Beyond Compliance

How annual reports can become a stronger investor story in Saudi Arabia and the GCC

> **Can investors quickly see where your business is going - or only where it has been?**

Across Saudi Arabia and the GCC, the annual report is evolving from a year-end disclosure document into a strategic communication asset. The strongest reports do more than present compliant information: they connect strategy, governance, risk, KPIs and financial performance into a coherent explanation of how the business creates value.

REGULATORY Saudi reporting obligations set the baseline, not the ceiling.	**STRATEGIC** Investors need a visible link between direction, delivery and results.
BILINGUAL Arabic-English consistency is increasingly part of reporting quality.	**DIGITAL** PDF, HTML and reusable investor content are becoming part of the reporting ecosystem.

The core argument

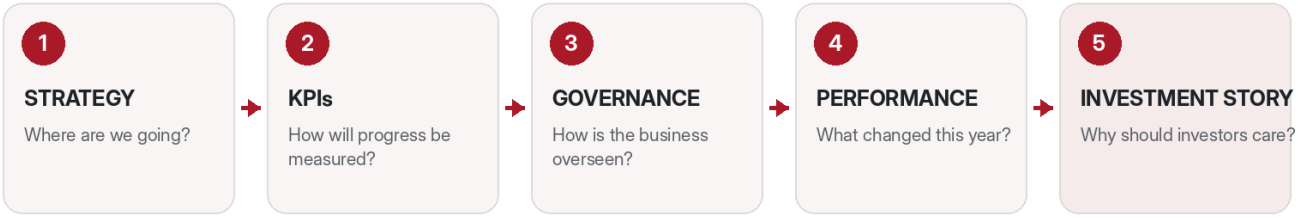
The annual report is one of the few board-approved documents that can bring strategy, performance, governance and market credibility together in one place. Treating it only as a compliance exercise leaves investor value on the table.

The annual report is becoming part of the investment case

> **A report can be technically complete and still leave the market unclear about the company's future.**

Saudi annual-report requirements already make the board report a decision-relevant document. The CMA framework expects investors to be able to understand financial position, performance, the business model and strategy. Market practice is moving further: leading reports increasingly connect these elements instead of presenting them in separate silos.

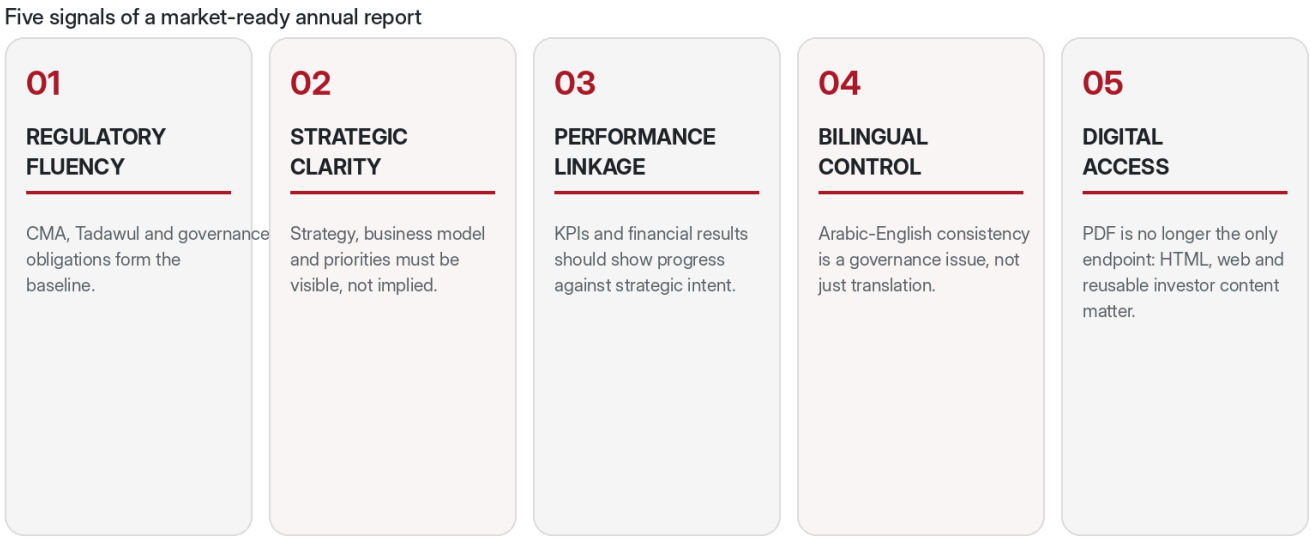
A strong annual report connects the chain - it does not leave investors to build it themselves.



