

**YAMAMA CEMENT COMPANY
SAUDI JOINT STOCK COMPANY
INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED
SEPTEMBER 30, 2021
AND INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM
CONDENSED FINANCIAL STATEMENTS**

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Report on Review of Interim Condensed Financial Statements

**To the Shareholders of YAMAMA Cement Company
 (A Saudi Joint Stock Company)**

Introduction:

We have reviewed the interim condensed statement of financial position of YAMAMA Cement Company (A Saudi Joint Stock Company) (the Company), as at September 30, 2021, and the interim condensed statement of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2021, and the interim condensed statements of changes in shareholders' equity and cash flows for the nine-month period then ended, and notes to the interim condensed financial statements, including a summary of significant accounting policies and other explanatory information periods. Management is responsible for the preparation and presentation for these interim condensed financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34"), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.


Scope of review:

We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity", as endorsed in the Kingdom of Saudi Arabia. A review of interim condensed financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, as endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion:

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

For Al-Kharashi Co.



Suljeman A. Al-Kharashi
 License No. (91)



Riyadh:
 12 Rabi' al-Awwal 1443H
 October 18, 2021G

YAMAMA Cement Company
Saudi Joint Stock Company
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT September 30, 2021
(EXPRESSED IN SAUDI RIYALS)

	Note	September 30, 2021 (unaudited)	December 31, 2020 (unaudited) (restated)
ASSETS			
Non-current assets			
Property, plant and equipment, Net	(3)	320,441,159	314,558,509
Projects under construction		4,366,667,572	4,178,703,365
Intangible assets	(4)	10,921,778	5,724,748
Right to use assets, Net	(5)	3,065,169	2,724,449
Investments in associates using equity method, Net	(6)	35,260,283	32,560,951
Financial assets at fair value through other comprehensive income	(7)	523,253,322	324,445,658
Total non-current assets		5,259,609,283	4,858,717,680
Current assets			
Trade accounts receivables		113,229,950	199,373,742
Inventory		351,667,437	391,984,692
Prepayments and other debit balances		21,890,782	23,883,051
Due from related parties	(8)	828,250	638,338
Financial assets at fair value through profit or loss	(9)	146,932,552	35,552,437
Cash and cash equivalents		64,113,145	71,782,245
Total current assets		698,662,116	723,214,505
TOTAL ASSETS		5,958,271,399	5,581,932,185
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY:			
Share capital	(1)	2,025,000,000	2,025,000,000
Statutory reserve		726,883,763	726,883,763
Additional Reserve		579,936,772	579,936,772
Retained earnings		770,096,331	596,973,076
Accumulative change in fair value		197,340,032	(1,473,882)
Total Shareholders' Equity		4,299,256,898	3,927,319,729
Non-current liabilities			
Long term loans	(10)	1,178,190,091	1,308,190,091
Lease liabilities – Noncurrent portion	(5)	1,414,155	1,403,602
Provision for land restoration subject to the franchise license		1,486,703	1,453,907
Provision for End of Service Indemnity		111,765,089	103,792,571
Total non-current liabilities		1,292,856,038	1,414,840,171
CURRENT LIABILITIES:			
Trade accounts payable		114,959,698	112,331,451
Long Term Loans – current portion	(10)	130,000,000	-
Lease liabilities – current portion	(5)	1,415,309	1,363,448
Due to related parties	(8)	1,359,537	1,849,995
Dividends payable		75,211,957	75,612,036
Accrued expenses and other credit balances		26,440,487	32,658,008
Provision for Zakat		16,771,475	15,957,347
Total current liabilities		366,158,463	239,772,285
TOTAL LIABILITIES		1,659,014,501	1,654,612,456
Total Shareholder's Equity & Liabilities		5,958,271,399	5,581,932,185

Finance & IT EVP

CEO

Chairman

The accompanying notes are an integral part of these interim condensed financial statements.

