

NORTHERN REGION CEMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
AND INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026

NORTHERN REGION CEMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

To the Shareholders of Northern Region Cement Company (A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Northern Region Cement Company ("the Company") and its subsidiaries (together "the Group") as at March 31, 2026 and the related interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended, and other explanatory notes. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34 - "Interim Financial Reporting" (IAS 34) that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this interim condensed consolidated financial information 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' that is endorsed in the Kingdom of Saudi Arabia. A review of interim financial information 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 that are 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 consolidated financial information is not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia.

RSM Allied Accountants Professional Services

عبدالله



Abdullah Bin Ahmed Al Faddaghi
License No 706


Riyadh, Saudi Arabia

23 Dhu al-Qi'dah 1447 H (corresponding to May 10, 2026 G).

Northern Region Cement Company
(A Saudi Joint Stock Company)
Interim condensed consolidated statement of financial position
As at March 31, 2026
(All amounts are in Saudi Riyals unless otherwise stated)

		<u>March 31, 2026</u>	<u>December 31, 2025</u>
	Note	(Unaudited)	(Audited)
Assets			
Non-current assets:			
Property, plant and equipment, net	6	2,235,765,265	2,216,731,719
Intangible assets, net	7	555,779,195	556,540,840
Right of use assets, net		8,922,916	9,341,002
Total non-current assets		2,800,467,376	2,782,613,561
Current assets:			
Inventory	8	741,584,713	750,431,666
Prepaid expenses and other debit balances, net		62,464,133	63,973,256
Trade receivables, net	9	69,083,045	58,890,968
Due from a related party	10-B	374,828	374,828
Notes receivable		14,931,907	21,216,642
Cash and cash equivalents		42,165,405	22,964,221
Total current assets		930,604,031	917,851,581
Total assets		3,731,071,407	3,700,465,142
Equity and liabilities			
Equity:			
Share capital		1,800,000,000	1,800,000,000
Statutory reserve		161,703,317	161,703,317
Retained earnings		323,254,747	311,568,904
Employees defined benefit obligations remeasurement reserve		(4,940,870)	(4,940,870)
Foreign currency translation reserve		(6,296,067)	(6,209,021)
Total equity attributable to the shareholders of the parent company		2,273,721,127	2,262,122,330
Non-controlling interests		1,936,502	1,983,100
Total equity		2,275,657,629	2,264,105,430
Liabilities			
Non-current liabilities:			
Long-term borrowings - non-current portion	11	359,517,170	364,917,170
Leases liabilities - non-current portion		4,838,581	4,833,716
Employees defined benefit obligations		28,704,486	27,943,476
Zakat liability - non-current portion	12-A	18,672,248	21,006,279
Provision for site restoration		5,134,595	5,064,794
Total non-current liabilities		416,867,080	423,765,435
Current liabilities:			
Bank facilities - Murabaha	11	574,568,339	501,109,094
Long-term borrowings – current portion	11	200,595,682	195,195,682
Trade and notes payable		198,824,254	241,395,759
Accrued expenses and other credit balances		30,685,221	43,610,513
Leases liabilities - current portion		1,411,159	1,513,479
Due to a related party	10-C	8,695,972	8,695,972
Zakat liability - current portion	12-A	9,336,124	9,336,124
Zakat, income tax and national contribution provision	12-B	14,429,947	11,737,654
Total current liabilities		1,038,546,698	1,012,594,277
Total liabilities		1,455,413,778	1,436,359,712
Total equity and liabilities		3,731,071,407	3,700,465,142

Chief Financial Officer



Chief Executive Officer



Chairman

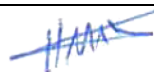


The accompanying notes form an integral part of these interim condensed consolidated financial information.

Northern Region Cement Company
(A Saudi Joint Stock Company)
Interim condensed consolidated Statement of profit or loss and other comprehensive income
For the three-month period ended March 31, 2026
(All amounts are in Saudi Riyals unless otherwise stated)

	Note	For the three-month period ended	
		March 31, 2026	March 31, 2025
Profit or Loss		(Unaudited)	
Sales, net		175,843,909	145,052,300
Cost of sales		(130,653,514)	(98,269,913)
Gross profit		45,190,395	46,782,387
Selling and distribution expenses		(6,887,591)	(10,345,359)
General and administrative expenses		(9,995,062)	(9,306,946)
Profit from operations		28,307,742	27,130,082
Finance costs		(15,488,605)	(14,189,937)
Other income, net		2,130,931	-
Profit before zakat, income tax and national contribution		14,950,068	12,940,145
Zakat expense	12-B	(3,000,000)	(4,500,000)
Income tax and national contribution expense of subsidiaries	12-B	(259,923)	(609,516)
Net profit for the period		11,690,145	7,830,629
Other comprehensive income:			
Items that may later be reclassified to profit or loss:			
(Losses) gains from translation of financial statements in foreign currencies		(87,154)	4,752,743
Total other comprehensive (loss) / income for the period		(87,154)	4,752,743
Total comprehensive income for the period		11,602,991	12,583,372
Net profit for the period attributable to:			
Shareholders of the parent company		11,685,843	7,819,482
Non-controlling interest		4,302	11,147
		11,690,145	7,830,629
Total comprehensive income for the period attributable to:			
Shareholders of the parent company		11,598,797	12,566,351
Non-controlling interest		4,194	17,021
Total comprehensive income for the period		11,602,991	12,583,372
Earnings per share			
Basic and diluted earnings per share from net profit for the period	13	0.065	0.043

