

# Shared Horizons

Integrated Annual Report  
2025







## **Five Decades of Excellence. A Future of Sustainable Value.**

For fifty years, we have balanced a heritage of integrity with a commitment to national progress. As we mark this historic milestone, we continue to bridge our values with a bold sustainability agenda—leveraging a half-century of expertise to lead a new era of purposeful growth and enduring impact.

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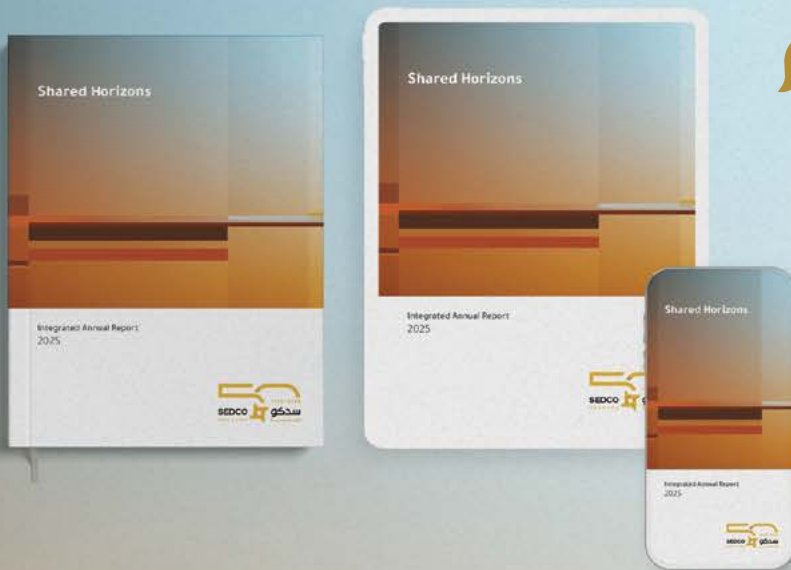
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# About the Report



2025

## OUR 2025 INTEGRATED REPORT

- Reports against Global Reporting Initiative (GRI) Sustainability Reporting Standards and SASB indicators.
- Aligns with International <IR> Framework and Tadawul ESG guidelines.
- Is progressing towards incorporation of CMA guidelines for governance disclosure.



We are pleased to present SEDCO Holding's Integrated Annual Report for the 12-month period from January 1 to December 31, 2025.

As we stand on the threshold of our 50th anniversary, this Report provides a comprehensive, transparent, and holistic review of our operational and sustainability performance over the past year.

This Report details how our transformative strategy, rigorous governance measures, and operational developments are creating enduring value for shareholders, partners, employees, and the Kingdom of Saudi Arabia.

As an active financial investor, SEDCO is committed to continuous improvement in corporate reporting and disclosure standards. We believe that transparent reporting is a fundamental component of our commitment to ethical stewardship and strengthening stakeholder trust.

Building upon the foundations of our previous integrated reports, our 2025 disclosures are guided by leading global and regional frameworks:

- Reported in accordance with the Global Reporting Initiative (GRI) Standards.
- Aligned with the International Integrated Reporting <IR> Framework.
- Structured in alignment with Tadawul ESG guidelines, and progressing toward incorporation of the Saudi Capital Market Authority (CMA) guidelines for governance disclosure.

SEDCO is committed to continuous improvement in corporate reporting and disclosure standards as part of our sustainability journey and our dedication to transparency and accountability. While this Report is not externally assured as yet, we are laying the necessary groundwork to seek independent external assurance for our corporate reports in the future.

**BUSINESS SYNERGIES**

Direct Investment Companies and Real Estates



**IMPACT**

Salem Bin Mahfouz Foundation (SBMF), Riyali Foundation, Rowad Program

(Sustainability review on pages 46 - 61 details achievements in 2025)

Portfolio of direct and real-estate investments across the Kingdom

(Investment review on pages 32 - 45 provides highlights of achievements in 2025)

**REPORTING SCOPE AND BOUNDARY**

The scope and boundary of this Report encompass SEDCO Holding's key strategies, daily operations, governance frameworks, and direct sustainability initiatives. Because our ethos is rooted in building prosperity for generations to come, where possible we also explore SEDCO's far-reaching, induced impact across the Saudi economy. Therefore, this Report includes:

- Our synergistic interactions with subsidiaries, affiliates, and partners.
- The indirect economic and social impact generated by our strategic Corporate and Real Estate Investment portfolio.
- Our robust community development contributions driven by our philanthropic and social arms: the Salem Bin Mahfouz Foundation (SBMF), the Riyali Foundation, and the Rowad Program.

**NAVIGATING THE REPORT**

To provide a clear and accurate view of our organizational strategies, performance, and progress, and ability to create value, the Report is structured into dedicated sections:

- **Strategic Direction:** Explores the strategy behind our transition to the role of an active financial investor, our strategic enablers, and performance against our strategic initiatives.
- **Investment Impact:** Provides a comprehensive review of our corporate and real estate investments, highlighting 2025 milestones.
- **Social and Environmental Impact:** Details our environmental and social strategies, programs, and impact.
- **Our Ethics:** Outlines our best-in-class corporate governance ecosystem, risk management protocols, and Shariah-compliance frameworks.

**COMMENTS AND FEEDBACK**

We view our corporate reporting as an ongoing dialogue with our stakeholders. We highly value your feedback on the structure, transparency, and content of this Report.

Please share your comments and inquiries with the SEDCO Corporate Communications and Sustainability team at: [communication@sedco.com](mailto:communication@sedco.com).

# Highlights

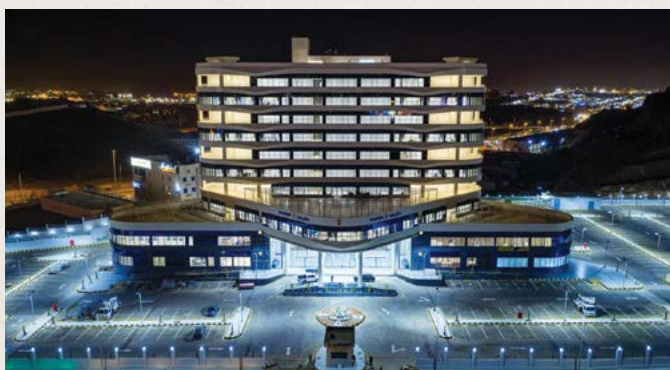
These highlights capture our annual progress, showcasing how our strategic investments translate into both value and impact

## Strategic Exit From Arabian Farms:

Executed a full exit in 2025. A divestment that aligns with our strategic mandate to reallocate capital toward core, high-growth sectors.

## Partial Exit From Nahdi:

Completed a partial exit in Q2 of 2025. A transaction that allows the Group to reduce portfolio concentration in a single asset and allow for redeployment in new investment and asset classes.



## Healthcare Diversification:

Converted an indirect private equity allocation into a direct co-investment in Baraya Extended Care, consistent with the strategic objective of increasing exposure as a financial investor.

## IPO Approval of AlAndalus Education Company:

Secured Tadawul and Capital Market Authority (CMA) approvals for the Initial Public Offering (IPO) of AlAndalus Education in Q4 2025.



## Launch of Sedal:

Completed a carve-out of the Group's RE functions to launch a wholly-owned, independent real assets arm that centralizes SEDCO's Real Estate Investment, Development, and Asset Management under a single, agile governance structure.



The RE Group has made considerable progress in its portfolio transformation through active investments and development engagements, including three mixed-use destinations in Jeddah and Riyadh, two masterplan subdivisions in Makkah and Riyadh, and multiple MOUs signed to develop mixed-use, industrial, and masterplan subdivisions across the Kingdom.



**Infrastructure Expansion through M&A:**

Acquired a 25% stake in Tamasuk Holding Company, officially marking SEDCO's strategic entry into the Saudi infrastructure sector to gain exposure on transformative projects under the National Center for Privatization (NCP) framework in alignment with Vision 2030.

**First Corporate Valuation:**

Successfully completed SEDCO Holding's first-ever corporate valuation in collaboration with a third-party advisor, enabling the execution of share trades in alignment with the Group's share-trade policy.



**National Award for Volunteering:**

Received the National Award for Volunteering, under the Entities Track - Support for Volunteering category for 2025, at the awards organized by the Ministry of Human Resources and Social Development.



**Ranked 11th Amongst Top Arab Family Businesses:**

The Company achieved 11th position in the 2025 ranking of the Top 100 Arab Family Businesses, announced by Forbes Middle East. The ranking reflects SEDCO's commitment to excellence and achievements in a number of criteria including diversifying investment, responsible governance, innovation, driving economic development, and commitment to transparency and governance.

# Executive Chairman's Statement



I warmly address you as we celebrate the 50th anniversary of the founding of SEDCO. For half a century, our foundations have remained steadfast, anchored in trust, shaped by purpose, and strengthened by people.

Every chapter has carried us forward, enabling us to imagine more and reach higher. Today, we do not simply welcome a new year, but we continue our journey with confidence for the next fifty years ahead.

As we honor this legacy started by our founder, the late Sheikh Salem Binmahfouz ("may Allah have mercy on his soul"), we also embrace the future. We have successfully evolved into an Active Strategic Financial Investor, a model that empowers our portfolio companies with greater autonomy while we sharpen our focus on governance and capital allocation. This strategic maturity allows us to begin our next 50 years with a bold step toward greater synergy in achieving our strategic goals.

2025 was a year of strategic wins and achievements that strengthened our portfolio and reputation. These include the massive expansion of SEDCO Capital's projects, the strategic deal to acquire 25% in Tamasuk, securing CMA approval for the listing of Al-Andalus Education, successfully completing the merger of our stake in Red Sea Mall with Dallah and acquiring 11.5% stake in Baraya Extended Care. In addition, we have strengthened our governance framework, policies and procedures to align with global best practices. We are on the path of sustainable growth, solidifying our position as a partner of choice in the Kingdom.

On behalf of our shareholders and Board of Directors, I thank the Custodian of the Two Holy Mosques; King Salman bin Abdulaziz Al Saud, The Crown Prince and Prime Minister; HRH Prince Mohammed bin Salman bin Abdulaziz and all government ministers for their counsel and guidance. I also gratefully acknowledge our executive team for their initiative and diligence as we explore new opportunities in line with our values that are in alignment with Vision 2030.

As we enter 2026, We affirm our commitment to our core values and institutional stability, while remaining diligent in adapting with market challenges. I look forward to celebrating SEDCO Holding's 50th anniversary with all of you as we realize our Shared Horizons.

**Yaser Binmahfouz**  
Executive Chairman

# Our Legacy of 50 Years

For nearly half a century, SEDCO Holding has stood as a partner in prosperity to the Kingdom's business community and a dedicated contributor to national development of Vision 2030.

Our investments have contributed to the nation's economic diversification through portfolio companies that have emerged as market leaders in sectors key to societal advancement; including healthcare, education, hospitality, travel and tourism, real estate, and asset management.

These successes were all founded on SEDCO's core value of sustainability. In addition, sustainability thinking guides how we act as a company, including our adherence to the highest standards of business ethics, integrity and transparency. These are key to generating lasting prosperity by having a tangible social impact on our teams, communities, and the nation as a whole.

## Origin and Foundations (1976-1996)

**1978**

Established Arabian Farms, through a strategic partnership. The company grew into a premier poultry producer in the GCC

**1981**

Establishment of AutoWorld. The company grew to be a pioneer in operational leasing and vehicle maintenance in the Kingdom.

**1987**

Development of Al Mahmal Center one of Jeddah's first modern malls, marking SEDCO's entry into real estate development.

Our story is inextricably linked to the vision of our founder, the late Sheikh Salem Ahmed Bin Mahfouz. A pioneer of the Saudi banking industry, Sheikh Salem founded National Commercial Bank (NCB), the Kingdom's first bank, in 1953.

In 1976, Sheikh Salem established SEDCO in Jeddah to manage the family's non-banking interests, initially focusing on trading and construction contracting. The company quickly made its mark on the local economy achieving significant milestones.

Following Sheikh Salem's passing in 1994, his heirs divested their interests in NCB to focus on transforming SEDCO. This period marked a pivotal shift from a traditional family business toward a diversified conglomerate. In 1996, the family formally organized SEDCO into a family office and investment holding company, setting the stage for institutionalization.



## Diversification and Development (1996-2021)

**1996**

Established Elaf Group, which became a leader in hospitality, travel, and religious tourism. Signalled SEDCO's entry into the hospitality, travel, and tourism sectors.

**1997**

Founding of Intimaa, provider of full-spectrum real estate services in Saudi Arabia.

**2003**

Acquisition of a 50% stake in Nahdi Medical Company. Through active partnership and strategic guidance, SEDCO helped transform Nahdi from a local chain into MENA's leading retail pharmacy network.

**2007**

Opening of the Red Sea Mall, Jeddah's premier retail destination.

**2009**

SEDCO Capital established as a stand-alone, regulated, asset manager, reputed for its policy of Prudent Ethical Investment.

**2017**

Entry into the education sector with acquisition of a 50% stake in Yusr International Schools (YIS).

**2018**

Opening of Hotel Galleria, a multi-award-winning hotel.

The defining characteristic of SEDCO's second phase was growing professionalization of operations and aggressive diversification of the portfolio.

Diversification into vital economic sectors came through founding, investing in, and nurturing Saudi businesses to become leaders in their respective industries.

Establishing a Board of Directors that included non-family members and developing a robust governance manual based on fairness, transparency, and accountability, our governance processes were recognized as best-in-class for the region.

## Transition to Financial Investor (2022-Present)

### 2022

**Nahdi IPO:** Overseeing partial exit of Nahdi Medical Company through an IPO that raised SAR 5.1 billion, marking the Kingdom's largest IPO since Aramco.

### 2023-2026

**Yusr Strategic Exit:** Executed a share-swap exchanging SEDCO's 100% ownership in Yusr for a minority stake in AIAndalus Education, the largest K12 educational group in the Western Province. Strategic partnering with Andalus with plans for AIAndalus to make an IPO by 2026.

### 2024

**AutoWorld and Budget Saudi:** Managing a strategic share-swap, whereby SEDCO exchanged a 100% stake in AutoWorld for a significant minority stake in Budget Saudi, creating a logistics and transportation giant in the region. These share-swap demonstrated a certain maturing of SEDCO's strategy, with more focus on its investment and portfolio.

### 2025

**Diversification into Infrastructure:** Acquired a 25% stake in Tamasuk, entering the infrastructure sector to support the Kingdom's development plans.