YAMAMA Cement Company
Saudi Joint Stock Company
INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY(UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER,30 2021
(EXPRESSED IN SAUDI RIYALS)

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2021	2020	2021	2020
	(Unaudited)	(Restated) (Unaudited)	(Unaudited)	(Restated) (Unaudited)
Revenue	170,669,067	249,644,589	553,504,056	706,792,576
Cost of revenue	(116,276,879)	(135,356,103)	(331,341,929)	(368,598,358)
Gross profit	54,392,188	114,288,486	222,162,127	338,194,218
Expenses and charges:				
Selling and distribution expenses	(1,882,648)	(918,107)	(8,813,123)	(6,105,082)
General and administrative expenses	(12,336,258)	(14,731,366)	(35,329,007)	(45,566,693)
Total expenses and charges	(14,218,906)	(15,649,473)	(44,142,130)	(51,671,775)
Profit from main activities	40,173,282	98,639,013	178,019,997	286,522,443
Other income:				
Investment income	3,779,552	3,624,578	6,724,617	4,553,328
Miscellaneous income	1,518,437	553,112	2,278,641	1,542,295
Profit for the period before zakat	45,471,271	102,816,703	187,023,255	292,618,066
Provision for zakat	(5,500,000)	(7,500,000)	(14,500,000)	(22,500,000)
Net profit for the period	39,971,271	95,316,703	172,523,255	270,118,066
OTHER COMPREHENSIVE INCOME:				
Gains on financial assets at fair value through other comprehensive income	3,037,110	29,385,417	198,813,914	24,338,455
Other comprehensive income	3,037,110	29,385,417	198,813,914	24,338,455
Total comprehensive income for period	43,008,381	124,702,120	371,337,169	294,456,521
Earnings per share:				
From main activities	0.20	0.49	0.88	1.41
From other income	0.03	0.02	0.04	0.03
Net profit	0.20	0.47	0.85	1.33

Finance & IT EVP

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YAMAMA Cement Company
Saudi Joint Stock Company
INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER, 30 2021
(EXPRESSED IN SAUDI RIYALS)

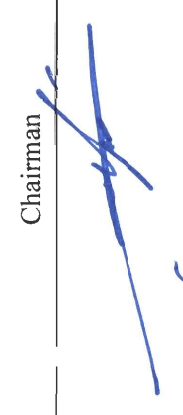
	Share capital	Legal reserve	Additional Reserve	Retained Earnings	Change in accumulated fair value	Total
Balance at January 1, 2020 (audited)	2,025,000,000	726,883,763	579,936,772	296,988,876	11,681,456	3,640,490,867
Adjustment for prior years	-	-	-	(434,038)	-	(434,038)
Net profit for the period (restated) (note 16)	-	-	-	270,118,066	-	270,118,066
Dividends	-	-	-	(101,250,000)	-	(101,250,000)
Other comprehensive income	-	-	-	-	24,338,455	24,338,455
Balance at September 30, 2020 (restated) (unaudited)	2,025,000,000	726,883,763	579,936,772	465,422,904	36,019,911	3,833,263,350
Balance at January 1, 2021 (restated) (unaudited)	2,025,000,000	726,883,763	579,936,772	596,973,076	(1,473,882)	3,927,319,729
Adjustment for prior years	-	-	-	600,000	-	600,000
Net profit for the period	-	-	-	172,523,255	-	172,523,255
Other comprehensive income	-	-	-	-	198,813,914	198,813,914
Balance at September 30, 2021 (unaudited)	2,025,000,000	726,883,763	579,936,772	770,096,331	197,340,032	4,299,256,898

Finance & IT EVP

CEO

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YAMAMA Cement Company
Saudi Joint Stock Company
INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30 2021
(EXPRESSED IN SAUDI RIYALS)

