products, including several seasonal introductions tied to Ramadan, summer, and winter seasons. Several fragrances have become emblematic both within the portfolio and in the broader perfume community:

### Noir

**Noir**, recognized as the Popular Fragrance of the Year in the Middle East in 2024, exemplifies the Company's ability to balance intensity with sophistication. A rich and evocative scent, it blends raspberry notes with the nuanced depth of leather, wood, and amber, appealing to customers who seek presence and character in their perfume.



### Rose de Mai

**Rose de Mai**, one of the 2025 launches, captures the timeless elegance of Provence rose in a fresh, refined composition. This fragrance embodies both floral delicacy and enduring presence, reflecting the Company's expertise in balancing classical inspirations with customer expectations of elegance and rarity.

[Video](#)



### Boisée

**Boisée**, another of the 2025 arrivals, combines refined French expertise with deeply rooted Eastern heritage. A scent of cedarwood and patchouli, with top notes of bergamot, incense, and violet, creates an exceptional, memory-evoking fragrance for the winter season.

[Video](#)



### Candy Musk

**Candy Musk**, another 2025 launch, combines musk with a blend of peach and vanilla for a gentle sweetness and an easygoing, carefree atmosphere that appeals to a younger audience.



### Mistral

**Mistral** opens with a refreshing note of bergamot, harmonized by a calming scent of lavender and blended with rich amber to create a feeling of a sea breeze.



### Prestige Pearl

**Prestige Pearl**, a new elegant woman aroma, starts with refreshing notes of pink pepper, then moving to the delicate scent of rose, followed by the luxury of patchouli to add more depth and attractiveness.



## Oud

Oud (agarwood) is one of the most revered and precious raw materials in the fragrance industry, prized for its deep, complex, and long-lasting aroma. Throughout cultures and centuries, oud has been celebrated not only for its scent but for its symbolic and historical significance.

At Al Majed for Oud, oud is a foundational category that reflects both heritage and craftsmanship. Since launching its oud offerings, the Company has developed an extensive portfolio of 85 natural and 13 synthetic oud products across 12 brands, available in various weights to meet diverse customer preferences. Oud remains one of the core pillars of the business and the second-largest product category, contributing 12% of revenue in 2025.

Al Majed for Oud sources oud from three international suppliers, with the highest-quality materials imported primarily from Indonesia, which is widely regarded as a key source of premium agarwood resin. Through its oud offerings, the Company continues to honor its deep legacy, delivering products that resonate with cultural heritage while appealing to contemporary tastes.



Sales start date:

**1956**

Number of brands in 2025:

**12**

Number of products:

**98**

Share in the Company's revenue in 2025:

**12%**

## Incense

Incense holds a distinctive place in the culture of Saudi Arabia and the Gulf, where it is woven into traditions of hospitality, gathering, and everyday life, creating an atmosphere of warmth and welcome.

Al Majed for Oud began offering incense products in 1990, extending its fragrance portfolio beyond perfumes and natural oud. In 2025, the Company offered 21 incense products, sold in prepackaged containers ranging from 28 grams to 56 grams, to ensure accessibility and convenience for customers.

Incense is manufactured in several traditional forms, each suited to different preferences and uses:

- Dukhoon is a finely blended oud powder mixed with perfumed oils and burned to scent open spaces.
- Mabsous, designed for both home fragrance and personal use, combines natural oud chips with aromatic oils.
- Ma'amool, the most refined format, uses higher-quality oud powder and premium perfumed oils shaped into small balls, intended for a more intense experience.



Sales start date:

**1990**

Number of brands in 2025:

**19**

Number of products:

**21**

Share in the Company's revenue in 2025:

**6%**

## Essential Oils

Concentrated, alcohol-free perfumed oils designed for personal use represent one of the most traditional expressions of fragrance. Valued for their richness and long-lasting effect, these oils offer a deep and satisfying experience for open spaces and personal use.

Al Majed for Oud's essential oil portfolio includes a wide variety of compositions, ranging from Oriental oils infused with classic Eastern ingredients such as oud, rose, and amber, to French-inspired oils reflecting the six major fragrance families: citrus, floral, fruity, woody, fougère, and chypre.

The Company began selling essential oils in 1990, initially offering only three products. Since then, the range has expanded significantly, reaching 35 brands and 78 products in 2025. Oils are offered in carefully sized bottles ranging from 3 ml to 12 ml, reflecting their concentrated nature and premium positioning. Key brands within this category include Dehn Oud Al Majed, Wood, Musk, and Dehn Mukhallat Al Majed, each designed to meet different preferences.



Sales start date:

**1990**

Number of brands in 2025:

**35**

Number of products:

**78**

Share in the Company's revenue in 2025:

**6%**

## Plant-Based Products

Alongside its fragrance portfolio, Al Majed for Oud offers a carefully selected range of plant-based products. They include natural saffron, whose delicate threads are extracted from the saffron flower and valued both in perfumery and cuisine, as well as natural frankincense, harvested from the frankincense tree and widely used as incense. These products complement the Company's broader fragrance universe by extending the sensory experiences beyond scent into everyday rituals of hospitality and wellness.



Sales start date:

**1982**

Number of brands in 2025:

**2**

Number of products:

**5**

Share in the Company's revenue in 2025:

**1%**

## Accessories and Gifts

To enhance the customer journey and support gifting traditions, Al Majed for Oud also offers a broad range of fragrance-related accessories and gifts. The third-largest by revenue, this category includes items such as incense burners, presentation pieces, and curated gift boxes featuring the Company's perfumes, oud, incense, and essential oils.



Sales start date:

**1990**

Number of products:

**250**

Share in the Company's revenue in 2025:

**10%**

# Product Development

At Al Majed for Oud, product development is a structured, quality-led process. The Company's approach is rooted in a clear principle: creating fragrances and related products that remain authentic, refined, and relevant to evolving customer preferences, while meeting the highest standards of safety, performance, and regulatory compliance.

## Approach

The Company's Product Development Department works closely with the Research and Development function to create new products and enhance

existing ones. This process follows a systemic approach designed to ensure both creativity and operational rigor.



# Product Development Roadmap

In 2025, the Company developed a comprehensive product development roadmap based on market analysis, competitor assessment, internal performance evaluation, and in-depth research. This resulted in a clear vision aligned with Al Majed for Oud's corporate vision and strategic objectives.

All 2025 roadmap projects were fully designed and planned internally by the Product Development Department, without any external agency involvement. The department was structured from the very beginning to rely on internal competencies, thereby enhancing brand understanding and alignment of vision while optimizing spending. 100% of the roadmap projects were executed within the planned timeframe in 2025.

**69 projects** delivered in 2025 under the product development roadmap

## Quality Management

Al Majed for Oud implements an integrated quality management system aligned with the ISO standards, ensuring consistent control across all operational activities. Quality assurance is managed through two complementary units: Quality Control, ensuring the safety of inputs before production, and Quality Assurance, verifying that all processes during and after production meet agreed standards. The Company holds key certifications, including:

- Good Manufacturing Practices (GMP) Certification, ensuring continuous production in accordance with international quality standards.
- ISO 9001:2015 Certification, ensuring quality management and improved production processes.
- Emirates Quality Management System (EQM) Certification - a conformity mark for products that adhere to regional and international standards, confirming the implementation of an effective quality management system at the factory.

The Company also adheres to strict regulatory standards, including those of the Saudi Food and Drug Authority (SFDA) and the National Center for Environmental Compliance (NCEC).

الهيئة العامة للغذاء والدواء  
 المركز الوطني للرقابة على الالتزام البيئي  
National Center for Environmental Compliance

### Partnerships

Besides internal resources, Al Majed for Oud collaborates with leading global fragrance and flavor ingredient houses, including Firmenich (Switzerland), Givaudan (Switzerland), the Company's largest partner; IFF (International Flavors and Fragrances, USA/ Netherlands); Symrise (Germany); and Mane (France). These partnerships enable access to world-class expertise, sustainable ingredient solutions, and environmentally responsible raw materials that support both innovation and product consistency. By combining international fragrance expertise with local capabilities and trusted local and international suppliers, the Company can develop distinctive scents that appeal to both regional traditions and global preferences.

## Advanced Laboratory Capabilities

Innovation at Al Majed for Oud is supported by a sophisticated laboratory infrastructure designed to ensure quality, safety, and precision. Under the leadership of the Product Development Department, the Company has established cutting-edge laboratories that ensure rigorous testing at every stage.

- The Microbiology Laboratory ensures products are free from microbial contaminants, safeguarding consumer safety.
- The Chemical Laboratory conducts advanced essential oil testing to verify compliance with the Saudi and international standards, using state-of-the-art technologies such as gas chromatography-mass spectrometry (GC-MS).
- The Physical Laboratory performs detailed physical and chemical assessments throughout manufacturing stages to confirm adherence to international quality benchmarks.

These laboratories are fully integrated into factory operations, supporting procurement approvals, production verification, packaging compliance, and the development of unique fragrance compositions. The Company also maintains a comprehensive internal perfume library, supporting conformity, accreditation, and consistency prior to mass production.

In 2025, Al Majed for Oud significantly upgraded all three laboratories. The Chemical Laboratory was equipped with state-of-the-art instruments, including GC-MS for fragrance profiling, FTIR (Fourier Transform Infrared Spectroscopy) for raw material verification, flash-point analysis for safety assessment, and refractive index-testing to ensure formulation consistency.

The Physical Laboratory was upgraded with advanced tools to evaluate density, viscosity, moisture, and water content-critical parameters for product stability and performance throughout the development cycle. In parallel, the Microbiology Laboratory was enhanced to support GMP-compliant testing, validating product safety through continuous monitoring and contamination prevention across all production stages.

In 2025, the Company enhanced formulation consistency, improved safety controls, and reduced deviations through early laboratory detection and corrective action. Raw material inspection efficiency reached a Six Sigma level of 99.999%, ensuring that only conforming inputs entered the production cycle. These improvements reinforced the Company's ability to deliver safe, high-quality products with long shelf-life performance and reliable customer experience.

These enhancements positioned the laboratory function as a core enabler of the product development process, ensuring that every new launch is supported by rigorous evaluation, regulatory compliance, and consistent quality.

## Intellectual Property and Brand Protection

As part of its strategy to strengthen competitiveness, Al Majed for Oud places strong emphasis on intellectual property protection. The Company has registered its trademarks in Saudi Arabia and 17 additional countries, ensuring brand integrity across key markets.

As part of its trademark and brand management strategy, the Company continues to strengthen its core brands and product designs to support long-term competitiveness. In 2025, Al Majed for Oud owned 112 registered trademarks (+26% year-on-year), covering 194 products (+12% year-on-year), alongside three marketing brands used in promotional campaigns.

The number of registered industrial models that protect product designs and packaging increased by 33%, to 12. These registrations are maintained in compliance with the regulations of the Saudi Authority for Intellectual Property.

## Supply Chain and Production

All manufacturing operations are conducted at the Company's integrated Riyadh factory, inaugurated in 2012 and expanded in 2019. Covering 4,000 m<sup>2</sup>, this facility is designed as a comprehensive production hub housing all key production lines within one structure.

The factory has a production capacity of up to 50,000 units per day, supported by approximately 130 staff members. It operates through three production lines, combining automated packaging for perfumes with manual packaging for oud and incense, ensuring craftsmanship where details matter most.

In 2025, the factory's operational efficiency was improved through better utilization of existing resources, resulting in an increase in the capacity utilization rate by 19 percentage points, to 89%.

The factory is supported by well-equipped warehouses meeting the highest storage standards, ensuring a smooth flow of raw materials and finished products. The network of 10 integrated warehouses has a combined storage capacity of 12,924 pallets (+22% year-on-year) and over 445,000 cartons. The warehouses are managed according to strict operational standards, maintaining temperatures not exceeding 26°C to ensure product quality and safety.

The Company also manages shipping operations in Saudi Arabia with 45 trucks, covering 40 daily routes and an average daily capacity of 135 tons. The fleet is equipped with a 24/7 tracking system for each truck, along with a highly reliable delivery and receipt system. Alongside, the Company relies on logistics partners to deliver online orders within and outside the Kingdom, enhancing delivery efficiency and supply chain sustainability.



# 89%

factory capacity utilization rate in 2025

## Operational Excellence

Operational excellence at Al Majed for Oud is not a single initiative, but a disciplined way of working, designed to ensure consistency, efficiency, and quality across a growing regional footprint.

In 2025, the Company standardized and streamlined core operational procedures across stores, supply chain, and production functions. Inventory management through supply chains was a key focus of this initiative. Enhanced planning methodologies and tighter inventory controls improved product availability while reducing waste and excess stock.

Investments in operational platforms and digital tools increased data visibility, reporting accuracy, and real-time decision-making across departments. These upgrades enhanced coordination between sales, production, supply chain, and finance, enabling more agile responses to market dynamics.

Quality and compliance remained central pillars of operations. Continuous monitoring through defined KPIs and structured performance reviews enabled early identification of inefficiencies and supported a culture of continuous improvement

### Inside the Fragrance: How Perfumes Are Produced

Perfumes are among the Company's most technically demanding products, requiring careful control across multiple phases before they reach their final form and distinctive aroma. Each perfume undergoes several production stages.

#### • Mixing and homogenization

At this stage, ingredients such as alcohol, essential oils, preservatives, fixative agents, and stabilizers are blended in precise ratios to achieve the intended composition.

#### • Aging and fermentation

The product is held at low temperatures, and the alcohol content is refined to capture the full quality of the essential oils and support long-term stability during use.

#### • Filtration

The mixture is chilled to as low as -5°C, allowing impurities to be removed through high-efficiency filters.

#### • Bottling and packaging

Using advanced machinery, the bottling is performed in line with Good Manufacturing Practices (GMP). Products are then packaged according to specification, using appropriate thermal or other packaging methods, and transferred to warehouses in their finished, market-ready form.



# Omnichannel Sales

Al Majed for Oud's sales model is built around a simple idea: customers should be able to discover, purchase, and repurchase the products in the way that feels most comfortable to them – whether in a flagship store, a kiosk during peak seasons, the Company's own online store and mobile app, or trusted third-party marketplaces.

## Approach

The omnichannel approach is implemented in all the Company's core markets across the GCC and extended through Al Majed Global to international customers. This system is designed to produce three key outcomes:

- Consistency: one brand identity and service promise across all physical and digital touchpoints.
- Scalability: digital partnerships, S&OP discipline, and fulfillment capability that allow growth without operational strain.

- Relevance: seasonal storytelling, hero-product launches, and platform-specific content that keep the brand culturally present and commercially effective.

At the operational level, omnichannel execution is supported by integrated Sales & Operations Planning (S&OP) practices that improve supply chain responsiveness, strengthen decision-making, and enable faster, more reliable product launches.

## Sales Channels

Al Majed for Oud sells through five primary channels:

### The Company-owned retail network (stores and permanent kiosks)

This segment remains the anchor of the business, constituting an always-on physical presence that supports discovery, gifting, and repeat purchase.

### Temporary kiosks and event-based selling

Seasonal kiosks in trade fairs, exhibitions, and festivals allow the brand to meet customers in high-traffic moments and locations. This channel is especially relevant in the GCC retail calendars where events and seasons shape demand.

### The online store and mobile application

At Al Majed for Oud, digital is treated as a full operating channel, not a side storefront. The Company runs e-commerce internally, covering operations, fulfillment processes, software development, and technical support. This channel includes a fast-growing online store and a fully integrated mobile application.

### Third-party e-commerce platforms

To expand reach and capture demand where customers already shop, the Company sells through 10 international platforms (Amazon Saudi, Amazon Emirates, Goldenscent, Niceone, boutiqaat, Marsool, HungerStation, Noon UAE, Noon SA, Wojoooh KSA).

### Other sales (B2B and large individual customers)

Through a dedicated sales function, Al Majed for Oud serves companies, government entities, and large individual customers with tailored sales and gifting solutions.





## Physical Stores

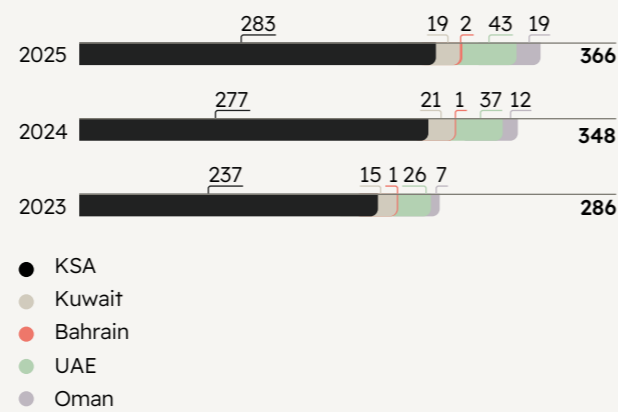
Al Majed for Oud's offline retail expansion is purposeful rather than purely numeric. Growth is pursued through a combination of new openings, optimization of underperforming stores, and targeted placement in locations with strong demographic and commercial fundamentals.

The Company expands its retail footprint with discipline and clear commercial logic, led by a dedicated real estate and development team that evaluates each potential location. Opportunities are first identified through field surveys across regions, with the Property Management and Sales teams coordinating onsite assessment and selection. Before committing, the Company conducts a ROI study to confirm expected performance.

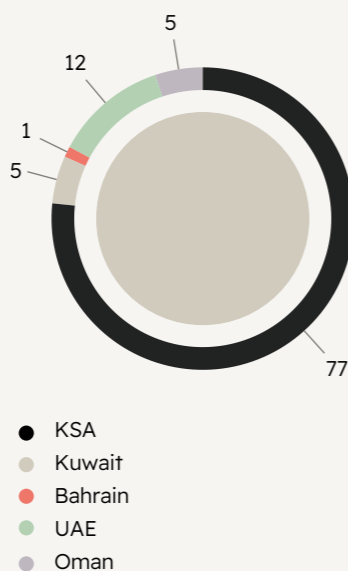
Location decisions are guided by demand fundamentals: population density and projected growth, local purchasing power informed by Saudi Central Bank data, distance from existing stores to reduce self-cannibalization, customer accessibility, and the competitive landscape. Growth in physical retail is primarily concentrated in Saudi Arabia and the Gulf region, where expansion is driven by market potential and demographic suitability. Store performance is then tracked through regular and annual reviews to support continuous improvement.

The total number of Al Majed for Oud's stores and sales platforms increased by 5% in 2025, reaching 366. In total, 32 new stores were opened. 14 underperforming stores were closed and replaced with new stores in more compelling, higher-traffic locations, helping drive stronger sales. The growth was driven primarily by the continuous expansion in Saudi Arabia, where the number of stores increased by 2%, to 283.

### Permanent Stores



### Permanent Stores % by Country - 2025

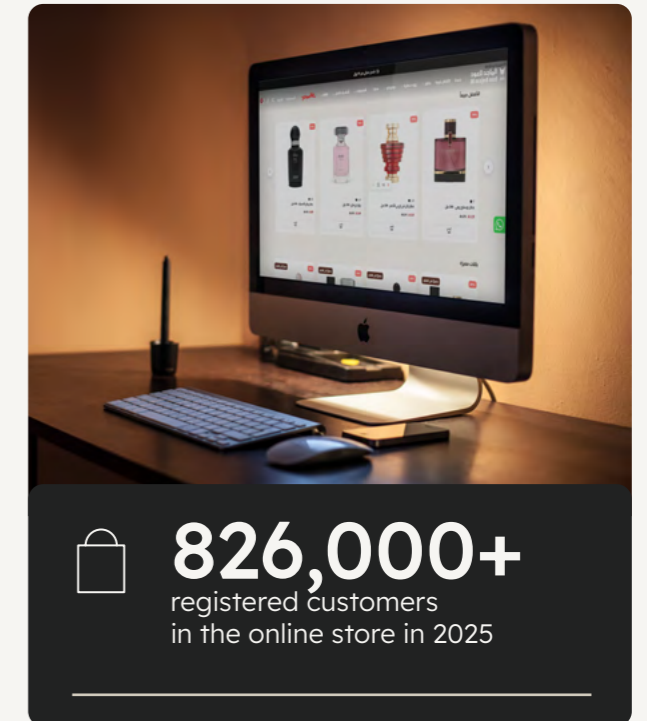


## Digital Channel

The online store was launched in 2018 and has since expanded into multiple GCC markets with dedicated operations centers: Kuwait (2021), Bahrain and the UAE (2022), and Oman (2023). In the same year, Al Majed Global was introduced to serve 22 countries beyond the Company's physical footprint, including Qatar, Jordan, the United States, the United Kingdom, Germany, Spain, Italy, France, and the Netherlands. The mobile app was also developed internally and is available on Apple App Store, Google Play Store, and Huawei AppGallery.

In 2025, the number of online store registered customers exceeded 826,000. The total number of orders made in the Company's own online store increased by 13%, to over 325,000.

The mobile app's performance was spectacular in 2025, with over 900,000 downloads, 4.7/5 ratings, and 26% of online orders delivered rapidly via branch delivery.



Learn more in the [Digital Transformation](#) section

## Marketing

Al Majed for Oud's marketing campaigns are carefully designed to target a broad, commercially active demographic of men and women aged 18 to 50 and older, reflecting the diversity of its customer base across the GCC countries.

The company adopts an integrated marketing strategy that utilizes various channels, ranging from social media platforms to traditional channels and promotional events, all the way to outdoor advertising, thereby accelerating the market penetration of new products immediately upon their launch.

