



QASSIM CEMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)

**CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2025**

**CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT
AUDITOR'S REPORT FOR THE YEAR ENDED DECEMBER 31, 2025**

<u>Index</u>	<u>Page</u>
Independent auditor's report on the consolidated financial statements	2-6
Consolidated statement of financial position	7
Consolidated statement of profit or loss and other comprehensive income	8
Consolidated statement of changes in equity	9
Consolidated statement of cash flows	10
Notes to the consolidated financial statements	11-52

**INDEPENDENT AUDITOR'S REPORT ON THE
CONSOLIDATED FINANCIAL STATEMENTS**

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

Opinion

We have audited the consolidated financial statements of Qassim Cement Company (the "Company") and its subsidiary (together "the "Group") which comprise the consolidated statement of financial position as at December 31, 2025 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting standards endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the requirements of International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code"), that are relevant to our audit of the consolidated financial statements and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditors' Report for the audit of Qassim Cement Company (A Saudi Joint Stock Company) Consolidated Financial Statements for the year ended December 31, 2025 (Continued)

Acquisition Accounting of Hail Cement Company	
Key audit matter	How the matter was addressed during our audit
<p>As per the accounting policy mentioned in note 6.1 the Group has finalized the purchase price allocation during the year and accounted for the transaction as of the reporting date.</p> <p>As part of the purchase price allocation as disclosed in note 36, ₪ 1,061 million was attributed to the recognition of fair value of net assets acquired, ₪ 97 million was attributed to the recognition of customer relationships, brand and quarry rights, with a useful life of 6, 10 and 17 years respectively, with the remaining ₪ 25 million recognised as goodwill.</p> <p>The accounting for this transaction is complex due to the significant judgements and estimates that are required in the identification and measurement of the fair value of the assets acquired and liabilities assumed.</p> <p>Management engaged external valuation specialists to assist with these judgements and estimates. In particular, the valuation of the customer relationships, brand and quarry rights intangible assets involved a high degree of judgement, complexity, and estimation uncertainty, given the significance of the transaction, and was therefore considered a key audit matter.</p>	<p>Our Audit procedures included, among others , the following:</p> <ul style="list-style-type: none"> - We obtained and reviewed key transaction documents, including the share purchase agreement, to understand the investee's business and to validate the total consideration transferred; - We obtained the control assessment document prepared by management for the acquisition and evaluated management's conclusion against the criteria set out in IFRS 10; - We obtained the acquisition accounting purchase price allocation assessment prepared by management's expert and assessed the competence, capability, and objectivity of management's expert engaged in the acquisition accounting; - We involved our valuation specialist to assess the appropriateness of the valuation methods and the reasonableness of the key assumptions applied in measuring the customer relationships, brand and quarry rights, including independently developing an appropriate discount rate, assessing the completeness of identified intangible assets, valuation methodology and evaluating the reasonableness of the economic useful lives; - We tested the accuracy of the data inputs used in the underlying models for determining the fair value of customer relationship, brands and quarry rights intangible assets; - Assessed the adequacy of disclosures included in the consolidated financial statements.

Independent Auditors' Report for the audit of Qassim Cement Company (A Saudi Joint Stock Company) Consolidated Financial Statements for the year ended December 31, 2025 (Continued)

Existence of inventory	
Key audit matter	How the matter was addressed during our audit
<p>As presented in Note (13), the carrying value of the Group's inventory as at December 31, 2025 amounted to ₪ 765.7 million.</p> <p>The carrying value includes work in progress inventory amounting to ₪ 570.3 million out of which clinker inventory amounts to ₪ 521.5 million as at December 31, 2025.</p> <p>Since the weighing of this inventory is not practicable, management assesses the quantities on hand at year-end by obtaining measurements of the stockpiles and converting these measurements to unit of volumes and then tons; in doing so the management appoints an external expert, who employs certain scientific systematic measurement calculations which are applied for similar inventory in the cement industry.</p> <p>We have considered the existence of inventory to be a key audit matter as the inventory balance is material, and the estimation it entails in determining final quantities of work in progress inventory – Clinker inventory at the end of the year.</p>	<p>Our Audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> - Obtained management's physical inventory count instructions to understand and assess their instructions and procedures regarding the count and the recording of the actual results of the Group's inventory count; - Attended the physical inventory count conducted by the Group under the supervision of the independent inspection expert; - Assessed the nature and scope of independent inspection expert and evaluated the competency, capabilities, and objectivity of the independent inspection expert in this field; - Obtained the inventory count report submitted by the independent inspection expert regarding clinker and inspected that it is accurate, complete and reflects the actual inventory counts; - Assessed the adequacy of the disclosures related to inventory for the year ended December 31, 2025.