Note	For the nine-month period ended 30 September	
	2021	2020 (restated) (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before zakat	187,023,255	292,618,066
Adjustments to reconcile net profit to net cash generated from operating activities:		
Depreciation and amortization	6,184,661	5,066,049
Provision for obsolescence of machineries and furnaces spare parts	(3) 3,750,000	3,749,999
Provision for End of Service Indemnity	10,819,883	6,375,639
Income from financial assets at fair value through other comprehensive income	(2,501,149)	(2,188,506)
Income from financial investments at fair value through profit or loss trading	-	229,790
Income from financial investments at fair value through profit or loss Islamic Murabaha	(1,524,136)	(4,994,580)
(Gain) / loss from results of associate companies invested in using equity method	(2,699,332)	2,098,334
Adjusted net income	201,053,182	302,954,791
Trade accounts receivable	86,143,792	42,304,491
Inventories	40,317,255	158,185,070
Due from related parties	(189,912)	(189,438)
Prepayments and other debit balances	1,992,269	10,663,139
Trade accounts payable	2,628,247	14,508,334
Due to related parties	(490,458)	-
Accrued expenses and other credit balances	(6,217,522)	23,358,820
Change in leasing obligations	62,414	-
Change in provision of land restoration	32,796	-
Zakat Paid	(13,685,872)	-
Employees' termination benefits paid	(3,526,659)	(4,500,818)
Net cash flows generated from operating activities	308,119,532	547,284,389
Cash flows from investing activities		
Change in financial investments at fair value through profit or loss trading	(109,855,980)	1,422,870
Change in financial investments at fair value through profit or loss Islamic Murabaha	-	(468,000,000)
Financial assets at fair value through profit or loss Financial investments for trading	6,250	-
Purchase of property, plant and equipment	(1,791,580)	(1,364,962)
Spare parts Stock for equipment and machinery	(12,553,847)	(23,908,145)
Change in the right to use the asset	(340,720)	-
Project under construction	(193,953,825)	(324,805,577)
Proceeds from investment income	2,501,149	2,188,506
Net cash flows used in investing activities	(315,988,553)	(814,467,308)
cash flows from financing activities		
Proceeds from long-term loans	-	450,000,000
Payment of long-term loans	-	(54,397,678)
Dividends payable	(400,079)	(97,929,194)
prior years adjustments	600,000	(434,038)
Net cash flows generated from financing activities	199,921	297,239,090
change in cash and cash equivalents	(7,669,100)	30,056,171
Cash and cash equivalents at beginning of period	71,782,245	73,519,154
Cash and cash equivalents at end of period	64,113,145	103,575,325
Non-cash activity		
Unrealized gains on financial assets at fair value through other comprehensive income	198,813,914	24,338,456
Transfer from the employee benefit obligation provision to projects under construction	679,294	(1,896,627)
Transfer from capital business to intangible assets	6,668,914	-

Finance & IT EVP

CEO

Chairman

The accompanying notes are an integral part of these interim condensed financial statements.

YAMAMA CEMENT COMPANY
SAUDI JOINT STOCK COMPANY
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2021
(ALL AMOUNTS EXPRESSED IN SAUDI RIYAL UNLESS OTHERWISE STATED)

1. THE COMPANY AND NATURE OF ITS BUSINESS:

1.1 Establishment of Company

Al-YAMAMA Saudi Cement Company is a Saudi Joint Stock Company - formed by Royal Decree No. 15 dated 13/3/1381H – and registered in Riyadh city under Commercial Registration No. 1010001578 dated 18-4-1379H.

1.2 Nature of Company's Activity

The nature of the company's activity is the production of ordinary Portland cement, salt-resistant cement, clinker cement and finishing cement with industrial license No. (2370) dated 22/09/1439 H.

1.3 Company's Capital

YAMAMA Cement Company is a public joint stock company listed on the Saudi stock market. With a capital of SAR 2,025 million divided into 202,500,000 shares with a value of 10 riyals per share, it is wholly owned by individuals and public institutions.

2. BASIS OF PREPARATION:

2.1 accounting standers applied

The company's interim condensed financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as endorsed in Kingdom of Saudi Arabia (KSA). The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at 31 December 2020. In addition, the results of operations for the nine-month period ended September 30, 2021 do not necessarily represent an indicator for the results of operations for year ending December 31, 2021.

2.2 Basis of measurement

The interim condensed financial statements have been prepared using accrual basis of accounting, going concern concept and under the historical cost basis, except for financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss which are recognized at fair value through other comprehensive income (related to financial assets at fair value through other comprehensive income) and through profit or loss (related to financial assets at fair value through profit or loss), and investment in associate companies which is recognized by using equity method.