Within this wide reach, the Company differentiates its messaging and product focus with clear audience logic. For instance, oud and incense are positioned with greater emphasis on senior customers, drawing on heritage, ritual, and the depth of their scents. Perfumes are used to engage younger audiences, supported by contemporary launches, modern campaign formats, and digital-first content that fits the pace and habits of a more online, trend-driven generation.

Overall marketing execution in 2025 was substantial, supported by measurable activity levels: the Company implemented four major promotion campaigns, launched five new perfumes, developed more than 52 enhanced products, ran three mini campaigns outside peak seasons, and activated 12 local and international partnerships.

## Seasonal Campaigns

At Al Majed for Oud, marketing is executed as a commercial system tied to the sales calendar. Launches are structured around the seasonal rhythm, with "hero products" supported by full-channel 360° campaigns so customers encounter the same story repeatedly across touchpoints.

In 2025, the Company delivered a highly active marketing year, combining seasonal hero launches, sustained digital engagement, and innovative influencer execution to strengthen brand equity and accelerate omnichannel growth. The campaign strategy centered on linking major fragrance launches to key moments in the consumer calendar, ensuring that each season introduced a distinct product story supported by integrated visibility across platforms. These seasonal campaigns had a substantial impact on the Company's sales, accounting for 79% of revenue in 2025.

In 2025, the major campaigns included:

- Ramadan campaign, with offers focusing strongly on oud, incense, and new products.
- Summer campaign (Eid al-Adha), with emphasis on new summer fragrances and brand reinforcement.
- National Day campaign, designed to create cultural relevance and high conversion moments.
- End-of-year campaign, with the winter season offerings.

### Key 2025 fragrance launches and associated marketing campaigns

Products		
Mistral, Prestige Pearl, Candy Musk	Rose de Mai	Boisée
Target audience		
Men, women, and unisex	Women	Unisex
Duration		
53 days (Ramadan)	30 days (summer)	49 days (winter)
Innovations		
<ul style="list-style-type: none"> <li>Linking campaigns to Mother's Day</li> <li>Enhanced visibility during Founding Day</li> </ul>	<ul style="list-style-type: none"> <li>Promotion video filmed in France in collaboration with the world-renowned perfumer Dominique Ropion</li> <li>Footage from the Rose de Mai launch event featured in influencer content</li> </ul>	<ul style="list-style-type: none"> <li>Visual inspiration drawn from nature</li> <li>Creative advertising scenarios used by influencers</li> </ul>
Outcomes		
All marketing campaigns brought excellent results in 2025 both in terms of brand visibility and sales.		

To add additional layers to the offering and expand the customer outreach, the Company also maintained momentum outside peak seasons in 2025 through off-season activations, including the launch of its loyalty points initiative (Tastahil) and a one-week in-store promotional offer, ensuring continued traffic and engagement throughout the year.

[Learn more in the Financial Review section](#)

### Digital Marketing

In addition to seasonal campaigns, Al Majed for Oud implements an intensive, year-round digital promotion strategy. This represents a comprehensive advertising approach, unprecedented in the local market. It is based on offering integrated advertising packages with multiple content formats, ensuring message consistency and maximizing impact.

Digital marketing performance was one of the Company's strongest achievements in 2025. It was amplified through two parallel levers:

#### Organic channel

This segment refers to the Company's digital outreach achieved naturally, without paid advertising—through regular content, customer engagement, shares, recommendations, and visibility on platforms like Explore or Trending pages. It brought excellent outcomes in 2025:

**+527,000**  
new followers (+65% year-on-year)

**218+** million  
views (+80% year-on-year)

**55**  
countries reached organically

**49**  
appearances on Trending/Explore pages

#### Influencer-driven outreach

This segment refers to the Company's digital visibility and customer outreach generated through collaborations with influencers and content creators, who promote products to their audiences.

In 2025, it expanded significantly. Campaigns were delivered in seven languages — Arabic, Urdu, Russian, French, Spanish, Filipino, and English — using different structured content formats, including home visits, reminder content, lifestyle storytelling, scenario-based videos, and event coverage. The key outcomes included:

**1.57 billion**  
total views (+55% year-on-year)

**11,500**  
influencer advertisements (+70% year-on-year)

**11**  
countries reached through influencers

These two systems — organic brand development and influencer amplification — work together very well. The organic channel builds long-term trust and visibility, while influencer content accelerates awareness around launches and seasonal moments.

**527,000**  
new followers reached organically in 2025 (+65%)

**1.57 billion**  
total views of influencer-generated content in 2025 (+55%)



## Reaching Younger Audiences

To deepen relevance among young, digitally native audiences, Al Majed for Oud sponsored POWR, one of the most prominent e-sports teams and content creator networks in the Middle East.

POWR has a massive ecosystem outreach, having achieved 100+ million total subscribers, 185+ million hours of watching time, and 2.16+ billion total views across platforms in 2025 digital. Al Majed for Oud's sponsorship will allow the Company to act as a long-term brand equity builder across POWR platforms, creating daily product exposure through placements, content, and activations.

Early measurable outcomes from partnership activation included:

- 1,000,000+ views within one month for an in-store advertisement video
- 700,000+ views within one month for a store-focused advertisement
- Strong social visibility following a joint competition on X, including trending appearances around high-engagement moments


For 2026, a campaign execution tied directly to Ramadan is planned, focusing on brand awareness building and seasonal activation.

## Social Media

As part of its global expansion, the Company has also launched a dedicated international Instagram channel in Hindi, English, and Russian, supported by multinational influencer activity. A pilot of 350 advertisements enabled the brand to reach an additional 300,000 followers globally.

The Company also works across several other social media channels (including TikTok, Snapchat, X, YouTube, LinkedIn, etc.), tailoring content by platform: premium visual storytelling on Instagram, short-form trending content on TikTok, real-time engagement on Snapchat, announcements and interaction on X, long-form storytelling on YouTube, and corporate communications on LinkedIn.

In 2025, impressive results were obtained:

 **422**  
digital campaigns

 **6.1 billion**  
impressions on social media in 2025

 **2.29 million**  
of engagement (+62% year-on-year) and 90 million visibility (+137%) on Instagram

# Customer Experience

At Al Majed for Oud, customer experience is not treated as a supporting function, but as a strategic capability at the heart of long-term value creation.

The Company's retail network remains a core pillar of customer engagement, designed to provide a modern, refined, and consistent in-store experience across the GCC markets. By aligning fragrance creation with the Gulf traditions and contemporary lifestyles, the brand builds strong emotional relevance. Customers associate Al Majed for Oud not only with premium scents, but with celebration, identity, and personal presence, reinforcing long-term loyalty.

Key customer value drivers are:

- Oriental fragrances tailored to the Gulf lifestyle and cultural context.
- Seasonal collections aligned with weather and usage occasions.
- Active presence during national, religious, and social celebrations.
- Emotional connection beyond functional product use.

## Customer Care

At Al Majed for Oud, operational excellence in customer care is supported by internationally recognized service frameworks. Operations follow Customer Operations Performance Center (COPC)-aligned standards, ensuring reliability, efficiency, and responsiveness across multiple markets. A centralized CRM platform is used to track all customer interactions, preferences, and engagement history across channels.

Service performance is governed by structured KPIs, including first-contact resolution, resolution time, average handling time, service level, and response time. In 2025, the Company achieved an average call response time of approximately 6 seconds, reflecting strong accessibility and operational discipline.

In physical stores, the thoughtfully developed design is treated as an extension of the brand identity, enabling a seamless, welcoming experience. In this segment, customer excellence is further supported by significant investments in people. Al Majed for Oud operates an independent sales training department – one of the largest within the Sales function – and has increased its training investment by approximately 100% over the past two years.

Store consultants are trained not only in product knowledge, ingredients, and fragrance storytelling, but also in serving different customer segments, demonstrating products effectively, and responding professionally across varied situations. This commitment ensures that every customer interaction reflects the Company's service standards and reinforces its premium positioning.

Customer experience is also delivered through a fully integrated omnichannel model that connects physical stores, e-commerce, social platforms, and

direct communication channels into one consistent journey. Customers engage with Al Majed for Oud through the mobile application, the online store, third-party digital platforms, and service touchpoints such as WhatsApp, SMS, push notifications, email, and outbound calls. Digital customer experience is further enhanced through social media listening tools and internal ticketing systems that convert customer feedback into actionable service workflows.




 **~6**  
seconds average call response time in 2025

## Loyalty Program

Customer loyalty is being developed as a strategic system, supported by CRM segmentation and performance marketing tools, to target, retarget, and increase repeat purchase value.

A distinctive pillar of this strategy is the Company's **"golden warranty"**, which allows customers to return unsatisfactory products – a customer-first mechanism available across all markets, online and offline. This initiative is particularly significant in fragrance purchasing, where trial and personal preference play a major role. By enabling customers to explore scents with confidence, the Company strengthens trust and reduces barriers to discovery.

The loyalty ecosystem has also demonstrated significant scale in 2025. This year, the Company's loyalty database reached 2.7 million participants, 50% more than in 2024, highlighting strong customer capture across channels and markets. The loyalty program allows customers to earn redeemable points, access exclusive offers, and build long-term engagement with the brand, reinforcing retention through appreciation and value.

 **2.7 million**  
participants of the loyalty program in 2025 (+50% year-on-year)

## Customer Grievance Management

Al Majed for Oud operates a comprehensive Voice of Customer (VOC) framework to ensure customer feedback is systematically collected, analyzed, and translated into improvement. Customer opinions are gathered through periodic surveys, direct calls, WhatsApp evaluations, digital channel reviews, and social media engagement.

Complaints are logged through the CRM system, verified, classified by severity, and assigned to relevant teams for resolution. Frontline teams resolve issues where possible, while sensitive or complex cases are escalated to higher governance levels. Material or recurring customer complaints and service trends are periodically reviewed by senior management as part of the Company's service governance and risk management framework.

This structured grievance management approach supports fairness, confidentiality, and continuous improvement, ensuring customer trust remains protected. All complaints are handled with strict confidentiality and fairness. The Company targets timely resolution and conducts post-closure follow-up to confirm customer satisfaction. Customer feedback is closely monitored to ensure service continuity and continuous improvement, with unresolved complaints maintained at minimal levels.


 **24**  
hours targeted customer issue resolution time

## Customer Satisfaction


Customer satisfaction is measured through the Customer Satisfaction Score (CSAT) framework across five critical journey touchpoints. A structured survey is sent automatically to customers via WhatsApp at these touchpoints. Customer responses are then collected, monitored, and analyzed through the CRM system to ensure consistent tracking across both physical stores and online platforms. In 2025, approximately 263,000 customers were surveyed, a 2.7-fold increase compared to 2024.

CSAT insights are reviewed regularly by senior management and integrated into the Voice of Customer program, ensuring that measurement translates into action. This disciplined feedback loop supports service enhancement, product refinement, and loyalty reinforcement.


The main CSAT measurement touchpoints are:

-  After **purchase** (once the invoice is issued)


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-  After **online order delivery**


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-  After a **call center interaction**

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-  After a **WhatsApp conversation** is completed

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-  After a **complaint** or **service ticket** is closed

### 2025 customer satisfaction metrics



# 94.1%

overall customer satisfaction rate:

# 94.4%

among physical store customers

# 88.8%

among digital customers



# 4.66/5

the CSAT score

## Digital Transformation

Al Majed for Oud pursues digital transformation as a strategic enabler of growth, operational excellence, and customer-centric innovation.

### Approach

In alignment with Saudi Vision 2030 and the accelerating digital shift across global markets, the Company treats digital transformation not as a standalone initiative, but as an integrated operating philosophy embedded across sales, supply chain, finance, marketing, R&D, and customer service.

Al Majed for Oud has adopted an ambitious Cloud-First Strategy, built on the integrated Microsoft ecosystem, ensuring scalability, resilience, and adherence to global best practices. Core pillars of the integrated digital ecosystem are:

- Microsoft Dynamics 365 (Finance & Operations) as the backbone for Enterprise Resource Planning (ERP).
- Microsoft Power Platform for processing automation and workflow optimization.
- Microsoft Fabric for real-time analytics that integrates sales and inventory data across all channels.

This digital foundation directly supports the Company's omnichannel sales model by improving integration between physical retail and online commerce. In 2025, one of the most important initiatives was linking the unified inventory between branches and the e-commerce platform, helping customers experience consistent availability and enabling more effective fulfillment and store-to-online coordination. The integration of analytics into laboratory workflows also supports quality consistency and accelerates new product development.

The Company's digitalization strategy also reflects a deep integration with local requirements and platforms to ensure compliance and efficiency in-market. Al Majed for Oud's systems are integrated with the Nafath platform for identity verification and ZATCA for e-invoicing. Implementation and customization are supported through collaboration with specialized local system integrators.



## Mobile Application

The mobile application is a major component of the digital strategy. In 2025, the total mobile app downloads increased by 30%, reflecting expanding customer reliance on digital shopping and engagement.

In 2025, the Company improved the checkout and payment journey in the mobile app by optimizing the user interface for “Buy Now, Pay Later” options (including Tabby, Tamara, and Mispay). It also streamlined the checkout through improved cart management. Delivery precision was improved through integration with National Address APIs and a map-based location picker with autofill capabilities, strengthening logistics coordination. Customer engagement features were also expanded with “Notify Me When Available” alerts for out-of-stock items and direct WhatsApp support integration, enabling customers to move seamlessly from browsing to assistance without leaving the app.

Beyond functionality, the Company invested in performance to ensure digital growth does not compromise reliability or trust. The app

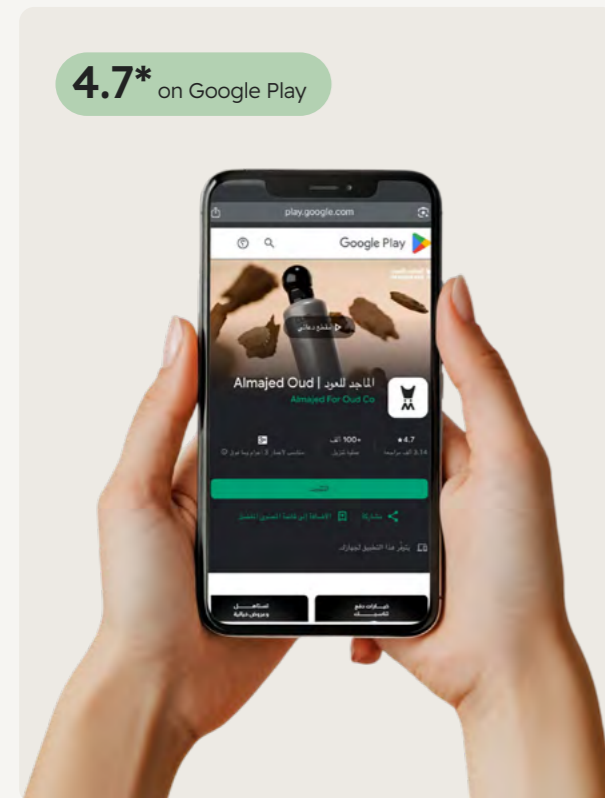
received over 20 updates to improve security and responsiveness. A Smartlook function was integrated to enable user session analysis and identify friction points through real usage behavior.

Product presentations were enhanced with 360-degree videos, creating a richer, more confident digital buying experience. The loyalty program was also fully integrated into the purchasing journey, allowing customers to earn and redeem points seamlessly during checkout.

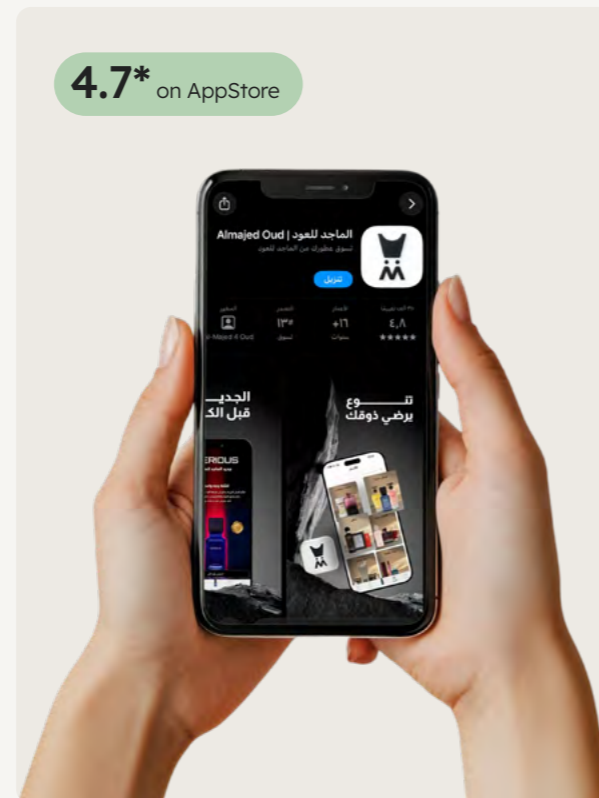


# 900,545

total mobile app downloads in 2025 (+30%)



Almajed Oud



Almajed Oud

## Cybersecurity and Data Privacy

At Al Majed for Oud, cybersecurity and data privacy are treated as governance priorities, reflecting its position as a publicly listed business operating at scale across different markets and channels. The Company applies a multi-layered security framework aligned with the National Cybersecurity Authority (NCA) standards and the best global practices, using a defense-in-depth approach to protect customer information and ensure service continuity.

Network protection is reinforced by the latest-generation firewalls across the Company’s headquarters and all branches, complemented by web application firewalls that help block malicious traffic and reduce external threat exposure. The access controls follow a Zero Trust approach supported by multi-factor authentication and role-based permissions.

Sensitive customer data is encrypted at rest and in transit, and business continuity is supported by a resilient architecture that maintains live production data alongside multiple high-availability

replicated copies. Compliance with the Saudi Personal Data Protection Law (PDPL) is embedded into system design and operational governance, including secure infrastructure upgrades and controlled access practices across platforms.

The Company constantly invests in cybersecurity awareness and training. In 2025, 127 employees completed specialized programs focused on data protection and phishing prevention, with participants drawn from administrative leadership, technical teams, and frontline operational functions. In addition to training, the Company ran phishing simulation exercises to test real-world preparedness.



# ZERO

data breaches or losses of personal data in 2025

## Outlook

Looking ahead, the digital transformation roadmap is focused on deepening intelligence and personalization while maintaining a premium, unified customer experience. In 2026, the Company plans to:

- Expand the use of artificial intelligence to analyze customer behavior and deliver personalized recommendations.
- Modernize user interface (UI) for premium digital experience.
- Increase automation through Power Platform.
- Enhance proactive cybersecurity monitoring.
- Further develop CRM integration so that customer profiles are unified in real time across channels.

A full modernization of mobile application interfaces is also planned to establish a consistent premium design language, ensuring the digital experience reflects the same refinement and brand quality customers expect in-store.





# FINANCIAL REVIEW

## Strength of Cash Flows. Discipline of Returns.

Al Majed for Oud delivered an outstanding financial performance in 2025. This year confirmed the Company's ability to translate innovation-led expansion and omnichannel sales into superior earnings growth, resilient margins, and strong cash flow generation.



**+19%**  
revenue growth in 2025

**+26%**  
EBITDA growth

**+39%**  
net profit growth

# Financial Review

Al Majed for Oud delivered a strong financial performance in 2025, with results exceeding internal forecasts across both revenue and profitability metrics. This confirmed the Company's ability to convert growth into superior returns, reinforcing the resilience of its value-creation model.



## Revenue

Revenue increased by 19% year-on-year to ₪ 1,104 million, reflecting the continued effectiveness of the Company's innovation-led growth strategy and omnichannel expansion model.

Growth was primarily driven by the successful launch of new fragrances, including Rose de Mai, Candy Musk, Mistral, Prestige Pearl, and Boisée. The full execution of the 2025 innovation roadmap resulted in 69 delivered projects, which supported the growth.

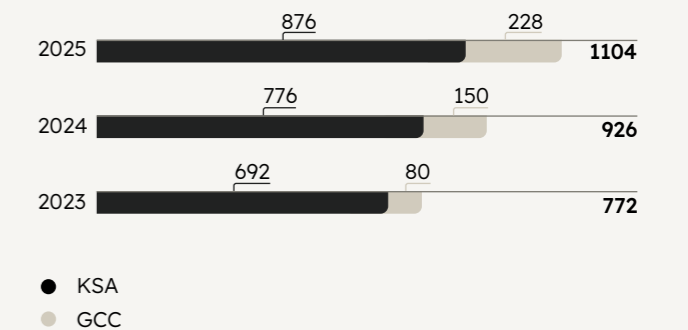
Profitability also improved significantly in 2025, reflecting disciplined cost management, product mix optimization, and operating leverage. Gross profit reached ₪ 723 million, representing a 19% increase in line with revenue growth. Operating profit increased by 33% year-on-year to ₪ 237 million, demonstrating effective control of selling, marketing, and administrative expenses despite continued investment in growth initiatives.