**Arabian Farms Exit:** Executed a full exit after supporting the company's regional scaling and operational growth over several years.

In 2022, we entered a new phase with the launch of a transformative strategy - marking a shift away from operational roles to become an active financial investor.

The strategic pivot resulted in a number of high-profile transactions that reshaped the company's portfolio.



## Community Influence and Impact



1996

**Salem Bin Mahfouz Foundation (SBMF):** The foundation continues the philanthropic legacy of the founder, focusing on education, civil society, and community development.



2022

**Rowad:** A program to empower Saudi entrepreneurs with the tools to scale their businesses.



2012

**Riyali:** Created as a financial literacy program that leverages SEDCO's extensive financial expertise. The programme has grown rapidly in scope to reach millions of Saudi youth with essential financial skills.

2023

Riyali becomes a licensed charitable foundation, with a new CEO appointed to build a dedicated team and take the program forward.



2017

**Badir:** Employee volunteering program that provides employees with opportunities to make a meaningful impact in society, beyond their designated roles.



2018

**Unbod:** Employee wellness program that fosters a holistic culture of health and wellness within the company.



2019

**Be'aty:** SEDCO's internal environmental program, launched to reduce environmental impact through sustainable workplace practices.

SEDCO's influence extends beyond financial involvement or returns; it is deeply embedded in the Kingdom's social fabric. Stemming from the philanthropic vision of our founder, SEDCO's commitment to society and the Kingdom has birthed a number of specialized foundations and programs.

We are a values-driven investor guided by stewardship, integrity, and a commitment to impactful partnerships. Our focus on Shariah-compliant investments, sustainability, and collaborative growth positions us as the partner of choice for those seeking prosperity across generations.

Our investments are aligned with Saudi Vision 2030, targeting priority sectors and high-growth opportunities.

Sustainability as a core value is reflected in our business ethics, integrity, transparency, and accountability.

## Our Vision

A leading investor driving prosperity for generations to come.

## Our Mission

To achieve maximum value through focused investments and partnerships in Shariah-compliant markets, while maintaining the highest corporate governance standards, and incorporating sustainability into initiatives driving economic and social impact.

## Our Values

**Stewardship:** We are responsible stewards of our shareholders' resources, balancing the risk-reward profile of our investments and adopting an investor mindset in everything we do.

**Integrity:** We will always act with courage and conviction as we strive, without exception, to do the right thing in line with our moral values.

**Partnership mindset:** We strive to be a partner of choice given our professionalism and commitment to mutually beneficial outcomes.

**People orientation:** We focus on our people, provide professional and career development opportunities, and reward effective performance.

**Impact:** We are guided by an overarching goal to create tangible impact and sustainable outcomes that have a positive impact on our country and local communities.

Today, SEDCO has grown to become a world-class institutional investor, with a reputation in Saudi Arabia and abroad as a skilled and best-in-class partner for prosperity.

Our work is shaped by an overarching goal to create tangible impact. Guided by stewardship and integrity, we function with a partnership-mindset within a people-oriented organizational framework.

We remain a family business, taking an approach to corporate governance designed to meet the unique needs of the family and ensuring we maintain SEDCO's founding values.

**02**  
Offices

**116**  
Employees

**50**  
Years of  
Experience

# Strategic Direction





SEDCO Holding formulated and launched a transformative LEAP strategy in 2022, marking a fundamental shift in the Company's business model and investment philosophy: setting in motion a transition from an operational, hands-on majority owner of businesses into an active financial investor.

# Strategic Review

Deployment of the LEAP strategy both compels and catalyzes our transformation, including a shift in investment approaches, business model, organizational structure, and governance frameworks.

## Business Strategy

We continue being dynamic and agile. Our evolution delivers a renewed business strategy, value framework and sense of purpose.

## Active Financial Investor

We bring an active financial investor mindset to everything we do, moving away from operational roles to explore new asset classes and strategic opportunities.

## World Class Investment Expertise

We have a strong track record, focusing on three pillars: domestic investments, domestic real estate, and international investments.

## Drive Sustainability to Enhance Prosperity

We aim to create tangible social impact and sustainable positive outcomes for our country and local communities.



## Performance-Driven Culture

We foster stewardship and teamwork as we create positive impact. We are collectively and individually accountable and committed to ethical business behavior.

## Strategic Contributor to KSA Vision 2030

We invest in selective and sustainable strategic opportunities which reinforce Saudi Vision 2030 and national economic development.

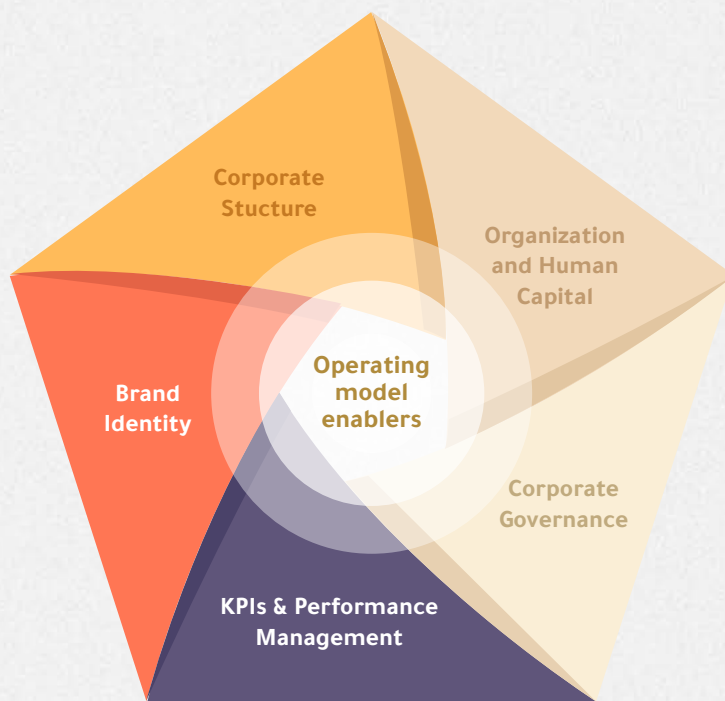
The strategy refines SEDCO's investment focus across two core pillars: Corporate Investments and Real Estate. We maintain a disciplined approach to capital allocation, strategically divesting non-core assets to fund promising new ventures. We are also expanding our investment horizons by exploring new asset classes and cultivating diversified portfolios that balance income generation with significant growth potential.

Unchanged is our role as a partner of choice: SEDCO is committed to creating shared value for all stakeholders. We leverage our significant industry experience, expertise, and resources to foster a legacy of successful Saudi businesses.



# Strategic Enablers

## EVOLVING OUR OPERATING MODEL FOR SUCCESS



### Corporate Structure

We have centralized our investment capabilities and introduced new roles.

Organizational changes are detailed in the Investment Review (page 32), and the Corporate Governance report (page 62).

### Organization and Human Capital

We continue to invest in our teams and reinforce capabilities.

Progress in human capital development is discussed under the section titled Our Team (page 28).

### Corporate Governance

Developments include Board review and approval of new policies, and strengthening of high-level governance functions, such as ERM.

Progress is detailed in the Corporate Governance report (page 62).

### KPIs and Performance Management

The Our Team section (page 28) explores how we are delivering on our key strategic priorities at an operational level, while cultivating a performance-driven culture.

### Brand Identity

SEDCO's brand strength continues to grow; reflected in new partnerships, investment opportunities, and recognition.

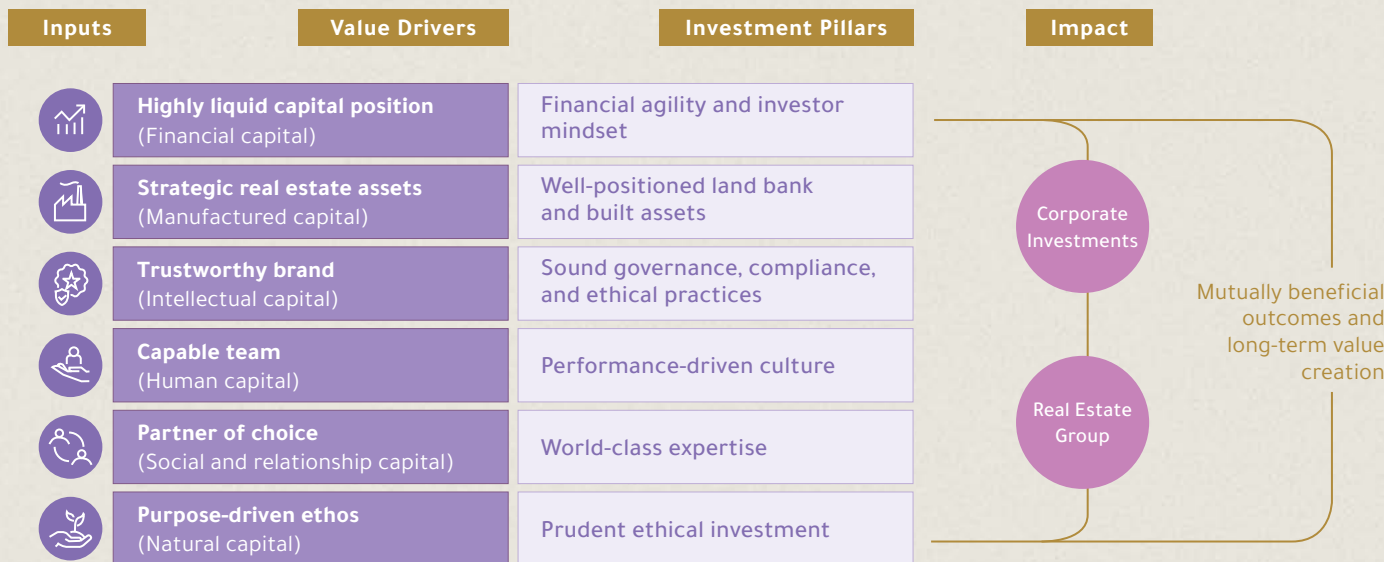
Key highlights, awards, and achievements are detailed on page 6.

### MEASURING OUR PROGRESS

The following summarizes progress made in 2025 against our major initiatives, which are aligned with our LEAP strategy.

	Initiative	Key objective	Status
<b>LEAP TO EVOLVE</b> Charting the future  Projects focused on strategies and policies.	Future Leaders	To identify and develop successors and high-potential talent, equipping them with the skills and resources to become tomorrow's leaders through assessments, coaching, and a personalized IDP. Assessments complete, and currently in the coaching phase.	Ongoing (40%)
	Entities Information Management System (EIMS)	To develop and establish an Entities Management System for the Custody Department. The system will maintain accurate records for subsidiaries, affiliates, and other legal entities within SEDCO's corporate structure.	Ongoing (80%)
	Enterprise Content Management (ECM)	To improve the document management processes within the company, enhancing efficiency and compliance, starting with the Finance and Legal departments.	Ongoing (90%)
	ZATCA E-Invoice	Developing an electronic invoicing technical solution in compliance with ZATCA's compliance regulations and timeline for different SEDCO companies. In total, 11 SEDCO entities will be added on a rolling basis in compliance with ZATCA's timetable.	Completed (100%)
	Workload Analysis	Identifying key opportunities for process improvement, resource realignment, and operational efficiency gains in support of our strategic shift. Successfully completed a comprehensive workload analysis.	Completed (100%)
<b>LEAP TO DELIVER</b> Gearing for excellence  Projects that require on-ground team and resource deployment.	Siwar Aljoud	Siwar Al Joud Project involves the master planning and subdivision of a large-scale site spanning approximately 1,241,360 m <sup>2</sup> in the Umm Al Joud area of Makkah. The site benefits from strong connectivity to key religious and transportation anchors, including Al-Haram, the Haramain Railway Station and MASAR development, as well as convenient regional access to Jeddah.	Ongoing (30%)
	SETE	SETE Project involves the development of a 92,061 m <sup>2</sup> site located on the northern side of Jeddah, strategically positioned near key landmarks and with connectivity to major routes linking Madinah and Makkah. The project aims to establish a residential-led mixed-use destination integrating residential, commercial, office, and lifestyle components.	Ongoing (10%)
	Al Khaldiyyah project	Alkhalidiyah Project involves the development of a 60,284 m <sup>2</sup> urban site located in the Alkhalidiyah District in central Jeddah, strategically positioned near key infrastructure and amenities, with close proximity to major corridors. The project aims to transform the site into a high-quality mixed-use development comprising residential, office, retail, and hospitality components.	Ongoing (10%)
	Employee Engagement	To validate and sustain our engagement levels, we worked with Gallup Q12 in 2024 and have continued for this year for our organization-wide engagement survey. The survey will be conducted this Oct. Exit surveys are completed regularly.	Completed (100%)
	Arabian Farms	The sale of Arabian Farms represents an exit by SEDCO Holding from the agricultural sector as a part of its strategy to focus on core businesses and to play a proactive part as a value-adding investor with an emphasis to align with government initiatives under the umbrella of Vision 2030.	Completed (100%)
<b>LEAP TO SUSTAIN</b> Sustainable trajectory  Projects related to governance practices, continuity and ESG.	SH Policies, procedures, and charts (PPC)	To review, update and develop policies, procedures and management committee charters, as well as develop related templates for several departments and functions	Ongoing (80.7%)
	MSCI ESG Score 2025	Every year SEDCO applies to be rated on their ESG performance on the MSCI ESG Index as part of our sustainability projects.	Completed (100%)

# Our Investment Ecosystem



**Our Intrinsic Value: What we bring to the table for employees, partners, communities, and the Kingdom**

World-Class expertise	Diverse portfolio	Proven track record	Ethical and value-focused DNA
<p>Active, agile, and efficient investor mindset, built up over five decades of experience</p> <p>Reputed and preferred collaborative partner in our focus areas</p> <p>In-depth local knowledge, with deep operational and development expertise</p>	<p>Strategically positioned to seize promising opportunities</p> <p>Portfolio of focused diverse asset classes, with a strong position in high-quality assets, while divesting low priority ones</p>	<p>Balanced risk-reward profile</p> <p>Disciplined and effective liquidity management</p> <p>Driving sustainable growth and superior returns</p>	<p>Rigorous and ethical investment protocol with industry-leading governance, compliance, and sustainability</p> <p>Promoting career development and a performance culture</p> <p>Strategic investment priorities aligned with Saudi Vision 2030</p>

As an active financial investor, SEDCO Holding employs a forward-thinking digital framework to catalyze operational agility and transform data-led intelligence to meet the needs of a dynamic business landscape.