2.3 Functional and presentation currency

The interim condensed financial statements have been prepared in Saudi Riyals, which is the functional and presentation currency for the company, all the numbers are rounded to the nearest Riyal, unless otherwise indicated.

2.4 Significant accounting policies

The accounting policies applied in these interim condensed financial statements for the nine-month period ended 30 September 2021 are the same as those applied in the Company's annual financial statements as at and for the year ended December 31, 2020.

YAMAMA CEMENT COMPANY
SAUDI JOINT STOCK COMPANY
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2021
(ALL AMOUNTS EXPRESSED IN SAUDI RIYAL UNLESS OTHERWISE STATED)

2. BASIS OF PREPARATION (CONTINUED):

2.5 Amendments to International Financial Reporting Standards

The following amendments to International Financial Reporting Standards have been applied by the company since January 1, 2021.

- Early application of the amendments to International Accounting Standard No. 16 “Property, plant and equipment: revenue before intended use” and the application of this amendment requires an adjustment of the comparative amounts for the year ended December 31, 2020 and for the three month and nine-month periods ended September 30, 2020 AD (Note No. 16).

2.6 Significant accounting estimates, judgements, and assumptions

The preparation of Company’s interim condensed financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liability affected in future periods. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The significant judgements made by management in applying the Company’s accounting policies and key sources of estimates uncertainty were the same as those described in the financial statements for the year ended 31 December 2020.

3. PROPERTY, PLANT, AND EQUIPMENT:

	September 30, 2021	December 31, 2020
	(Unaudited)	(Audited)
Property, Plant, and Equipment	66,827,603	69,748,800
ADD:		
Spare Parts Machineries and Furnaces	329,526,906	316,973,059
Provision. for Spare Parts Machinery and Furnaces	(75,913,350)	(72,163,350)
Spare Parts Machinery and Furnaces Net	253,613,556	244,809,709
	320,441,159	314,558,509

Based on the decision of the Board of Directors to form a provision for the aging of Spare Parts for Kilns and Machineries in the amount of 5 million Saudi riyals per year, the movement of the provision was as follows:

	September 30, 2021	December 31, 2020
	(Unaudited)	(Audited)
Balance at beginning of the period/year	72,163,350	67,163,350
Provided during the period/year	3,750,000	5,000,000
Balance at end of the period/year	75,913,350	72,163,350

YAMAMA CEMENT COMPANY
SAUDI JOINT STOCK COMPANY
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2021
(ALL AMOUNTS EXPRESSED IN SAUDI RIYAL UNLESS OTHERWISE STATED)

3/1. PROPERTY, PLANT, AND EQUIPMENT (continued):

	Land	Building, Construction	Plants & Machinery	Vehicles and transportation Equipment	Tools	Furniture & Office Equipment	Total
Cost							
At January 1,2021 (audited)	12,234,510	1,244,802,512	2,836,051,971	24,840,562	11,458,930	40,083,628	4,169,472,113
Adjustments during the period	-	-	-	-	(1,350)	-	(1350)
Additions during the period	-	-	-	1,686,258	65,000	41,670	1,792,928
Disposals during the period	-	-	-	(443,000)	-	-	(443,000)
At September 30,2021 (unaudited)	12,234,510	1,244,802,512	2,836,051,971	26,083,820	11,522,580	40,125,298	4,170,820,691
Accumulated depreciation							
At January 1,2021 (audited)	-	1,205,366,938	2,831,668,362	24,475,848	8,893,527	29,318,638	4,099,723,313
Depreciation during the period	-	1,016,898	785,224	327,854	311,749	2,271,050	4,712,775
Disposals during the period	-	-	-	(443,000)	-	-	(443,000)
At September 30,2021 (unaudited)	-	1,206,383,836	2,832,453,586	24,360,702	9,205,276	31,589,688	4,103,993,088
Net Book Value							
At September 30,2021 (unaudited)	12,234,510	38,418,676	3,598,385	1,723,118	2,317,304	8,535,610	66,827,603
At December 31,2020 (audited)	12,234,510	39,435,574	4,383,609	364,714	2,565,403	10,764,990	69,748,800

The Company's factory along with its building and related facilities are erected on land owned by the Company from Riyadh Municipality according to deed No. 256/6 dated 12-5-1387H its book value is zero. and It has not been evaluated at fair value at the date of the Accompanying interim condensed financial statements.