### Revenue Composition in 2025

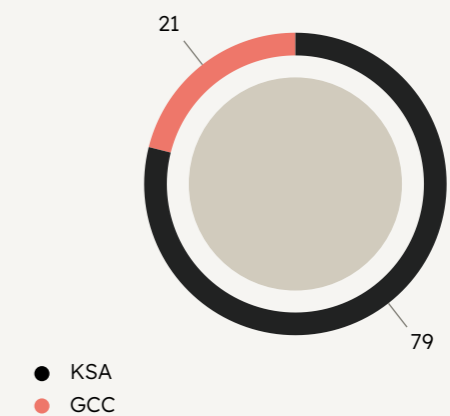
Al Majed for Oud's revenue base in 2025 remained firmly anchored in its home market, while continuing to diversify through regional expansion and accelerating digital development. The Kingdom of Saudi Arabia generated ₪ 876 million in revenues (+13% year-on-year), representing the clear core of the Company's operations. The GCC segment contributed ₪ 228 million, with the highest growth rate (+52%), highlighting the growing importance of regional markets such as the United Arab Emirates, Kuwait, Bahrain, and Oman.

Revenue breakdown per sales channel reflects a business model firmly anchored in physical retail, supported by a growing set of complementary omnichannel touchpoints. Retail stores and kiosks generated 87% of total revenues in 2025, underscoring the central role of Al Majed for Oud's extensive branch network in driving customer traffic. At the same time, digital channels are becoming an increasingly meaningful contributor. The Company's online store accounted for 6% of revenues, reflecting continued progress in e-commerce adoption, supported by investments in mobile applications.

Revenue, ₪ million



Revenue breakdown by region in 2025, %

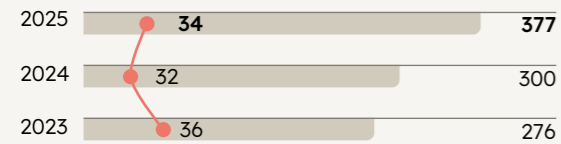


## EBITDA and Net Profit

EBITDA and net profit both grew rapidly in 2025, reflecting rigorous cost discipline. EBITDA increased by a 26%, and EBITDA margin improved by 2 percentage points. The net profit grew by a record 39%, with the net profit margin increasing by 3 percentage points.

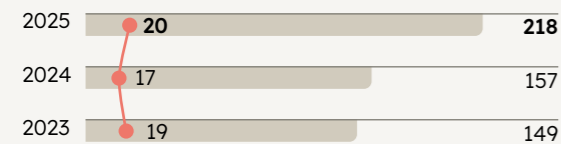
Return on investment (ROI) strengthened materially in 2025, reaching 30% compared with 25% in 2024, reflecting a clear improvement in capital efficiency. This expansion was driven primarily by improved operating margins, higher capacity utilization, and a growing contribution from high-return initiatives such as new product launches and omnichannel expansion.

### EBITDA



- EBITDA, ₹ million
- EBITDA margin, %

### Net profit



- Net profit, ₹ million
- Net profit margin, %

## CAPEX

Capital expenditure in 2025 remained disciplined and strategically targeted. Total CAPEX amounted to approximately ₹ 35 million (-19% year-on-year), representing around 3% of revenue, reflecting a capital-light growth model. Importantly, no major manufacturing capacity expansion was required in 2025, as existing production lines operated efficiently at high utilization levels (89%), following restructuring and optimization initiatives.

## Debt Management

Al Majed for Oud maintained a conservative capital structure in 2025, supported by strong operating cash flow generation and healthy liquidity levels. As of 31 December 2025, the Company reported zero loans and borrowings during the year and financed expansion primarily through internally generated cash flows.

To further strengthen financial flexibility, in October 2025, the Company obtained approval for Shariah-compliant banking facilities of up to ₹ 200 million to support working capital requirements. These facilities were not utilized as of the reporting date, demonstrating a prudent liquidity management approach.





# GOVERNANCE REPORT

## Governance of Trust. Leadership of Accountability.

Al Majed for Oud's governance framework is built on integrity, transparency, and disciplined oversight. As a publicly listed company, it upholds strong corporate governance practices that protect shareholder interests, ensure regulatory compliance, and reinforce long-term stakeholder confidence.

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**40%**  
of the Board members  
are independent directors

# Governance Overview

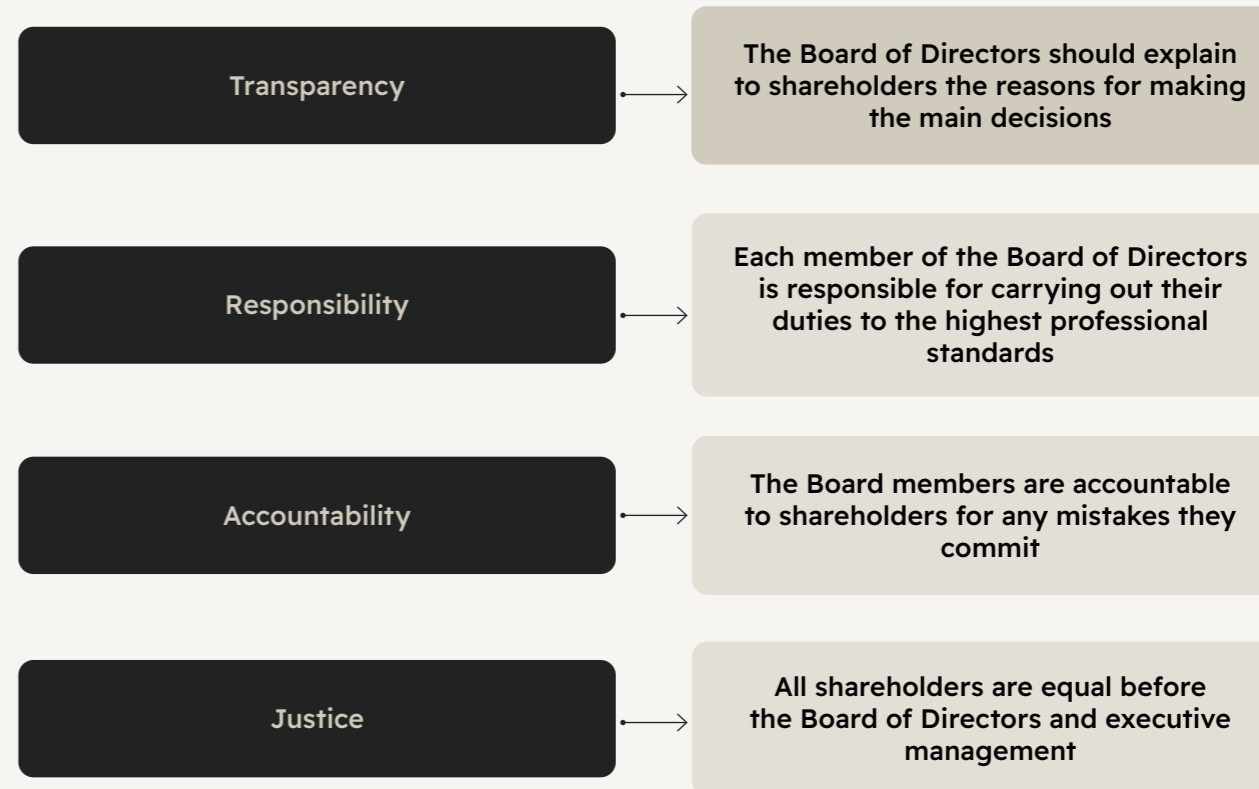
Al Majed for Oud is committed to the highest standards of corporate governance and best professional practices, ensuring transparency and disclosure in all its operations to enhance trust among shareholders and partners. The Company adheres to all regulatory requirements while maintaining excellence in efficiency, quality, and sustainable practices. This report aligns with the Corporate Governance Regulations issued by the Capital Market Authority and incorporates the latest amendments.



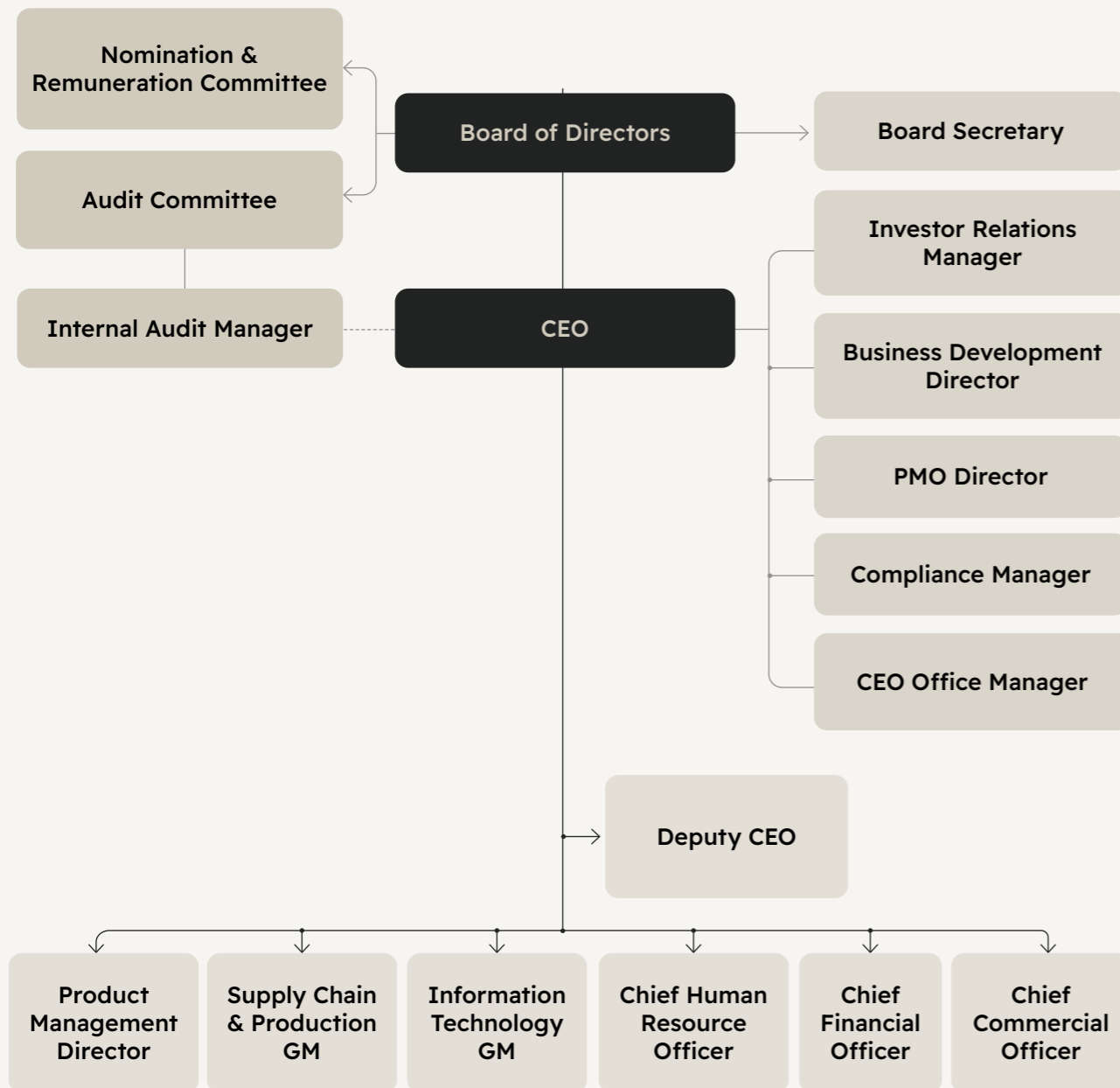
## Governance Framework

- Al Majed for Oud adopts a comprehensive governance framework regulated by the Bylaws that aligns with the highest corporate governance standards in the Saudi capital market, centered around the following fundamental principles:
1. Protecting the rights of shareholders and ensuring their interests are achieved in a balanced and sustainable manner.
  2. Ensuring the protection of the rights of all stakeholders while promoting stability and sustainability through strong financial performance.
  3. Guaranteeing accurate and complete disclosures within specified timelines for shareholders and regulatory bodies.
  4. Addressing conflicts of interest by identifying, reporting, and effectively managing them to safeguard the Company's interests and those of its shareholders.
  5. Empowering employees to report any misconduct or inappropriate practices within the Company through reliable and confidential channels, ensuring appropriate corrective actions are taken.
  6. Regulating transactions with stakeholders, including those involving the Company itself, its employees, Board members, 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.

## Executive Foundations of Corporate Governance



### The Company's organizational structure



The updated organizational structure described above was approved by the decision of the Board of Directors issued on 05/2/2026

### Subsidiaries

Name	Paid-up capital	Ownership and business activity	Headquarters	Country
AI Majed for Oud Co. LLC	QAR 50,000	100% Trading in perfumes, oud, incense, and fragrances, as well as women's cosmetics, beauty, and hair care products, gifts, and jewelry boxes.	Qatar	Qatar

### Board of Directors

The Board of Directors of AI Majed for Oud is responsible for the overall supervision of the Company's management and is the primary party accountable to shareholders. It acts in their best interest by guiding the Company's business and monitoring its performance. The Board members are expected to be truthful, just, and committed, to align with established laws and regulations, and to adhere closely to the applicable Company's policies.



### Powers of the Board of Directors

According to the Company's Articles of Association, the General Assembly's designated powers, and the Board of Directors' Working Regulations, the Board of Directors has the broadest authority to manage the Company, shape its policies, set its investments, and oversee its operations within and beyond KSA. Its authority encompasses the following:

- All powers stipulated in the Bylaws and necessary for managing the Company.
- Exercising due diligence and loyalty in managing the Company, as well as safeguarding its interests and promoting its growth and value enhancement.
- The responsibility for the Company's operations, even if it delegates committees, entities, or individuals to carry out certain functions; in all cases, the Board may not issue a general or indefinite delegation.
- Approval of the administrative and financial authority matrix for the Company and any amendments or exceptions thereto.
- Approval of the organizational structure of the Company and any modifications to it.
- Approval of the Company's general policies and their amendments or exceptions.
- Approval of the formation of committees under the Board and the appointment of their members.
- Approval of the annual plans and strategy of the Company, supervising their implementation and periodic review, while ensuring the availability of the necessary human and financial resources to achieve them.

- Approval of the appointment of the CEO, determination of their compensation, endorsement of their annual performance indicators, evaluation based on those indicators, and dismissal if necessary.
- Approval of the operational rules for the CEO and any modifications or exceptions thereto.
- Approval of the salary scale and incentives for employees of the Company and any adjustments made to it.
- Establishing internal control systems and general oversight mechanisms.
- Supervision of the Company's finances, cash flows, and its financial and credit relationships with third parties.
- Approval of the annual budget of the Company.
- Preparation of the preliminary and annual financial statements and their approval prior to publication.
- Preparation and approval of the Board's report before its publication.
- Approval of activities, contracts, and projects in accordance with the authority matrix.
- Making recommendations to the General Assembly regarding the use of the Company's statutory reserve if not allocated for a specific purpose, and suggesting methods for profit distribution.
- Informing the General Assembly upon its convening about the activities and contracts in which any Board member has a direct or indirect interest, along with a special report from the Company's external auditor accompanying this notification.
- The Board may delegate to any of its members specific tasks for a limited period through a written decision issued for this purpose; in all cases, the Board retains the right to review any decisions made based on such delegation.

## Composition of the Board of Directors

The Board of Directors of Al Majed for Oud Company consists of five members appointed by the General Assembly of shareholders in accordance with the Company's Articles of Association. The duties and responsibilities of the Board are defined by the Companies Law, the Corporate Governance Regulations, the Company's Bylaws, and the Internal

Corporate Governance Manual. The policy and criteria for the Board membership are detailed in the relevant [document](#).

The current term of the Board began on March 21, 2023, and will conclude on March 21, 2027, lasting a total of four years. The following individuals constitute the Board of Directors:

### Biographies of Board Members



**Majed Ali Othman Al Majed**  
Chairman of the Board (Non-Executive)

**Academic qualification**

Emad Al Din Elementary School in Riyadh in 1976 AD

**Current executive positions**

None

**Previous executive positions.**

The Company's general manager, from 2018 to 2023

**Other current memberships**

**Within KSA**

None

**Outside KSA**

None

**Other previous memberships**

**Within KSA**

Chairman of the Board of Directors of the Company, from 2010 to 2018

**Outside KSA**

None



**Thamer Saad Ali Al Majed**  
Vice Chairman of the Board (Executive - Deputy CEO)

**Academic qualification**

Bachelor of Accounting from Imam Muhammad ibn Saud Islamic University, in Riyadh, Kingdom of Saudi Arabia, in 2012

**Current executive positions**

Executive Vice President of the Company since 2025

**Previous executive positions.**

- Executive Vice President of Finance at the Company from 2019 to 2024
- CEO of the Company from 2013 to 2019

**Other current memberships**

**Within KSA**

A board member of "SurePay," a closed joint-stock company in the field of financial technology, since 2021

**Outside KSA**

None

**Other previous memberships**

**Within KSA**

None

**Outside KSA**

None



**Waleed Khalid Ali Al Majed**  
Board Member  
(Executive - Managing Director - Chief Executive Officer)

**Academic qualification**

Graduated with a high school diploma from Prince Sultan Educational Complex in Riyadh in 2004

**Current executive positions**

CEO of the Company from 01/01/2022

**Previous executive positions.**

- Executive Vice President of Oud Procurement and Director of Real Estate Management for the Company, from 2019 to 2022
- Executive Vice President of International Oud and Derivatives Procurement for the Company, from 2015 to 2019
- Deputy Director of Real Estate Management for the Company, since 2009 to 2015

**Other current memberships**

**Within KSA**

None

**Outside KSA**

None

**Other previous memberships**

**Within KSA**

Member of the Incense and Perfumes Committee at the Riyadh Chamber of Commerce, from 2021 to 2024

**Outside KSA**

None



**Ahmed Ebrahim Abdulaziz Al Sunaidi**  
Board Member (Independent)

**Academic qualification**

- Bachelor's degree in Accounting from King Saud University, Saudi Arabia, 2008
- Master's degree in Accounting and Finance from Bangor University, United Kingdom, 2013
- Fellowship of the Saudi Accountants Association from the Saudi Organization for Certified Public Accountants, Saudi Arabia, 2016
- Fellowship of the Management Accountant Association from the American Institute of Certified Public Accountants, United States of America, 2022

**Current executive positions**

Director of the Financial Department of one of the subsidiaries of the Public Investment Fund, a company operating in the real estate development sector, since 2021

**Previous executive positions.**

- Financial Director at the General Authority of Ports, a government agency responsible for port operations and logistics services, from 2020 to 2021
- Head of Financial Statement Consolidation for Special Purpose Entities at Saudi Telecommunications Company (STC), a publicly traded company operating in the information technology and communications sector, from 2016 to 2020

**Other current memberships**

**Within KSA**

- Chairman of the Company's Audit Committee since 2023
- Member of the Company's Nominations and Remuneration Committee since 2023

**Outside KSA**

None

**Other previous memberships**

**Within KSA**

- Member of the Audit Committee of Afaq Foods Company, a listed joint-stock company operating in the food sector, from 2022 to 2024
- Chairman of the Audit Committee of Tabuk Agricultural Development Company, a listed joint-stock company operating in the agricultural sector, from 2021 to 2024
- Member of the Audit Committee of Tabuk Agricultural Development Company, a listed joint-stock company operating in the agricultural sector, from 2018 to 2025

**Outside KSA**

None



**Yasser Zoman Saad Al Zoman**  
Board Member (Independent)

**Academic qualification**

- Master of Business Administration (MBA) from Aston University, UK, 2012
- Saudi Fellowship of Certified Public Accountants from the Saudi Organization for Certified Public Accountants, Kingdom of Saudi Arabia, 2010
- Bachelor of Science in Accounting from Qassim University, Kingdom of Saudi Arabia, 2007

**Current executive positions**

CEO of Yasser Zoman Al-Zouman, Khaled Fawzan Al-Fahad, and Zaher Abdullah Al-Hajjaj Professional Consulting, a joint-stock company operating in the accounting, auditing, and legal sectors since 2016

**Previous executive positions.**

- Chief Financial Officer of Watani Iron and Steel Company, a listed joint-stock company operating in the iron and steel industry, from 2015 to 2016
- Chief Financial Officer of Al-Tadreaa for Industry Company, a limited liability company operating in the military vehicle industry, from 2013 to 2015
- Chief Financial Officer of Asateer Saudi Company, a closed joint-stock company operating in the prefabricated building industry, in 2013

**Other current memberships**

**Within KSA**

- Chairman of the Nominations and Remuneration Committee since 2023
- Member of the Audit Committee since 2023
- Chairman of the Audit Committee for Asas Makin Real Estate Development Company, a closed joint-stock company operating in the real estate development sector, since 2022
- Chairman of the Board of Directors of Yasser Zoman Al Zouman, Khaled Fawzan Al Fahad, and Zaher Abdullah Al Hajjaj Professional Consulting Company, a joint-stock company operating in the accounting, auditing, and legal sectors, since 2024
- Chairman of the Audit Committee for Al-Ulu Real Estate Company, an unlisted joint-stock company operating in the real estate development sector, since 2025

**Outside KSA**

None

**Other previous memberships**

**Within KSA**

- Independent Board Member and Chairman of the Audit Committee of Watani Iron and Steel Company, a listed joint-stock company operating in the iron and steel industry, from 2020 to 2024
- Member of the Audit Committee of Shoura Information Technology Company, a listed joint-stock company operating in the information technology sector, from 2022 to 2024
- Chairman of the Audit Committee of Al-Dajjan Holding Company, a closed joint-stock company operating in the investment sector, from 2020 to 2024
- Member of the Board of Directors of Waha Business Women's Company, a limited liability company operating in the technology sector
- Independent Board Member and Member of the Audit Committee of Shoura Information Technology Company, a listed joint-stock company operating in the information technology sector, since 2022

**Outside KSA**

None

**Description of any interests, contractual securities, and subscription rights held by members of the Board of Directors and their close relatives (spouse and minor children) in the Company's shares or debt instruments, or those of its subsidiaries, along with an explanation of any changes in those interests or rights during the year 2025.**

#	Shareholder	Total number of shares held as of 01/01/2025	Total number of shares owned as of 31/12/2025	Net change, shares	Net change, %
1	Majed Ali Othman Al Majed	3,937,500	3,977,225	39,725	+1.009%
2	Waleed Khalid Ali Al Majed	0	4,783	4,783	N/A

There are no interests, contractual securities, or subscription rights pertaining to the Company's Board members or their immediate family members (spouse and minor children) in the Company's shares or debt instruments, or those of its subsidiaries for the year 2025, other than what has been disclosed in the table above. Additionally, there have been no other changes to those interests or rights during the reporting period.