WHAT WE OFTEN SEE	WHAT INVESTORS NEED TO SEE
Strategy stated separately from results	A visible line from strategy to KPIs, delivery and outcomes
Financial tables with limited interpretation	Management commentary that explains what changed and why
Governance disclosed as a compliance section	Governance shown as part of long-term value creation
Arabic and English handled late in production	Controlled bilingual drafting, terminology and QA from the outset

Five signals of a market-ready annual report

Strong reporting is not about adding more pages. It is about making the most important information easier to understand, easier to connect and easier to reuse. Across specialist reporting firms, GCC boutiques and Saudi market practice, five capabilities consistently stand out.



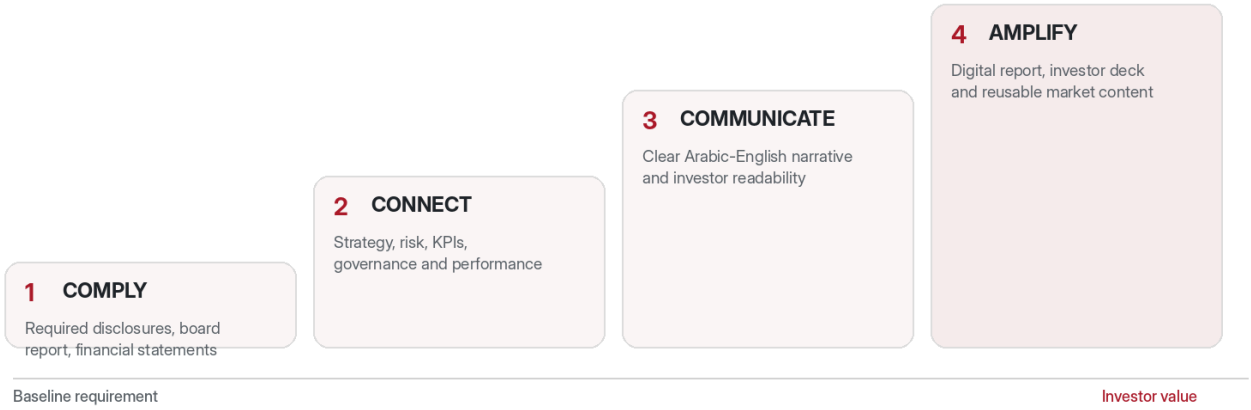
> **The key question is not "Have we disclosed it?" It is "Can an investor understand why it matters?"**

This is particularly important where reports need to communicate to multiple audiences at once: regulators, boards, shareholders, analysts, lenders and international investors. A well-structured report creates one core narrative that can serve all of them without weakening statutory substance.

The baseline is compliance. The opportunity is communication.

For Saudi listed companies, annual financial statements and the board report sit within a defined regulatory timetable and governance framework. But the market is also signalling higher expectations around strategic context, ESG, bilingual access and digital formats. The competitive advantage comes from managing both layers together.

From statutory reporting to market communication



SAUDI REGULATION	REGIONAL PRACTICE	DIGITAL SIGNAL
Board reporting is expected to be fair, balanced, understandable and sufficiently informative for shareholders and investors.	MEIRA reporting awards explicitly recognise print, digital/microsite, ESG and post-IPO reporting, with Arabic and English submissions.	Saudi issuers such as SAL and Tadawul Group demonstrate bilingual publication and increasingly accessible digital reporting formats.

For management teams, the practical implication is clear: finance, strategy, governance, IR, legal, communications and sustainability cannot work as isolated contributors. The report needs one narrative architecture, one approval rhythm and one source of truth.

Three shifts are reshaping annual reporting in the GCC

The market review points to a clear change in what boards, investors and reporting teams expect from the annual report. Across global specialists, Big Four advisers and GCC-focused agencies, the leading proposition is no longer simply the production of a compliant document. The report is increasingly treated as a connected reporting system: one that links strategy, performance, governance, sustainability and investor communication across print and digital channels.

Research signal: the competitive battleground is moving from "designing the book" to making corporate strategy and value creation easier for the market to understand.

1. Decision-useful reporting is becoming the standard

Saudi regulation already establishes a high baseline. The CMA Board Report Guide describes the board report as an important source of information for investment decisions, while the governance framework requires reporting that is fair, balanced, understandable and sufficiently informative. This creates a natural shift from disclosure completeness toward decision usefulness: what matters is not only whether information is present, but whether investors can interpret its significance.

2. Strategy, KPIs and financial results are expected to connect

The strongest reporting models integrate the strategic narrative with the evidence of execution. Investors should be able to move from stated priorities to KPIs, operating outcomes and financial performance without reconstructing the logic themselves. This is also where management commentary becomes more valuable: it explains what changed, why it changed and what that means for future performance.