YAMAMA CEMENT COMPANY
SAUDI JOINT STOCK COMPANY
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2021
(ALL AMOUNTS EXPRESSED IN SAUDI RIYAL UNLESS OTHERWISE STATED)

4. INTANGIBLE ASSETS:

Intangible assets represent value of licenses and computer programs as follows:

	September 30, 2021 (Unaudited)	December 31, 2020 (Audited)
Cost:		
Balance at beginning of the period/year	6,848,600	1,185,407
Additions during the period/year	6,668,914	5,663,193
Balance at end of the period/year	13,517,514	6,848,600
Accumulated amortization:		
Balance at beginning of the period/year	1,123,852	256,840
Amortization during the period/year	1,471,884	867,012
Balance at end of the period/year	2,595,736	1,123,852
Net book value	10,921,778	5,724,748

5. LEASING CONTRACTS

	September 30, 2021 (Unaudited)	December 31, 2020 (Audited)
Right of use assets		
Cost:		
Balance at beginning of the period/year	5,449,192	5,449,192
Additions during the period/year	1,362,445	-
Balance at end of the period/year	6,811,637	5,449,192
Accumulated depreciation:		
Balance at beginning of the period/year	2,724,743	1,362,445
Amortization during the period/year	1,021,725	1,362,298
Balance at end of the period/year	3,746,468	2,724,743
Net book value	3,065,169	2,724,449

Leasing obligations

	September 30, 2021 (Unaudited)	December 31, 2020 (Audited)
Present value of obligations		
Balance at beginning of the period/year	2,767,050	4,086,747
Additions during the period/year	-	-
Interest charged during the period/year	62,414	124,303
Payments made during the period/year	-	(1,444,000)
Balance at end of the period/year	2,829,464	2,767,050
The current portion of leasing obligations	1,415,309	1,363,448
Non-current portion of leasing obligations	1,414,155	1,403,602
	2,829,464	2,767,050

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(ALL AMOUNTS EXPRESSED IN SAUDI RIYAL UNLESS OTHERWISE STATED)

6. INVESTMENTS IN ASSOCIATE COMPANIES USING EQUITY METHOD. NET:

	Percentage ownership %	September 30, 2021	December 31, 2020
		(Unaudited)	(Audited)
Saudi Yamani Cement Co.- (Yamani Closed Joint Stock)	20%	75,060,000	75,060,000
Less: Provision for impairment for Investments		(75,060,000)	(75,060,000)
Investment in Saudi Yamani co., Net		-	-
Cement Product Industry Co. Ltd.	33.33%	35,260,283	32,560,951
Total		35,260,283	32,560,951

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME:

	Percentage ownership %	September 30, 2021	December 31, 2020
		(Unaudited)	(Audited)
Investments in stocks:			
Industrialization & Energy Service Co. (closed Joint Stock Co.)	5.63%	467,156,117	281,249,920
Al-Kian Petrochemical Co.-(KIAN)	0.31%	-	6,250
		467,156,117	281,256,170
Investment in Real estate funds			
Real estate funds		56,097,205	43,189,488
Total		523,253,322	324,445,658

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SAUDI JOINT STOCK COMPANY
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2021
(ALL AMOUNTS EXPRESSED IN SAUDI RIYAL UNLESS OTHERWISE STATED)

8. RELATED PARTIES:

Transactions with related parties are in ordinary scope of work for the Company. Determining the value of those transactions by fair value.