In 2025, SEDCO's digital foundation was strengthened through critical enhancements to core systems and enterprise platforms. We also delivered measurable environmental benefits by reducing reliance on paper-based processes.

## 2025 HIGHLIGHTS

Facilitated the technological autonomy of two key subsidiaries: SEDCO Capital and Elaf Group.

1



Introduced AI-enabled enhancements across key business areas, including Finance (payment analysis and transactional insight), HR (streamlined workflows), and Real Estate (richer data visibility). Productivity tools such as Copilot were introduced to support day-to-day efficiency.

3



Supported enterprise-wide decision-making via improved data governance and dashboards.

5



The option of digital signatures via DocuSign eliminated over 34,000 printed pages, reducing nearly 9,500 pounds of CO<sub>2</sub> emissions and conserving over 11,900 gallons of water.

2



2

Modernized the Oracle ERP environment to improve stability and performance, progressing toward a fully cloud-ready infrastructure.

4



Enhanced the SEDCO Self-Service (MySEDCO) platform, Injaz, and Real Estate systems (REIS) with new features and mobile-first capabilities to improve employee experience and speed of service.

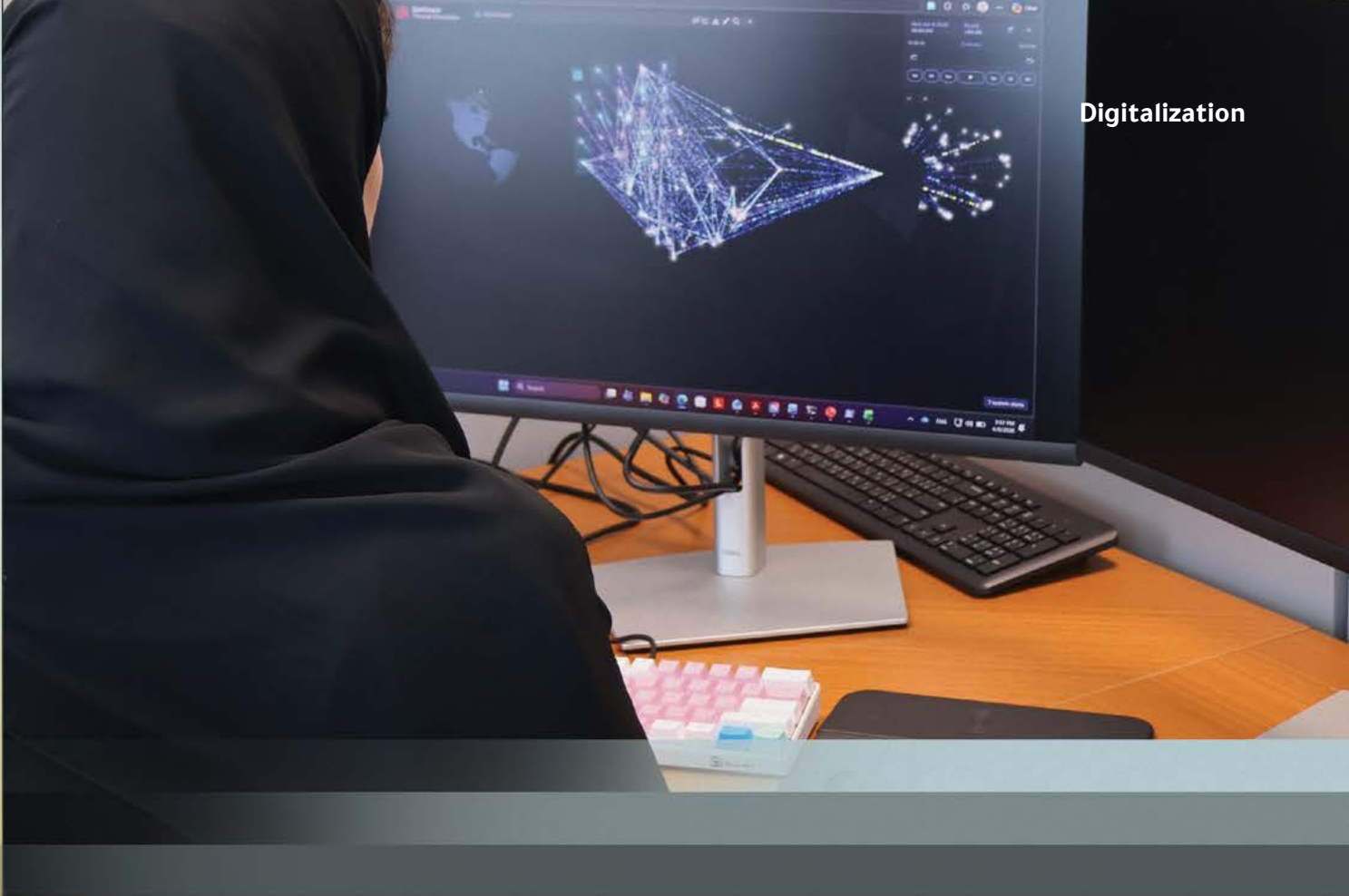
1

The SEDCO self-service platform removed the need for nearly 80,000 sheets of paper, saving approximately 9.53 trees, 794,240 gallons of water, and 2,184 kWh of energy, while avoiding 1,535.5 kg of CO<sub>2</sub> emissions.

3

The rollout of ZATCA-compliant e-Invoicing across multiple legal entities eliminated an estimated 1,500-3,000 additional pages annually.

● Operational ● Sustainability



### CYBERSECURITY AND DATA GOVERNANCE

Throughout 2025, the cybersecurity posture of SEDCO was strengthened by utilizing a comprehensive ecosystem of enterprise-grade security platforms, including Security Information and Event Management (SIEM), Network Detection and Response (NDR), and Privileged Access Management (PAM). To ensure optimal performance, critical systems undergo structured daily and weekly reviews. Senior management provides governance oversight through formal review cycles and risk assessments.

- We advanced regulatory compliance with ZATCA, CMA, and SDAIA. The ISO 27001 implementation program progressed through key stages regarding controls and documentation.
- We strengthened data governance by formalizing foundational policies, including the Information Security Policy, Data Classification Policy, and Privacy & Personal Data Protection Policy.

- Preventative maintenance, continuous feedback on system performance, and regular disaster recovery testing validated the organization's readiness. Human-layer defenses were reinforced through continuous security awareness training and periodic phishing simulations.

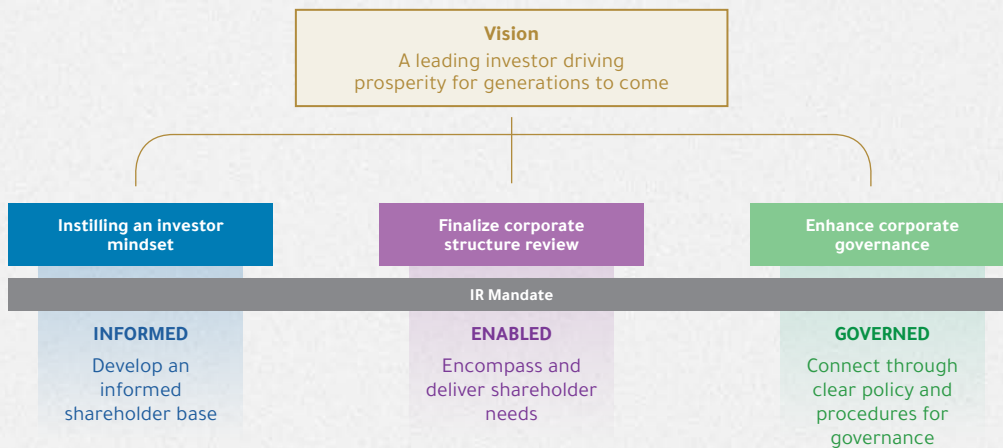
### DIGITALIZATION FOCUS FOR 2026

As 2026 marks SEDCO's 50th anniversary, the IT function is positioned to support the Group's enduring achievements through a resilient and scalable technological foundation. Building on the structures established in 2025 for data governance and AI, the focus will remain on driving value from data assets, ensuring reliable analytics, and maintaining a robust security posture capable of advancing SEDCO's evolving strategic ambitions.

# Investor Relations

SEDCO's Investor Relations (IR) function proactively supports shareholders through systematic engagement. The Company's IR framework is based on three pillars: ensuring an informed investor base, a responsive structure for their needs, and strong governance through clear policy implementation.

The IR function works closely with the Family Council (FC) and Shareholders Advisory Committee (SAC) to foster strong and proactive communications and align family interests with business objectives.



## IR HIGHLIGHTS 2025

Dedicated digital platforms were launched to make it easier to remain connected with the growing shareholder base.

The continuation of added-value shareholder services including the Incubator Support Program, which offers business consultations to shareholders.

The IR team collaborated with the Family Council to support the company during a major visit from the Family Business Council in Gulf (FBCG), strengthening relationships with key stakeholders.

Regular and structured company updates were provided to both the Family Council (FC) and the Shareholders Advisory Committee (SAC).



# Our Team

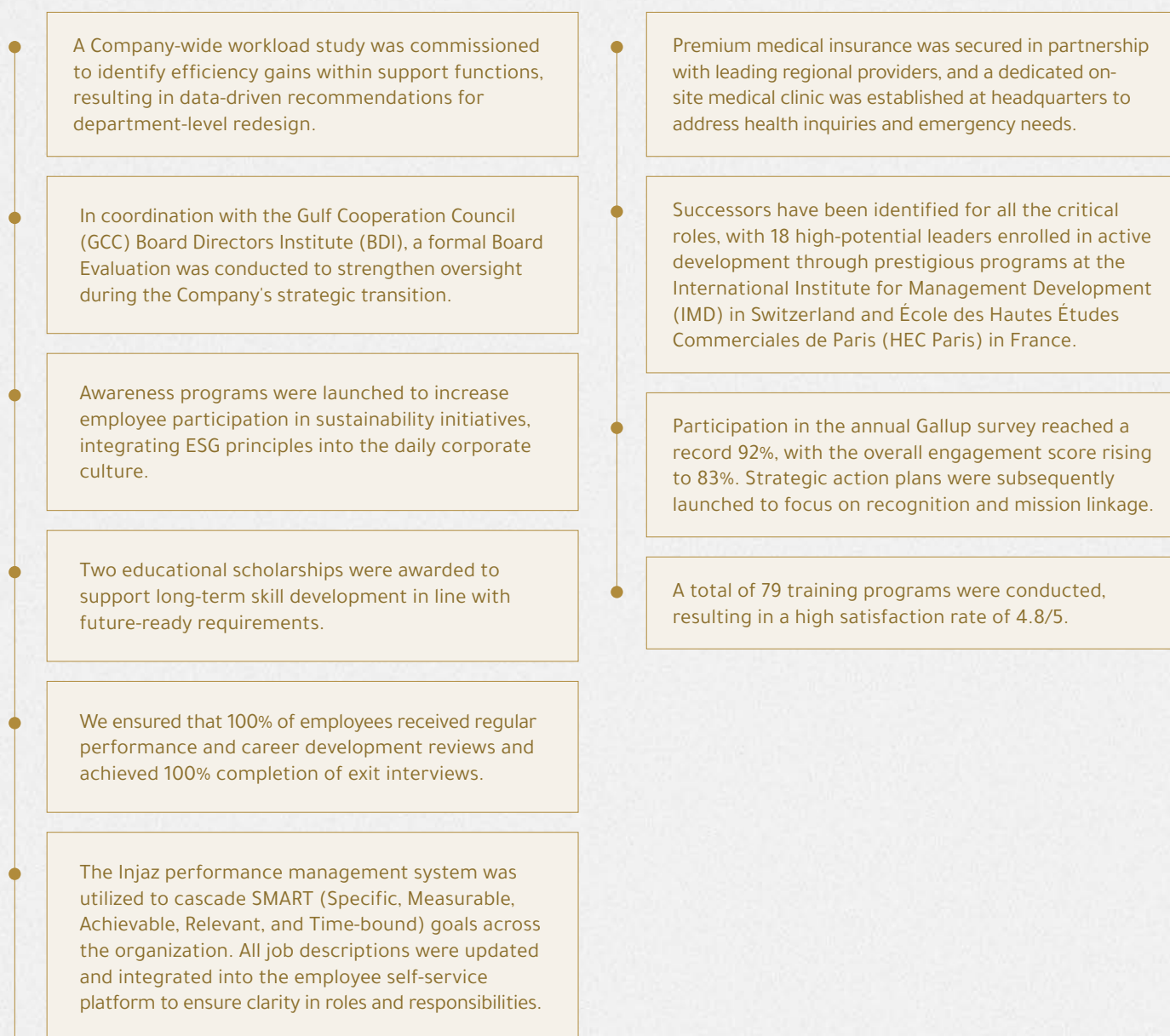
We recognize that our success is built on the strength and well-being of our people. By prioritizing the well-being of our employees and cultivating a collaborative ecosystem, we empower our talent to reach their full potential. Integrating our core values into the fabric of our corporate culture ensures that strategic growth is pursued with an unyielding commitment to the highest ethical and professional standards. This synergy keeps our workforce aligned with SEDCO's strategic vision and the Kingdom of Saudi Arabia's national economic objectives.



Our Human Resources (HR) strategy is anchored in the dual pillars of digital transformation and employee well-being. Over recent years, SEDCO has successfully institutionalized a digitally-led model, automating the majority of administrative functions to enhance efficiency and service quality. This operational agility is balanced by a deep commitment to the social aspect of our Environmental, Social, and Governance (ESG) mandate. The focus on Saudization remains a key performance indicator, reflecting our role in supporting the national workforce through responsible recruitment and inclusive employment practices.