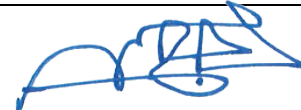
Chief Financial Officer



Chief Executive Officer



Chairman

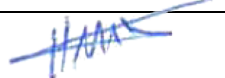


The accompanying notes form an integral part of these Interim condensed consolidated financial information.

Northern Region Cement Company
(A Saudi Joint Stock Company)
Interim condensed consolidated Statement of Changes in equity
For the three-month period ended March 31, 2026
(All amounts are in Saudi Riyals unless otherwise stated)

	Equity attributable to the shareholders of the Parent Company					Total equity attributable to the shareholders of the parent company	Non-Controlling Interests	Total Equity
	Share Capital	Statutory Reserve	Retained Earnings	Employees defined benefit obligations remeasurement reserve	Foreign currency translation reserve			
Balance as at January 1, 2025 (Audited)	1,800,000,000	161,703,317	300,506,888	(4,357,219)	(5,639,265)	2,252,213,721	2,097,878	2,254,311,599
Net profit for the period	-	-	7,819,482	-	-	7,819,482	11,147	7,830,629
Other comprehensive income for the period	-	-	-	-	4,746,869	4,746,869	5,874	4,752,743
Total comprehensive income for the period	-	-	7,819,482	-	4,746,869	12,566,351	17,021	12,583,372
Adjustments to non-controlling interests	-	-	-	-	-	-	299,424	299,424
Balance as at March 31, 2025 (Unaudited)	<u>1,800,000,000</u>	<u>161,703,317</u>	<u>308,326,370</u>	<u>(4,357,219)</u>	<u>(892,396)</u>	<u>2,264,780,072</u>	<u>2,414,323</u>	<u>2,267,194,395</u>
Balance as at January 1, 2026 (Audited)	1,800,000,000	161,703,317	311,568,904	(4,940,870)	(6,209,021)	2,262,122,330	1,983,100	2,264,105,430
Net profit for the period	-	-	11,685,843	-	-	11,685,843	4,302	11,690,145
Other comprehensive loss for the period	-	-	-	-	(87,046)	(87,046)	(108)	(87,154)
Total comprehensive income for the period	-	-	11,685,843	-	(87,046)	11,598,797	4,194	11,602,991
Dividends distributed to non-controlling interests (note 16)	-	-	-	-	-	-	(50,792)	(50,792)
Balance as at March 31, 2026 (Unaudited)	<u>1,800,000,000</u>	<u>161,703,317</u>	<u>323,254,747</u>	<u>(4,940,870)</u>	<u>(6,296,067)</u>	<u>2,273,721,127</u>	<u>1,936,502</u>	<u>2,275,657,629</u>

Chief Financial Officer



Chief Executive Officer



Chairman



The accompanying notes form an integral part of these Interim condensed consolidated financial information.

Northern Region Cement Company
(A Saudi Joint Stock Company)
Interim condensed consolidated Statement of cash flows
For the three-month period ended March 31, 2026
(All amounts are in Saudi Riyals unless otherwise stated)

	Note	For the three-month period ended	
		March 31, 2026	March 31, 2025
		(Unaudited)	
Cash flows from operating activities:			
Profit before zakat, income tax and national contribution		14,950,068	12,940,145
Adjustments for non-cash items			
Depreciation and amortization		17,180,919	12,370,075
Finance costs		15,488,605	14,189,937
Employees defined benefit obligation expenses		902,162	1,477,948
		<u>48,521,754</u>	<u>40,978,105</u>
Changes in working capital			
Trade and notes receivable, net		(3,907,342)	6,193,386
Inventory		8,846,953	(28,991,261)
Prepaid expenses and other debit balances		1,509,123	15,680,801
Trade and notes payable		(42,571,505)	50,650,241
Accrued expenses and other credit balances		(12,925,292)	(52,950,519)
Zakat liabilities		(2,334,031)	(3,624,430)
		<u>(2,860,340)</u>	<u>27,936,323</u>
Cash flows (used in) generated from operating activities			
Paid zakat, income tax and national contribution		(567,630)	(1,113,000)
Paid defined employee benefit obligations		(141,152)	(451,184)
		<u>(3,569,122)</u>	<u>26,372,139</u>
Cash flows from investing activities:			
Additions to property, plant and equipment	6	(30,008,619)	(25,220,790)
Additions to intangible assets	7	(46,283)	(364,768)
		<u>(30,054,902)</u>	<u>(25,585,558)</u>
Cash flows from financing activities:			
Repayments of borrowings and bank facilities	11	(126,720,755)	(276,495,361)
Proceeds from borrowings and bank facilities	11	200,180,000	282,025,775
Finance costs paid		(20,021,716)	(17,956,763)
Change in non-controlling interests		(50,792)	299,424
Repayment of lease liabilities		(474,375)	(936,000)
		<u>52,912,362</u>	<u>(13,062,925)</u>
Net cash flows generated from (used in) financing activities			
Net change in cash and cash equivalents			
Cash and cash equivalents at the beginning of the period		22,964,221	26,987,432
Effect of changes in exchange rates on translation of foreign currency financial statements		(87,154)	4,752,743
		<u>42,165,405</u>	<u>19,463,831</u>
Cash and cash equivalents at the end of the period			
Non-cash Transactions			
Capitalized borrowing costs	11	3,052,162	3,766,826