Other Matter

The consolidated financial statements of the Group for the year ended December 31, 2024, were audited by another auditor who expressed an unmodified opinion on those financial statements on March 26, 2025.

Independent Auditors' Report for the audit of Qassim Cement Company (A Saudi Joint Stock Company) Consolidated Financial Statements for the year ended December 31, 2025 (Continued)

Other Information

Other information consists of the information included in the Company's Annual Report other than financial statements and our auditor's report thereon. Management is responsible for the other information in its annual report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and Those Charged with Governance ("TCWG") for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA and Regulations for Companies and the Company's By-laws, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those Charged with Governance, in particular the Company's Board of Directors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used, the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditors' Report for the audit of Qassim Cement Company (A Saudi Joint Stock Company) Consolidated Financial Statements for the year ended December 31, 2025 (Continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For Dr. Mohamed Al-Amri & Co.



Ahmed Al Jumah
Certified Public Accountant
Registration No. 621



Dammam, on 06 Ramadhan 1447 (H)
Corresponding to 23 February 2026 (G)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025
(Saudi Riyal ﷲ)

	Note	December 31, 2025	December 31, 2024 (Restated note 37)
Assets			
Non-current assets			
Property, plant and equipment	7	1,458,246,306	1,317,014,007
Intangible assets	8	88,515,320	96,510,331
Goodwill	36	25,378,018	25,378,018
Right-of-use assets	12(a)	1,999,215	2,321,654
Investment properties	9	9,516,450	9,516,450
Financial investments at FVTPL	10	184,873,756	76,164,241
Financial investments at amortized cost	11	100,000,000	100,000,000
Total non-current assets		1,868,529,065	1,626,904,701
Current assets			
Inventories	13	765,688,769	760,273,191
Trade receivables	14	169,629,137	140,600,834
Prepaid expenses and other receivables	15	128,740,640	24,919,324
Financial investments at FVTPL	10	82,651,698	277,585,181
Cash and cash equivalents	16	104,750,290	286,802,357
Total Current Assets		1,251,460,534	1,490,180,887
Total assets		3,119,989,599	3,117,085,588
Equity and liabilities			
Equity			
Share capital	17	1,105,590,000	1,105,590,000
Additional share capital	17	997,111,500	997,111,500
Statutory reserve	18	270,000,000	270,000,000
Treasury shares	38	(47,617,914)	(47,617,914)
Other reserve		(960,381)	116,709
Retained earnings		333,644,441	424,945,654
Total equity		2,657,767,646	2,750,145,949
Liabilities			
Non-current liabilities			
Provision for site restoration	19	22,671,509	21,622,722
Employees' benefit obligations	20	68,533,910	63,112,762
Long-term lease liabilities	12(b)	2,003,303	2,232,462
Total Non-current liabilities		93,208,722	86,967,946
Current liabilities			
Trade and other payables	21	186,972,997	190,946,167
Short term borrowing	23	100,620,493	-
Dividends' payable	25	55,353,806	53,947,760
Zakat Provision	22	24,959,088	33,847,827
Other Provision		817,314	817,314
Short-term lease liabilities	12(b)	289,533	412,625
Total current liabilities		369,013,231	279,971,693
Total liabilities		462,221,953	366,939,639
Total shareholders' equity and liabilities		3,119,989,599	3,117,085,588

(The accompanying notes 1 to 41 form an integral part of these consolidated financial statements)



Mr. Mater bin Saud Al Enazi

Chief Financial Officer



Eng. Omar bin Abdullah Al Omar

Chief Executive Officer - Board
Member



Dr. Mohammad Bin Nasser Al Dawood

Chairman

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2025**
(Saudi Riyal ﷲ)