**Description of any interests, contractual securities, and subscription rights held by senior executives and their close relatives (spouse and minor children) in the Company's shares or debt instruments, as well as those of its subsidiaries, including an explanation of any changes in those interests or rights during 2025.**

#	Shareholder	Total number of shares held as of 01/01/2025	Total number of shares owned as of 31/12/2025	Net change, shares	Net change, %
1	Waleed Khalid Ali Al Majed	0	4,783	4,783	N/A

There are no interests, contractual securities, or subscription rights held by the Company's senior executives or their immediate family members (spouses and minor children) in the Company's shares or debt instruments, or those of its subsidiaries for the year 2025, apart from what has been disclosed in the table above. Furthermore, there have been no other changes to these interests or rights during the reporting period.

## Board Meetings

The Board of Directors of Al Majed for Oud held six meetings in 2025. The following are the Board meetings and the members' attendance records:

#	Member Name/ Meeting Date	Attending the first meeting 12/01/2025	Attending the second meeting 05/03/2025	Attending the third meeting 22/05/2025	Attending the fourth meeting 29/07/2025	Attending the fifth meeting 26/10/2025	Attending the sixth meeting 31/12/2025
1	Majed Ali Othman Al Majed	✓	✓	✓	✓	✓	✓
2	Thamer Saad Ali Al Majed	✓	✓	✓	✓	✓	✓
3	Waleed Khalid Ali Al Majed	✓	✓	✓	✓	✓	✓
4	Ahmed Ebrahim Abdulaziz Al Sunaidi	✓	✓	✓	✓	✓	✓
5	Yasser Zoman Saad Al Zoman	✓	✓	✓	✓	✓	✓

## Board Assessment Results

The Company conducts an annual self-assessment of the performance of the Board of Directors and its committees, under the supervision of the Nominations and Remuneration Committee. This process aims to enhance performance efficiency, support continuous improvement, and achieve best corporate practices.

## Audit Committee

The existence of an effective internal control system is one of the responsibilities assigned to the Board of Directors. The primary task of the Audit Committee is to ensure the adequacy of management by effectively implementing and applying the internal control system, and to provide recommendations to the Board that will enhance and develop the system in line with the Company's objectives. The committee is also responsible for approving risk management policies and procedures, reviewing risk assessment activities, and assessing mitigation plans before they are presented to the Board. Additionally, it ensures compliance with the corporate governance regulations and practices issued by the Capital Market Authority and the Company's Internal Corporate Governance Manual.

The Board of Directors has approved the Audit Committee's Charter and submitted it to the General Assembly during its meeting held on 04/12/1444H (corresponding to 22/06/2023G). These regulations were also ratified by the Company's ordinary general assembly in its meeting on 21/01/1445H (corresponding to 08/08/2023G). Furthermore, the Company's general assembly approved the updated work regulations of the Audit Committee in its meeting on 26/10/1445H (corresponding to 05/05/2024G).

The Committee's scope of work includes the following key roles and responsibilities, among others:

1. Overseeing the internal audit's activities and approving the annual internal audit plan.
2. Reviewing the Company's internal control and financial disclosure systems to ensure their adequacy for business operations and making recommendations to the Board of Directors in this regard.

## Board Committees

To enhance corporate governance efficiency and in accordance with applicable regulations, the Board of Directors has established several committees. Each committee operates under its own charter, which determines its role, responsibilities, and powers.

3. Recommending external auditor nominations, dismissals, determining their compensation, and assessing their performance to the Board of Directors.
4. Verifying the independence, objectivity, integrity, and effectiveness of audit activities.
5. Reviewing the external auditor's report and comments on the financial statements and following up on actions taken in response.
6. Monitoring the auditor's work to ensure compliance with the defined scope of work and addressing any inquiries raised.
7. Analyzing the Company's financial data prior to its presentation to the Board of Directors and providing opinions to ensure its accuracy, integrity, and transparency.
8. Examining the accounting policies followed by the Company and offering opinions and recommendations regarding them to the Board of Directors.
9. Assessing the Company's risk tolerance and capacity, ensuring the effectiveness of measures in place to protect against legal claims arising from non-compliance with relevant laws and regulations.
10. Considering any potential conflicts of interest that may arise for any member of the Board of Directors or its committees.

The Audit Committee consists of three to five non-executive members appointed by the Board of Directors for a term equal to that of the Board. The committee must include at least one independent member and one member with expertise in finance and accounting. In compliance with the applicable requirements for its members, the Audit Committee is formed by a resolution from the Board of Directors. The following members were appointed to the Audit Committee by the Board during the meeting held on June 22, 2023.

**Ahmed Ebrahim Abdulaziz Al Sunaidi**

Chairman of the Audit Committee - Board Member (Independent)

[Please see the biographies of the Board members above.](#)**Faisal Mohammed Hammad Al Obaid**

Member of the Audit Committee (External)

**Academic qualification**

- Obtained a certification from the Saudi Organization for Certified Public Accountants and Professionals, Saudi Arabia, in 2022
- Master's degree in Business Administration from Gulf University, Kingdom of Bahrain, in 2012
- Bachelor's degree in Accounting from King Saud University, Saudi Arabia, in 2007

**Current executive positions**

Vice President of Investment, Strategy, and Excellence at the Saudi Public Transport Company, a publicly traded firm operating in the transportation sector since 2018

**Previous executive positions.**

- Vice President of Investment at Meraas Holding, a limited liability investment company, from 2016 to 2018
- Investment Sector Manager at Al Rajhi Capital, a limited liability investment company, from 2012 to 2016

**Other current memberships****Within KSA**

- Chairman of the Audit Committee of Watani Iron and Steel Company, a listed joint-stock company operating in the iron manufacturing sector since 2023
- Member of the Audit Committee of Shore Global Technology Company, a listed joint-stock company operating in the information technology sector since 2023
- Member of the Audit Committee of Takamul Business Solutions Company, a limited liability company operating in the information technology sector since 2021
- Member of the Board of Directors of Capital Transport Company, a limited liability joint-stock company operating in the transportation sector since 2020

**Outside KSA**

None

**Other previous memberships****Within KSA**

None

**Outside KSA**

None

**Naif Saad Abdul Rahman Al Qarni**

Member of the Audit Committee (External)

**Academic qualification**

- Saudi Fellowship in Certified Public Accountants from the Saudi Organization for Certified Public Accountants, 2016
- Master of Business Administration from the University of Notre Dame de Namur, USA, 2012
- Bachelor of Science in Accounting from King Saud University, Saudi Arabia, 2005

**Current executive positions**

- Vice President of Internal Audit, Saudi Information Technology Company, a closed joint-stock company operating in the field of information technology since 2022

**Previous executive positions.**

- General Manager of Internal Audit for Operations and Information Technology at Saudi Telecom Channels Company, a closed joint-stock company operating in the retail and distribution sector of telecommunications services, from 2018 to 2021
- Director of Internal Audit at the Job Creation and Unemployment Reduction Authority, a government agency operating in the employment sector, from 2017 to 2018
- Acting Director of the Internal Audit Unit for Operations at the Saudi Industrial Development Fund, a government financial institution operating in the industrial development sector, from 2007 to 2017

**Other current memberships****Within KSA**

None

**Outside KSA**

None

**Other previous memberships****Within KSA**

Member of an independent audit committee at Shore Global Technology Company, a listed joint-stock company operating in the information technology sector within the Kingdom, from 2024 to 2025

**Outside KSA**

None

**Yasser Zoman Saad Al Zoman**

Member of the Audit Committee - Independent Board Member

[Please see the biographies of the board members above.](#)

## Audit Committee meetings

The Audit Committee held 7 meetings during 2025. The following are the committee's meetings and a record of the members present and absent.

#	Member Name/ Meeting Date	Attending the first meeting 05/02/2025	Attending the second meeting 26/02/2025	Attending the third meeting 28/04/2025	Attending the fourth meeting 07/05/2025	Attending the fifth meeting 28/07/2025	Attending the sixth meeting 23/10/2025	Attending the seventh meeting 29/12/2025
1	Ahmed Ibrahim Abdul Aziz Al Sunaidi	✓	✓	✓	✓	✓	✓	✓
2	Faisal Mohammed Hammad Al Obaid	✓	✓	✓	✓	✓	✓	✓
3	Naif Saad Abdul Rahman Al Qarni	✓	✓	✓	✓	✓	✓	✓
4	Yasser Zoman Saad Al Zoman	✓	✓	✓	✓	✓	✓	✓

## Report of the Board of Directors' Audit Committee to the General Assembly for the financial year ended December 31, 2025

According to the established work charter of the Audit Committee approved by the Ordinary General Assembly of the Company on May 5, 2024, the committee consists of four members appointed by the Board of Directors, who meet the stipulated membership criteria. In 2025, the Committee convened for a total of seven meetings where it performed its designated tasks and responsibilities.

The Audit Committee reviewed the interim and annual financial statements prior to their submission to the Board of Directors, addressing material issues and significant accounting estimates related to financial reporting. Furthermore, the Committee evaluated the adequacy and effectiveness of internal control and risk management systems, based on periodic reports and meetings held with executive management, internal audit, and the external auditor.

Additionally, the Committee examined the outcomes of internal audit reports and confirmed that necessary corrective measures were being implemented in response to the findings. It oversaw the performance and activities of the internal auditor and the internal audit department, ensuring that sufficient resources were available and effective in carrying out their responsibilities.

Finally, the independence of the external auditor was verified, along with the effectiveness of the auditing work conducted. The Committee ensured that no technical or administrative services beyond the scope of the audit were provided by the auditor. It also reviewed the auditor's report plan and his observations concerning the financial statements, following up on actions taken in response to those observations.

## The Audit Committee's opinion on the adequacy of internal and financial control and risk management systems:

According to its mandate, the Audit Committee, based on the information provided by the Company management, the internal auditor, and the external

auditor's reports for this year, has concluded that the audit processes did not reveal any significant weaknesses in the internal control and financial systems or in risk management. Furthermore, the financial statements have been prepared in accordance with regulatory requirements as of December 31, 2025.

## Nomination and Remuneration Committee

The main task of the Nomination and Remuneration Committee is to determine the policies and procedures related to the nomination of members of the Board of Directors, its committees and members of the executive management, in addition to determining the policies and procedures related to compensation. The scope of the Committee's work enables it to achieve its tasks, including:

- Proposing clear policies and standards for membership in the Board of Directors and executive management.
- Recommending candidates for the Board of Directors and their re-nomination according to approved policies and standards, ensuring that no individual with a prior conviction for dishonesty is nominated.
- Developing a description of the skills and qualifications required for the Board membership and executive positions.
- Specifying the time commitment expected from members for Board activities.
- Conducting an annual review of the necessary skills and expertise required for the Board membership and executive roles.
- Reviewing the structure of the Board of Directors and executive management and providing recommendations for potential changes.
- Performing an annual verification of the independence of independent members and ensuring there are no conflicts of interest, especially if a member also sits on the Board of another company.
- Creating job descriptions for executive members, non-executive members, independent members, and senior executives.
- Identifying strengths and weaknesses within the Board and proposing solutions to address them in alignment with the Company's interests.
- Establishing procedures for filling vacancies on the Board or among senior executives.
- Formulating a clear policy for the remuneration of Board members, committees stemming from the Board, and executive management, to be submitted to the Board for consideration

before being approved by the General Assembly, ensuring this policy is linked to performance standards and disclosure practices while verifying its implementation.

- Clarifying the relationship between the granted remuneration and the applicable remuneration policy and highlighting any significant deviations from this policy.
- Conducting periodic reviews of the remuneration policy and assessing its effectiveness in achieving desired objectives.
- Recommending remuneration for the members of the Board of Directors, its committees, and senior executives in accordance with the approved policy.


The Nomination and Remuneration Committee shall consist of at least three members and no more than five, appointed by the Company's Board of Directors for a term that aligns with that of the Board. The Board must ensure that the members meet the necessary qualifications for their roles. Additionally, the Board is responsible for taking appropriate measures to enable the committee to fulfill its assigned duties, which includes access to all relevant data, information, reports, records, correspondence, or any other matters deemed significant by the committee, without any restrictions.

The Company's Board of Directors has approved the Charter for the Nomination and Remuneration Committee and submitted it for approval at the General Assembly meeting held on 04/12/1444H (corresponding to 22/06/2023G). These regulations were subsequently ratified by the Company's Ordinary General Assembly in its meeting on 21/01/1445H (corresponding to 08/08/2023G). Additionally, the following members were appointed to the Nomination and Remuneration Committee during the Board of Directors meeting held on 04/12/1444H (corresponding to 22/06/2023G).

# Executive Management


#	Name	Position
1	Waleed Khalid Ali Al Majed	CEO
2	Thamer Saad Ali Al Majed	Executive Vice President
3	Firas Darar Shehadeh Mismar	Chief Financial Officer
4	Abdul Rahman Khalid Ali Al Majed	Chief Sales, Marketing and International Operations Officer <sup>2</sup>
5	Mohammed Ibrahim Mohammed Al Damagh	Chief Human Resources Officer
6	Ramadan Mohamed Mohamedin Ahmed	General Manager of Supply Chains and Production

## Executive management biographies



**Waleed Khalid Ali Al Majed**  
CEO

⌕ Please see the biographies of the Board members above.



**Thamer Saad Ali Al Majed**  
Vice Chairman of the Board - Executive (Deputy CEO)

⌕ Please see the biographies of the Board members above.

### Yasser Zoman Saad Al Zoman

Chairman of the Nomination and Remuneration Committee - Board Member (Independent)

⌕ Please see the biographies of the Board members above.

### Ahmed Ebrahim Abdulaziz Al Sunaidi

Member of the Nomination and Remuneration Committee - Independent Board Member

⌕ Please see the biographies of the Board members above.

### Faisal Mohammed Hammad Al Obaid

(External)<sup>1</sup>

⌕ Please see the biography above.

## Nomination and Remuneration Committee Meetings

The Nomination and Remuneration Committee held two meetings in 2025. The table below provides information on the dates of these meetings and the attendance of members:

#	Member Name/Meeting Date	Attending the first meeting 24/03/2025	Attending the second meeting 11/12/2025
1	Yasser Zoman Saad Al Zoman	✓	✓
2	Ahmed Ebrahim Abdulaziz Al Sunaidi	✓	✓
3	Faisal Mohammed Hammad Al Obaid	✓	✓

<sup>1</sup> Faisal Mohammed Al Obaid was appointed by virtue of the Board of Directors' decision issued on 06/02/2024.



**Firas Dirar Shehadeh Musmar**  
Chief Financial Officer

**Qualifications**

- Master of Project Management from Midocean University, 2023
- MBA in Management Information Systems from the New York Institute of Technology, Jordan, 2004
- Bachelor of Science in Accounting from the University of Jordan, Jordan, 2000

**Previous work experience**

- Chief Financial Officer – Al Wallan Holding Company 2023-2024
- Chief Financial Officer – Majid Al Futtaim Entertainment 2021-2023
- Chief Financial Officer – Al Guthmi Group 2020-2021
- Chief Financial Officer – Al Mawarid D&T Group 2016-2020



**Abdul Rahman Khalid Ali Al Majed**  
Chief Commercial Officer<sup>1</sup>

**Qualifications**

Obtained a high school diploma in 2012

**Previous work experience**

- General Manager of E-commerce (Acting) for the Company, from 2021 to 2024
- Vice President of International Sales and Operations for the Company, from 2021 to 2024
- Marketing Manager (Acting) for the Company, from 2021 to 2022
- Regional Manager for the Company's Kuwait branch, from 2018 to 2022
- Regional Manager for the Company, from 2014 to 2021

<sup>1</sup> The job title was changed from Chief Sales, Marketing, and International Operations Officer to Chief Commercial Officer by a Board of Directors resolution dated 05/02/2026.



**Mohammed Ibrahim Mohammed Al Damagh**  
Chief Human Resources Officer

**Qualifications**

- Diploma in Human Resources Management from the Riyadh Chamber of Commerce, Saudi Arabia, 2004
- Bachelor's degree in German Language from King Saud University, Saudi Arabia, 2002

**Previous work experience**

- General Manager of Human Resources and Strategic Planning for the Company, from 2023 to 2024
- Director of Human Resources and Administrative Affairs for the Company, from 2018 to 2023
- Director of Human Resources for Abdullah Bin Saeedan Company, a closed joint-stock company operating in the real estate sector, from 2017 to 2018
- Director of Human Resources for Tampen Saudi Arabia Limited, a subsidiary of Abdullah Abu Nayan Group, a limited liability company operating in the construction, water, and treatment plant sectors, from 2015 to 2016
- Director of Human Resources for KSB Company, a subsidiary of Abdullah Abu Nayan Group, a limited liability company operating in the pump manufacturing sector, from January 2016 to August 2016
- Personnel Manager for Carrefour, a global retail company, from 2006 to 2009
- Human Resources Manager for Riyadh Development Company, a publicly traded joint-stock company operating in the services sector
- Director of Human Resources for Riyadh Development Company, a publicly traded joint-stock company operating in the government services and leasing sector, from 2009 to 2014



**Ramadan Mohamed Mohamedin Ahmed**  
General Manager of Supply Chain and Production

**Qualifications**

- Executive MBA from Cardiff University, Wales, UK, 2025
- Master of Science in Supply Chain Management and International Logistics from the Arab Academy for Science, Technology and Maritime Transport, Egypt, 2012
- Bachelor of Commerce and Business Administration from Cairo University, Egypt, 1992

**Previous work experience**

- Supply Chain Director, TROFI, 2021-2024, Riyadh, Saudi Arabia
- Supply Chain Manager, Food Unit – Yazeed Al-Rajhi, 2018-2021, Riyadh, Saudi Arabia
- Regional Supply Chain Manager, Binzagr – CO-RO, 2015-2018, Jeddah, Saudi Arabia
- Regional Supply Chain Manager, Americana, 2014-2015, Jeddah, Saudi Arabia
- Supply Chain Planning Manager, Halwani Bros., 2012-2014, Jeddah, Saudi Arabia
- Deputy of Supply Chain, IFFCO ALLANA, 2011-2012, Cairo, Egypt

# Remuneration

Without violating the regulatory requirements, the Company's Bylaws, and the Corporate Governance Regulations, the remuneration for the members of the Board of Directors, its committees, and the executive management shall be subject to the following criteria:

1. Alignment with the Company's strategy and objectives.
2. The purpose of the remuneration is to incentivize the Board members and executive management to contribute to the Company's long-term success and growth.
3. To determine remuneration based on the job level, duties, responsibilities associated with the position, educational qualifications, practical experience, skills, and performance level.
4. To be consistent with the nature and level of risks faced by the Company.
5. To consider practices from other companies in setting remuneration while avoiding any resulting unjustified increase in bonuses and compensation.

6. To target attracting, retaining, and motivating professional talents without excessive exaggeration.
7. To be developed in coordination with the Nomination and Remuneration Committee during new appointments.
8. To organize the granting of shares in the Company to the Board members and executive management, whether through new issuance or shares purchased by the Company.
9. To ensure that remuneration is fair and commensurate with the members' roles and the responsibilities they bear, aligned with the goals intended to be achieved during the financial year.
10. To ensure that remuneration is appropriate relative to the Company's activities and the skills required for its management.
11. To take into account the sector in which the Company operates, its size, and the expertise of the Board members.
12. To provide a remuneration that is reasonably sufficient to attract experienced and competent Board members, motivate them, and retain them.

## Remuneration of the Board of Directors and its Committees

According to the Remuneration Policy for Board Members, Board Committees, and Executive Management of Al Majed for Oud Company, the remuneration for a Board member and any benefits received, if applicable, are determined according to the policy approved by the Ordinary General Assembly. This may include a fixed amount, meeting attendance fees, in-kind benefits,

or a specific percentage of net profit. If a percentage of profit is involved, it should not exceed 10% of net profit after deducting the reserves decided by the General Assembly. Members may combine two or more of these benefits; however, the remuneration for independent Board members must not be tied to the Company's profit or based directly or indirectly on the Company's profitability.