	Nature of relationship	September 30, 2021	December 31, 2020
		(Unaudited)	(Audited)
Due from Related Parties:			
Yamani Saudi Cement Co.- (closed Joint Stock Co.)	associate	828,250	638,338
Due to Related Parties:			
Cement Product Industry Co. Ltd.	associate	1,335,000	1,849,995
Mobile Telecommunication Company Saudi Arabia -Zain-	Chairman	24,537	-
		1,359,537	1,849,995

Significant period/year end balances arising from transactions with related parties are as follows:

Name of related party	Type of Transactions	September 30, 2021	December 31, 2020
		(Unaudited)	(Audited)
Cement Product Industry Co. Ltd.	Purchasing Packing Paper Bags	9,700,793	14,445,728
Arabian Shield Co-operative Insurance Co.	Insurance	10,104,380	13,569,841
Saudi Joint Stock Co.			
Yamani Saudi Cement Co.- (closed Joint Stock Co.- Private	Payments on behalf	147,838	249,268
Mobile Telecommunication Company Saudi Arabia -Zain-	Communication services	1,133,721	252,129

The Chairman of Board of Directors of the Arabian Shield Co-operative Insurance Company is a Vice Chairman of Board of Directors of the Company.

The Chairman of Zain is a Vice Chairman of Board of Directors of the Company.

The member of Board of Directors of the Arab Shield Insurance Company is a member of Board of Directors of the company.

YAMAMA CEMENT COMPANY**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)****FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2021****(ALL AMOUNTS EXPRESSED IN SAUDI RIYAL UNLESS OTHERWISE STATED)****9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS:**

	September 30, 2021 (Unaudited)	December 31, 2020 (Audited)
Murabaha funds	146,932,552	35,552,437

10. LONG TERM LOANS:

	September 30, 2021 (Unaudited)	December 31, 2020 (Audited)
Saudi Industrial Development Fund	745,000,000	745,000,000
Alahli commercial bank and Samba group	-	563,190,091
Al-Rajhi Bank	563,190,091	-
	1,308,190,091	1,308,190,091
Divided into:		
Current portion of long-term loans	130,000,000	-
Long term portion of long-term loans	1,178,190,091	1,308,190,091
	1,308,190,091	1,308,190,091

On December 20, 2016, the company received long-term financing which was in accordance with sharia laws of SAR 900 million from the Saudi Industrial Development Fund to finance the construction of a new Al Yamama cement plant in the Northern Halal area of Al-Kharj, Riyadh. With a guarantee mortgage of the new plant assets. which are in addition to order bonds for the loan to be repaid on 12 semi-annual payments as of 2020. During the year ended December 31, 2020, the Company has settled an amount of SAR 155 million.

Al-Rajhi Bank:

On March 25, 2021, the Company has signed an Islamic Murabaha agreement with Al-Rajhi Bank in compliance with Islamic Sharia, according to which the Company obtains partial bank facilities in the amount of SAR 863 million, of which only the amount of SAR 563 million was utilized for the purpose of repaying the National Bank and Samba loan, which was fully paid on March 30, 2021 according to the following:

- These facilities are secured by promissory notes, provided that the loan is repaid in 6 semi-annual installments starting from March 2023.

11. FAIR VALUE OF FINANCIAL INSTRUMENTS:

Fair value is the amount received when an asset is sold or paid to transfer a liability in an organized transaction between market participants on the date of measurement. The company's financial instruments consist of financial assets and financial liabilities.

The company's financial assets consist of cash and its equivalents, trade receivables, advance payments to suppliers, other debit balances and due from related parties.

Financial liabilities consist of trade payables, due to related parties and other credit balances.

The fair value of financial instruments is not significantly different from their book value, unless otherwise indicated.

12. RISK MANAGMENT:

Credit risk

Credit risk represents one party's inability to meet its obligations, resulting in the other party incurring financial loss. The Company is committed to managing customer-related credit risk by setting credit limits for each customer and monitoring existing debits.

Special commission price risk

Special commission price risk relates to the risks resulting from the fluctuation of the value of a financial instrument as a result of the change in the prevailing commission rates in the market, and the company is subject to the risk of special commission rates on its assets associated with special commissions such as murabaha deposits and credit facilities.

Liquidity risk

Liquidity risks represent the company's difficulties in providing funds to meet financial instrument obligations. Liquidity risk results from the inability to sell a financial asset quickly at an amount equivalent to its fair value. The Company manages liquidity risks by maintaining cash balances with banks and ensuring that adequate facilities can be obtained, if necessary, to continuously cover its short-term obligations.

The terms of collection include the collection of the value of the sales within a period of 30 to 60 days from the date of sale and that the purchases are paid within a period of 30 to 60 days from the date of purchase.