### 2025 STRATEGIC ACTIONS AND MILESTONES

During 2025, the HR function spearheaded several initiatives to optimize the organizational structure, enhance leadership readiness, and deepen employee engagement:



HUMAN CAPITAL SNAPSHOT

<b>116</b> Employees (119 in 2024)	<b>18%</b> Women in the workforce (17% in 2024)	<b>73%</b> Saudization rate (72% in 2024)	<b>75</b> Training modules delivered (164 in 2024)
<b>5,200+</b> Training hours (5,000+ in 2024)	<b>96%</b> Training satisfaction rate	<b>83%</b> Employee engagement (Gallup survey) (77% in 2024)	<b>87%</b> Employee satisfaction (82.6% in 2024)

WORKFORCE PROFILE

	2025	2024	2023
Total number of employees (full time)	<b>116</b>	119	126
Total male employees	<b>95</b>	99	106
Total female employees	<b>21</b>	20	20
Percentage of female employees (%)	<b>18</b>	16.8	16
Saudization rate (%)	<b>73</b>	72	65

(Global Reporting Initiative)

GRI 202-2			
Percentage of senior management from the local community (%)	<b>47</b>	50	47

GRI 401-1			
Number of new recruitments	<b>5</b>	20	10

GRI 401-1			
Employee turnover (numbers)	<b>8</b>	6	4
Turnover (attrition) ratio (%)	<b>6</b>	5	3

DIVERSITY

Diversity of governing bodies - Senior Management

GRI 405-1		
Age group	Female	Male
Under 30 years	-	-
30-50 years	-	<b>12</b>
Over 50 years	-	<b>3</b>

Age diversity of employees

GRI 405-1		
Age group	Female	Male
Under 30 years	<b>10</b>	<b>4</b>
30-50 years	<b>11</b>	<b>68</b>
Over 50 years	-	<b>23</b>

**TRAINING AND DEVELOPMENT**

	2025	2024
Average training hours (or man-days) per employee	45	45
Total training hours for employees	5,000+	5,000+
Number of training courses/modules conducted or completed	70	164
<b>GRI 404-3</b>		
Percentage of employees receiving regular performance and career development reviews (%)	100	100

**EMPLOYEE ENGAGEMENT**

	2025	2024
Employee engagement rate (%)	83	83
Employee satisfaction rate (%)	87	88
<b>GRI 406-1</b>		
Number of incidents of discrimination and corrective actions taken	0	0



# Investment Impact





By investing in core industries, SEDCO actively accelerates the Kingdom's economic development and long-term vision.

# Corporate Investment

As SEDCO approaches 50 years of service to the Kingdom, we remain dedicated to empowering domestic businesses and communities. By identifying strategic investment opportunities that drive economic and social progress, we continue to advance the national objectives of Saudi Vision 2030.



### OUR VALUES-DRIVEN INVESTMENT PHILOSOPHY

At SEDCO, our investment strategy is anchored in a commitment to long-term, responsible value creation that advances the interests of our stakeholders and Saudi Vision 2030. Our Investment Policy Statement (IPS) serves as the formal framework for capital allocation. It defines our core investment criteria, including target sectors and themes, asset class allocations, ticket sizes and expected returns, engagement levels, and equity interests.

Every prospective investment undergoes rigorous due diligence, encompassing comprehensive financial, legal, and commercial assessments alongside background checks. Beyond the point of entry, we remain committed to elevating governance standards—particularly within our direct private investment portfolio. SEDCO relies on involvement through governance to generate value in its investments, rather than direct involvements in operational activities. This approach ensures all capital deployments meet our financial objectives while adhering to strict standards of sustainability, transparency, and accountability. Furthermore, ongoing performance reviews ensure continued alignment with our strategic mandates and regulatory requirements. Our investment (and divestment) strategies are also crafted to be aligned with the goals of Saudi Vision 2030.

Shariah compliance remains a fundamental condition for investment and ongoing ownership across all relevant investments. This standard is applied during the initial screening process and maintained throughout the entire ownership life cycle of every investment. We remain committed to elevating our governance standards, particularly within our direct private investment portfolio.

### KEY INVESTMENT THEMES

- Boosting **private sector engagement** in national development
- Unlocking KSA's potential for **leisure and tourism**
- Aligning with the Kingdom's global shift towards **sustainability**
- Developing **infrastructure** that supports KSA's development goals
- **Localizing supply chains** to promote national production

### REFINING OUR STRATEGY

In response to the outcomes of a comprehensive strategic review reviewed in 2025, SEDCO Holding launched a new strategic cycle, marking a significant evolution in its role as an active financial investor. By balancing our portfolio with selective expansion into new sectors, we are focused on enhancing yield through prudent deployment across diversified asset classes, while maintaining the agility to respond to evolving market conditions.

Our strategy expands our sector focus to include industrial, manufacturing, consumer retail, information technology, financial services, and telecommunications, complementing our existing presence in healthcare, logistics, education, and hospitality and tourism. The strategic direction, will see a natural evolution toward reduced operational involvement, and continued exit from non-core sectors.



We have expanded our sector focus to enhance portfolio resilience, exposure and diversification by investing into a broader range of asset classes, including public equities, Discretionary Portfolio Management (DPM), private equity, venture capital, and fixed income. This diversification supports balanced asset allocation and risk management, while maintaining the flexibility to pursue a broad spectrum of opportunities.

As part of a broader Group-wide initiative, all policies and procedures are currently under review to ensure alignment with the Group strategy and governance framework. In parallel, the implementation of advanced reporting tools and AI-enabled platforms are being assessed to optimize portfolio oversight and reporting.

### INVESTMENT GUIDELINES

SEDCO's investment strategy allows for a wider sector focus while not restricting ourselves to specific sectors, and being open to all investment opportunities. This reinforced the importance of portfolio optimization and capital recycling, increasing the contribution of yield-generating investments and maintaining a balanced approach between growth and income investments.



## DRIVING VALUE THROUGH ACTIVE PARTNERSHIP

For investments where SEDCO holds a significant minority stake (generally 5% and above), our influence is primarily exercised through active representation in Boards and Committees, as well as strategic and financial performance monitoring.

SEDCO partners with portfolio companies through a multi-tiered engagement model, providing strategic guidance, financial oversight, and M&A support. As our investments mature, so has our intentional shift from operational involvement to a more strategic role, empowering management teams to lead independently.

All investments are managed in strict accordance with Shariah principles. We aim to Environmental, Social, and Governance (ESG) priorities into our core strategy by supporting Corporate Social Responsibility (CSR) initiatives, fostering robust internal governance, and managing risks to ensure the long-term sustainability and growth of our capital.



## PORTFOLIO OVERVIEW

### Direct Investments

Private investment through significant representation or whole ownership

#### AlAndalus Education Company



The largest K12 educational group in the Western Province with more than 14 educational complexes in seven cities.

Acquired – 2023

#### Al Mahmal Facilities Services Company



Facilities management specialist also offering engineering and other services.

Established – 1988

#### AlShiaka



Leading retailer of traditional ready-made thobes.

Acquired – 2015

#### Dar Al Fouad Hospital



Tertiary healthcare institution specializing in cardiology and oncology in Egypt.

Acquired – 2006

#### Elaf Group



A long-established leader in travel, tourism, and hospitality; wholly owned by SEDCO Holding.

Established – 1981

#### SEDCO Capital



Stand-alone subsidiary providing Shariah-compliant, ESG-led asset management and investment advisory.

Established – 2009



Continuous engagement and strategic partnership through public equity

**Nahdi Medical Company**



Leading Saudi Arabian health and wellness retailer, operating the largest pharmacy chain in the Middle East.

Acquired - 2003 (50%)

**Budget Saudi**



The largest auto rental and leasing company in KSA, and a leading player in the regional market.

Acquired - 2024 (8.96%)

**Asset Allocation Overview**

As at the end of 2025, the Corporate Investment portfolio remained diversified and broadly aligned with our Investment Policy Statement. Asset allocation remained within approved policy guidelines despite market volatility.

- **Public Equities:** Represents the largest portion of the portfolio, though materially impacted by the overall decline in the Tadawul All Share Index (TASI) during the year.
- **Direct Private Investments:** Remains the second largest component, with allocations broadly stable over the period.
- **Fixed Income and DPM:** Allocations followed, supporting our liquidity and yield objectives.
- **Indirect Investments:** Private equity and venture capital funds represented the smallest allocation but saw increased commitment activity.

## CORPORATE INVESTMENT HIGHLIGHTS 2025

**Arabian Farms:** Executed a full exit in 2025. This divestment aligns with our strategic mandate to reallocate capital toward core, high-growth sectors. SEDCO had supported the Company's regional scaling and operational growth over several years, propelling it to become a trusted name in the poultry and agriculture sector, with a robust production footprint in Saudi Arabia and the UAE.

**Nahdi Medical Company:** Completed a partial exit in Q2 of 2025. This transaction allows the Group to reduce portfolio concentration while maintaining exposure to a high-quality, dividend-yielding listed asset. Nahdi is the largest retail pharmacy chain in Saudi Arabia and a cornerstone of the Kingdom's healthcare infrastructure. SEDCO has been instrumental in Nahdi's institutionalization and its transition to public markets.

**Baraya Extended Care:** Converted an indirect private equity allocation into a direct co-investment in Baraya Extended Care, consistent with the strategic objective of increasing exposure as a financial investor. Baraya is a specialized healthcare provider offering long-term medical care and rehabilitation services.

**EW Partners:** Committed capital to EW Partners, further strengthening our indirect private equity pillar and expanding our exposure to cross-border technological transfers. This partnership enables the Group to capture value from innovative sectors essential to Saudi Vision 2030's digital transformation. EW Partners serves as a vital investment bridge between leading global technology ecosystems and the Saudi industrial landscape.

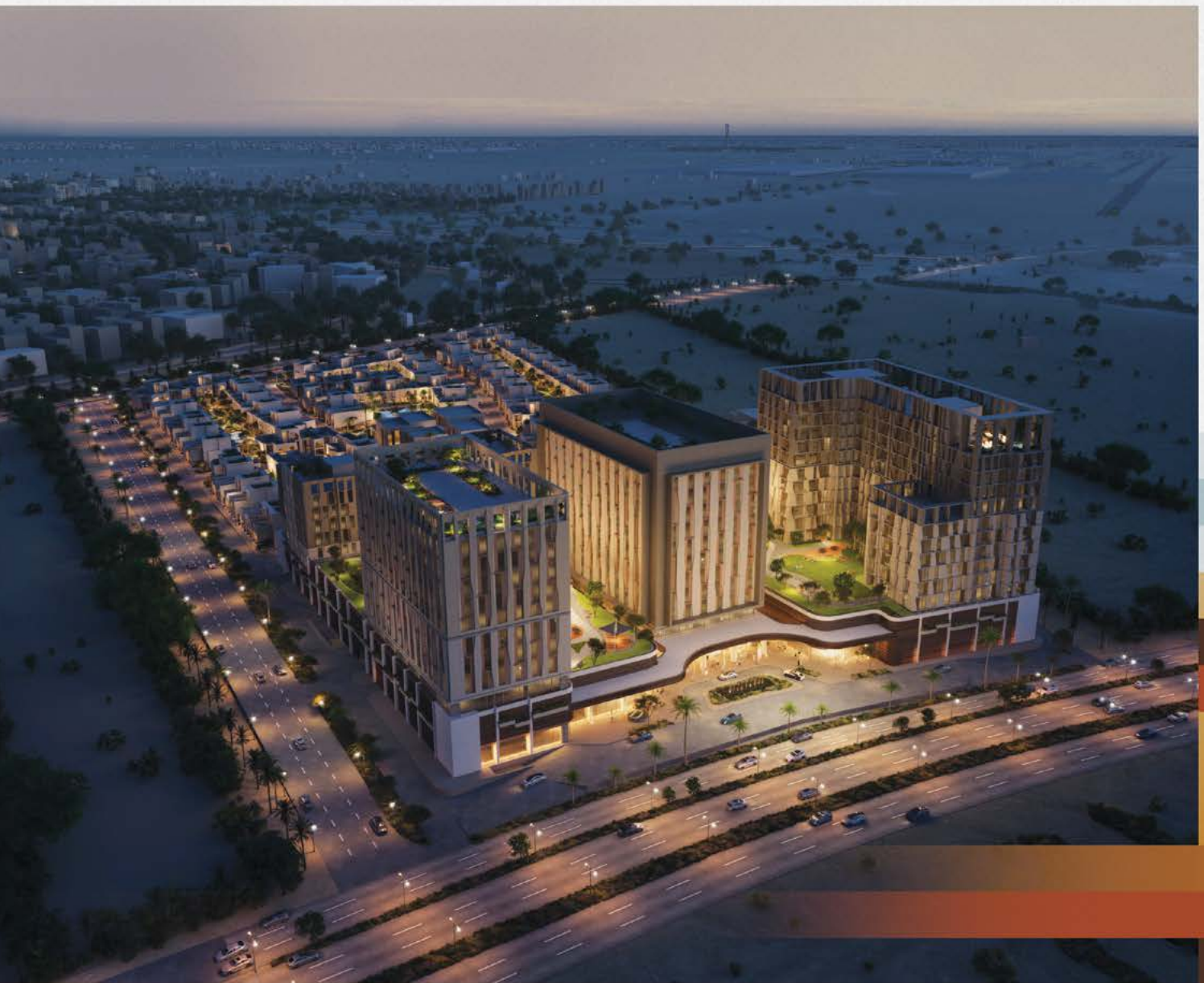
**AlAndalus Education Company:** Secured Tadawul and CMA approvals for the IPO of AlAndalus Education, with plans to proceed with a listing within a six-month window. As a key partner in the Company's growth and governance, SEDCO's efforts have positioned this prominent K-12 operator to unlock significant shareholder value while continuing its mission of academic excellence across the Kingdom.

## OUTLOOK TO 2026: 50 YEARS OF IMPACT

Over the years, the Corporate Investment portfolio has realized several notable milestones in alignment with SEDCO's long-term objectives: monetizing mature assets through landmark IPOs and strategic exits, while optimizing holdings through sophisticated ownership restructurings. The successful execution of our recent strategic cycle has solidified our foundation as a disciplined financial investor. Having rebalanced our portfolio to prioritize diversification, liquidity, and enhanced dividend yield—and remaining closely aligned with the economic ambitions of Saudi Vision 2030—we now embark on a clear trajectory for our next phase of growth.

# Real Estate Investment

**In keeping with SEDCO's financial investor mindset,** our Real Estate investments are proactively aligned with the Group's priorities and strategy. This synergy carries the overarching objective to fulfill a financial prerogative for our shareholders, through a portfolio that delivers sustainable, long-term value.



## STRATEGY AND PHILOSOPHY

Our Real Estate (RE) strategy is designed to deliver a well-balanced portfolio through sectoral and geographical diversification, with activation of our land bank, strategic partnerships and acquisitions, and expansion into new asset classes.

Our capital structure is optimized through multiple funding sources and potential divestment of non-core assets, where appropriate, to create a stable cash flow base to fuel portfolio growth through acquisitions and our own ambitious "build-to-core" development pipeline.