	Note	December 31, 2025	December 31, 2024 (Restated note 37)
Revenue	24	1,133,302,818	967,578,131
Cost of revenue	24	(872,676,095)	(642,218,476)
Gross profit		260,626,723	325,359,655
Selling and marketing expenses	26	(25,705,802)	(19,269,827)
General and administrative expenses	27	(44,623,436)	(75,394,840)
Reversal / (allowance) for expected credit loss	14(a)	1,251,729	(3,651,540)
Other income, net	28	75,411,531	51,390,925
Operation profit		266,960,745	278,434,373
Unrealized gains on investments at FVTPL, net	10	2,003,172	21,295,976
Realized gains on investments at FVTPL		3,522,047	1,768,591
Dividends from investments at fair value through profit or loss		2,433,016	3,676,753
Income from financial investments at amortized cost		12,216,905	14,328,538
Finance costs	29	(4,440,898)	(4,031,650)
Profit before Zakat		282,694,987	315,472,581
Zakat	22	(22,762,128)	(27,981,385)
Net Profit for the year		259,932,859	287,491,196
<u>Other comprehensive income:</u>			
<u>Items that will not be reclassified to profit or loss:</u>			
Actuarial (loss) / gain on re-measurement of employees' benefit obligations	20	(1,077,090)	1,841,105
Total other comprehensive (loss) / income		(1,077,090)	1,841,105
Total comprehensive income		258,855,769	289,332,301
Basic and diluted earnings per share for the year:	32	2.37	2.85

(The accompanying notes 1 to 41 form an integral part of these consolidated financial statements)


Mr. Mater bin Saud Al Enazi
Chief Financial Officer


Eng. Omar bin Abdullah Al Omar
Chief Executive Officer - Board
Member


Dr. Mohammad Bin Nasser Al Dawood
Chairman

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2025
(Saudi Riyal ﷲ)

	Share capital	Additional Share capital	Statutory reserve	Treasury shares	Other reserve	Retained earnings	Total equity
Balance as at January 01, 2024 (unconsolidated)	900,000,000	-	270,000,000	-	(1,724,396)	411,025,579	1,579,301,183
Profit for the year (restated note 37)	-	-	-	-	-	287,491,196	287,491,196
Other comprehensive income (note 20)	-	-	-	-	1,841,105	-	1,841,105
Total comprehensive income (Restated note 37)	-	-	-	-	1,841,105	287,491,196	289,332,301
Issue of ordinary shares (note 17)	205,590,000	997,111,500	-	-	-	-	1,202,701,500
Treasury shares (note 38)	-	-	-	(47,617,914)	-	-	(47,617,914)
Dividends (note 25)	-	-	-	-	-	(273,571,121)	(273,571,121)
Balance at December 31, 2024 (Restated note 37)	1,105,590,000	997,111,500	270,000,000	(47,617,914)	116,709	424,945,654	2,750,145,949
Balance as at January 01, 2025 (Restated note 37)	1,105,590,000	997,111,500	270,000,000	(47,617,914)	116,709	424,945,654	2,750,145,949
Profit for the year	-	-	-	-	-	259,932,859	259,932,859
Other comprehensive income (note 20)	-	-	-	-	(1,077,090)	-	(1,077,090)
Total comprehensive income	-	-	-	-	(1,077,090)	259,932,859	258,855,769
Dividends (note 25)	-	-	-	-	-	(351,234,072)	(351,234,072)
Balance as at December 31, 2025	1,105,590,000	997,111,500	270,000,000	(47,617,914)	(960,381)	333,644,441	2,657,767,646

(The accompanying notes 1 to 41 form an integral part of these consolidated financial statements)



Mr. Mater bin Saud Al Enazi
Chief Financial Officer



Eng. Omar bin Abdullah Al Omar
Chief Executive Officer - Board Member



Dr. Mohammad Bin Nasser Al Dawood
Chairman

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025
(Saudi Riyal ﷻ)