Chief Financial Officer



Chief Executive Officer



Chairman



The accompanying notes are an integral part of these Interim condensed consolidated financial information

Northern Region Cement Company
(A Saudi Joint Stock Company)
Notes to the Interim condensed consolidated financial information
For the three-month period ended March 31, 2026
(All amounts are in Saudi Riyals unless otherwise stated)

1- Company information:

A. Company incorporation

Northern Region Cement Company (“the Company”) which is the parent company, is a Saudi joint stock company, It is registered in the city of Turaif, Kingdom of Saudi Arabia, under Commercial Registration No. 3451002618 dated 19 Safar 1427H (corresponding to 19 March 2006), with Unified Number 7001494108.

In 2006, Saudi Pan Kingdom Company for Trading, Industry and Contracting Ltd (SAPAC) obtained from Petroleum and Mineral Resources a raw materials quarry license to exploit limestone from the North Harrat Al-Hurra area in Arar Governorate, affiliated with the Northern Borders Region Emirate, pursuant to Ministerial Resolution No. 48/Q dated 6 Rajab 1427H (corresponding to 31 July 2006). The licensed area is 30 km² (thirty square kilometers). Based on this license, Northern Region Cement Company was established in 2006. Upon the request of Saudi Pan Kingdom Company for Trading, Industry and Contracting Ltd (SAPAC) the Petroleum and Mineral Resources issued Resolution No. Q/8213 dated 24 Ramadan 1435H (corresponding to 21 July 2014), approving the transfer of all quarry licenses and related permits from Abr Al-Mamlaka Saudi Company for Trading, Industry and Contracting Ltd. to Northern Region Cement Company.

The Capital Market Authority issued Resolution No. 4/585 dated 23 Rabi’ Al-Awwal 1434H (corresponding to 4 February 2013), approving the announcement of the Company’s conversion from a Saudi closed joint-stock company to a Saudi joint-stock company. The Company subsequently offered 50% of its shares for public subscription to complete the remaining portion of its capital by offering 54 million shares with a total value of SAR 540 million. Accordingly, the Company’s capital became SAR 1,800 million, divided into 180 million shares with a nominal value of SAR 10 per share.

B. Nature of the Company's activities

The Company’s principal activities include the manufacturing of Ordinary Portland cement, manufacturing of white cement, manufacturing of Clinker, rock cutting using explosive materials, and retail sale of building materials, including cement, concrete blocks, gypsum, cement tiles, and other related materials.

C. Fiscal year

The Company’s fiscal year is twelve months in duration, commencing on January 1 and ending on December 31 of each calendar year.

D. Presentation and functional currency

The interim condensed consolidated financial information is prepared in Saudi Riyals, which is both the functional and presentation currency of the Company, all the numbers are rounded to the nearest Saudi Riyal (SAR), unless otherwise indicated.

2- Group information

The interim condensed consolidated financial information includes the financial information of the Company, and the financial information of all companies controlled by the Company, (its subsidiaries) (collectively, the "Group"), as follows:

<u>Company Name</u>	<u>Country</u>	<u>Legal entity</u>	<u>Percentage of ownership (%) As at</u>			
			<u>March 31, 2026</u>		<u>December 31, 2025</u>	
			<u>Direct</u>	<u>Indirect</u>	<u>Direct</u>	<u>Indirect</u>
Northern Cement Company (A)	Jordan	Public joint stock	83.89	15.56	83.89	15.56
Diyar Najd for Contracting and Trading Limited (B)	United Arab Emirates	Limited Liability Company	100	–	100	–
Sama Al-Yamama Limited (B)	United Arab Emirates	Limited Liability Company	100	–	100	–
North Gulf Cement and Building Materials Trading Company Limited (B)	United Arab Emirates	Limited Liability Company	100	–	100	–
Abr Al-Shamal Cement, Derivatives and Building Materials Company Limited (B)	United Arab Emirates	Limited Liability Company	100	–	100	–

Northern Region Cement Company
(A Saudi Joint Stock Company)
Notes to the Interim condensed consolidated financial information
For the three-month period ended March 31, 2026
(All amounts are in Saudi Riyals unless otherwise stated)