3. Bilingual and digital delivery are becoming part of reporting quality

Saudi and GCC market practice increasingly combines Arabic and English reporting with PDF and digital formats. MEIRA reporting categories, bilingual issuer practice and the growth of HTML annual reports all point in the same direction: accessibility and consistency across formats are becoming part of how reporting quality is judged, rather than optional production features.

RESEARCH SIGNAL	WHAT IT MEANS FOR ISSUERS
Integrated reporting	Strategy, risk, governance, KPIs and financial performance should read as one connected story.
Bilingual control	Arabic-English consistency needs editorial governance, not late-stage translation alone.
Digital accessibility	HTML, PDF and reusable investor content broaden access and extend the life of the report.
Cross-functional ownership	Finance, IR, strategy, legal, governance and sustainability need one coordinated reporting process.

RESEARCH BASIS CMA Board Report Guide and Corporate Governance Regulations; Saudi Exchange ESG guidance; MEIRA reporting awards; market review of specialist reporting agencies, Big Four firms and GCC boutiques.

Why process quality affects the quality of the market story

The research also highlights an operational issue that is easy to underestimate: annual reports are produced at one of the busiest points in the corporate calendar. Financial close, audit, board reporting, governance disclosures, ESG content, translation, design and investor communications often converge within the same window. The result can be a technically correct report built through a fragmented process.

The annual report is an output of the reporting process. If the process is fragmented, the narrative will usually be fragmented too.

What the market evidence suggests

- Design-only phases commonly run for approximately four to eight weeks once final content is available; integrated narrative, digital and bilingual projects require materially longer lead times.
- A standard integrated cycle is more realistically planned over roughly 12-16 weeks, with first-year digital or highly integrated programmes often requiring 16-20 weeks.
- Most serious providers price and govern the work by scope and project phases rather than by page count, reflecting the coordination burden behind the finished report.
- Leading providers increasingly bundle the annual report with sustainability content, investor presentations, digital reporting, factsheets and launch assets - turning one reporting cycle into a reusable communications platform.

A more effective reporting operating model

01 DIAGNOSE	02 ARCHITECT	03 GOVERN	04 AMPLIFY
Review prior reporting, disclosure obligations, peer practice and the investment story that needs to be clearer.	Build the narrative from strategy through KPIs, risks, governance, performance and outlook.	Set one timetable, RACI, bilingual terminology control, version discipline and board approval gates.	Reuse approved content across the website, investor presentation, AGM materials and capital-markets outreach.

Why this matters to investors

Investors do not experience the internal complexity of the reporting process; they experience the clarity or ambiguity of the final document. A disciplined process makes it easier to show strategic continuity, explain performance drivers, connect governance to value creation and maintain consistency between Arabic and English. It also creates approved content that can be reused in investor presentations and other capital-markets communication rather than recreated after publication.

For boards and CFOs, this changes the annual-report question from "How do we get the document finished?" to "What do we want the market to understand, and what evidence will make that story credible?"

MARKET PRACTICE NOTE Public pricing is rarely disclosed. The original market review therefore treats delivery timelines and commercial structures as market-practice estimates derived from provider disclosures and case-study evidence, rather than published tariff data.

Turn the annual-report cycle into a strategic communication process

> **The best reporting process starts with the story the board wants the market to understand - not with the page count.**

A practical reporting model begins before drafting. It defines the investment narrative, maps disclosure obligations, agrees strategic KPIs, controls bilingual terminology and sets clear approval gates. This reduces late-stage rework while improving the quality of the final report.

BOARD / CFO CHECKLIST	THE VALUE CREATED
✓ Can an investor identify the strategy within the first few pages?	• Clearer investor comprehension
✓ Do KPIs show progress against strategic priorities?	• Stronger strategy-to-performance linkage
✓ Does management commentary explain the drivers behind the numbers?	• More efficient board and management approvals
✓ Are governance and risk connected to how value is protected and created?	• Lower risk of late disclosure gaps and version confusion
✓ Are Arabic and English controlled as one reporting process?	• Better bilingual consistency
✓ Can the core content be reused across investor presentations and digital channels?	• Reusable content for IR, AGM and capital-markets communication

The closing thought

Annual reports will always need to satisfy regulation. But the companies that gain more from the process use the same document to explain direction, demonstrate execution and build confidence in future value. In a market competing for capital, clarity is not cosmetic - it is part of the investment proposition.

SOURCE BASE CMA Corporate Governance Regulations and Board Report Guide; Rules on the Offer of Securities and Continuing Obligations; Saudi Exchange ESG guidance; MEIRA reporting awards; Saudi issuer and specialist reporting-market examples reviewed in the underlying market study. Additional market evidence: review of global specialist reporting agencies, Big Four advisory firms and GCC reporting boutiques, including public service propositions and case studies.