## Executive Management Remuneration

The Company grants its senior executives, in accordance with the procedures and criteria approved by the Board of Directors, specific financial benefits based on the salary scale, including, but not limited to, a basic monthly salary, medical insurance

for themselves and their families, various allowances, a performance-based annual bonus, and any other bonuses or allowances approved by the Company's Board of Directors.

## The details of the remuneration for the Board members and members of the Committees:

Board remuneration	
Allowance for attending the Board meetings	The Chairman of the Board, a Board member, or their designated representative, shall receive an attendance fee of ₪ 3,000 for each session of the Board. The Secretary of the Board shall receive an attendance fee of ₪ 2,500 for each session as well.
Annual bonus for the Chairman of the Board	An annual bonus of ₪ 250,000 shall be granted to the Chairman of the Board, contingent upon the number of meetings attended by the Chairman from the total meetings held by the Board during the relevant fiscal year.
Annual bonus for a Board member	An annual bonus of ₪ 200,000 will be granted to the independent Board member. Additionally, an annual bonus of ₪ 100,000 will be allocated to both the executive and non-executive Board members. The distribution of these bonuses is contingent upon the number of meetings attended by each Board member out of the total meetings held by the Board during the relevant fiscal year. If new Board members are appointed, the annual bonus will be divided among the representatives based on their appointment dates.
Dates for payment of remuneration to the Board members	Remuneration for Board membership is paid to members on an annual basis.
Remuneration for the members of the Audit Committee	
Allowance for attending the committee's meetings	The chairman and committee members, or their designated representatives, shall receive an attendance fee of ₪ 3,000 for each meeting of the committee. The secretary of the Audit Committee will be entitled to an attendance fee of ₪ 2,500 for each meeting attended.
Annual bonus of the Audit Committee	An annual bonus of ₪ 50,000 is granted to the chairman of the Audit Committee. Additionally, a fixed annual bonus of ₪ 50,000 is also granted to the committee members, which is contingent upon the number of meetings attended by each member out of the total meetings held by the committee during the relevant fiscal year. If new members are appointed to the committee, the annual bonus will be divided among the representatives according to their appointment dates.
Dates for payment of remuneration to the members of the Audit Committee	Remuneration for membership of the Audit Committee is awarded to members on an annual basis.
Remuneration for the members of the Nomination and Remuneration Committee	
Allowance for attending the committee's meetings	The chairman and committee members, or their representatives, are entitled to an attendance allowance of ₪ 3,000 for each committee meeting. Additionally, the secretary of the Nomination and Remuneration Committee will receive an attendance allowance of ₪ 2,500 for each meeting.
Annual bonus for the Nomination and Remuneration Committee	An annual bonus of ₪ 50,000 will be granted to the Chairman of the Nomination and Remuneration Committee. Additionally, a fixed annual bonus of ₪ 50,000 will also be awarded to the members of the Nomination and Remuneration Committee. This bonus is contingent on the number of meetings attended by each committee member out of the total meetings held by the committee during the relevant financial year. If there are new committee appointments, the annual bonus will be distributed among the representatives based on their appointment dates.
Dates for payment of remuneration to the members of the Nomination and Remuneration Committee	Remuneration for membership in the Nomination and Remuneration Committee is awarded to members on an annual basis.

## Remuneration of the Board of Directors and its Committees

Below are the details of the expenses and bonuses paid and accrued for the Board members and members of the Board committees, as well as the salaries and bonuses paid to five of the Company's top executives

for the fiscal year 2025. These payments were made in accordance with the existing remuneration policy and without any significant deviations.

### Board Member remuneration, ٴ

The Name	Fixed Remuneration							Variable remuneration								
	Fixed Amount	Board Meeting Attendance Allowance	Total Committee Meeting Attendance Allowance	In-kind Benefits	Compensation for Technical, Administrative, and Consulting Services	Remuneration of the Board Chairman, Managing Director, the Board Secretariat if a Member	Total	Profitsharing Percentage	Regular Bonuses	Short-term Incentive Plans	Long-term Incentive Plans	Granted Shares	Total	End-of-Service Benefits	Gross Total	Expense Allowance
First: Executive members																
Waleed Khalid Ali Al Majed		24,000				100,000	124,000								124,000	
Thamer Saad Ali Al Majed	100,000	24,000					124,000								124,000	
<b>Total</b>	<b>100,000</b>	<b>48,000</b>				<b>100,000</b>	<b>248,000</b>								<b>248,000</b>	
Second: Non-executive members																
Majed Ali Othman Al Majed		24,000				250,000	274,000								274,000	
<b>Total</b>		<b>24,000</b>				<b>250,000</b>	<b>274,000</b>								<b>274,000</b>	
Third: Independent members																
Ahmed Ebrahim Abdulaziz Al Sunaidi	200,000	24,000					224,000								224,000	
Yasser Zoman Saad Al Zoman	200,000	24,000					224,000								224,000	
<b>Total</b>	<b>400,000</b>	<b>48,000</b>					<b>448,000</b>								<b>448,000</b>	
<b>Total</b>	<b>500,000</b>	<b>120,000</b>				<b>350,000</b>	<b>970,000</b>								<b>970,000</b>	

### Remuneration of Committees members, ٤

	Fixed Remuneration (Except Attending Meetings)	Meeting Attendance Allowances	Total
<b>AUDIT COMMITTEE</b>			
Ahmed Ebrahim Abdulaziz Al Sunaidi	50,000	21,000	71,000
Faisal Mohammed Hammad Al Obaid	50,000	21,000	71,000
Naif Saad Abdul Rahman Al Qarni	50,000	21,000	71,000
Yasser Zoman Saad Al Zoman	50,000	21,000	71,000
<b>Total</b>	<b>200,000</b>	<b>84,000</b>	<b>284,000</b>
<b>NOMINATION AND REMUNERATION COMMITTEE</b>			
Yasser Zoman Saad Al Zoman	50,000	6,000	56,000
Ahmed Ebrahim Abdulaziz Al Sunaidi	50,000	6,000	56,000
Faisal Mohammed Hammad Al Obaid	50,000	6,000	56,000
<b>Total</b>	<b>150,000</b>	<b>18,000</b>	<b>168,000</b>
<b>Total</b>	<b>350,000</b>	<b>102,000</b>	<b>452,000</b>

The remuneration and attendance allowances mentioned in the previous table represent the remuneration for committee members and meeting attendance remuneration for the year 2025, which will be disbursed in 2026.

The Company provides its senior executives with specific financial benefits in accordance with the procedures and criteria approved by the Board of Directors. These benefits are based on the salary scale and may include, but are not limited to, a base

monthly salary, medical insurance for themselves and their families, various allowances, an annual performance-based bonus, and any other bonuses or allowances approved by the Company's Board of Directors.

## Remuneration of Senior Executives

The Company has disclosed the remuneration and compensation for its senior executives for the year 2025, in accordance with subsection (b) of paragraph (4) of Article 90 of the Corporate Governance

Regulations. The table below illustrates the total compensation for the top five senior executives of the Company, including the Chief Executive Officer and the Chief Financial Officer.

### Executives Remuneration, ٤

	Fixed Remuneration			Variable Remuneration			Short-term Incentive plans	Long-term Incentive Plans	Equity Grants (Value is Entered)	Total	End-of-service Rewards	Total Remuneration for Senior Executives on the Board of Directors (if any)	Grand Total
	Salaries	Allowances	In-kind Benefits	Total	Periodic Remuneration	Percentage of Profits							
Top executives													
<b>Total</b>	<b>3,689,775</b>	<b>1,573,161</b>	<b>634,286</b>	<b>5,897,222</b>	<b>2,802,109</b>	<b>5,608,226</b>				<b>14,307,557</b>	<b>388,302</b>		<b>14,695,859</b>



# Shareholders

## Requests for shareholder records

Request Number	Request Date	Reason for Request
1	27.01.2025	General Assembly
2	16.04.2025	Company's Procedure
3	05.05.2025	General Assembly
4	31.07.2025	Company's Procedure

## General Assembly meetings

Date	General Assembly (Extraordinary) 27.01.2025 Meeting attendance	General Assembly (Ordinary) 05.05.2025 Meeting attendance
Majed Ali Othman Al Majed	✓	✓
Chairman of the Board (Non-Executive)		
Thamer Saad Ali Al-Majed	✓	✓
Vice Chairman of the Board – Executive		
Waleed Khalid Ali Al-Majed	✓	✓
Executive Board Member (Managing Director – Chief Executive Officer)		
Ahmed Ibrahim Abdul Aziz Al Sunaidi	✓	✓
Board Member – Chairman of the Audit Committee (Independent Member)		
Yasser Zoman Saad Al Zoman	✓	✓
Board Member – Chairman of the Nomination and Remuneration Committee (Independent Member)		

## Shareholders' rights

### 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.

The Investor Relations Department serves as the link between the Board of Directors and the shareholders. This unit has facilitated numerous in-person meetings and participated in various conferences, including both one-on-one and group meetings with investors at both local and international levels.

The Board of Directors has also authorized measures to allow shareholders to submit suggestions and inquiries by contacting the Investor Relations Department through:

- Phone: 920000480 ext. 115
- WhatsApp: 0550167152
- Email: IR@almajed4oud.com

Additionally, the Company's governance regulations outline procedures for the Board of Directors, prioritizing the handling of shareholder proposals and inquiries. These procedures also include providing meeting minutes to members, which encompass questions raised by shareholders.

## Al Majed for Oud's Dividend Distribution Policy

According to Article 107 of the Companies Law, shareholders possess all rights associated with their shares, which specifically includes the right to receive a portion of the net profit declared for distribution. The Board of Directors is responsible for recommending any dividend distribution before it is approved by the shareholders in a General Assembly meeting. The Company is not obligated to declare any dividends, and any decision to do so depends on several factors, including: Previous and anticipated earnings, cash flows, financing needs, capital requirements, market conditions, broader economic factors, constraints imposed by financing and debt agreements, zakat, as well as other legal and regulatory considerations.

For instance, shareholders are entitled to receive dividends declared by the Company from the date of this declaration and for the following financial years. Although the Company intends to distribute annual dividends to its shareholders, there are no guarantees regarding the actual distribution of dividends, nor is there any assurance concerning the amounts that will be paid in any given year. Additionally, the distribution of dividends is subject to the restrictions outlined in the Company's Bylaws. Dividends will be distributed in Saudi Riyals.

## Dividends, ٥

	Financial Year ending 31 December 2025 (Proposed)*	Financial Year ending 31 December 2024	Financial Year ending 31 December 2023	Financial Year ending 31 December 2022	Financial Year ending 31 December 2021
Declared Dividends for the period	100 000 000	100 000 000	125 000 000	39 500 000	98 000 000
Dividends Paid	0	100 000 000	125 000 000	39 500 000	98 000 000
Net Profit for the period	217 605 506	156 958 529	148 677 253	125 346 716	100 967 833
Dividend payout ratio to the Company's net income (%)	46%	64%	84%	32%	97%

\* As per announced 24 March 2026 on Saudi Exchange the board of director's recommendation to distribute cash dividends for Fiscal Year 2025

## Waiving of dividends

In 2025, the Company did not enter into any agreements or arrangements with any of its shareholders to waive their rights to dividend distribution.

# Disclosures

## Transactions with Related Parties

The following is a statement of transactions or contracts in which the Company is a party with related parties, or in which a member of the Company's Board of Directors, senior executives, or any person related to any of them has an interest.

Related Party	Interested Party	Nature of the Transaction		Describe the Nature of the Transaction or Contract	The Beginning of the Work or Contract and its Duration	The Value of the Transaction or Contract during 2025 – ٴ
Shurfa Al Masaken Real Estate Services Company	Majed Ali Al Majed – Chairman of the Board (Indirect interest)	Construction and finishing transactions and contracts		Costs associated with the supervision and execution contract for the finishing works of the company-owned building located in Al-Sahafa District, Riyadh (the new administrative building) (to a Related Party)	120 days from the contract date, 14/05/2025	7,331,406
				Costs incurred (final payment) for the contract concerning the development and oversight of concrete works and buildings on the company's land located in the Al-Sahafa district of Riyadh (new administrative building) (to a Related Party)	160 days from the contract date, 05/05/2024	415,159
<b>Total</b>						<b>7,746,565</b>
<ul style="list-style-type: none"> <li>• Sulaiman Ali Othman Al Majed</li> <li>• Khalid Ali Othman Al Majed</li> <li>• Saad Ali Othman Al Majed</li> <li>• Majid Ali Othman Al Majed</li> </ul>	Majed Ali Al Majed – Chairman of the Board (Direct and Indirect Interest)	Rental expenses		Lease Agreement for the Company's Branch in Al Owais 1001 (to a Related Party)	5 years starting from 1/1/2022	200,000
	Waleed Khaled Al Majed – Managing Director and CEO (Indirect Interest)			Lease agreement for the company's branch in Al Owais 1002 (to a Related Party)	5 years starting from 1/1/2022	80,000
	Thamer Saad Al Majed – Vice Chairman of the Board and Deputy CEO (Indirect Interest)			Lease Agreement for the Company Branch in Al Rabie District, King Abdul Aziz Road (to a Related Party)	3 years starting from 1/1/2024	304,500
	Abdulrahman Khaled Al Majed – Chief Commercial Officer (Indirect Interest)			Lease Agreement for the Company Branch, Al Sharq District, Al Makarona Street – Jeddah (to a Related Party)	3 years starting from 1/06/2025	150,000
<ul style="list-style-type: none"> <li>• Muhammad Ali Othman Al Majed</li> <li>• Badr Ali Othman Al Majed</li> </ul>	Majed Ali Al Majed – Chairman of the Board (Indirect interest)					
<b>Total</b>						<b>734,500</b>
Assas Real Estate Company	Majed Ali Al Majed – Chairman of the Board (Indirect interest)	Sales of goods		Sales of goods from the company's stores with purchase invoices (from a Related Party)	For the period from January 1, 2025, to December 31, 2025	282,978
Abdul Majeed Al Majid Construction Company	Majed Ali Al Majed – Chairman of the Board (Indirect interest)			Sales of goods from the company's stores based on a purchase invoice (from a Related Party)	10/04/2025	44,176
<b>Total</b>						<b>327,154</b>
<b>Total transactions during 2025</b>						<b>8,808,219</b>

## Risk Management

For detailed information about the risks the Company faces and the measures needed to mitigate and prevent them, please refer to the [Risk Management](#) section.

**Transactions with related parties in which the Board members have no vested interest.**

#	Related Party	Nature of the Transaction or Contract	Transaction Type	Transaction Value during 2025	Start of current Transaction	Duration
-	-	-	-	-	-	-

## Implementation of the Corporate Governance Regulations

In accordance with the Corporate Governance Regulations issued by the Capital Market Authority, which require companies to disclose what has been implemented and what has not in relation to the corporate governance guidelines, the Board

of Directors of the Company announces its commitment to the provisions of this regulation, with the exception of the articles listed below:

Text of the Article	Article	Paragraph	Implementation Status	Explanation
<p>(A) The Board of Directors, upon the recommendation of the Nomination Committee, establishes the necessary mechanisms for the annual evaluation of the performance of the board, its members, committees, and executive management. This evaluation will utilize appropriate performance indicators related to the achievement of the Company's strategic objectives, the quality of risk management, the adequacy of internal control systems, among others, with the aim of identifying strengths and weaknesses and proposing remedies in alignment with the best interests of the Company.</p> <p>B) The performance evaluation procedures must be documented and clearly articulated, and should be disclosed to Board members and those involved in the assessment process.</p> <p>C) The performance evaluation should encompass the skills and experiences possessed by the Board, identifying both strengths and weaknesses while addressing weaknesses through feasible methods, such as nominating qualified professionals who can enhance the Board's performance. Additionally, the evaluation should include a review of the overall operational mechanisms within the Board.</p>	39		Partially applied	<p><b>(Guidance Material)</b></p> <p>The performance of the Board of Directors is assessed through a self-evaluation process under the supervision of the Nomination and Remuneration Committee. The Board will consider the need to engage an external party if deemed necessary. Additionally, the Board has established mechanisms for evaluating the performance of senior management based on recommendations from the Nomination and Remuneration Committee.</p>

Text of the Article	Article	Paragraph	Implementation Status	Explanation
D) In the individual assessment of Board members, consideration should be given to the member's active participation and commitment to fulfilling their duties and responsibilities, including attendance at Board meetings and committees, and allocating sufficient time for these activities.				
E) The Board will make the necessary arrangements to obtain an external expert evaluation of its performance every three years.				
F) Non-executive Board members will conduct a periodic assessment of the chairman's performance, taking into account the views of executive members, and the chairman will not participate in the discussion designated for this purpose. The evaluation will identify strengths and weaknesses and propose solutions in line with the best interests of the Company.				
Establishing a Risk Management Committee	67		Not applicable	<b>(Guidance Material)</b> The Board of Directors does not see a need to form a committee at the present time, as the Audit Committee plays an active role in managing risks in the Company. Note that this material is advisory.
Responsibilities of the Risk Management Committee	68		Not applicable	
Risk Management Committee meetings	69		Not applicable	
The Company implements programs aimed at developing and enhancing employee engagement and performance, which specifically include the following:	82	All paragraphs	Not applicable	<b>(Guidance Material)</b> The Company implements additional programs to enhance and motivate employee participation and performance.
<ol style="list-style-type: none"> <li>Forming committees or holding specialized workshops to listen to employees' opinions and engage them in discussions regarding matters and topics related to important decisions.</li> <li>Offering programs that provide employees with shares in the Company or a share of the profits generated, along with retirement plans, and establishing an independent fund to support these initiatives.</li> <li>Creating social institutions for the Company's employees.</li> </ol>				

Text of the Article	Article	Paragraph	Implementation Status	Explanation
The Ordinary General Assembly, on the proposal of the Board of Directors, shall establish a policy to ensure a balance between its objectives and the objectives that the society aspires to achieve, in order to develop the social and economic conditions of the society.	84		Not applicable	<b>(Guidance Material)</b> The Company places special importance on social responsibility and has several initiatives in this area. A policy will be developed whenever the Company deems it necessary.
The Board of Directors establishes programs and determines the necessary means to promote the Company's initiatives in the field of social responsibility, which includes the following:  1. Developing measurement indicators that link the Company's performance with its social initiatives, and comparing this to similar companies in the industry. 2. Disclosing the social responsibility objectives adopted by the Company to its employees, as well as raising awareness and educating them about these objectives. 3. Reporting on the plans for achieving social responsibility in relevant periodic reports related to the Company's activities. 4. Implementing community awareness programs to introduce the Company's social responsibility efforts	85	All paragraphs	Not applicable	<b>(Guidance Material)</b> The Company places special importance on social responsibility and has several initiatives in this area. A policy will be developed whenever the Company deems it necessary.
If the Board of Directors forms a committee specializing 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 regarding governance applications and provide the Board of Directors, at least annually, with the reports and recommendations it reaches.	92		Not applicable	<b>(Guidance Material)</b> The implementation and effectiveness of corporate governance regulations will be monitored, and the Board will establish a special committee whenever deemed necessary.

## The Substantial Discrepancies in the Operating Results as at the Previous Year Results

	2024	2025	Difference	Difference %
Revenue	926,002,004	1,103,502,157	177,500,153	19%
Cost of revenue	(316,306,499)	(380,250,279)	(63,943,780)	20%
Gross profit	609,695,505	723,251,878	113,556,373	19%
Operating expenses – Other	(431,182,851)	(485,795,182)	(54,612,331)	13%
Operating profit/loss	178,512,654	237,456,696	58,944,042	33%

## Financial situation

### Summarized consolidated statement of financial position, ₺

	2021	2022	2023	2024	2025
Total assets	498,805,882	633,029,253	769,812,573	793,733,506	905,923,536
Total liabilities	208,828,183	315,272,365	392,551,797	325,545,034	321,669,526
Net assets (total equity)	289,977,699	317,756,888	377,260,776	468,188,472	584,254,010

### Summarized consolidated statement of income, ₺

	2021	2022	2023	2024	2025
Revenue	442,465,485	588,382,740	772,457,166	926,002,004	1,103,502,157
Cost of revenue	(169,468,060)	(210,957,342)	(259,589,874)	(316,306,499)	(380,250,279)
<b>Gross profit</b>	<b>272,997,425</b>	<b>377,425,398</b>	<b>512,867,292</b>	<b>609,695,505</b>	<b>723,251,878</b>
General and administration expenses	(22,018,199)	(29,297,909)	(39,966,944)	(43,396,395)	(54,545,685)
Selling and marketing expenses	(141,574,602)	(210,410,217)	(309,214,010)	(387,786,456)	(431,249,497)
Operating profit	109,404,624	137,717,272	163,686,338	178,512,654	237,456,696
Other income	3,939,505	2,859,981	5,474,621	1,766,193	8,191,664
Finance cost	(6,236,710)	(7,634,274)	(12,251,613)	(14,358,075)	(14,610,494)
<b>Profit before zakat &amp; taxes</b>	<b>107,107,419</b>	<b>132,942,979</b>	<b>156,909,346</b>	<b>165,920,772</b>	<b>231,037,866</b>
Zakat & taxes expenses	(6,139,586)	(7,596,263)	(8,232,093)	(8,962,243)	(13,432,360)
<b>Net Profit for the year</b>	<b>100,967,833</b>	<b>125,346,716</b>	<b>148,677,253</b>	<b>156,958,529</b>	<b>217,605,506</b>

### Summarized consolidated statement of cash flows, ₺

	2021	2022	2023	2024	2025
Net cash generated from/ (used in) operating activities	167,695,445	236,822,300	169,277,441	220,629,945	438,559,350
Net cash used in investing activities	(19,957,682)	(59,345,983)	(58,323,942)	(36,192,975)	(29,890,795)
Net cash generated from/ (used in) financing activities	(154,889,757)	(161,708,102)	(79,641,392)	(208,881,215)	(203,903,243)

## Outstanding Loans

#	Lender	Principal Amount	Loan Balance at the beginning of the Year	Loan term	Accrued interest	Loan Payments	Loan Balance at Year End
1							
2							
<b>Total</b>							

All Majed for Oud Group and its subsidiaries acknowledge that there are no due loans (whether loan payable upon request or otherwise) during the

FY 2025, and accordingly there are no sums paid by the Company to pay off any loans during the fiscal year.