2- Group information (Continued):

<u>Company Name</u>	<u>Country</u>	<u>Legal entity</u>	<u>Percentage of ownership (%) As at</u>			
			<u>March 31, 2026</u>		<u>December 31, 2025</u>	
			<u>Direct</u>	<u>Indirect</u>	<u>Direct</u>	<u>Indirect</u>
Al-Hazm Cement and Derivatives Trading Company Limited (B)	United Arab Emirates	Limited Liability Company	100	–	100	–
Umm Qasr Northern Cement Limited (C)	United Arab Emirates	Limited Liability Company	100	–	100	–
Umm Qasr Northern Cement Manufacturing Company (C)	Iraq	Limited Liability Company	–	99.89	–	99.89
Sarh Zamzam Investment and Industrial Projects Rehabilitation Company (D)	Jordan	Limited Liability Company	100	–	100	–
White Stars Mining Investments Company LLC (A)	Jordan	Limited Liability Company	–	99.45	–	99.45
Al-Fayhaa Cement Company for Cement Manufacturing and Industrial Projects Rehabilitation (A)	Jordan	Limited Liability Company	–	99.45	–	99.45
Northern Region Cement Company for Investment (E)	Saudi Arabia	Single-Owner Limited Liability Company	100	–	100	–
Northern Cement Company (F)	Egypt	Egyptian Joint-Stock Company	100	–	100	–

A. The interim condensed consolidated financial information of Northern Cement - The Hashemite Kingdom of Jordan (“Northern Cement Jordan”) include the interim financial information of its 99.45% owned subsidiaries (White Stars Mining Investment Ltd and Al-Fiha Cement Company for Cement Manufacturing and Industrial Projects Rehabilitation). The subsidiary's activity includes clinker industry, grinding, cement industry and the implementation of industrial projects. During 2020, the Company's ownership in Northern Cement – Jordan was increased by acquiring shares through its subsidiaries, namely Diyar Najd for Contracting and trading limited and Sama Al-Yamamah limited, which are wholly owned by the Company.

B. These subsidiaries are companies established in the United Arab Emirates for the purpose of owning stakes in North Cement Jordan.

C. During the first quarter of 2018, the Company acquired all shares of Umm Qasr Northern Cement Limited (“Umm Qasr – Emirates”), registered in the Jebel Ali area in Dubai, with a capital of AED 10,000, for an amount of SAR 6,064,527. Both of the following subsidiaries: (Umm Qasr – Emirates), (Northern Cement – Jordan), and (Sarh Zamzam – Jordan), own 70%, 20%, and 10%, respectively, of the equity of Umm Qasr Northern Cement Manufacturing Limited – Iraq, which holds the right to execute a contract for the rehabilitation, operation, and production-sharing of the Basra Cement Plant in the Republic of Iraq.

D. During the fourth quarter of the year ended December 31, 2023, the Company acquired 50% of Sarh Zamzam Investment and Industrial Projects Rehabilitation Company "Sarh Zamzam", registered in Amman with a capital of 100,000 Jordanian Dinars, for an amount of 1,125,000 Saudi Riyals. During the year ended 31 December 2024, Northern Cement Jordan, which owned 50% shares in Sarh Zamzam, transferred its interest to the Parent Company, making the Company the direct and sole owner of 100% of Sarh Zamzam's capital.

Northern Region Cement Company
(A Saudi Joint Stock Company)
Notes to the Interim condensed consolidated financial information
For the three-month period ended March 31, 2026
(All amounts are in Saudi Riyals unless otherwise stated)

2- Group information (Continued):

The main objectives of Sarh Zamzam is management and development of industrial, administrative, and mining projects; investment in commercial and industrial projects and companies, including mining, cement, iron, and other companies; clinker production and grinding; and cement manufacturing.

E. The Parent Company owns 100% share of Northern Region Cement Investment Company in the Kingdom of Saudi Arabia, established for the purpose of investment-related activities. The share capital of Northern Region Cement Investment Company is SAR 100,000 and is fully owned by the Parent Company.

F. The Parent Company owns 100% share of Northern Region Cement Company in Arab Republic of Egypt, established for the purpose of establishing and operating a plant for the production of Ordinary Portland Cement, white cement, clinker, and all types of cement products. Its activities also include the sale of cement products and raw cement materials in all forms, general trading and distribution as permitted by law, public supplies, and export activities. The share capital of Northern Region Cement Company – Egypt amounts to 123,921 Saudi Riyals and is wholly owned by the parent company.

3- Basis of preparation of interim condensed consolidated financial information:

Applied Accounting Standards

These interim condensed consolidated financial information have been prepared in accordance with International Accounting Standard No. 34: "Interim Financial Reporting," as endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants. This interim condensed consolidated financial information does not include all the information and disclosures required for a full set of consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), but selected accounting policies and explanatory notes have been included to explain significant events and transactions necessary to understand the changes in the financial position and performance of the group since year ended December 31, 2025. Accordingly, this interim condensed consolidated financial information should be read in conjunction with the group's consolidated financial statements for the year ended December 31, 2025. In addition, the results for the three-month period ended March 31, 2026, are not necessarily indicative of the results that may be expected for the year ending December 31, 2026.