The Real Estate Group took a transformative leap in 2025 with the launch of Sedal, a wholly-owned, independent real assets arm that centralizes investment, development, and asset management under a single, agile governance structure.

The launch of Sedal marked a pivotal phase of execution in the Real Estate Group's FY23-27 Strategy and Business Plan. Having received approval to carve out the Group's RE functions and create a new subsidiary, we launched Sedal with a robust and unitary asset-class focused organizational and governance framework to empower our teams to achieve strategic objectives and deliver strong returns for our shareholders. Appropriately, new and revised policies and procedures were also drafted for all three arms of business. These steps will enable greater transparency in reporting while maintaining accountability, as we pivot toward a focused, disciplined investment approach aligned with Saudi Vision 2030.

## PERFORMANCE

The year under review was marked by significant progress in our development pipeline and strategic asset management, leveraging a high-quality portfolio of income-generating assets to navigate a maturing regulatory environment. In late 2025, the transition of RE functions into Sedal was a strategic move to optimize our Net Operating Income (NOI) yields, with a long-term goal of increasing these yields from 5.0% to 6.4% across the portfolio.

Moreover, over one-third of the vacant land bank portfolio was either activated for development or divested. Another quarter of this vacant land bank was resolved in terms of transactability (and issuance of electronic title deeds), positioning it for imminent development or divestment for capital redeployment to assets and opportunities that are a better strategic fit. As a result, the Real Estate Group was able to activate over half of the vacant land bank for portfolio performance.

The Group reported strong overall performance with NOI achievement within targets, driven by exceptional results across key assets-Al Bawadi, Al Mahmal Center, and Galleria- and supported by strong portfolio-wide initiatives contributing to outperformance of Elaf Kinda and Bakkah Hotel.

Occupancy rates at Al Bawadi increased from 84% to 100% and Al Mahmal Center reached 99% occupancy (compared to 67% in 2023), complemented by improved rental rates and optimized operating expenses. Galleria's performance also exceeded the approved budget for the first time, as leasing vacant retail units generated strong rental income.

At the end of the reporting year, our portfolio remains well-balanced, blending stable income-generating assets with high-growth development projects.

Asset type	Weight in Portfolio (%)
Vacant Land Bank	27.60
Built Assets	25.30
RE Private Equity	17.44
Assets Under Development	16.56
Leased Land	9.55
REITs	2.48
RE Private Funds	1.07

### SUSTAINABLE VALUE CREATION

Our RE investment strategy and achievements are built on SEDCO's long-term ethos of creating value for all stakeholders.

Our RE sustainability strategy is anchored in five core principles that ensure every development is commercially viable, environmentally responsible, and socially inclusive.

#### Core Principles for Sustainable Value Creation

##### New sectors for expansion

###### 1. Sustainable Design

We prioritize high-performing, future-ready designs that minimize resource consumption and environmental impact.

###### 2. Responsible Construction

During the construction phase, we focus on reducing environmental impact, supporting local supply chains, and maintaining rigorous on-site efficiency.

###### 3. Operational Performance

Our data-driven insights and monitoring ensure long-term visibility and accountability in asset performance.

###### 4. Social Value Creation

Our developments are designed to be inclusive, accessible spaces that reflect the diversity of their end users.

###### 5. Long-term Governance

Through dedicated governance structures and responsible strategic partnerships, we ensure that ESG goals remain active and auditable throughout the entire asset life cycle.

- For the Kingdom, our residential developments promote sustainable urban living and contribute to the Saudi Vision 2030 homeownership target of 70%.
- For our end users, the communities, the five core principles ensure new developments are not just commercially viable, but also inclusive, accessible, and environmentally sustainable.
- For investors and partners, our robust governance structure, clear implementation roadmap, well-defined Key Performance Indicators (KPIs), financial models, and insights from leading developments in Saudi Arabia and around the globe, ensure these complex, multi-year projects are managed with the highest level of transparency and risk oversight.

### PORTFOLIO OVERVIEW

#### Red Sea Mall

Jeddah's largest mixed-use retail development boasting a blend of local and international brands and a variety of cafes, restaurants, shops, and entertainment.

#### Al Bawadi Center

A traditional retail souq serving as a bustling hub for both locals and tourists seeking a diverse array of products and an authentic Arabian shopping experience in Jeddah.

#### Al Mahmal Center

A landmark shopping mall located in Al Balad, the historic district in Jeddah, which is classified as a World Heritage Site by the United Nations Educational, Scientific and Cultural Organization (UNESCO).

#### Kinda Hotel

Located within 500m from Holy Mosque in Makkah, this upscale hotel operated by Elaf offers convenience of proximity to pilgrims given its prime location.

**Bakka Hotel**

Operated by Elaf, this midscale hotel offers a convenient affordable destination for pilgrims within a 15-min drive to the Holy Mosque in Makkah.

**Galleria Hotel**

It's the first hotel launched by Hilton under its Curio Collection brand - blending Italian architecture with Hejazi culture.

**Al Nakheel Center**

Commercial complex in Jeddah offers a variety of retail outlets and office spaces in the heart of the city in Al Hamra district.

**Hotel Renovation for Galleria, Jeddah:** Interior design for the soft renovation of the Front of House (FoH) guest rooms and corridors at Galleria Hotel was successfully completed, marking a key milestone toward the hotel enhancement plan with Curio Collection by Hilton.

**Mixed-use developments** - Development process initiated for assets within the portfolio and MOUs signed with multiple parties for development of assets across the Kingdom. Finally, multiple bids submitted during the course of the year with government or semi-government entities to act as the investor-developer for key projects including those being launched by PIF.

**Infrastructure development and masterplan subdivision** - Development process initiated for assets within the portfolio and MOUs signed with multiple parties for development of assets across the Kingdom. Finally, multiple bids submitted during the course of the year with government or semi-government entities to act as the investor-developer for key projects including those being launched by PIF.

**Industrial warehousing and logistics** - MOU signed with third-party landowners for the development of Grade A warehousing and logistics park. Moreover, engaged with multiple international developers to co-develop for enhancement of the existing Grade A offering in the Kingdom.

**Real Estate Investment Highlights 2025**

**Strategic Expansion into Infrastructure:** Acquired a 25% stake in Tamasuk Holding Company as a Public-Private Partnership (PPP) under the National Center for Privatization & PPP (NCP) framework. This acquisition will serve as SEDCO's specialized platform for infrastructure investment and development. Tamasuk currently manages a 4 Bn. portfolio of projects across diversified infrastructure sectors. With a healthy pipeline, the Company has clear visibility of upcoming local and regional opportunities in the social, transport, utilities (wastewater), and critical infrastructure sectors.

**Investment Team Success - Red Sea Mall:** In a landmark achievement for 2025, SEDCO reached a leasehold-freehold merger of interests in Red Sea Mall with the Dallah Group. Both parties are now freehold shareholders in one of the Kingdom's premier retail destinations, securing the mall's long-term prospects and strengthening the foundation for future reinvestment and expansion. It is one of the Kingdom's premier malls both in terms of leasable space and retail revenue per footage.

**Real Estate Outlook for 2026**

In 2025, the Saudi Arabian real estate sector has been characterized by a strategic regulatory reset, where government intervention and Saudi Vision 2030 initiatives have begun to align market pricing with long-term stability.

## Sectoral Market Dynamics

- Commercial and office: Riyadh's office market remains exceptionally tight with a 98% occupancy rate. The government's Regional Headquarters (RHQ) program continues to drive demand, resulting in a 15% year-on-year rental appreciation for Grade A spaces. To secure prime space in this competitive landscape, companies are increasingly adopting early pre-leasing strategies.
- Residential: While villas in Riyadh saw a 11.6% year-on-year price increase, the government introduced a five-year rent freeze on existing and new leases in the capital (effective September 2025) to manage affordability. This move is expected to stabilize cost-of-living pressures and shift the market toward long-term rental yield rather than short-term inflation.
- Retail: Rents in Riyadh have remained stable despite increased consumer spending. The sector is evolving toward integrated, experiential mixed-use projects such as Diriyah Square. A significant supply wave of 800,000 sqm over the next five years is expected to sharpen competition, particularly in Northern Riyadh.

- Hospitality: The sector saw a 10% increase in Revenue per Available Room (RevPAR) and a 11% jump in occupancy, supported by over 32 million tourists during the 2025 summer program. The easing of COVID 19 restrictions has also contributed. The strategic focus remains on localizing luxury rooms, with Public Investment Fund (PIF)-backed brands launching across giga-projects such as Qiddiya City.
- Logistics: Underpinned by a 4.9% year-on-year growth in non-oil industrial activities - the Kingdom's strongest economic expansion in two years, the logistics sector is undergoing rapid structural transformation. Riyadh industrial rents surged 16% year-on-year with occupancy hitting 98%, underscoring a critical national shortage of modern Grade-A facilities.

As we enter 2026, the market is shifting from speculative growth to a yield-focused environment, creating unique opportunities for disciplined investors such as SEDCO. Despite market uncertainties driven by factors such as the rent-freeze and white land fees, we see a unique opportunity for portfolio growth through acquisitions and build-to-core strategies, as land prices normalize through market correction.





# Social and Environmental Impact





For nearly five decades, SEDCO Holding has operated with a steadfast commitment to ethical business, integrity, and transparency. Sustainability is a core value of this ethos, and a key driver across our entire business model.

We embed Environmental, Social, and Governance (ESG) principles into our decision-making, management practices, and investment strategies; working to create enduring prosperity for generations to come.

# Sustainability Framework

The sustainability framework below functions as a high-level ESG Strategy that defines ESG priorities and provides strategic direction for targeted activities. Our approach is inspired and aligned with Saudi Vision 2030 and the United Nations Sustainable Development Goals (SDGs).

Guidelines for employee volunteering through the Badir program, environmental guidelines that inform the Bea'ty program, and other organizational policies and processes, outlined in the Corporate Governance Report on page 62, create a comprehensive policy foundation for the framework.



DRIVING VISION 2030 WITH A GLOBAL FOCUS

**Vision 2030:  
Ambitious Nation**

Whilst driving enhanced focus on ESG across our portfolio companies, our social and volunteering programs such as Badir, and supported foundations, such as SBMF, are delivering on our social responsibility and growing the non-profit sector.



Deepening environmental sustainability efforts, with programs such as Bea'ty, and maintaining environmental responsibility.



Volunteering programs with civic engagement, such as Badir, SEDCO's Journey of Giving, and projects from SBMF, are reinforcing a shared sense of purpose.

**Vision 2030:  
Vibrant Society**

Focused investments in hospitality, tourism, education and healthcare sectors are improving access and quality of services. Within SEDCO, our efforts to uphold health and wellbeing of employees, initiatives to promote environmental sustainability, and actions to increase transparency, are contributing to a vibrant society.



Prioritizing physical, psychological, and social well-being; with stand-out programs, such as Unbod, which contribute to employee wellbeing.



We continue to invest in the Education sector, while also pioneering inclusive and innovative learning opportunities through Riyali and Rowad.

**Vision 2030:  
Thriving Economy**

Our investments support diversification of the economy, help grow and localize key sectors, bolster local companies, and develop economic ties and partnerships. Our award-winning initiatives such as Riyali and Rowad empower youth, help nurture entrepreneurs and SMEs. Within SEDCO, we are developing capabilities of the Kingdom's human capital and working to increase diversity



Creating an environment that supports economic growth and job creation for all Saudis, including through investments in innovative industries and local infrastructure.



Through adoption of Shariah principles and continual improvement of ethical business practices, we are building a transparent, accountable, and responsive institution

# Sustainability Governance

SEDCO Holding's sustainability governance framework provides a multi-tier platform for integrating ESG principles within programs, reporting, and external rating. As a shariah-compliant investor, our corporate decision-making, oversight, and implementation comply with a large proportion of sustainability standards present in the market. In addition, we are currently working on a sustainability policy to complement our sustainability strategy and framework.

The Corporate Governance report, pages 62 to 70, details roles and responsibilities of Board and Board-mandated committees in their oversight of sustainability performance.

As an active financial investor, sustainability thinking and value creation are integrated into investment strategies and decisions; as outlined in the Corporate Investment Report (page 34), and the Real Estate Investment Report (page 40).

## STAKEHOLDER ENGAGEMENT AND MATERIALITY

The Company carried out a formalized materiality assessment to identify and prioritize key ESG topics relevant to the business and stakeholders. The materiality assessment process reviewed local, regional, and global peers to establish a baseline for materiality and sustainability. Thereafter, stakeholder interviews, knowledge workshops, and surveys were conducted across three management levels: Board members, heads of business unit, and employees.

The outcome informed a list of significant (material) topics, which was categorized in our ESG pillars, reviewed and approved by the leadership team, and formally presented to the Board of Directors.

In addition to stakeholder engagement in the materiality process, the Company maintains a number of ongoing and regularized channels of communication with its various stakeholders.

### Shareholders

- Shareholder forums, workshops, visits, and other events
- Face-to-face meetings
- Monthly e-newsletters (SEDCO Scope)
- Quarterly performance reports
- Annual General Meeting
- Annual Review
- Integrated Report
- SEDCO Family Council
- Ongoing engagement with Incubator Support Team
- Surveys

### Employees

- Induction process
- Annual performance reviews
- Yearly town halls
- Offsite team-building events
- Events for national, cultural, or religious celebrations
- Internal quarterly outlooks with the Executive Team
- Training and development programs
- Suggestion boxes
- Grievance procedures

### Business partners

- Regular business communications
- Face-to-face meetings
- Investment forums and award programs
- Monthly e-newsletters (SEDCO Scope)
- Annual Review
- Integrated Report

### Investment portfolio companies

- Quarterly Board meetings
- Yearly town halls
- Strategy review sessions with portfolio company directors and senior management teams
- Day-to-day interaction/support from SEDCO divisions
- Monthly e-newsletters (SEDCO Scope)

### Government (including regulators)

- Government initiatives, programs, and campaigns
- Regulators' forums and other key industry events
- Face-to-face meetings
- Special events and initiatives

### Local communities

- Active engagement through social organisations via the Salem Bin Mahfouz Foundation
- Presentations, podcasts, and other channels via Riyali Foundation
- Rowad's e-learning platform, events, forums, and other initiatives
- Badir employee volunteering program initiatives



### OPERATIONALIZATION

Sustainability at SEDCO is formalised through tracked ESG Key Performance Indicators (KPIs) for all business units. KPIs are derived from, and directly linked to our strategy; ensuring performance is tracked and aligned with corporate objectives.