Currency risk

Currency risk resulting from fluctuating value of financial instruments is the result of changes in foreign exchange rates. The company is subject to fluctuations in foreign exchange rates during its normal business cycle. The company did not conduct any significant transactions in currencies other than the Saudi riyal, US dollar and euro during the period.

YAMAMA CEMENT COMPANY**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)****FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2021****(ALL AMOUNTS EXPRESSED IN SAUDI RIYAL UNLESS OTHERWISE STATED)****13. BASIC AND DILLUTTED EARNINGS PER SHARE:**

Earnings per share for the period is calculated by dividing net profit for the period by the weighted average of the number of shares during the period which is as follows:

	September 30, 2021	September 30, 2020
	(Unaudited)	(Unaudited)
Net profit for the period attributable to Shareholders of the Company	172,523,256	270,118,066
Weighted average number of shares	202,500,000	202,500,000
Earnings per share for the period	0.85	1.33

- During the period, there were no dilutive shares, so the diluted earnings per share equals the basic earnings per share.

14. GEOGRAPHICAL DISTRBUTION:

All of the Company's assets and liabilities are located in Saudi Arabia except for investments in The Yamani-Saudi Cement Company, which is headquartered in Yemen.

15. SEGMENT INFORMATION:

The company's main business is one product locally and therefore does not report on the operating sectors in multiple products or geographical areas.

16. RESTATEMENT OF FIGURES FOR COMPARATIVE PERIODS:

As indicated in Note No. (2-5), the company has early applied the amendments to IAS 16 "Property, Plant and Equipment:(Returns before intended Use)". This amendment was issued in May 2020, and as a result, the company made a retrospective restatement. restatement to some related items, in the statement of financial position as at December 31, 2020. Some related items are also restated in the interim condensed statement of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2020 and the condensed statements of changes in shareholders' equity and cash flows for the Nine-month period then ended shown below:

- The Company restated revenue, cost of revenue and net profit for the period in addition to the retained earnings and related items in the financial statements as at December 31, 2020 and for the three- month and nine-month periods ended September 30, 2020 as a result of early application of the amendments to IAS 16 "Property, Plant and Equipment (Returns before intended use).

Statement of financial position

	As of December 31, 2020		
	Before Restatement	Restatement	After Restatement
Capital work in progress	4,136,431,565	42,271,800	4,178,703,365
Retained earnings	554,701,276	42,271,800	596,973,076

16. RESTATEMENT OF FIGURES FOR COMPARATIVE PERIODS (CONTINUED) :

	For the three-month period ended 30 September 2020		
	Before Restatement	Restatement	After Restatement
<u>STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME:</u>			
Revenue	217,529,656	32,114,933	249,644,589
Cost of Revenue	(120,830,563)	(14,525,540)	(135,356,103)
Net profit for the period	77,727,310	17,589,393	95,316,703

	For the Nine-month period ended 30 September 2020		
	Before Restatement	Restatement	After Restatement
<u>STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME:</u>			
Revenue	669,230,116	37,562,460	706,792,576
Cost of Revenue	(351,608,909)	(16,989,449)	(368,598,358)
Net profit for the period	249,545,055	20,573,011	270,118,066

	For the Nine-month period ended 30 September 2020		
	Before Restatement	Restatement	After Restatement
<u>STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY:</u>			
Retained earnings	444,849,893	20,573,011	465,422,904

	For the Nine-month period ended 30 September 2020		
	Before Restatement	Restatement	After Restatement
<u>STATEMENT OF CASH FLOWS:</u>			
Net cash flows generated from operating activities	297,008,670	2,983,619	299,992,289

17. SIGNIFICANT EVENTS:

The outbreak of the new Corona virus (Covid-19) in early 2020 and spread worldwide, including the Kingdom of Saudi Arabia, caused the disruption of many companies and economic activities. The company's management believes that this pandemic has no material impact on the interim condensed statement of financial position as at September 30, 2021. Given the current uncertainty about the future, management will continue to assess the impact based on future developments.

18. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS:

These interim condensed financial statements were approved by the Company's Board of Directors on 12 Rabi' al-Awwal 1443H corresponding to October 18, 2021G.