Basis of measurement

The Interim condensed consolidated financial information are prepared in accordance with the principle of historical cost and using accrual basis of accounting and the going concern basis, except for the employee's defined benefits obligations, which is recognized at the present value of future obligation using one of the actuarial methods which is the projected unit credit method.

Going concern:

The Interim condensed consolidated financial information has been prepared on a going concern basis, which assumes that the Group will be able to manage liquidity to ensure, as far as possible, that it will have sufficient liquidity to meet its obligations as they fall due under both normal and abnormal conditions.

Significant Accounting Judgments and Estimates

The preparation of these interim condensed consolidated financial information requires management to use judgments and estimates that affect the application of accounting policies, and the amounts reported for assets, liabilities, revenues, and expenses. Actual results may differ from these estimates. The key areas of management's judgments in applying the Group's accounting policies and the key sources of estimates and uncertainties are similar to those disclosed in the consolidated financial statements for the previous year.

4- Material accounting policies:

Material accounting policies applied to these the Interim condensed consolidated financial information are the same as those applied to the consolidated financial statements for the fiscal year ended December 31, 2025.

4-1 New standards, interpretations, and amendments

There are new standards and number of amendments to standards which are effective from 1 January 2026 and have been explained in Group's annual Consolidated Financial Statements, but they do not have a material effect on the Group's Interim Condensed Consolidated Financial information for the period ended 31 March 2026.

Northern Region Cement Company
(A Saudi Joint Stock Company)
Notes to the interim condensed consolidated financial information (Unaudited)
For the three-month period ended March 31, 2026
(All amounts are in Saudi Riyals unless otherwise stated)

5- Segment information

The Group is managed as a single operating segment in the manufacture and production of cement of all kinds and the Group is operating in Saudi Arabia, The Hashemite Kingdom of Jordan and the Iraqi Republic as follows:

	Kingdom of Saudi Arabia	The Hashemite Kingdom of Jordan	The Iraqi Republic	Adjustments and eliminations	Total
As at March 31, 2026: (unaudited)					
Property, plant and equipment, net	1,839,347,612	184,383,120	212,034,533	-	2,235,765,265
Total assets	3,695,125,658	546,555,714	326,125,234	(836,735,199)	3,731,071,407
Total liabilities	1,421,404,531	181,432,492	248,038,324	(395,461,569)	1,455,413,778
As at December 31, 2025:(Audited)					
Property, plant and equipment, net	1,836,717,887	179,222,171	200,791,661	-	2,216,731,719
Total assets	3,645,573,156	553,191,752	313,271,974	(811,571,740)	3,700,465,142
Total liabilities	1,382,880,561	179,610,063	236,966,381	(363,097,293)	1,436,359,712
For the three-month period ended March 31, 2026:(Unaudited)					
Sales, net	121,372,527	55,832,238	19,404,236	(20,765,092)	175,843,909
Depreciation and amortization	14,835,180	1,700,304	645,435	-	17,180,919
Finance cost	15,488,605	-	-	-	15,488,605
Net profit for the period	9,430,951	390,723	1,868,471	-	11,690,145
For the three-month period ended March 31, 2025:(Unaudited)					
Sales, net	112,025,356	52,900,890	27,261,499	(47,135,445)	145,052,300
Depreciation and amortization	10,081,123	1,684,939	604,013	-	12,370,075
Finance cost	14,189,937	-	-	-	14,189,937
Net profit for the period	4,199,850	1,723,369	1,907,621	(211)	7,830,629

6- Property, plant and equipment, net

For the purpose of preparing the interim condensed consolidated statement of cash flows, the significant movement in property, plant and equipment during the three-month period ended March 31 is as follows:

	<u>For the three-month period ended</u>	
	<u>March 31, 2026</u>	<u>March 31, 2025</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>
Addition to the Property, plant and equipment	30,008,619	25,220,790
Depreciation	6,831,123	4,208,349

Northern Region Cement Company
(A Saudi Joint Stock Company)
Notes to the interim condensed consolidated financial information (Unaudited)
For the three-month period ended March 31, 2026
(All amounts are in Saudi Riyals unless otherwise stated)

7- Intangible assets, net

	Goodwill *	Plant rehabilitation**	IT Software***	Licenses	Total
Cost					
Balance as at January 1, 2026 (Audited)	506,851,497	62,125,651	11,305,914	1,102,139	581,385,201
Additions during the period	-	46,283	-	-	46,283
Balance as at March 31, 2026 (Unaudited)	506,851,497	62,171,934	11,305,914	1,102,139	581,431,484
Accumulated amortization:					
Balance as at January 1, 2026 (Audited)	-	13,933,144	10,042,224	868,993	24,844,361
Charged for the period	-	645,435	162,266	227	807,928
Balance as at March 31, 2026 (Unaudited)	-	14,578,579	10,204,490	869,220	25,652,289
Net book value					
As at March 31, 2026 (Unaudited)	506,851,497	47,593,355	1,101,424	232,919	555,779,195
As at December 31, 2025 (Audited)	506,851,497	48,192,507	1,263,690	233,146	556,540,840

***Goodwill:**

Goodwill resulted from the Group's acquisition of equity in Northern Cement Jordan during the third quarter of 2011. The management performs goodwill impairment testing at the end of each financial year to ensure there is no impairment loss. Management has concluded that no impairment loss was identified as of December 31, 2025. For the period ended March 31, 2026, the management of the Company believes that there are no indicators requiring the recognition of an impairment loss on goodwill since the latest impairment assessment performed as at December 31, 2025.