Post-activation surveys, for employees, beneficiaries, and partners, are designed to evaluate project effectiveness and assess impact. These standardized measures help the Company monitor and measure the success of activities. They also function as a channel of engagement to identify areas for improvement and new initiatives to explore.

An annual sustainability action-plan functions as an operational calendar for the sustainability function, setting out a structured implementation framework that spans the company's key departments. Additionally, a dedicated Badir volunteer management system helps manage volunteering activities and track employee participation.

### REPORTING

The Company employs a formal sustainability reporting framework that includes SEDCO's Integrated Report, aligned with GRI Standards. In addition, an internal annual review of sustainability projects provides a detailed breakdown of sustainability initiatives and participation rates. Initiatives are also actively documented and published across a number of media channels.

Driving transparency and alignment with the Kingdom's priorities, SEDCO reports and maintains progress updates on the National CSR Platform, while registering and reporting employee volunteering activities on the National Volunteering platform.

To validate internal governance, we also work to assess and renew the Company's sustainability rating via the MSCI ESG Rating Index.

# Environmental Review

Our environmental initiatives address SEDCO's environmental footprint, align the Company's activities with global climate action, and seek to inspire employees to care for the environment by raising awareness and providing tools to reduce their environmental footprint, both inside and outside the office. Driven by the Be'aty (My Environment) program, 2025 marked a year of significant tangible reductions in resource consumption.

## ENERGY AND EMISSIONS

The Group's Energy Conservation Program saw continued results in 2025, with an outstanding reduction of 193.41 MWh (5.6%) in electricity consumption compared to 2024. This achievement was driven by close operational supervision, periodic preventive maintenance, comprehensive upgrade of the Building Management System (BMS), and modernization of Variable Frequency Drives (VFDs) utilized in motor control systems.

Additionally, the Group facility management team effected a number of upgrades and improvements to chillers, elevators, and water supply systems; improving structural integrity, system reliability, and operational safety, while extending equipment life cycles.





### Energy consumption within the organization

GRI 302-1/GRI 103-2

Non-renewable - Purchased electricity (2025)

**3,275.87 MWh**

3,469.28 MWh (2024) / 3,606.07 MWh (2023)

### Energy intensity

GRI 302-3/GRI 103-4

We are in the process of developing systems to monitor, measure, analyze, and report our direct emissions (Scope 1 and 2), aligning with our commitment to sustainability.

### Water conservation

Water conservation programs demonstrated continued progress during the reporting year, with upgrades to taps throughout the building netting an annual reduction in water-use, of 491 m<sup>3</sup>, compared to the previous year.

### Water withdrawal

GRI 303-3

Total water withdrawal (2025)

**3,617.76 m<sup>3</sup>**

4,108.874 m<sup>3</sup> (2024) / 4,406.173 m<sup>3</sup> (2023)

### CIRCULARITY AND WASTE MANAGEMENT

The Company introduced a Reverse Vending Machine (RVM) for plastic recycling and conducted an Environmental Sustainability workshop during the year, as part of efforts to promote better waste management practices. Supported by continuous employee awareness and ongoing sustainable waste management initiatives, we successfully recycled 6,521 kg (6.5 tonnes) of waste in 2025; contributing to estimated savings of 45,647 gallons of water, 110 trees, and 37.6 kWh of energy.

### Waste diverted from disposal

GRI 306-4

Waste recycled (2025)

**6.5 tonnes**

5.9 tonnes (2024) / 3.4 tonnes (2023)

# Social Review

SEDCO's social sustainability program is dedicated to empowering our workforce and communities to succeed, by cultivating an exceptional, safe, and inclusive work environment; prioritizing employee motivation and holistic well-being; and actively responding to community needs through structured, tailored social programs. The employee volunteering program-Badir, and employee wellness program-Unbod, are central to corporate social responsibility efforts.

## BADIR



Badir, SEDCO's employee volunteering program, has been a cultural cornerstone for the Company since 2017. It empowers employees to engage in community initiatives, fostering connections, and creating tangible impact for communities. Employee engagement through Badir has been integrated as a formal KPI in performance evaluations.

Celebrating Ramadan 2025, SEDCO's annual volunteering campaign, The Journey of Giving, featured four group initiatives and four individual initiatives. The campaign aimed to promote a sense of community and unity among employees while making a positive impact on those in need.

Through Badir, SEDCO business units and personnel volunteered their time and expertise to engage university students, through SEDCO department visits and entrepreneurship programs, enhancing their practical skills, entrepreneurial mindset, and real-world exposure. These programmes in 2025 contributed a total of 48 volunteering hours, through 4 initiatives, reaching more than 65 beneficiaries.

### Badir Highlights 2025

15 Initiatives	2,665 Beneficiaries	2,093 Volunteer Hours
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93%  
of employees participated  
in volunteering

### Journey of Giving Highlights

1,286 Volunteering Hours	8 Initiatives	285 Participation
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500 Iftar Meals	220 Food Baskets	3,550+ Beneficiaries
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95% Overall Satisfaction Rate	123 Volunteer	₹ 74,974 Economical Value
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### Specialized Volunteering

A highlight of the year was the Student Entrepreneurship Program, in partnership with King Abdulaziz University (KAU). The program was conducted in three phases, including one-on-one consultation sessions with SEDCO Holding experts, and the final phase featuring student project pitches to expert judges, and awards for the top three projects totalling **ﷲ 10,000**.

<b>48</b> Volunteering Hours	<b>4</b> Initiatives	<b>66+</b> Beneficiaries
<b>100%</b> Overall Satisfaction Rate	<b>28</b> Volunteer	<b>ﷲ 22,127</b> Economical Value

### SEDCO Volunteering Day

The Company celebrated a volunteering day in 2025, partnering with Nidaa AlAmal Center - a specialized rehabilitation facility for individuals with special needs. Trainees from the centre were able to work alongside selected SEDCO departments, with guidance from supervisors and volunteers, closing with a number of interactive activities that brought trainees and volunteers together.

<b>178</b> Volunteering Hours	<b>2</b> Initiatives	<b>9</b> Beneficiaries
<b>100%</b> Overall Satisfaction Rate	<b>71</b> Volunteer	<b>ﷲ 10,377</b> Economical Value

## UNBOD



Launched in 2018, Unbod is SEDCO's holistic employee-wellness program, based on three key pillars: mind, body, and soul. Unbod supports SEDCO's efforts to take care of employees' health, safety, and wellness and motivates employees via a series of engagements.

The Unbod programme continued a series of targeted projects that encouraged overall employee wellness and wellbeing.

**Ramadan challenge:** An annual wellness challenge that encourages employees to adopt and sustain healthier lifestyles, through physical activity and weight management.

**Padel tournament:** Annual padel tournament, in partnership with Flex League, which promotes physical activity, encourages an active lifestyle, and strengthens social connections among employees.

**Steps challenge:** An employee wellness competition aimed at encouraging an active and healthy lifestyle, whereby employees tracked their weekly steps throughout a month-long challenge.

**Employee wellness initiative:** Partnership with Stars Smile Clinics, to offer complimentary health check-ups for SEDCO employees, including dental and skin examinations, along with blood pressure and blood sugar screenings.



### EMPLOYEE HEALTH AND WELLBEING UPDATES 2025

The year 2025 saw significant enhancements to employee workspaces and amenities, and workplace health and safety, through a number of facility-level improvements.

- Established a medical clinic within the company building, in collaboration with SEDCO's HR Department, to support employee health and enhance on-site healthcare services.
- Improved exit signage and provided detailed evacuation maps on every floor to facilitate safe evacuation during emergencies.
- Implemented renovations and upgrades for kitchens and restroom facilities, to foster a more productive and comfortable work environment.
- Conducted hands-on sessions for fire-extinguisher use and provided regular safety training for maintenance staff on critical safety systems and emergency response protocols.
- Launched a comprehensive project to modify, enhance, and refurbish a significant portion of the building's floors.
- Ensured availability of first-aid kits on all floors, accompanied by clear instructional signage to facilitate rapid response during medical incidents.



## SALEM BIN MAHFOUZ FOUNDATION (SBMF)



مؤسسة سالم بن محفوظ الأهلية  
Salem Bin Mahfouz Foundation

Since its establishment in 1996, the Salem Bin Mahfouz Foundation (SBMF) has honored the legacy of SEDCO's founder by empowering civil society and addressing the Kingdom's developmental needs. Currently executing its third five-year strategic plan, launched in 2024, the Foundation has pivoted from a traditional philanthropic model toward a strategic development entity. This roadmap is specifically designed to increase SEDCO's contribution to Saudi Vision 2030 through impact-driven initiatives across three core pillars:

### Education

Advancing academic excellence through undergraduate and graduate scholarships, teacher training, and cooperative learning models, while fostering student engagement through volunteerism, sports and the arts.

### Civil Society

Institutionalizing the non-profit sector by building organizational capacity, delivering financial support to high-impact programs, competencies in media, art, and leadership; and contributing to religious and community cohesion.

### Community

Championing programs dedicated to family and youth development, economic empowerment, and the expansion of national volunteering initiatives.

A national award-winning institution, SBMF is increasingly recognized for its exemplary governance. By forging critical partnerships with organizations such as UNESCO, the Foundation continues to evolve, ensuring that its social investments yield sustainable, long-term value for the Kingdom.



مؤسسة سالم بن محفوظ الأهلية  
Salem Bin Mahfouz Foundation



The Rowad program is designed to empower entrepreneurs at both the startup and growth stages, providing critical financial management expertise required to navigate today's sophisticated business landscape. The program's primary thrust is directly aligned with Saudi Vision 2030, which seeks to increase SME contribution to GDP from 20% to 35%.

**The Challenge:** Startups and entrepreneurship are essential engines of the Kingdom's rapidly diversifying economy, holding the transformative power to create lasting national impact. However, while the Saudi entrepreneurial ecosystem is rich with innovation, the business environment remains highly competitive. SMEs often face significant hurdles in bridging knowledge gaps and securing the capital necessary for scale. Financial literacy and investment readiness serve as the critical infrastructure for navigating challenging market dynamics.

**Rowad's Answer:** The program addresses these challenges by delivering accessible, high-impact educational content designed to sharpen the skillsets of entrepreneurs and startup founders. Utilizing a sophisticated Learning Management System (LMS), the program offers specialized pathways: Bidaya - tailored for early-stage startups, and Nomou - focused on growth-stage ventures seeking external capital. These modules cover essential competencies including business model innovation, financial awareness, cash flow optimization, and legal structuring. Rowad expands its reach through immersive media, such as the Ghaltat Podcast, which chronicles authentic entrepreneurial journeys and distills critical lessons from founders across Saudi Arabia.

## Achievements in 2025

**Overall Engagement:** The program reached 25,000 beneficiaries across its various channels, conducting seven workshops and publishing four educational articles.

**Platform Growth:** The Rowad platform recorded 31,000 visits and saw creation of 1,949 new accounts, driven largely by paid search and strong referral traffic. Enrolments scaled significantly, particularly for Rowad Nomou Arabic (+263%) and Rowad Bidaya Arabic (+54%).

**Ghaltat Podcast:** The second season of the podcast achieved 481,000 views, 2,304,500 impressions, 58.5K watch hours, and 458 new subscribers across platforms like YouTube and TikTok.

**Student Empowerment:** In 2025, 12 students completed the Bidaya course and seven advanced through the Nomou course to turn their ideas into viable projects.

**Ecosystem Participation:** Rowad actively engaged with the broader community, participating in the Biban Forum 2025 where it attracted over 1,500 booth visitors, secured 392 new registrations, and facilitated two live financial workshops. The program also delivered a workshop on financial cash flow management at the Jeddah Chamber during Global Entrepreneurship Week.

## RIYALI



Launched in 2012, Riyali stands as a flagship initiative of SEDCO Holding, dedicated to enhancing financial literacy and empowering individuals through education and strategic partnerships. Following a landmark collaboration with the Ministry of Education in 2017, the program institutionalized its mission in 2023 by establishing the Riyali Civil Foundation. This evolution serves as a pivotal contributor to Saudi Vision 2030, specifically driving the national mandate to increase household savings from 6% to 10%.

**The Challenge:** Financial planning, management, and household savings are critical to building a thriving community and economy. However, comprehensive national surveys conducted by Riyali revealed significant challenges and concerning financial habits among Saudi youth; such as 80%

spending on wants over needs, 44% not saving, and only 11% demonstrating conscious spending habits. In addition, over 79% of the surveyed population emphasized the need to educate children on financial management.

**Riyali's Solution:** Riyali offers a comprehensive ecosystem of research-backed programs designed to elevate financial literacy across all demographics. Tailored for learners from age nine through adulthood, the curriculum emphasizes inclusivity with specialized editions, including a sign language version for the hearing impaired. In addition to traditional courses, Riyali leverages digital tools - such as savings and budget calculators, and the Riyali Podcast, to embed financial planning into daily life. Supported by the Ministry of Education and an expansive ambassador network, these programs are integrated nationwide, directly enhancing quality of life through improved financial health.



**Vision**

Towards a society capable of making sound financial decisions.

**Mission**

Empowering individuals to build their financial capabilities through providing them with the knowledge and tools to improve their financial well-being.

**Core Values**

- Sustainable Impact
- Innovation
- Partnership & Collaboration
- Engagement

**Programs**

Riyali Academy	Riyali Projects	Riyali Research	Riyali Partnership
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**Cumulative Achievements in 2025**

**Educational Reach:** Since 2017, Through its strategic partnership with the Ministry of Education, Riyali has successfully reached over 4,000,000 students across more than 10,000 schools, covering all education directorates in the Kingdom.

**Ambassador Network:** The program has trained and mobilized over 65,000 ambassadors, generating an economic return on volunteering of approximately **ﷲ** 83,000,000.

**Digital Footprint:** Riyali achieved a total digital reach of 4,600,000, with over 121,000 direct community interactions and 2,500 new followers joining its financially aware community.