	Note	December 31, 2025	December 31, 2024 (Restated note 37)
Profit for the year before zakat		282,694,987	315,472,581
Adjustments:			
Depreciation of property, plant and equipment	7	120,491,520	95,358,040
Amortisation of intangibles assets	8	12,182,652	6,575,350
Depreciation of right-of-use assets	12(a)	126,266	380,976
(Reversal) / allowance for expected credit loss	14	(1,251,729)	3,651,541
Allowance for obsolete / slow moving inventory	13	9,455,282	2,321,042
Other provisions		-	706,623
Unrealized gains on investments at FVTPL	10	(2,003,172)	(21,295,976)
Realized gains on investments at FVTPL		(3,522,047)	(1,768,591)
Income from financial investments at amortized cost		(12,216,905)	(14,328,538)
Dividends from investments at fair value through profit or loss		(2,433,016)	(3,676,753)
Service cost of employees' benefits obligations	20	5,995,202	3,724,938
Finance cost	29	4,440,898	4,031,650
Losses on disposal of property, plant and equipment	28	26	13,986
		413,959,964	391,166,869
Changes in working capital:			
Inventory		(14,870,860)	(52,646,075)
Trade receivables		(27,776,574)	(63,533,892)
Prepaid expenses and other receivables		(104,368,736)	5,356,784
Trade and other payables		(3,973,170)	58,040,297
Employees' benefit obligations paid	20	(5,027,496)	(4,782,676)
Zakat paid	22	(31,650,867)	(20,634,947)
Net cash generated from operating activities		226,292,261	312,966,360
Investing activities			
Paid to purchase property, plant and equipment	7	(261,655,931)	(59,815,592)
Proceeds from disposal of property, plant and equipment		552,579	-
Paid to purchase intangible assets	8	(4,187,641)	(2,409,190)
Payment for purchase of investments at FVTPL	10	(100,185,234)	(20,033,858)
Proceeds from sale of investments at FVTPL		191,934,421	60,780,832
Proceeds from investments income at amortized cost		12,764,325	14,744,098
Proceeds from dividend income		2,433,016	3,676,753
Cash and cash equivalents through business combination		-	52,868,623
Net cash (used in) / generated from investing activities		(158,344,465)	49,811,666
Financing activities			
Proceeds from short term borrowings		100,000,000	-
Lease payments	12(b)	(171,837)	(410,165)
Paid dividends	25	(349,828,026)	(276,385,265)
Net cash used in financing activities		(249,999,863)	(276,795,430)
Change in cash and cash equivalents during the year		(182,052,067)	85,982,596
Cash and cash equivalents as at the beginning of the year	16	286,802,357	200,819,761
Cash and cash equivalents as at the end of the year	16	104,750,290	286,802,357

Non-cash transactions are disclosed in Note (35).

(The accompanying notes 1 to 41 form an integral part of these consolidated financial statements)



Mr. Mater bin Saud Al Enazi
Chief Financial Officer



Eng. Omar bin Abdullah Al Omar
Chief Executive Officer - Board
Member



Dr. Mohammad Bin Nasser Al Dawood
Chairman

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025
(Saudi Riyal ﷲ)

1. ORGANIZATION AND PRINCIPAL ACTIVITIES

Qassim Cement Company (the "Company" or "Parent Company") is a Saudi Joint Stock Company registered in Buraydah in the Kingdom of Saudi Arabia under commercial registration number (1131001224) dated 28 Shaaban 1398H (corresponding to August 02, 1978). The Company was established by the Royal Decree no. M/62 dated 15 Shaaban 1396H (corresponding to August 11, 1976).

The Company's share capital is ﷲ 1,105 million divided into 110.5 million shares of ﷲ 10 each, as at December 31, 2025 (December 31, 2024: ﷲ 1,105 million divided into 110.5 million shares of ﷲ 10 each).

The Group is engaged in manufacturing and producing cement, its derivatives and supplements, the trade of these products, and carrying out all works directly and indirectly related to this purpose. The Company carries out its activities through its factory located in Buraydah - Qassim.

The Group's fiscal year begins on the first of January and ends at the end of December of each calendar year.

The registered address of the Company is: P.O. Box 4266 Unit No. 1- Buraydah: 52271-6735, Kingdom of Saudi Arabia.