**** Plant rehabilitation:**

The Company's subsidiary in Iraq "Um-Qasr Northern Cement Co. Ltd" has entered into an agreement with the General Cement Southern Company (one of the companies of the Ministry of Industry and Minerals in the Republic of Iraq) to rehabilitate and operate the Basra cement plant for 26 years from the end of the rehabilitation period, in exchange for cost-free quantities of cement produced for the Iraqi government. The cost of plant rehabilitation represents cost incurred by Um-Qasr Northern Cement Co. Ltd to rehabilitate the plant and make it ready for use and will be amortized over 26 years from the end of the rehabilitation period which was completed on September 1, 2018.

*****IT Software:**

Software Intangible assets are programs and payments for the development of these programs that are amortized over the estimated useful life of 4 years.

8- Inventory

	March 31, 2026	December 31, 2025
	(Unaudited)	(Audited)
Raw Materials	289,232,975	320,282,091
Finished Goods	198,070,276	179,862,757
Spare parts and consumables	187,843,036	180,333,135
Goods in transit	21,850,020	25,228,522
Inventory held by Other	20,189,620	16,468,042
Semi-finished Goods	14,648,254	16,924,417
Packing materials	11,765,036	13,347,206
Total	743,599,217	752,446,170
Less: provision for impairment	(2,014,504)	(2,014,504)
	741,584,713	750,431,666

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9- Trade receivables, net

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
Trade receivables – Local	54,065,145	53,617,233
Trade receivables – Export	17,497,426	7,753,261
Total	71,562,571	61,370,494
less: Allowance for expected credit losses	(2,479,526)	(2,479,526)
	<u>69,083,045</u>	<u>58,890,968</u>

10- Balances and transactions with related parties

Related parties include subsidiaries, associates, joint ventures, shareholders who have representation on the Company's Board of Directors and their close family members, members of the Board of Directors, partners in subsidiaries, members of the Group's senior management, and companies over which they exercise control, joint control, or significant influence.

Transactions with related parties are conducted in accordance with the Group's policies and on terms and prices consistent with those applied to non-related parties. Such transactions are approved by Group management in the ordinary course of business.

10-A The significant transactions made with related parties during the period are as follows:

<u>Related party</u>	<u>Nature of relation</u>	<u>Nature of the transaction</u>	<u>March 31, 2026</u>	<u>March 31, 2025</u>
			<u>(Unaudited)</u>	<u>(Unaudited)</u>
Transactions with senior management officers				
	Board of Directors and its committees	Expenses and allowances of the Board of Directors and its committees	1,220,000	1,208,750
	Senior Executive	Senior Executive Compensation and Benefits	2,470,014	1,741,995

10-B Due from a related party:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
Pan Kingdom Investment Company	374,828	374,828

10-C Due to a related party

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
Saudi Pan Kingdom trading Company (SAPAC)	8,695,972	8,695,972

11-Borrowings and bank facilities

The Group obtained borrowing and bank facilities from some local commercial banks and financial institutions. These borrowings and bank facilities are secured by all property, plant and equipment.

Below is the borrowings and bank facilities for the Group:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
Bank Facilities - Murabaha* Borrowings**	574,568,339	501,109,094
Current portion of long-term loans	200,595,682	195,195,682
Non- Current portion of long-term loans	359,517,170	364,917,170
Total borrowings	560,112,852	560,112,852
Total borrowings and bank facilities	<u>1,134,681,191</u>	<u>1,061,221,946</u>

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11-Borrowings and bank facilities (continued)

*** Bank facilities – Murabaha:**

The Group has obtained banking facilities in the form of Murabaha arrangements from several local commercial banks with a total value of SAR 574.6 million as at 31 March 2026 (31 December 2025: SAR 501.1 million). The Group bears financing costs at prevailing market rates based on the Saudi Interbank Offered rate plus a fixed profit margin. Management intends to roll over the facilities upon maturity. These facilities are secured by promissory notes.

**** Long term borrowings:**

The Group obtained long-term loans from Saudi Industrial Development Fund and several local commercial banks. The outstanding balance amounted of SAR 560 million as at March 31, 2026 (December 31, 2025: SAR 560 million) and incurs financing costs at prevailing prices in the market based on Saudi Interbank Offered Rate (SAIBOR) plus fixed profit margin. The borrowings include certain financial covenants, and management regularly monitors these covenants. In the event of a breach, management takes the necessary measures to ensure compliance.