## Treasury Shares

Number of Treasury Shares held by the Company	Value	Maintenance Date	Utilization Details

## Statutory Payments

	Paid as of the End of the 2025 Fiscal Year	Outstanding as of the End of Fiscal Year 2025	Comments	Reasons for Payment
Zakat	6,644,800	9,959,998		
Taxes	101,325,339	10,005,074	Income tax, withholding tax, VAT and deferred tax	
Contributions to the General Organization for Social Insurance (GOSI)	12,897,465	1,085,705		
Visa and passport costs	719,847	-		
Labor office fees	4,683,329	-		

## Penalties and Sanctions

In its commitment to protecting its interests and those of its shareholders, ensuring the integrity of its procedures, and enhancing compliance with relevant regulations and instructions, the Company reviewed all violations issued against it during 2025. The total number of violations reached 96, with a total value of ₪ 709,032. The Company submitted formal objections, supported by the necessary documentation, to the competent authorities regarding most of these violations.

Objections were accepted, resulting in the dismissal of violations valued at ₪ 137,600. Furthermore, preliminary court rulings were issued in favor

of the Company, canceling violations valued at ₪ 88,000. Some contested violations remain under review by the competent authorities.

Table 1 details the violations for which objections were accepted and subsequently dismissed.

Table 2 outlines the existing violations, those subject to objection, or those for which no final decision or ruling has been issued, along with their causes and the corrective measures taken to prevent their recurrence in the future.

### 1. A statement of the violations that were formally contested, the acceptance of the contestation, and the cancellation of the violation

Penalty/ Sanction/ Precautionary Measure/ Precautionary Restriction	The Party that Issued the Violation	Reasons for the Violation	Total Amount (₪)	Number of Violations	Ways to Treat it and Avoid its Occurrence in the Future
Financial penalty	Ministry of Human Resources	Employing non-Saudi workers in professions or activities restricted to Saudis	80,000	10	The Company submitted objections which were accepted, leading to the cancellation of those violations. The Company reaffirms its commitment to localization decisions and guidelines issued by the Ministry of Human Resources.
Financial penalty		Failure to open a file for the establishment of one of its branches at the relevant office, or failure to update the locations and data of the establishment and its branches according to the mechanism specified by the Ministry.	4,000	4	The Company submitted objections that were accepted, leading to the cancellation of those violations. The Company confirms that there is indeed a file for the establishment.
Financial penalty	Ministry of Municipalities and Housing	Engaging in activities beyond the scope of the license, using public sidewalks, or utilizing stationary or moving advertising materials near the shop (without a sidewalk occupation permit).	1,600	1	An objection to the violation was submitted and accepted, resulting in the dismissal of the offense. Additionally, a list of municipal violations has been sent to the relevant department, along with a warning regarding certain infractions to avoid in the future.
		Engaging in activities beyond the scope of the license	50,000	1	An objection to the violation was filed, accepted, and the violation was dismissed
Financial penalty		Submitting incorrect documents (attachments) when issuing the instant license.	2,000	1	An objection to the violation has been submitted and accepted, resulting in the dismissal of the violation. The Company reaffirms its commitment to strengthening the controls for verifying documents prior to submission to any official entity.

**2. A statement of existing violations, violations subject to objection, or violations for which no final decision or ruling has been issued.**

Penalty/Sanction/Precautionary Measure/Precautionary Restriction	The Party that Issued the Violation	Reasons for the Violation	Number of Violations	Total Amount (Riyals)	Ways to Treat it and Prevent its Occurrence in the Future
Financial penalty	National Center for Environmental Compliance Monitoring	Violation of environmental permit requirements	1	5,000	Environmental permits have been issued for all warehouses, and updates to government regulations are being monitored.
Financial penalty	Ministry of Commerce	Failure to price the displayed goods	1	50	The Company confirms full compliance with the requirements of the Ministry of Commerce.
Financial penalty	Ministry of Municipalities and Housing	Violation of security and safety requirements and controls	5	4,600	The relevant municipal requirements were circulated to the relevant departments and awareness campaigns were conducted to ensure compliance with regulatory requirements.
		Violations of license requirements and requirements	17	73,200	The Company adopted updated control procedures to monitor branch authorizations and licenses, including an advance warning system and a centralized monitoring mechanism.
Financial penalty	Riyadh Municipality	Violation of security and safety requirements and controls	2	2,600	The relevant municipal requirements were circulated to the relevant departments and awareness campaigns were conducted to ensure compliance with regulatory requirements.
		Violations of license requirements and requirements	11	112,000	The Company adopted updated control procedures to monitor branch authorizations and licenses, including an advance warning system and a centralized monitoring mechanism.
Financial penalty	Social Security	Joint registration in the social insurance system without having an actual employment relationship or part of those registered terms.	1	10,982	The Company confirms that it has submitted all the statutory documents proving the existence of an actual employment relationship and an objection to the violation has been filed based on the submitted documents proving the invalidity of the violation and the objection is still under consideration from the social insurance

Penalty/Sanction/Precautionary Measure/Precautionary Restriction	The Party that Issued the Violation	Reasons for the Violation	Number of Violations	Total Amount (Riyals)	Ways to Treat it and Prevent its Occurrence in the Future
Financial penalty	Ministry of Human Resources	Employing non-Saudi workers in professions or activities exclusive to Saudis	28	224,000	The Company's commitment to the Emiratization decisions and directives issued by the Ministry of human resources, noting that all violations have been objected to and are pending a decision
			11	88,000	Initial rulings were issued by the Board of Grievances in favor of the company, canceling these violations.
Financial penalty	General Authority for Food and Drug	Failure to open a file for the establishment or one of its branches at the relevant office, or failure to update the locations and data of the establishment and its branches according to the mechanism specified by the Ministry.	1	1,000	The Company submitted objections and confirms that a file for the establishment already exists, and the matter is pending resolution.
		Violation related to the application of some principles of good manufacturing practices in the factory	1	50,000	The Company confirms its commitment to implementing the requirements of the relevant regulatory authorities and enhancing the monitoring of compliance with regulatory requirements, noting that the company has objected to this violation and is awaiting consideration of it.

The Company clarifies that no penalty, precautionary measure, or sanction has been applied to any member of the Board of Directors by any judicial, supervisory, or regulatory authority related to the Company.



## Geographical Segmentation

Al Majed for Oud maintains a structured geographic presence in Saudi Arabia and the Gulf region. The Company's operations are segmented by key regional markets, enabling targeted coverage and proximity to diverse customer segments. This approach supports efficient retail operations,

the provision of locally sourced products, and balanced growth in both core and emerging markets, while enhancing the Company's regional reach and accessibility. Learn more in the ["Company Overview"](#) section.

## Social Contribution

Al-Majed for Oud contributes to creating social value by investing in local talents, supporting community well-being through corporate social responsibility initiatives, and building reliable

partnerships that enhance national priorities. In 2025, the total corporate social responsibility (CSR) spending amounted to ₪ 46,000. Learn more in the ["Sustainability Review"](#) section

## Description of the Main Scope of Business

Al Majed for Oud Company operates in the fields of manufacturing, supplying, marketing, and selling oud and perfume products. The Company develops its products through internal production

and the supply of high-quality raw materials, while adhering to strict quality standards learn more in the ["Company Overview"](#) section.

## Description of the Company's Significant Plans, Decisions, and Future Expectations

Al Majed for Oud continues to expand its customer base and geographic presence throughout Saudi Arabia, the Gulf region, and international markets. By diversifying its product portfolio and leveraging its manufacturing, warehousing, and retail capabilities,

the Company aims to enhance its market share, customer loyalty, and profitability. The outlook for 2025-2027 is positive, supported by sustainable growth and global competitiveness. Learn more in the ["Strategic Review"](#) section.

## External Auditor

Dr. Mohammed Al-Omari and Partners have been appointed as external auditors for the financial year ending in 2025. The Audit Committee, in addition to its primary responsibilities, is tasked with reviewing and approving the external audit methodology, which includes evaluating and appointing or reappointing the auditing firm and/or the lead partner responsible for the audit, along with negotiating the terms of engagement and rotation. The selection criteria ensure that the auditing firm has the capability

to manage the audit effectively and efficiently, taking into account the Company's size and complexity, while also ensuring independence, avoiding conflicts of interest, and having a strong and qualified audit partner and team.

Next are the details and analyses of the external audit fees and other service charges incurred by the Company during the year 2025:

Name of the audit company	Dr. Mohammed Al-Omari & Partners
Name of the partner auditor	Jihad Mohammed Al-Omari
Number of years spent as an external auditor for the Company	5 years
Number of years the auditor partner has spent auditing the Company's accounts	5 years
The total value of the audit fees for 2025 (in Saudi riyals and US dollars)	1,085,000 Saudi Riyals (US\$289,333)
Details and nature of other services provided by the Company's auditor (if any). In the absence of other services, this must be explicitly stated	N/A
The amount of fees and costs incurred for other special services other than the audit of the 2025 financial statements (in AED and USD), if any	N/A
A statement of other services provided by any external auditor other than the Company's auditor during 2025 (if any)	Auditor's Name: PwC Services Provided: Zakat and Income Tax Auditor's Name: Abdullah Hammad Al-Hadithi Professional Services Services Provided: Expected Credit Loss, Actuarial End of Service, and Transfer Pricing

Dr. Mohammed Al-Omri and Partners issued an unqualified opinion on the annual financial statements for the year ended December 31, 2025, with no remarks or reservations.

## Approval of Internal Controls and Other Disclosures

- The statutory auditor has no reservations regarding the annual financial statements.
- The Board did not recommend replacing the statutory auditor before the end of their term.
- The Board did not recommend replacing the external auditor before the end of their term.
- There are no conflicts between the recommendations of the Audit Committee and the decisions of the Board of Directors regarding the appointment or dismissal of the Company's auditor, the determination of their fees, performance evaluation, or the appointment of the internal auditor, nor with the justifications provided for these recommendations.
- There are no discrepancies from the accounting standards adopted by the Saudi Organization for Chartered Accountants.
- No shares or debt instruments have been issued by subsidiary companies.
- The Company confirms that there are no interests in the class of voting shares belonging to individuals (other than members of the Company's Board and senior executives and their relatives), and the Company has not been informed of such rights under Article 85 of the Rules on the Offer of Securities and Continuing Obligations.
- There are no contractual interests or financial securities, subscription rights concerning the members of the Board, senior executives, or their relatives (spouses and minor children) in the Company's shares or debt instruments or any of its branches, except for the Chairman of the Board and the Managing Director/CEO, as disclosed in this report.

- There are no categories or number of convertible debt instruments or any contractual securities, subscription rights, or similar rights issued or granted by the Company during the financial year.
- There are no conversion or subscription rights under convertible debt instruments or contractual securities or subscription rights issued or granted by the Company.
- There has been no refund, purchase, or cancellation by the Company or its subsidiaries of any redeemable debt instruments, nor on the remaining value of securities.
- No member of the Board engages in any business that competes with the Company or any of its branches that are currently operated or were previously operated.
- No shareholder has waived any rights to dividends.
- None of the members of the Board of Directors or senior executives has waived their remuneration.
- There are no investments or reserves established for the benefit of the Company's employees.

## Board of Directors' Declarations

1. The accounting records are properly prepared.
2. The internal control system is well established and effectively implemented.
3. There is no doubt about the Company's ability to continue operating.





# RISK MANAGEMENT AND INTERNAL CONTROL

## Foundation of Resilience. Framework of Protection.

Al Majed for Oud approaches risk management and internal control as a strategic capability that supports stability, resilience, and sustainable expansion. Through structured identification, assessment, and mitigation of key risks, the Company strengthens its ability to navigate market dynamics, operational complexity, and regulatory requirements.

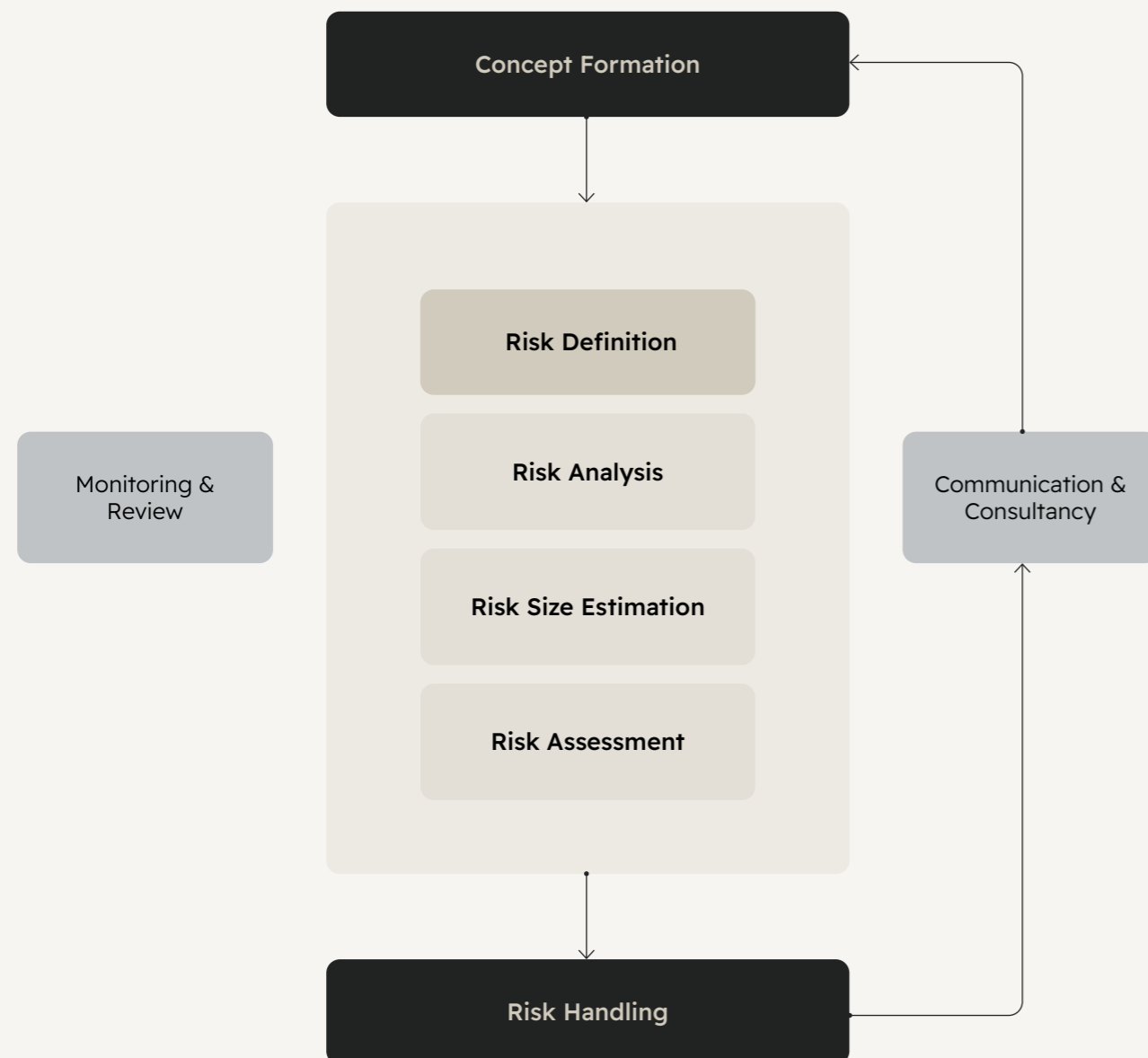


# Risk Management

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. We strive to develop a culture of risk awareness among all stakeholders, nurturing ownership towards managing these risks. The Company is continually working to strengthen internal monitoring and implement corporate governance controls with maximum transparency. In doing so, we focus on the following key themes:

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

The Company aims to enhance its risk management capabilities, ensuring a balance between its strategic objectives, preservation of its value chain, and sustainability, through the use of 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

Strategic risks refer to those risks that could impact a company's ability to achieve its long-term goals and maximize shareholder value. The company manages these risks through a comprehensive framework for strategic risk management, which includes regular reviews of strategic plans and analyses of the competitive and economic environment to ensure that decisions align with market trends and sustainable growth requirements.

These risks encompass the potential loss of market share or delays in keeping up with modern trends due to inadequate market analysis or a failure to foresee expansion and investment opportunities. Additionally, there are risks related to unclear strategic vision or the absence of approved growth plans with well-defined objectives from senior management, which could negatively affect the achievement of sustainable, long-term returns for shareholders.

To mitigate these risks, the company emphasizes data-driven strategic planning, conducts periodic market studies, and evaluates investment and expansion opportunities using established methodologies. Furthermore, it reviews and approves strategic plans by the board of directors and monitors associated performance indicators to ensure sustainable growth and maximize shareholder value.

### 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.

## 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.

	December 31, 2025	December 31, 2024	December 31, 2023 (adjusted)
Cash and Cash Equivalents	233,181,565	29,122,641	51,472,501
Trade Receivables	5,255,072	5,898,864	9,336,001
Due from Related Parties	0	6,746,583	2,268,297
Prepayments and other debit balances	13,255,419	12,244,191	11,437,963
<b>Total</b>	<b>251,692,056</b>	<b>54,012,279</b>	<b>74,514,762</b>

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



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:

### 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, 2025	Less than a year	Over 1 year	Total
Trade payables	27,305,795		27,305,795
Payables and other credit balances	53,211,232		53,211,232
Lease liabilities	97,246,548	132,920,078	230,166,626

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
Due from Related Parties			
Lease liabilities	93,282,636	165,206,573	258,489,209
Loans			

## Compliance Risk

Compliance risks refer to the potential consequences that a company may face, including regulatory, financial, or reputational impacts, as a result of failing to adhere to laws and regulations issued by relevant governmental and regulatory bodies. This encompasses disclosure requirements, adherence to professional and accounting standards set forth by the Saudi Organization for Certified Public Accountants, compliance with directives from the Ministry of Commerce, the General Authority of Zakat and Tax, and Customs, along with other pertinent regulations. It also includes regulatory obligations specific to listed companies concerning governance, disclosure, and transparency as mandated by the Capital Market Authority.

These risks involve the likelihood of facing regulatory violations due to inadequate compliance frameworks and policies, insufficient organizational awareness among employees leading to potential human errors, or breaches in intellectual property protection and copyright requirements which could result in legal and reputational repercussions.

The company is committed to mitigating these risks through regular reviews of its compliance records and related systems, strengthening governance structures and internal policies, and implementing training programs, workshops, and awareness campaigns aimed at enhancing the culture of compliance. This ensures that all regulatory and organizational requirements are met in a timely manner, thereby safeguarding the interests of the company and its shareholders.

## Marketing Risk

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 significantly impact a company's operations. Additionally, external economic factors beyond the company's control – such as consumers' borrowing capacity, interest rates, unemployment rates, wage levels, taxes, the cost of essential goods and services, and the partial or full removal of government subsidies for certain groups – can greatly influence consumer spending.

Furthermore, there are risks associated with poor sales performance or reduced cash collection efficiency due to a lack of technical tools or analytical reports that support accurate sales decisions, which may lead to declines in revenue and cash flows.

Operational risks also include the possibility of disruptions in supply chains or production caused by reliance on a limited number of suppliers, international shipping delays, or shortages of essential components related to the company's activities in the fragrance and retail sector. This includes items such as aromatic oils, medical alcohol, packaging materials, bottles, pumps, and caps – all of which could affect the timely availability of products and the continuity of operations.

To mitigate these risks, the company is diversifying its suppliers, enhancing sales planning and analysis systems, monitoring operational performance indicators, and implementing controls to protect intellectual property rights and copyright. Additionally, it is committed to complying with all relevant laws, regulations, and guidelines, particularly those issued by the Capital Market Authority and other regulatory entities. The company also conducts regular reviews of its operational plans and supply chains while strengthening its internal control systems to ensure business continuity and operational efficiency, thereby protecting the interests of the company and its shareholders.

# Internal Control

The company adopts an integrated internal control system supervised by specialized and independent departments, which enhances the efficiency of internal controls and establishes the principles of governance and transparency. The Internal Audit Department is responsible for evaluating the effectiveness of the internal control system and reports directly to the Audit Committee and the board of directors, and administratively to the executive management, in order to maintain its independence and objectivity. The compliance department also monitors compliance with the relevant regulations, regulations and regulatory instructions, and submits its reports to the executive management, the Audit Committee and the board of directors when necessary, in accordance with the requirements of the regulatory authorities. These departments work in an integrated manner to enhance the control environment, improve the efficiency of operations, support the achievement of the company's strategic goals and protect the interests of shareholders and stakeholders., please refer to the section [Audit Committee Report](#).