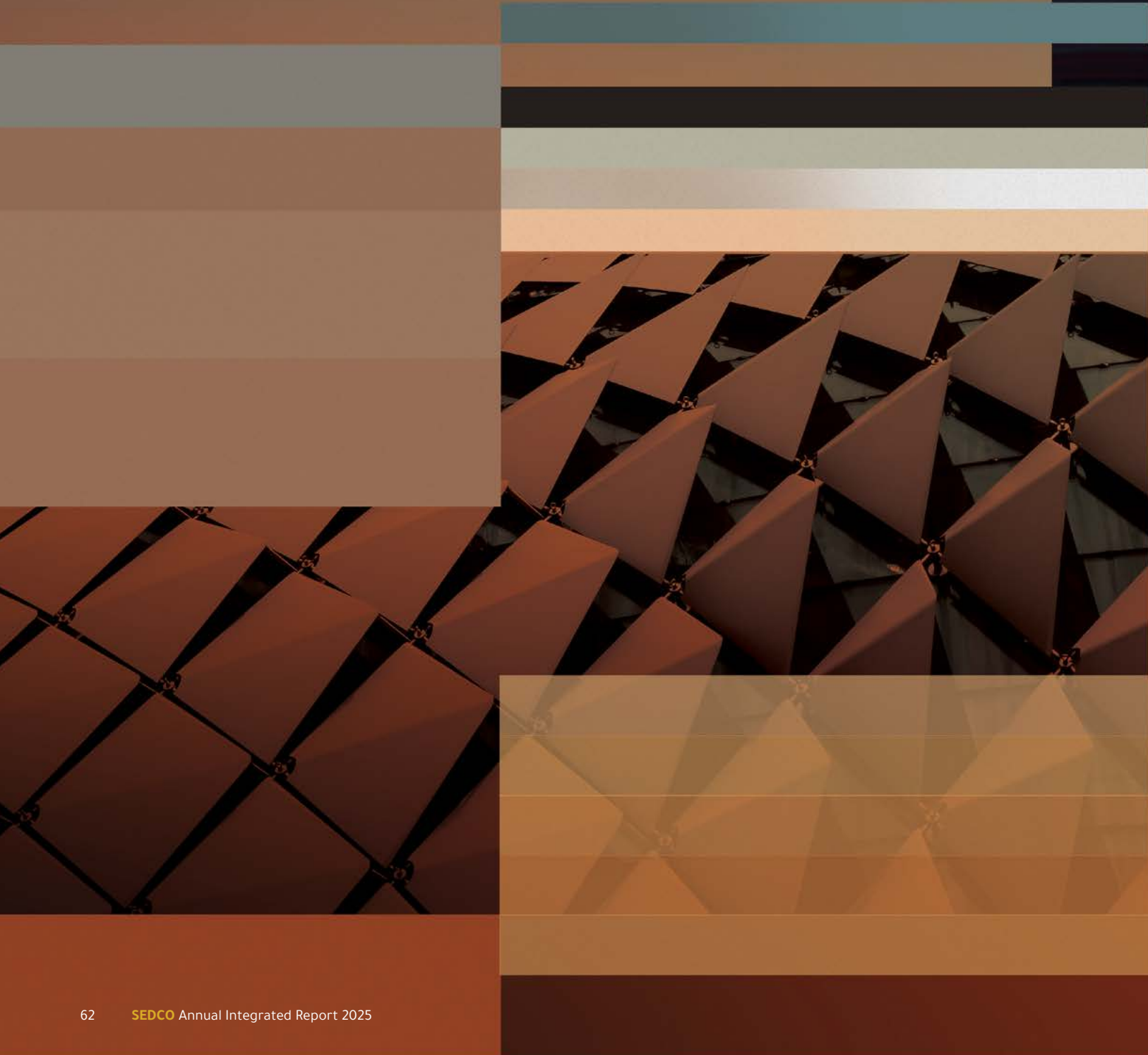
**Strategic Alliances:** Riyali signed key cooperation agreements to deepen its social impact, including alliances with 3i Impact Sustainability Company, Al-Jameia Al-Oula (to support women’s financial empowerment), and Iktifa’a Financial Company.

**The Impact**

**Behavioral Impact:** A field study conducted across 16 cities with 24,730 participants revealed that 80% of students increased their financial understanding, 86% started saving after the program, 81% started budgeting, and 68% started investing or considering it.

**Satisfaction and ROI:** The program achieved a 95% beneficiary satisfaction rate and a Social Return on Investment (SROI) of **ﷲ** 7.18 in social and economic value for every Riyal invested.

# Corporate Governance





Our corporate governance framework remains a fundamental pillar in supporting risk management, value creation, and long-term sustainability. Grounded in the core principles of fairness, transparency, accountability, and responsibility, our governance ecosystem is designed to meet the unique needs of the family while prioritizing enduring generational prosperity.

# Board of Directors



**Yaser Binmahfouz**  
Executive Chairman



**Abdelelah Salem Binmahfouz**  
Vice Chairman



**Sameer Baarma**  
Board Director



**Simon Palethorpe**  
Board Director



**Ghazal Binmahfouz**  
Board Director



**Abdulraouf M. A. Manna**  
Board Director



**Zeyad bin Othman AlHekail**  
Board Director



**Badr Binmahfouz**  
Board Director



**Matthew Eyton-Jones**  
Board Director

# Executive Management



**Ossama A. Banaja**  
Chief Direct Investments Officer



**Sherif Selim**  
Chief Real Estate Officer



**Ibrahim Ajlan**  
Executive Director, Information Technology



**Magid Ali**  
Executive Director, Legal Affairs



**Abdulrahman Al Turjuman**  
Executive Director, Corporate Communications & Sustainability



**Tharwat Amer**  
Chief Financial Officer



**Yasser Dahlawi**  
Executive Director, Head of Governance Risk and Compliance



**Adnan Karshe**  
Executive Director, Internal Audit

# Governance Framework



The Board of Directors leads our corporate governance, driving ethical conduct, ensuring regulatory compliance, and addressing our responsibility to shareholders. To ensure accountability and strategic oversight, the Board delegates authority through specialized committees.

## BOARD COMMITTEES

No.	Committee	Role/Function	Members as at December 31, 2025
1	Audit and Risk Committee (ARC)	Oversees internal and external audits, financial reports, risk management strategies, and legal/compliance affairs.	Abdulraouf Manna Matthew Eyton-Jones Ghazal Binmahfouz Saleh Alkhalaf Khaled Al Khwaiter
2	Nomination and Remuneration Committee (NRC)	Manages compensation, nomination processes, human development, and organizational structure.	Simon Palethorpe Abdulraouf Manna Sameer Baarma Jumana Binmahfouz
3	Executive and Investment Committee (EIC)	Entrusted with strategy, budgeting, investment and divestment decisions, and financial performance.	Yaser Binmahfouz Zeyad AlHekail Matthew Eyton-Jones Bader Binmahfouz
4	Shariah Committee (SC)	Verifies the effectiveness of the Shariah governance framework and supervises Shariah-compliant investment decisions.	Abdulaziz Al Qassar Yousef Al Shubaily Khalid Gama

### MANAGEMENT COMMITTEES

No.	Committee	Role/Function
1	Management Committee (MC)	Conducts performance reviews, assists the CEO with strategic direction, resource allocation, performance metrics, and risk and compliance management, operating under the CEO's delegated authority.
2	Management Investment Committee (MIC)	Assists the CEO and the Executive and Investment Committee (EIC) with investment and divestment decisions, strategy, and finance through reviews, approvals, and recommendations, operating under the CEO's delegated authority.
3	Asset and Liability Management Committee (ALCO)	Reports to the CEO and manages SEDCO Holding's asset and liability risks, including interest rate, liquidity, and credit risk. Strategically manages the balance sheet and liquidity to mitigate financial position risks, and regularly monitors for variances from strategic targets, budgets, and policies regarding profits, liquidity, and risk aversion.
4	Procurement Committee (PC)	Reports to the CEO, monitors SEDCO Holding's annual procurement spend, and advises management on optimizing value. It develops and oversees the annual procurement strategy and budget, provides procurement activity oversight, and appoints project working groups for complex projects.

### FUNCTIONING OF THE BOARD

SEDCO's Corporate Governance Manual sets out guidelines for Board functioning, competence, training, and assessment, which are vital for effective governance.

Board competence is maintained through rigorous training and assessment. Training programs are tiered into

foundational training (for onboarding), periodic refreshers (on regulatory changes), leadership development, and specialized functional training. Training for Board Members is tailored based on existing skills and capabilities, future needs, and expertise that Board Members would require at SEDCO's affiliates.

Foundational Training	Periodic Refreshers	Leadership Development	Specialized Functional or Topical Training
Essential corporate governance training is delivered to new Board Directors - covering legal duties, boardroom etiquette, decision-making, committee functions, and stakeholder interactions.	Continuous board refreshers focus on updating our Board on regulatory updates and legal changes. They also serve to improve financial oversight, risk management, and strategic oversight by developing related skills.	Targeted training and development that specifically targets Board representatives with high potential to be retained on multiple boards.	Specific, need-based trainings deliver in-depth knowledge on functional topics such as finance, risk, and governance for high-potential board members.
Annual sessions ensure all new members are properly onboarded.	Refreshers occur every six months or upon significant changes in the regulatory environment.	Annual sessions, offered to selected candidates, focus on effective leadership styles, meeting facilitation, negotiation, personal effectiveness, and other essential skills.	Tailored courses, offered every six months, address the specific needs of Board members or affiliates.

Furthermore, the Board undergoes a routine and standardized process for evaluation of effectiveness, based on criteria outlined in the Company's Corporate Governance Manual.

These systems ensure board members possess the necessary skills and knowledge, maintain high performance standards, and align with evolving best practices and regulatory requirements.

### ESG GOVERNANCE

Recognizing the pivotal role of sustainability, our Corporate Governance Framework formally incorporates Environmental, Social, and Governance (ESG) pillars based on sustainability topics and themes deemed material for the Company.

The Sustainability Council, comprising SEDCO Holding members and affiliate representatives, functions as an apex advisory and executive body for sustainability related matters - working directly with the Corporate Communications and Sustainability Team. Together, these functions are instrumental in reviewing climate-related risks, and overseeing ESG impacts and implications of our strategic roadmap.

Our ESG Strategy expresses the Company's commitment to sustainability, including a continued commitment to reducing the environmental impact of our operations.

### GOVERNANCE DEVELOPMENTS IN 2025

Four AGMs were held during 2025, including circulation meetings for SEDCO Holding, with all the necessary General Assembly documents prepared, reviewed, and submitted through the Ministry's platform.

The Board approved the Enterprise Risk Management (ERM) Policy and the Whistleblowing Policy, as per endorsement of the Audit and Risk Committee (ARC). Additionally, the Board approved amendments to the Delegation of Authority (DoA) manual, the Corporate Governance Manual, and the NRC and EIC charters to align with strategic needs, while recommending amendments to the company's Bylaws for General Assembly approval.

The Shareholders Advisory Committee (SAC) and SEDCO's Legal Team worked together to update Family Constitutions to better align family governance with business goals. These ongoing developments would support succession planning, enhance decision-making, and improve transparency for lasting stability.

Took steps to facilitate better and more effective engagement with shareholders, including working toward a digital method for sharing of AGM materials, alongside the standard process of providing hard copies for senior shareholders.

As part of the continuous review, the Company updated internal legal and custody policies - working toward creating a comprehensive Legal and Documentation Custody Policy that would standardize operations across SEDCO Holding and its affiliates. These refinements would ensure legal compliance, clearer accountability, stronger oversight, and better alignment with SEDCO's organization structure and corporate governance expectations.

# Enterprise Risk Management (ERM)

As the apex governance body, the Board engages on risk-related matters through the Audit and Risk Committee (ARC). SEDCO's ERM function reached a new level of formality and maturity in 2025 with Board approval of a new ERM policy.

The policy functions as the backbone of our ERM framework, which is based on a Three Lines Model: assigning clear roles and accountability to various functions and designations across the Company. The comprehensive ERM policy also guides risk assessments, training, and monitoring. It incorporates processes for collaboration and continuous improvement of ERM, through employee feedback, regular policy reviews, and effective stakeholder engagement.

The Company's ERM strategy integrates risk management into culture and operations, aligning with strategic objectives and using maturity assessments and KPIs to track effectiveness.

Material risks are identified through a structured, enterprise-wide ERM including business-unit risk assessments, investment reviews, portfolio monitoring, macroeconomic and sector analyses, market intelligence, and management workshops.

SEDCO Holding manages investment risk through a structured framework set out in its Investment Risk Management Guidelines. The strategy emphasizes portfolio diversification across asset classes, disciplined investment selection, and a balance between risk and long-term returns. The approach combines investment-level controls with portfolio-level oversight.

## RISK MATRIX 2025

- Market and Investment Risk (including asset value volatility and concentration risk)
- Interest Rate Risk
- Liquidity and Funding Risk
- Credit Risk
- Operational Risk (process, IT, people, fraud, data, external events)
- Legal and Regulatory Risk
- Compliance Risk
- Shariah Non-Compliance Risk
- Strategic Risk
- Reputational Risk

# Ethics and Compliance

During the year, the Company reviewed and updated key ethics and compliance policies to ensure continued relevance and alignment with regulatory requirements and organizational values.

This included formal approval, by the Board, for a new Whistleblowing Policy - to provide secure, confidential channels for reporting concerns without fear of retaliation.

Continuous refinements to the Code of Conduct and related policies cover issues such as conflicts of interest, anti-corruption, and responsible business practices.

To support effective implementation, we strengthened internal mechanisms, including clearer reporting lines, defined responsibilities for ethics oversight, and improved procedures for reporting, investigating, and resolving ethical concerns. These mechanisms were designed to ensure confidentiality, fairness, and protection against retaliation, thereby encouraging employees and stakeholders to raise concerns without fear.

We also continued to invest in ongoing ethics and compliance training during the reporting year to raise awareness and reinforce expected standards of behavior. Employees will receive targeted training sessions covering the Code of Conduct, ethical decision-making, and compliance obligations relevant to their roles, once the policy is approved by the Board of Directors.

## CODE OF BUSINESS CONDUCT

SEDCO's Code of Business Conduct is the cornerstone of ethical culture within the organization and its ecosystem. It guides employees at all levels in their daily operations, mandating adherence to relevant laws and policies, promoting ethical best business practices, and strictly prohibiting corruption and similar misconduct.

The Code addresses critical areas such as conflicts of interest, integrity, insider trading, gifts and entertainment, and anti-money laundering. It provides clear guidance on navigating ethical issues and offers confidential reporting channels for addressing unethical conduct internally. Applicable across all SEDCO activities, the Code extends to our suppliers, contractors, and consultants.

In 2025, the Company routinely reviewed and updated the Code of Conduct. As part of this ongoing review process, an Anti-Corruption Policy is expected to be incorporated into the Code of Conduct.