In accordance with the long-term loan agreement with the Fund, all property, plant, and equipment constructed or to be constructed on a plot of land with a total area of 30 km² — located in the Northern Free Zone in Arar Governorate and granted to the Company by virtue of a ministerial resolution transferring raw material Quarry License No. S/8213 dated 21 July 2014 (corresponding 24 Ramadan 1435H) — have been mortgaged, along with all project assets, equipment, machinery, appurtenances, and related components or those acquired for the expansion of the white cement production line, and other guarantees include a promissory note for to loans from local commercial banks.

Finance costs on borrowings and bank facilities during the period as follows:

	<u>March 31, 2026</u> (Unaudited)	<u>March 31, 2025</u> (Unaudited)
Finance cost charged on statements of profit or loss during the period	15,358,136	14,189,937
Finance cost capitalized on capital work on progress during the period	3,052,162	3,766,826
Total	18,410,298	17,956,763

The borrowing and bank facilities, movement during the period/ year is as follows:

	<u>March 31, 2026</u> (Unaudited)	<u>December 31, 2025</u> (Audited)
Balance at the beginning of period / year	1,061,221,946	970,105,790
Proceeds during the period / year	200,180,000	568,333,324
Paid during the period / year	(126,720,755)	(477,217,168)
Balance at the end of the period \ year	1,134,681,191	1,061,221,946

The repayment of the borrowings and bank facilities is as follows:

	<u>March 31, 2026</u> (Unaudited)	<u>December 31, 2025</u> (Audited)
Due within 2026	775,164,021	696,304,776
Due within 2027	124,728,460	130,128,460
Due within 2028	111,929,570	111,929,570
Due within 2029	73,929,570	73,929,570
Due within 2030	48,929,570	48,929,570
	1,134,681,191	1,061,221,946

12-Zakat liability, and zakat, income tax provision:

12-A Zakat liability:

- The Zakat, Taxes, and Customs Authority (the "Authority") issued assessments for the years 2014 to 2019, requiring the Company to pay zakat differences totaling SAR 96,750,924. The Company submitted a settlement request to the Zakat and Tax Disputes Settlement Committee, resulting in Decision No. 1445/46 under Application No. 32322 dated August 10, 2023. This decision reduced the Authority's claim to SAR 58,350,777, which the Company subsequently approved through electronically documented approval from the Chamber of Commerce. The Company had already recorded the amount of these claims in prior years and is currently settling the Zakat liabilities in accordance with their due dates up to the year 2029, through an upfront payment of SAR 11,670,155 upon the assessment and the remaining balance in equal quarterly installments of SAR 2,334,031.

- An assessment was issued in 2020 regarding the Company's zakat differences, amounting to SAR 9,665,149. The Company initially objected to this assessment; however, its objection was rejected.

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12-Zakat liability, and zakat, income tax provision (continued):
12-A Zakat liability (continued):

The dispute was then escalated to the General Secretariat of Tax Committees, which issued a decision rejecting the Company's objection in full. Subsequently, the case was brought before the Appeals Committee, which had not issued a decision as of December 31, 2023.

During the year ended 31 December 2024, a decision was issued rejecting the Company's objection. Accordingly, the amount payable relating to the aforementioned zakat differences was confirmed, and the Authority approved the settlement of the zakat differences amounting to SAR 9,665,149 for the year 2020 in instalments over one year. The Company had previously paid SAR 1.8 million to the Authority during 2022 out of the total SAR 9.6 million. Accordingly, the Company recognized the remaining Zakat liability amounting to SAR 7.8 million during the year ended 31 December 2024, which was fully settled during the year ended 31 December 2025. There are currently no Zakat obligations related to that year.

- During 2025, the Zakat, Tax and Customs Authority (ZATCA) examined the Company's zakat returns for the financial years 2021 to 2023. The final zakat assessment was issued with a total amount of SAR 233,030, which was fully settled during the year ended 31 December 2025. Accordingly, there are currently no outstanding zakat obligations relating to those years.

The table below shows the movement of the zakat liabilities as follow:

	March 31, 2026	December 31, 2025
	(Unaudited)	(Audited)
Balance at the beginning of the period / year	30,342,403	47,623,445
Charged during the period / year	-	233,030
Transferred to Zakat provision during the period / year	-	(1,904,197)
Paid during the period / year	(2,334,031)	(15,609,875)
Balance at the end of the period / year	28,008,372	30,342,403

Zakat liability has been presented in consolidated statement of financial position according to the maturity dates of the agreed installments as shown below:

	March 31, 2026	December 31, 2025
	(Unaudited)	(Audited)
Accrued zakat liability - Non - Current Portion	18,672,248	21,006,279
Accrued zakat liability - Current Portion	9,336,124	9,336,124
Total	28,008,372	30,342,403

12-B Zakat and income tax:

The details of zakat and income tax provision and national contribution are as follows:

	March 31, 2026	December 31, 2025
	(Unaudited)	(Audited)
Zakat provision *	13,303,888	10,303,888
Provision of Income tax and national contribution for a non-Gulf subsidiary**	1,126,059	1,433,766
Total	14,429,947	11,737,654

***Movement in the Zakat provision is as follows:**

	March 31, 2026	December 31, 2025
	(Unaudited)	(Audited)
Balance at the beginning of the period / year	10,303,888	5,794,118
Charged for the period / year	3,000,000	14,766,970
Transferred from Zakat liability	-	1,904,197
Paid during the period / year	-	(12,161,397)
Balance at the end of the period / year	13,303,888	10,303,888

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12- Zakat, income tax provision and zakat liability (Continued):
12-B Zakat and income tax (Continued):

****The movement in the provision for income tax and national contribution is as follows:**

	March 31, 2026	December 31, 2025
	(Unaudited)	(Audited)
Balance at the beginning of the period / year	1,433,766	2,585,064
Charged for the period / year	259,923	3,503,814
Paid during the period / year	(567,630)	(4,655,112)
Balance at the end of the period / year	1,126,059	1,433,766

12-C Status of zakat and income tax:

- The Parent Company submitted its Zakat, and income tax returns up to 2025, and paid the zakat due accordingly.
- The subsidiaries have filed their tax returns up to 2025 and have settled their tax liabilities accordingly.

13- Earnings per share:

The calculation of basic and diluted earnings per share is based on the net profit attributed to the Parent Company's shareholders and the weighted average number of existing common shares. Earnings per share as at March 31, 2026, was calculated based on the weighted average number of shares held during the period with a number of 180 million shares (March 31, 2025: 180 million shares). Diluted earnings per share is the same as the basic earnings per share as the Group has no convertible securities or potentially dilutive instruments.

	For the three-month period ended	
	March 31, 2026	March 31, 2025
	(Unaudited)	
Net profit for the period attributable to the shareholders of the Parent Company	11,685,843	7,819,482
Weighted average number of shares	180,000,000	180,000,000
Basic and diluted earnings per share from net profit for the period	0.065	0.043

14- Capital management:

In order to manage the Group's capital, the capital includes equity and all other equity reserves belonging to the Group's owners. The main purpose of managing the Group's capital is to maximize the value of shareholders' shares. The Group manages and adjusts its capital structure considering changes in economic conditions and financial commitment requirements. To maintaining or modifying the capital structure, the Group may adjust dividends amounts paid to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using the leverage ratio, which represents net debt divided by total equity. The Group's net debt includes the group's liabilities such as borrowing and bank facilities; accounts payable, notes payable, accrued expenses and other credit balances; Zakat liability, Zakat provision and income tax; lease liabilities, less cash and cash equivalents.

The Group confirms that this definition reflects the nature of its financing instruments and is applied consistently from one financial period to another.

	March 31, 2026	December 31, 2025
	(Unaudited)	(Audited)
Borrowings and bank facilities	1,134,681,191	1,061,221,946
Trade and Notes payables	198,824,254	241,395,759
Accrued expenses and other credit balances	30,685,221	43,610,513
Accrued Zakat claims	28,008,372	30,342,403
Provision for Zakat and income tax	14,429,947	11,737,654
Leases liabilities	6,249,740	6,347,195
Less: Cash and cash equivalents	(42,165,405)	(22,964,221)
Net debt	1,370,713,320	1,371,691,249
Total equity	2,275,657,629	2,264,105,430
Leverage rate	60%	61%

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15- Contingent liabilities:

The contingent liabilities on the Group are shown in the table below:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
Letters of guarantee	33,301,835	23,301,835
Legal Cases*	9,684,293	9,684,293
	<u>42,986,128</u>	<u>32,986,128</u>

* The amount represents a financial claim against the subsidiary, "Northern Cement Company Jordan." The court dismissed the case in 2024, and the plaintiffs appealed to the Court of Appeal. The case remains pending till date. The Management believes, based on its legal counsel, the Company's legal position is good.

16- Dividends:

Dividends to Non-controlling Interests

During the period ended 31 March 2026, Northern Cement Jordan declared and paid dividends of SAR 50,792 to non-controlling interests, relating to the profits for the year 2025.

17- Significant events

During March 2026, geopolitical instability in the Middle East region increased, which may have broader implications for regional economies. The Group's management has been closely monitoring these developments and has concluded that these events are significant events that do not require any adjustments to the condensed consolidated interim financial statements. While the Group's financial position remains unaffected at present, management continues to assess potential future impacts on its operations and financial performance in light of ongoing geopolitical developments.

18- Subsequent events:

The Group's management considers that there are no significant subsequent events after the reporting period date up to the date of these Interim condensed consolidated financial information that require additional adjustments or disclosure.

19- Approval of the Interim condensed consolidated financial information

The accompanying Interim condensed consolidated financial information were approved by the Company's Board of Directors on 20 Dhu al-Qi'dah 1447 H (corresponding to May 7, 2026).