## First: In field of risk management

The Internal Audit Department defines the scope of the audit to encompass all relevant sectors, departments, and business units to ensure a comprehensive evaluation. This includes understanding the nature of each department's activities and their operational processes to form a clear picture of the control environment and governance requirements. The department also reviews the company's approved risk register and verifies the reasonableness of the risk assessments based on the methodology of (likelihood x impact). An annual risk-based audit plan is then prepared, outlining the priorities and scope of the audit work in accordance with the level of risks and the significance of the activities involved. The department executes the approved audit plan according to the specified timelines and submits its reports to the Audit Committee and the Board of Directors. Additionally, it provides consulting

support in risk management workshops to offer technical insights and enhance the maturity of the risk management framework without compromising the independence of the audit process.

The Compliance and Compliance Department supports the work of the Internal Audit Department in the field of risk management by identifying and monitoring non-compliance risks, reviewing the conformity of policies and procedures with relevant regulatory systems, rules and instructions, especially the requirements of the Capital Market Authority and other regulatory bodies, in addition to updating the compliance register and relevant legislation, and implementing awareness and training programs to raise the level of organizational awareness among departments, thereby enhancing the effectiveness of the risk management and internal control system without affecting the independence of internal audit.

## Second: In the field of the internal control system

The internal audit department evaluates the design and effectiveness of the internal control system and tests the efficiency of its application, verifying the adequacy of controls to cover business, financial, operational and compliance risks, including compliance with regulations and instructions issued by regulators, in particular the requirements of the Capital Market Authority. It also identifies deficiencies and weaknesses in controls, provides applicable improvement recommendations, follows up the implementation of corrective action plans with the concerned departments and submits periodic reports on them to the audit committee to ensure the strengthening of the control environment and achieve continuous improvement.

The compliance department contributes to supporting the internal control system by reviewing the compatibility of policies and procedures with the relevant regulations, regulations and regulatory instructions, following up on the implementation of compliance controls, updating the compliance register, monitoring any cases of non-compliance or systemic deficiencies, and submitting the necessary reports and recommendations to the executive management, in a way that enhances the effectiveness of the internal control system and complements the work of the Internal Audit Department without affecting its independence.

## Internal Audit Manager Role and Responsibilities

- Lead and develop the enterprise internal audit strategy and roadmap aligned with the organization's overall strategic objectives.
- Develop and execute the annual risk-based internal audit plan, including defining scope, priorities, and resource allocation.
- Oversee the execution of internal audit engagements and ensure compliance with professional standards, policies, and regulatory requirements.
- Review, approve, and present key audit findings and internal control reports to senior management and relevant stakeholders.
- Monitor the implementation of corrective action plans and ensure timely resolution of audit observations across departments.
- Strengthening governance, risk management, and internal control frameworks to safeguard organizational assets and minimize financial and operational risks.
- Coordinate with external auditors, regulators, and business leaders to ensure alignment, transparency, and effective audit coverage.
- Identify opportunities for operational efficiency, cost optimization, and process improvements based on audit insights.
- Manage the internal audit department budget, resources, and performance to ensure effective and value-riven operations.
- Lead, develop, and coach the internal audit team by setting clear objectives, evaluating performance, and fostering a high-performance and ethical culture.

## Compliance Manager Role and Responsibilities

- Develop and implement the corporate compliance framework in alignment with capital market regulations of the Saudi Exchange (Tadawul) and other applicable regulators.
- Ensure full compliance with disclosure, transparency, corporate governance, and reporting obligations for publicly listed companies.
- Monitor regulatory changes and assess their impact on the organization, ensuring timely updates to policies, procedures, and controls.
- Oversee compliance risk assessments.
- Coordinate with internal audit, legal, risk management, and external regulators during reviews, inspections, and investigations.
- Verify for the submission of regulatory filings, announcements, and compliance certifications within required timelines.
- Investigate compliance breaches, whistleblowing cases, and ethical violations, ensuring proper documentation and corrective actions.
- Deliver compliance awareness programs and training employees, executives, and board members to strengthen governance culture.
- Prepare periodic compliance reports for senior management, executive committees, and the Board/Audit Committee.



# SUSTAINABILITY REVIEW

## A Culture of Integrity. A Journey of Impact.

Al Majed for Oud's journey is guided not only by heritage and craftsmanship, but also by a lasting commitment to responsible progress. Sustainability is embedded in the Company's operations through the development of local talent, meaningful community support, responsible sourcing, and strong governance practices aligned with the values of Saudi Vision 2030.



**45**  
community-support initiatives implemented in 2025

**ﷲ 25.4 million**  
spent on local suppliers

**48%**  
Saudi nationals in the Company's workforce in Saudi Arabia

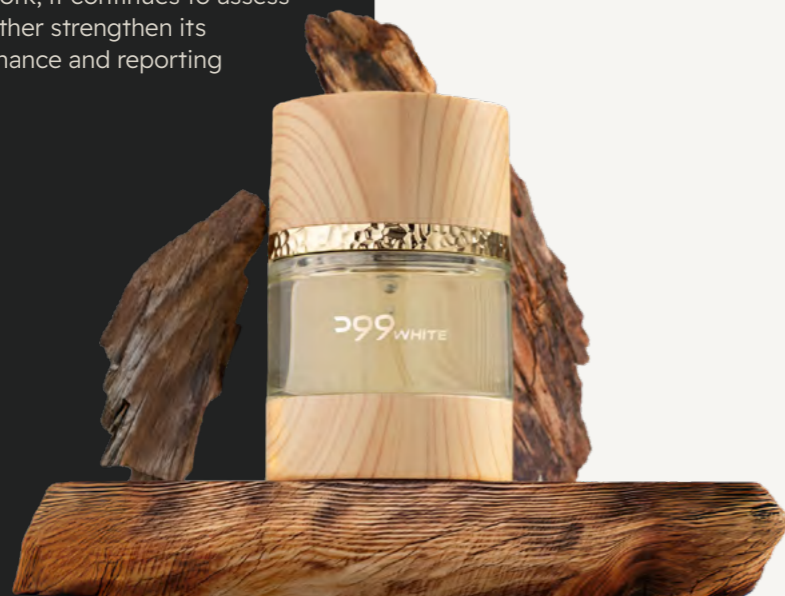
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# Sustainability Approach

Al Majed for Oud's sustainability approach is structured around three core areas of focus that reflect the Company's business model, stakeholder priorities, and long-term value creation objectives.

1. Recruitment, development, and retention of local talent, with a strong emphasis on Saudization, targeted training programs, and the creation of a stable, inclusive, and performance-driven work environment.
2. Development of sustainable supply chains, integrating responsible sourcing practices, environmental and quality management systems, and operational efficiencies across manufacturing, supply chain, and retail activities.
3. A positive and measurable impact on the communities in which Al Majed for Oud operates through structured social responsibility initiatives, charitable activities, and community engagement programs aligned with national priorities.

Oversight of sustainability-related impacts, risks, and opportunities is delegated to the Company's leadership. Sustainability topics are monitored at the executive management level in coordination with relevant departments. While the Company does not currently have a dedicated sustainability committee or formal ESG governance framework, it continues to assess opportunities to further strengthen its sustainability governance and reporting practices.



## Stakeholder Engagement

Engaging with stakeholders is central to Al Majed for Oud's sustainability approach. The Company maintains structured engagement with key stakeholder groups, including:

- Shareholders and investors
- Employees
- Customers
- Suppliers and business partners
- Local communities
- Regulators and public institutions

Stakeholder engagement is supported through ongoing interaction with customers across the Company's retail network and online platforms, employee engagement initiatives, internal communication programs, and structured cooperation with charitable and community institutions. The Company also engages with suppliers through procurement and quality assurance processes, including contractual agreements, product specifications, and compliance requirements. As a listed company, Al Majed for Oud maintains regular engagement with shareholders and the investment community through public disclosures and investor communications, ensuring compliance with regulatory requirements and supporting timely, accurate reporting.

## Alignment with Saudi Vision 2030 and the UN Sustainable Development Goals

Al Majed for Oud's sustainability strategy is aligned with national development priorities and the global sustainability agenda. The Company actively supports the goals of Saudi Vision 2030, particularly in localization, job creation, private-sector development, and environmental stewardship.

In parallel, the Company maps its sustainability initiatives against relevant United Nations Sustainable Development Goals (SDGs) to ensure coherence and global comparability.

→ Saudi Vision 2030 Theme	→ Objectives	→ Relevant UN SDGs	→ Relevant report sections
<p><b>A Vibrant Society</b></p>	<ul style="list-style-type: none"> <li>• Foster Islamic values and national identity</li> <li>• Enhance cultural and entertainment opportunities</li> <li>• Promote healthy lifestyles</li> <li>• Develop environmental sustainability</li> </ul>		<ul style="list-style-type: none"> <li>• <a href="#">Community Impact</a></li> <li>• <a href="#">Our Products</a></li> <li>• <a href="#">Environmental Stewardship</a></li> <li>• <a href="#">Our Employees</a></li> </ul>
<p><b>A Thriving Economy</b></p>	<ul style="list-style-type: none"> <li>• Develop non-oil sectors</li> <li>• Boost the private sector and SMEs</li> <li>• Enhance labor market participation</li> <li>• Develop digital infrastructure</li> </ul>		<ul style="list-style-type: none"> <li>• <a href="#">Business Model</a></li> <li>• <a href="#">Investment Case</a></li> <li>• <a href="#">Strategy</a></li> <li>• <a href="#">Our Products</a></li> <li>• <a href="#">Omnichannel Sales</a></li> <li>• <a href="#">Responsible Supply Chain</a></li> <li>• <a href="#">Our Employees</a></li> <li>• <a href="#">Digital Transformation</a></li> </ul>
<p><b>An Ambitious Nation</b></p>	<ul style="list-style-type: none"> <li>• Empower the non-profit sector</li> <li>• Encourage volunteering</li> </ul>		<ul style="list-style-type: none"> <li>• <a href="#">Community Impact</a></li> </ul>

# Environmental Stewardship

Al Majed for Oud manages its environmental impact through compliance-driven operations, responsible resource use, energy efficiency, and continuous improvement across manufacturing, warehousing, and distribution.

The Company's operations are managed to prevent environmental harm and ensure compliance with applicable regulatory and permitting requirements. These include municipal requirements for retail branches, Ministry of Industry and Saudi Authority for Industrial Cities and Technology Zones (MODON) requirements for manufacturing and warehousing operations, the Saudi Food and Drug Authority (SFDA) requirements, and environmental survey requirements.

Environmental considerations around energy efficiency, waste, water, and the circular economy are embedded in the Company's daily operations

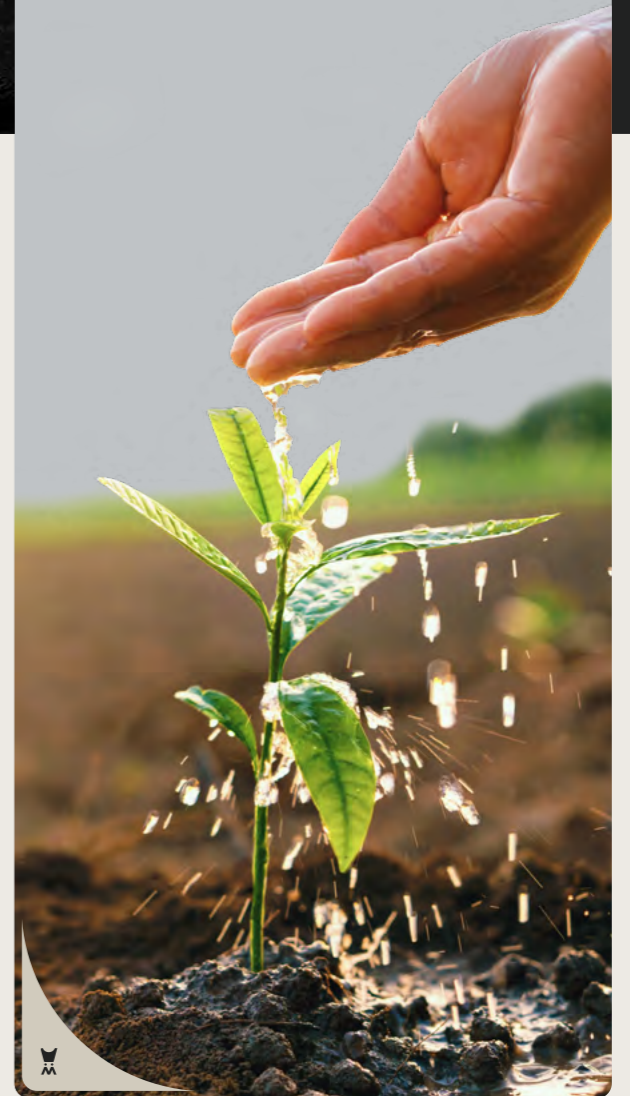
and supported by internal procedures and external partnerships. Our ambition is to boost operational efficiency, improve environmental sustainability, and reduce costs while maintaining product quality.

To further strengthen its environmental governance framework, Al Majed for Oud is implementing an ISO 14001 Environmental Management System. This system is intended to formalize environmental risk identification, monitoring, and performance improvement across the Group, supporting a more structured and auditable approach to environmental management.



## Tree-Planting Program in Partnership with MODON

Al Majed for Oud launched a tree-planting initiative in collaboration with the Saudi Authority for Industrial Cities and Technology Zones (MODON), aimed at planting trees around its factory and warehouses to support vegetation preservation and enhance environmental sustainability in the industrial area. The initiative contributes to improving the surrounding environmental quality and reducing the operational environmental footprint, in line with the Company's commitment to environmental responsibility and the objectives of Saudi Vision 2030.



## Greenhouse Gas Emissions and Energy Consumption

The Company addresses climate change by focusing on energy efficiency and operational improvements, without formally established quantitative targets at this stage, while considering future initiatives, such as engaging solar energy providers to evaluate potential implementation at the factory.

Energy use across the Group's manufacturing facilities, warehouses, logistics operations, and retail network accounts for the majority of indirect GHG emissions, while direct emissions arise from on-site operations and owned logistics assets. The Company confirms that its factory does not emit prohibited gases during production.

In 2025, total electricity consumption increased by 15.8% in line with the operational growth. During 2025, the Company focused on improving energy efficiency and reducing energy consumption as part of its broader operational improvement efforts. In 2026, we plan to enhance energy efficiency by developing energy conservation guidelines and assessing additional initiatives, including potential opportunities for renewable energy use.

Electricity consumption, MWh



## Water Management

Al Majed for Oud recognizes the importance of responsible water use, particularly as its operations are located in regions facing increasing water stress. The Company is committed to managing water consumption responsibly across its facilities, focusing on manufacturing process efficiency, routine monitoring, and practical measures to reduce unnecessary use.

Water consumption, m<sup>3</sup>

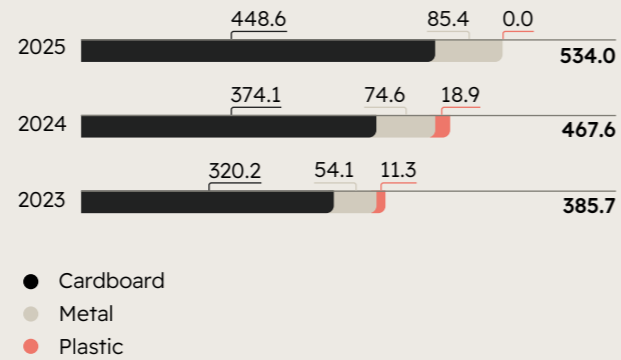


## Waste Management

Waste management is a key component of AI Majed for Oud's environmental responsibility. The Company has contracts with specialized service providers to handle solid and liquid waste, ensuring compliance with environmental regulations and internal standards.

The main types of waste generated include production, packaging, and general operational waste. Key recycling and reuse initiatives include partnering with specialized recycling companies for cardboard, metals, and wood, as well as improving waste separation practices and encouraging reuse where feasible across operations. In 2025, the total amount of waste recycled and reused increased by 14.2%.

Waste recycled and reused, t



## Sustainable Sourcing and Packaging

AI Majed for Oud recognizes that the environmental impact of its products extends beyond manufacturing operations to include the sourcing of raw materials and the design and use of packaging. As such, the Company's environmental approach encompasses both responsible sourcing practices and packaging optimization, aligned with product quality requirements and operational efficiency.

The Company relies on a comprehensive sourcing and procurement strategy based on reliable global sources and strategic partnerships with leading suppliers specializing in the manufacture of essential perfumes and fragrance ingredients, including essential oils and aroma compounds. Where feasible, these partnerships prioritize suppliers that apply

sustainable practices and comply with applicable quality, safety, and environmental standards. This diversified sourcing model supports supply continuity, product consistency, and risk mitigation across the value chain.

Packaging plays an important role in ensuring product quality and protecting product integrity across the Company's retail and distribution network. AI Majed for Oud continues to assess packaging specifications to ensure compliance with product safety and regulatory requirements and to optimize operational efficiency.

Learn more in the ["Resilience Supply Chain"](#) section



# Social Value Creation

Al Majed for Oud creates social value by investing in local talent, supporting community well-being through structured corporate social responsibility (CSR) initiatives, and building trusted partnerships that advance national priorities.

Social initiatives are implemented in a structured manner to ensure alignment with national priorities, particularly Saudi Vision 2030 objectives related to quality of life and community engagement. The Company's social

investments are guided by a clear objective: to deliver tangible, measurable community impact while supporting the Company's role as a responsible corporate citizen and a trusted national brand.

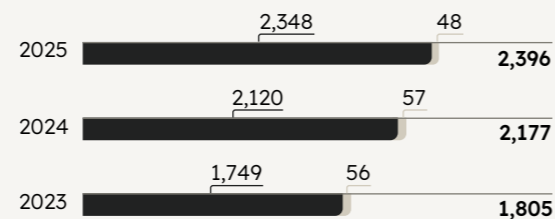


## Our Employees

Employees remain central to Al Majed for Oud's operational performance and long-term competitiveness. The Company's human capital strategy focuses on building a stable, capable, and motivated workforce.

In 2025, our employee headcount increased by 10.1%, to 2,396 people, in line with the Company's expanding operations. Our workforce is primarily young, with employees under 30 constituting 58% of the total in 2025. This reflects our commitment to fostering a dynamic and innovative environment that harnesses the energy and fresh perspectives of younger generations.

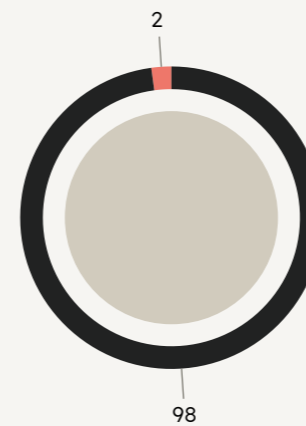
### Employee headcount



- Men
- Women

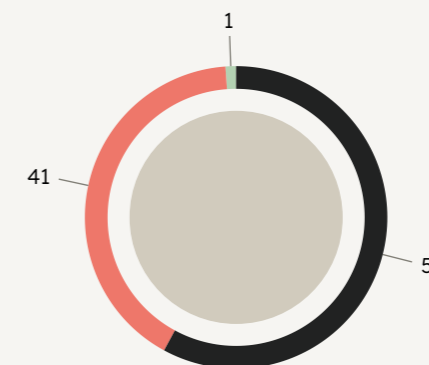
### Employee composition in 2025

#### By gender, %



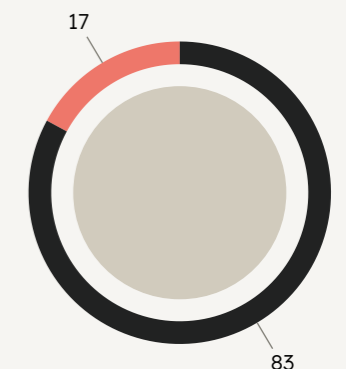
- Men
- Women

#### By age, %



- Under 30
- 31-50
- Over 50

#### By location, %



- KSA
- GCC



# 2,396

employees in 2025<sup>1</sup> (+10.1%)

<sup>1</sup> As of December 31, 2025.

## Localization

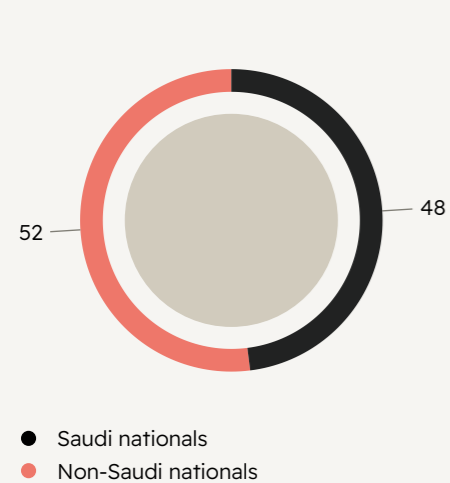
Al Majed for Oud is dedicated to employing a local workforce whenever feasible, based on local conditions and the availability of skilled personnel. In Saudi Arabia, the Company follows a structured Saudization approach, focusing on recruiting and developing national talent across divisions and organizational levels.