Implementation and oversight of the Code are a collaborative effort involving SEDCO's Legal Department, Corporate Communication and Sustainability Department, and the Human Resources Department, which manages staff training and communication. The Code is readily accessible to all employees, outlining their rights and providing clear procedures for raising concerns, including anonymous reporting via a dedicated email channel.

# Internal Audit (IA)

Operating as a centralized function, SEDCO's Internal Audit (IA) Department provides independent assurance and advisory services across SEDCO Holding, Methak Investment Holding, and the Salem Bin Mahfouz Foundation (SBMF).

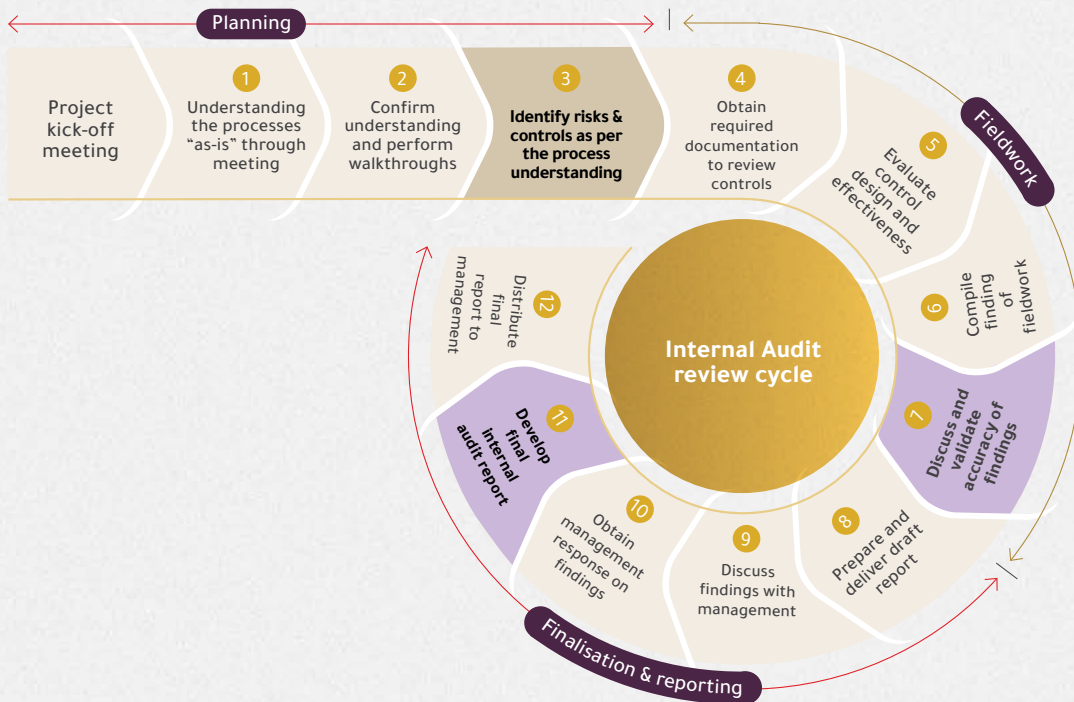
The IA function operates with a flexible resourcing model and scope aligned with SEDCO's strategy, risk profile, approved audit plan, and in line with a meticulously planned audit cycle. Where necessary, the function engages external specialists and subject matter experts through co-sourcing arrangements to support audit engagements requiring specific technical expertise.

This approach ensures adequate audit coverage, objectivity, and access to specialized skills, while maintaining the independence of the IA Function.

## IA ACTIONS IN 2025

- Completed audits of all mega-processes across SEDCO Holding.
- Implement corrective action plans, achieving 57% closed items by the end of the year.
- Achieved a business-critical KPI by assisting management in successfully closing maximum high-risk open items across all departments.

## INTERNAL AUDIT CYCLE



# Financial Stewardship

SEDCO's Finance function has evolved into a central strategic partner to management and the Board, supporting the Company's value creation and improving corporate governance.

The function serves as a key lever for active management of economic risks and opportunities, by closely monitoring global and regional market trends and their impact on the Group's investment portfolio and liquidity position. Regular scenario analysis and performance reviews are used to assess exposure to market volatility and interest rate movements.

Ongoing monitoring, early identification of red flags, and clear reporting to management and the Board ensure informed and agile decision-making in a changing investment environment.

Financial stewardship, in the Company's core functions, maintains risk alignment with the Group's investment strategy and ensures successful capital deployment and optimization of cash returns - as discussed in the detailed Investment Impact review.

## FINANCIAL HIGHLIGHTS IN 2025

In a major milestone for shareholder transparency, the Company's Finance function collaborated with a third-party advisor to successfully complete SEDCO Holding's first-ever corporate valuation. This enabled the execution of share trades strictly aligned with the Group's share trade policy.

The ongoing multi-year drive to improve financial efficiency saw finance costs reduce by 7% YoY, driven by lower employee costs and tighter cost controls across the Company. This builds on sustained cost-reduction efforts over recent years, with an estimated cumulative saving of 27% and overall headcount reduction of 35% compared to 2022, while maintaining service quality and strengthening overall financial discipline.

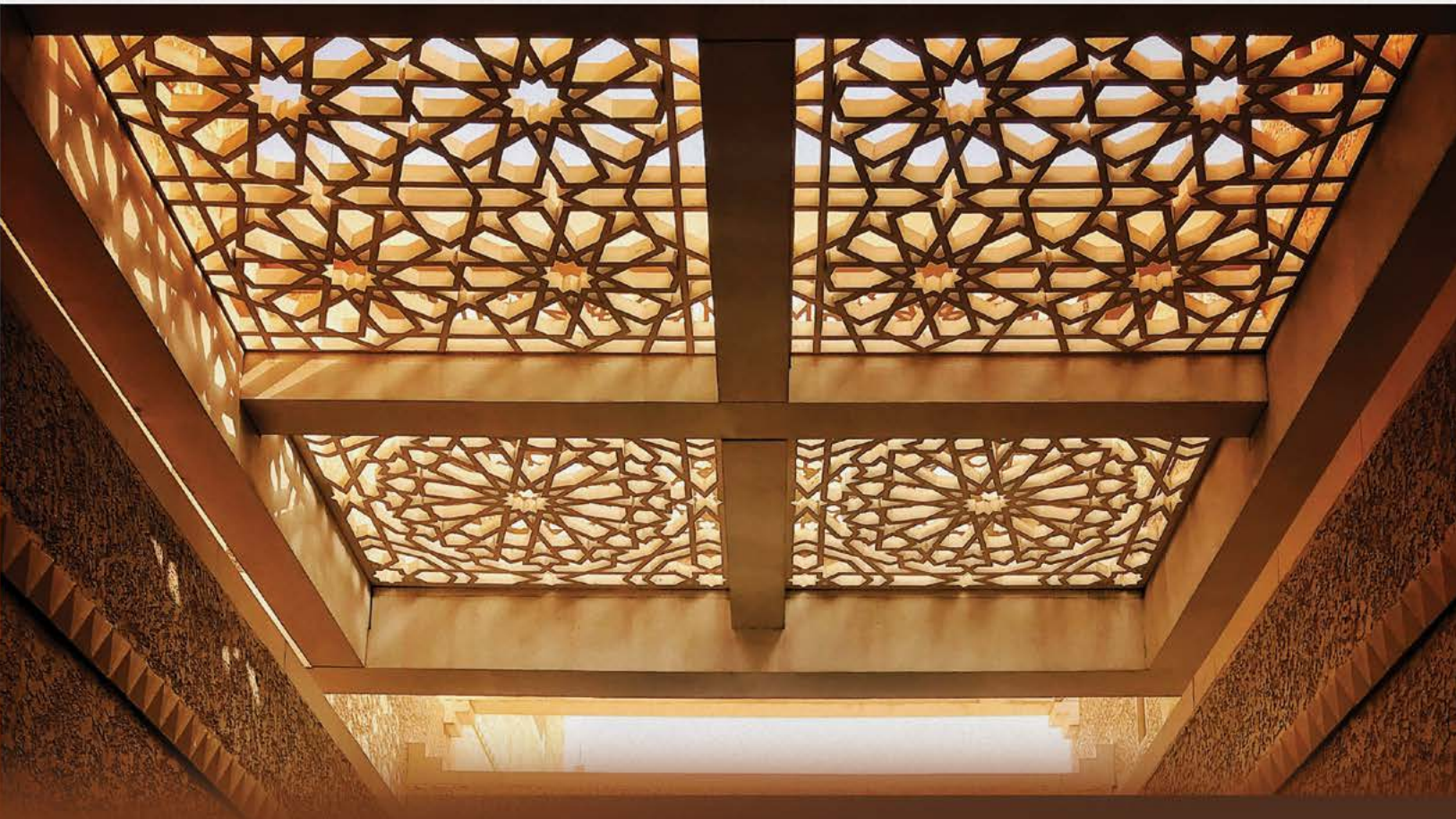
# Shariah Compliance

Shariah compliance is embedded across the Company's governance, operational, and investment decision-making processes to ensure all activities align with Islamic principles. Compliance is integrated into strategy formulation, product structuring, investment execution, and ongoing portfolio management.

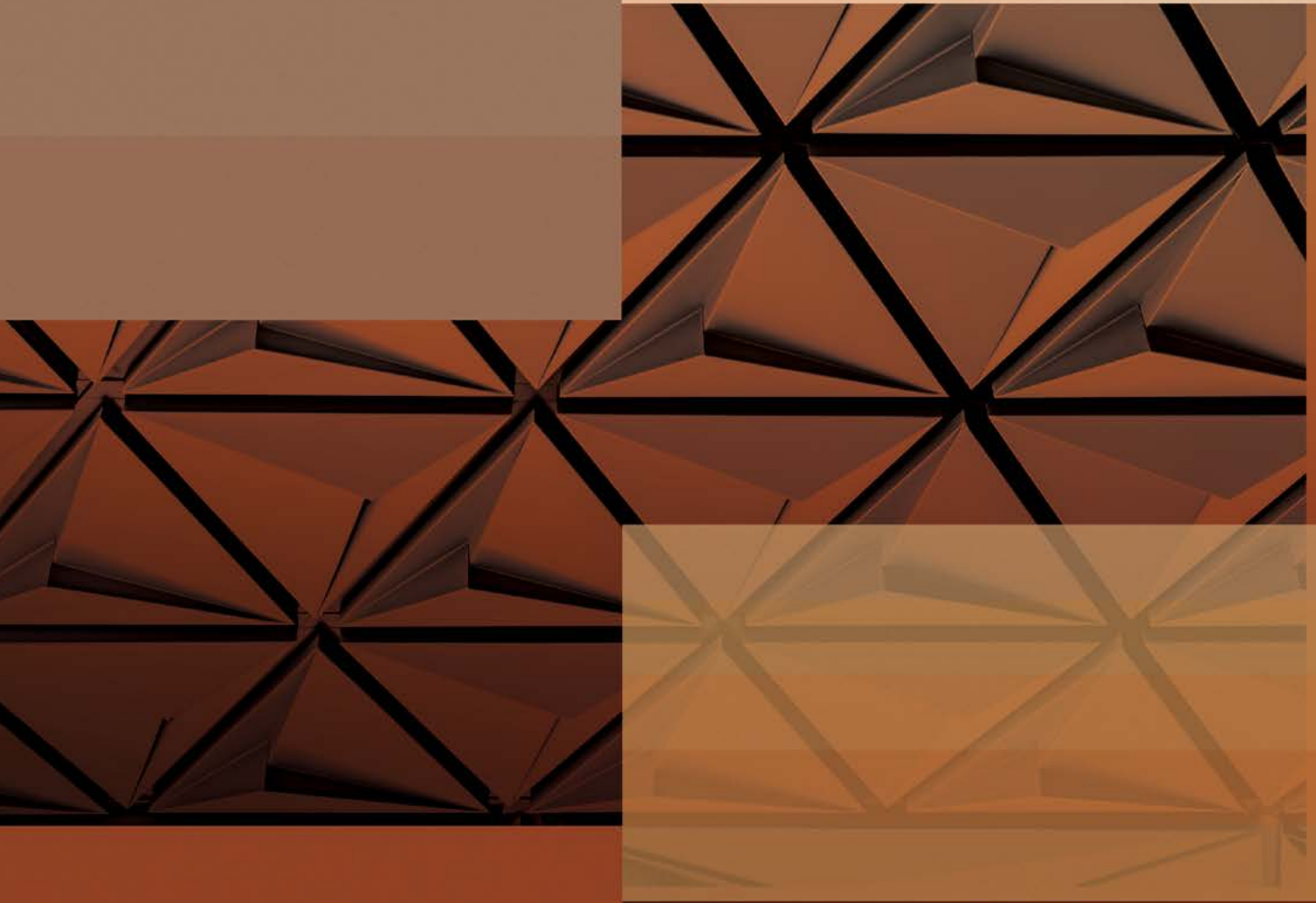
The Company operates under a formal Shariah governance framework designed to ensure effective oversight, accountability, and consistency in Shariah-compliant practices. The Board of Directors retains ultimate responsibility for Shariah compliance. Shariah Governance Charters and Guidelines guide the identification, assessment, approval, and monitoring of Shariah-compliant activities. Shariah requirements are embedded into standard operating procedures across relevant departments (e.g., investments, legal, finance), ensuring consistency in implementation.

The Shariah Committee plays a central and independent role in overseeing Shariah compliance throughout the Company. The Shariah Committee Charter, approved by the AGM, outlines the Committee's roles and responsibilities.

During 2025, the Company continued to strengthen this framework through enhanced governance practices and deeper engagement of the Shariah Committee.



# Annexes





# Material Topics

SEDCO's material topics are aligned with the Company's Sustainability Framework and the Global Reporting Initiative (GRI) Sustainability Reporting Standards Material Topics.

The following material topics were developed through a comprehensive process, approved by the leadership team, and presented to the Board of Directors.

The process of materiality assessment and sustainability framework development is described in the section Social and Environmental Impact: Stakeholders and Materiality on page 70.

## ENVIRONMENT

GRI 302: Energy

GRI 303: Water and Effluents

GRI 305: Emissions

GRI 306: Waste

## SOCIAL

GRI 401: Employment

GRI 403: Occupational Health and Safety

GRI 404: Training and Education

GRI 405: Diversity and Equal Opportunity

GRI 406: Non-discrimination

GRI 413: Local Communities

GRI 204: Procurement Practices

## GOVERNANCE

GRI 201: Economic Performance

GRI 203: Indirect Economic Impacts



# GRI Content Index