In 2025, the number of Saudi employees increased by 2.3%, to 953. These employees now account for 48% of Saudi Arabia's total workforce. By prioritizing sustainable localization, the Company has achieved and maintained a Platinum rating in the Nitaqat program across all its branches.

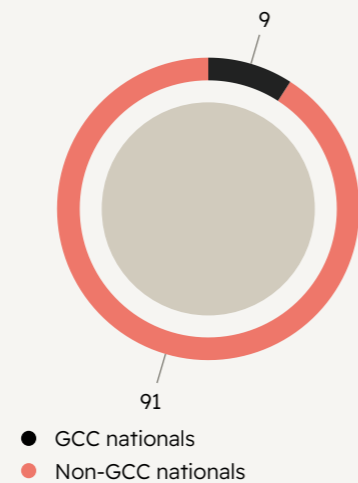
### Platinum Nitaqat classification

In GCC countries, the percentage of local employees is significantly lower than that of expatriates, due to region-specific factors. The Company is focusing on increasing local employment through a structured hiring approach. In 2025, the number of local employees in the GCC countries increased 2.4-fold, and they now account for 9% of the region's workforce.

Employee composition in Saudi Arabia, %



Employee composition in the GCC countries, %



## Training and Development

In 2025, the Company accelerated Saudi talent development through targeted training initiatives, including Program 60 for the sales workforce, designed to strengthen skills and prepare employees for increased responsibilities and career progression. Training programs covered topics such as AI, strategic planning, emotional intelligence, decision-making, problem-solving in management, conflict resolution, and effective communication. In addition, the Company provided training and development opportunities to 40 trainees across various departments in 2025.

As a result of the 2025 training and performance assessment, Al Majed for Oud promoted 20 Saudi employees internally across key functions, including sales operations, public relations, legal affairs, customer service, social media management, and more. Additionally, the Company implemented salary increases and promoted Saudi talent to several key administrative leadership positions.



# 430

Saudi employees trained in 2025

## Employee Benefits and Well-Being

Al Majed for Oud remains committed to supporting employee well-being through competitive benefits and workplace initiatives that enhance job satisfaction and long-term retention.

The Company provides comprehensive medical insurance coverage and accommodation or housing allowances for employees. In line with applicable labor laws and regulations, employee benefits include end-of-service benefits, family medical

insurance coverage, annual leave, bereavement leave, maternity leave, paternity leave, sick leave, and marriage leave. The Company also promotes work-life balance through structured working hours and leave policies, particularly in corporate and administrative functions. Employees are also offered special discounts throughout the year and are entitled to free legal consultations provided by the Legal Department.

## Employee Engagement, Culture, and Internal Communication

Al Majed for Oud strives to create a dynamic and supportive workplace by adopting an integrated approach that promotes job stability and actively engages employees through social and cultural initiatives throughout the year. These efforts contribute to improved employee satisfaction, stronger teamwork, and enhanced productivity.



# 150

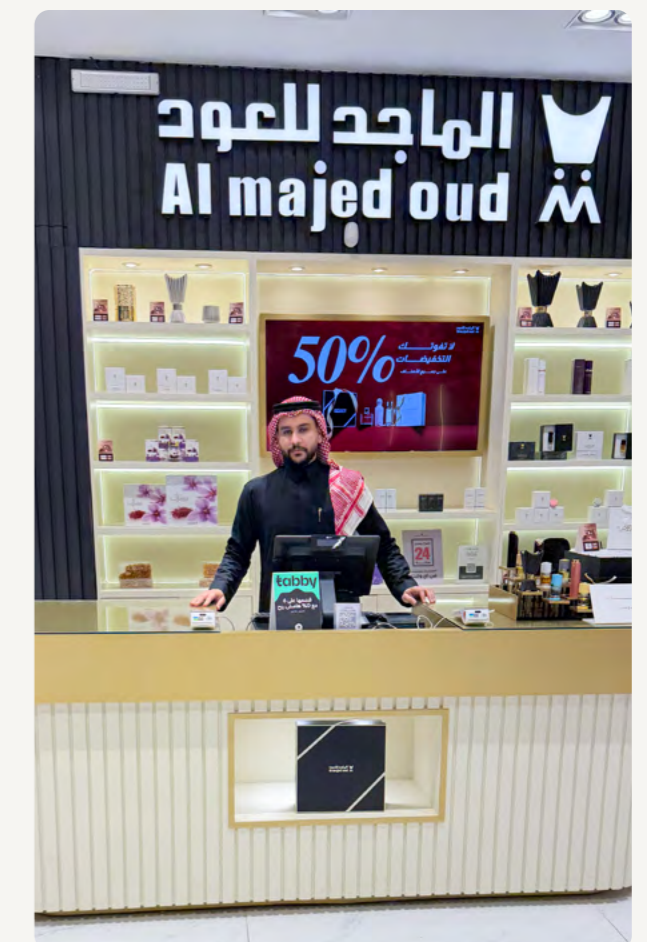
internal events conducted in 2025  
(2.7x more than in 2024)

In 2025, the Company hosted a range of internal events and activities, including:

- Celebrating Saudi Founding Day.
- Organizing Ramadan gatherings.
- Commemorating the Saudi National Day through workplace initiatives and cultural activities.
- Conducting employee events to strengthen interaction and teamwork.
- Providing internal updates and communication through structured email announcements.

Employee satisfaction is assessed primarily through an annual company-wide engagement survey, supplemented by targeted pulse surveys conducted during the year. Surveys are administered anonymously to encourage candid feedback and typically cover key areas such as leadership effectiveness, work environment, workload, career development, and overall engagement.

Survey outcomes support continuous improvement by helping the Company identify strengths – such as collaboration and alignment with corporate values – as well as areas requiring further development, including career progression and workload balance in certain functions. Insights from survey results have informed actions, including enhancements to learning and development programs, improvements in internal communication practices, and targeted managerial training.



## Health and Safety

Health and safety remain a key operational priority, particularly across the Company's manufacturing and logistics operations. AI Majed for Oud maintains an occupational health and safety management approach designed to prevent workplace injuries and ensure safe working conditions.

The Company delivers continuous occupational safety training programs to raise awareness of workplace hazards and ensure safe equipment usage. It also provides personal protective equipment (PPE) and applies safety-focused factory management practices. The Company manages health and safety through collaboration with specialized service providers, including Al Safi for Safety, to support compliance with occupational health and safety standards and applicable regulations.

AI Majed for Oud has been increasing its health and safety investment annually to ensure safe working conditions. In 2025, this investment increased by 73.3%, to ₪ 73,945. Our efforts resulted in zero recordable injuries in 2025.

### Total health and safety expenses, ₪

2025	73,945
2024	42,661
2023	20,261

**Zero**  
recordable injuries in 2025



## Community Impact

AI Majed for Oud considers community engagement an integral part of its sustainability approach and long-term value creation model. The Company's community initiatives are designed to deliver meaningful social impact while strengthening stakeholder trust, reinforcing institutional reputation, and supporting the objectives of Saudi Vision 2030 – particularly in the areas of quality of life, social development, and cultural values.

During 2025, the Company implemented a comprehensive Corporate Social Responsibility (CSR) program through its Public Relations Department. The program focuses on healthcare support, charitable partnerships, religious and cultural community engagement, and participation in national occasions and public events. Its key activities are designed to support communities and vulnerable groups, with a particular focus on improving the quality of life and fostering social solidarity. In 2025, the key beneficiaries of the Company's CSR initiatives included:

- Hospital inpatients
- Senior individuals
- Children and foster families
- Underprivileged families
- People with disabilities
- Community institutions and non-profit organizations

**45**  
initiatives implemented in 2025

**14**  
hospitals and **17** charitable organizations supported

**₪ 46,000**  
total CSR spending

### Supporting Healthcare Institutions

In 2025, AI Majed for Oud distributed gifts and fragrance products to inpatients across 14 hospitals in Saudi Arabia, including Al-Shumaisi Hospital, Prince Mohammed bin Abdulaziz Hospital, and King Khalid University Hospital. The initiative aimed to support patients' morale and foster a more positive, supportive hospital environment.



## Charitable Activities and Long-Term Partnerships

In 2025, Al Majed for Oud strengthened its charitable engagement through structured initiatives to generate sustainable social impact. A key milestone was the signing of a cooperation agreement with Al-Wedad Society for the Care of Orphans of Unknown Parentage. Under this agreement, Al Majed for Oud provided 130 gifts to foster families over the course of the year, supporting family well-being and contributing to children's social and psychological stability.

The Company also supported a group wedding-ceremony for people with disabilities in partnership with Hareek Charity Association, underscoring its commitment to inclusion and dignity.

Additional charitable initiatives included:

- Support for cancer survivors during Umrah in cooperation with Mut'aafi Association.
- Sponsoring the Zahra Breast Cancer Association through gift distribution and product showcasing.
- Participation in community weddings through gifting and ceremonial engagement.
- Distribution of perfumes at the charity bazaar organized by Kiswah Charity Association.
- Sponsorship of the Al-Saqfiyah team's participation in the Riyadh Marathon.
- Gifts on the Saudi National Day for DISCA Initiative for Down Syndrome.
- Sponsorship of the opening of Ronoq Women's Association for Humanitarian Services in Al-Jouf.
- Visits to senior care-homes and distribution of gifts.



## Faith-Based Community Programs

As part of its community engagement efforts, Al Majed for Oud supported initiatives to strengthen the cultural and religious values across the Kingdom. In 2025, the Company provided appreciation gifts to support Qur'an memorization programs in collaboration with recognized educational and non-profit organizations, including Maknoon Association, Waqf Medad Al-Khair, Mutayaqqin Association, Rouh Educational Complex, and others.

In addition, the Company participated in the "Fawah" initiative, distributing products to more than 50 mosques and congregations in Khamis Mushait. The Company also distributed over 2,300 fragrance products across its branches throughout Saudi Arabia

to support mosque fragrance initiatives and contribute to a welcoming atmosphere for worshippers.

During Ramadan 2025, employees participated in volunteer initiatives, including preparing and distributing Iftar meals. The Company distributed more than 2,000 meals prepared by its employees to fasting individuals, contributing to social solidarity and community support during the Holy Month.



# 2,000

Iftar meals distributed in 2025

## Young Audience Engagement

As part of its broader community engagement and youth outreach efforts, Al Majed for Oud signed a one-year sponsorship agreement with one of the top three e-sports organizations in the region, starting from the end of 2025 through 2026, with an option to extend the partnership.

This initiative reflects the Company's commitment to engage with younger audiences and support Saudi Arabia's growing role in hosting international e-sports and video-gaming championships.



Learn more in the "[Omnichannel Sales](#)" section

# Resilience Supply Chain

Al Majed for Oud operates an integrated supply chain model that supports production, warehousing, and distribution across Saudi Arabia and internationally. The Company's supply chain approach is designed to ensure the consistent availability of high-quality raw materials, maintain product integrity across manufacturing and distribution, and strengthen procurement governance through structured supplier management practices.

In 2025, Al Majed for Oud maintained a broad supplier base, working with 73 international suppliers and 150 local suppliers and service providers, reflecting the Company's focus on diversification and continuity. International sourcing remains particularly important for key fragrance-related inputs, including essential oils, while local suppliers support operational needs and service requirements.

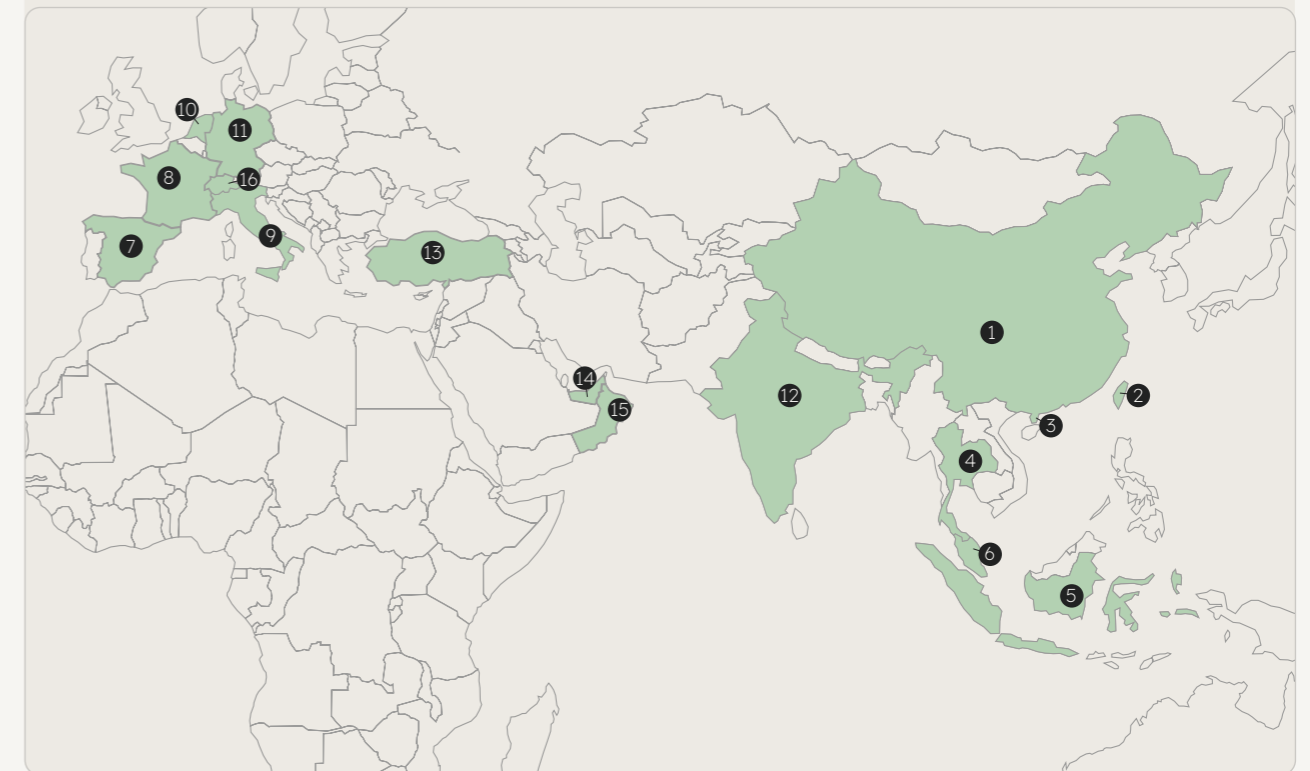
Distribution is managed through a combination of in-house fleet operations serving branches across the Kingdom and logistics partners supporting online deliveries within and outside Saudi Arabia. Procurement is based on a diversified global sourcing strategy and strategic partnerships with leading suppliers of fragrance ingredients and packaging materials across Asia, Europe, and the Middle East.

The Company relies on a diversified sourcing and procurement strategy supported by reliable global suppliers and strategic partnerships with leading companies specializing in fragrance ingredients and essential perfume materials. Supply chain planning is conducted through structured operational processes, including Sales and Operations Planning (S&OP), which enhances the Company's ability to align demand forecasting, production planning, and inventory management.

Maintaining high standards of quality and safety remains a core priority in procurement. From a purchasing perspective, quality controls are embedded within product development and procurement processes, including specifications, sampling, and approvals. Supplier relationships are governed through structured agreements that define key business requirements and operational expectations.

## Geography of supply

- |              |              |                 |                 |
|--------------|--------------|-----------------|-----------------|
| 1. China     | 5. Indonesia | 9. Italy        | 13. Turkey      |
| 2. Taiwan    | 6. Singapore | 10. Netherlands | 14. UAE         |
| 3. Hong Kong | 7. Spain     | 11. Germany     | 15. Oman        |
| 4. Thailand  | 8. France    | 12. India       | 16. Switzerland |



## Local Content

Al Majed for Oud supports local procurement as part of its broader economic contribution and alignment with Saudi Vision 2030 objectives. In 2025, procurement spending on local suppliers amounted to SAR 25.4 million, representing 8.3% of the total procurement budget. This reflects the Company's continued engagement with local suppliers while maintaining product quality and supply reliability across its manufacturing and retail network.

**SAR 25.4 million**  
spent on local suppliers in 2025

**8.3%**  
of local spending in the total procurement budget

**150**  
local suppliers

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**73**  
international suppliers in 2025

# Business Ethics

Strong ethical standards and compliance practices support transparency, accountability, and stakeholder trust across Al Majed for Oud's operations and supply chain.

Strong ethical standards and effective compliance practices are essential to maintaining stakeholder trust, protecting shareholder value, and supporting Al Majed for Oud's sustainable growth as a publicly listed company. The Company's governance approach emphasizes accountability, transparency, and responsible business conduct across all functions and operations. Department-specific policies and procedures are applied to ensure alignment with business ethics principles and

internal compliance requirements. These policies guide day-to-day operations and support consistent application of governance standards across the workplace.

Al Majed for Oud also maintains a Code of Conduct circulated to all employees. This supports awareness of expected behavior and reinforces a culture of ethical conduct across the workforce.

## Anti-Corruption and Anti-Bribery

Al Majed for Oud is committed to preventing corruption and bribery and maintaining high standards of integrity in its business relationships. The Company has an anti-corruption and anti-bribery framework.

To support transparency and accountability, the Company maintains a reporting mechanism that enables employees and stakeholders to raise concerns confidentially. Reporting is conducted through a dedicated link on the [Company's website](#) in accordance with the Compliance Department's procedures. The whistleblowing framework is designed to promote confidentiality and ensure that concerns related to misconduct, unethical behavior, or compliance violations can be escalated through appropriate channels.

## Continuous Strengthening of Compliance Practices

As part of its ongoing development as a listed company, Al Majed for Oud continues to strengthen its internal compliance environment by refining policies, reinforcing employee awareness, and ensuring that governance and ethical standards remain aligned with regulatory requirements and best practices.

The Company will continue to assess opportunities to enhance its ethics and compliance framework, supporting long-term stakeholder confidence and sustainable institutional performance.





# APPENDIX



GRI Content Index	148
Saudi Exchange (Tadawul) ESG Disclosure Themes	150



# GRI Content Index

**Statement of use** AI Majed for Oud Company SJSC has reported the information cited in this GRI content index for the period from January 1 to December 31, 2025, with reference to the GRI Standards.

**GRI 1 used** GRI 1: Foundation 2021

GRI standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-1 Organizational details	About the Report
	2-2 Entities included in the organization's sustainability reporting	About the Report
	2-3 Reporting period, frequency and contact point	About the Report
	2-6 Activities, value chain and other business relationships	<ul style="list-style-type: none"> <li>Company Overview</li> <li>Performance Review</li> </ul>
	2-7 Employees	Our Employees
	2-9 Governance structure and composition	<ul style="list-style-type: none"> <li>Governance Overview</li> <li>Board of Directors</li> </ul>
	2-10 Nomination and selection of the highest governance body	Board of Directors
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability Approach
	2-13 Delegation of responsibility for managing impacts	Sustainability Approach
	2-19 Remuneration policies	Remuneration
	2-20 Process to determine remuneration	Remuneration
	2-22 Statement on sustainable development strategy	Sustainability Approach
	2-23 Policy commitments	<ul style="list-style-type: none"> <li>Sustainability Approach</li> <li>Community Impact</li> <li>Business Ethics</li> </ul>
	2-24 Embedding policy commitments	<ul style="list-style-type: none"> <li>Sustainability Approach</li> <li>Environmental Stewardship</li> <li>Our Employees</li> <li>Community Impact</li> <li>Business Ethics</li> </ul>
	2-25 Processes to remediate negative impacts	Customer Experience
2-26 Mechanisms for seeking advice and raising concerns	Business Ethics	
2-27 Compliance with laws and regulations	Business Ethics	
2-29 Approach to stakeholder engagement	Stakeholder Engagement	
GRI 103: Energy 2025	103-2 Energy consumption and self-generation within the organization	Greenhouse Gas Emissions and Energy Consumption
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	Resilience Supply Chain

GRI standard	Disclosure	Location
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Resilience Supply Chain
GRI 303: Water and Effluents 2018	303-5 Water consumption	Water Management
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	Waste Management
	306-2 Management of significant waste-related impacts	Waste Management
	306-4 Waste diverted from disposal	Waste Management
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our Employees
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Health and Safety
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Our Employees
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Our Employees
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Community Impact
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	In 2025, the Company reported 0 data breaches or losses of customer data.



# Saudi Exchange (Tadawul) ESG Disclosure Themes

ESG	Themes	Key issues	Location
E	Natural Resources	Water Stress	Water Management
		Raw Material Sourcing	<ul style="list-style-type: none"> <li>• Sustainable Sourcing and Packaging</li> <li>• Resilience Supply Chain</li> </ul>
	Pollution and Waste	Packaging Material and Waste	<ul style="list-style-type: none"> <li>• Sustainable Sourcing and Packaging</li> <li>• Waste Management</li> </ul>
S	Human Capital	Labor Management	Our Employees
		Health and Safety	Health and Safety
		Human Capital Development	Our Employees
	Product Liability	Product Safety & Quality	Product Development
		Privacy and Data Security	Digital Transformation
G	Corporate Governance	Board	Board of Directors
		Tax Transparency	Financial Statements
		Pay	Remuneration
		Ownership & Control	Stakeholder Information
		Accounting	Financial Statements
	Corporate Behavior	Business Ethics	Business Ethics