2. BASIS OF PREPARATION

These consolidated financial statements include the financial statements of the Company and its subsidiary (collectively referred to as "the Group")

2.1 Basis of consolidation

These consolidated financial statements include the financial position and financial performance of the Company and its following subsidiary:

Subsidiary name	Principal activities as per commercial registration	Country of incorporation and operation and commercial register	Share capital	Date of acquisition	Holding percentage	
					December 31, 2025	December 31, 2024
Hail Cement Company	Production of cement	Kingdom of Saudi Arabia, commercial registration No. 3350159045	ﷲ 979,000,000 divided into 97,900,000 shares with a nominal value of ﷲ 10 each	June 10, 2024	100%	100%

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at December 31, 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025
(Saudi Riyal ﷲ)

2. BASIS OF PREPARATION (CONTINUED)

2.1 Basis of consolidation (continued)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.2 Statement of compliance

The accompanying consolidated financial statements have been prepared in accordance with IFRS accounting standards as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

2.3 Basis of measurement

The consolidated financial statements have been prepared on a going concern basis under historical cost convention except for:

- Financial investments at FVTPL are measured at fair value.
- Term Murabaha and Sukuk is measured at amortized cost.
- Employees' defined benefit obligations are recognized based on the projected unit credit method.
- Provision for site restoration which is measured at present value.

3. FUNCTIONAL AND PRESENTATION CURRENCY

These consolidated financial statements are presented in Saudi Riyals (ﷲ) which is also the Group's functional and presentation currency.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated 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 assets or liabilities affected in future periods.

Other disclosures relating to the Group's exposure to risks and uncertainties includes:

- Capital management (note 34(b))
- Financial value measurement and risk management and policies (note 34(a))
- Sensitivity analysis (note 20 and 34 d)
- Business combination and goodwill (note 36 and 37)

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension or termination option. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment. During the current financial year, there was no material financial effect of revising lease terms to reflect the effect of exercising extension or termination options.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025
(Saudi Riyal ﷲ)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

a) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group.

b) Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 34(a).

c) Measurement of employees' benefits obligations

The cost of defined benefit obligation and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate and future salary increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The calculation is most sensitive to changes in the discount rate. In determining the appropriate discount rate, management considers the interest rates of FTSE Saudi Arabian Government Bond index corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables for specific countries. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on expected future inflation rates for the respective countries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025
(Saudi Riyal ﷲ)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Estimates and assumptions (continued)

d) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor.

e) Useful lives and residual values of property, plant and equipment

The Group reviews the estimated residual values and expected useful lives of property, plant and equipment at least annually. In particular, it considers the impact of health, safety and environmental legislation in its assessment of expected useful lives and estimated residual values. This estimate is determined after considering expected usage of the assets and physical wear and tear. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively.

During the current year ended December 31, 2025, the subsidiary has performed an independent technical assessment and expected future usage and aligning its estimates with the Parent Company. Based on this assessment, the remaining useful life of the buildings and plant and machinery of the subsidiary was revised. Difference in estimates is treated as changes in accounting estimates since October 2025 and the subsequent years. This change in estimate has been applied prospectively, as required by IAS 8 and would result in decrease in the depreciation amounting to ﷲ 3.4 million for the year ended December 31, 2025.

	Amount in ﷲ millions				
	2026	2027	2028	2029	2030
Decrease in depreciation expense	14.8	14.8	14.8	14.8	14.8

f) Provision for site restoration

The Group has recognised a provision for site restoration related to licensed quarries. In measuring the fair value of this provision, the Group makes assumptions and estimates regarding discount rates, the expected costs required to restore the quarry to its original condition prior to extraction, and the anticipated timing of those expenditures. When estimating these costs, the Group also considers potential changes in environmental laws and regulations that could affect the restoration requirements.

g) Provision for slow moving, obsolete and damaged inventory

Group records a provision for slow moving, obsolete and damaged inventory items. Estimates of net realizable value of inventories are based on the most reliable evidence at the time the estimates are made. These estimates take into consideration fluctuations of price or cost directly related to events occurring subsequent to the consolidated statement of financial position date to the extent that such events confirm conditions existing at the end of year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025
(Saudi Riyal ﷲ)

5. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO EXISTING STANDARDS

The following new accounting standards, interpretations and amendments to existing standards have been published by IASB and are mandatory for the accounting period beginning on January 1, 2025 or later.

New standards, interpretations and amendments effective from January 1, 2025

A number of other new amendments to standards, enlisted below, are effective this year but they do not have a material effect on the Group's consolidated financial statements.

Amendments to standard	Description	Effective for annual years beginning on or after
IAS 21	Amendments - Lack of Exchangeability	January 1, 2025

New standards, amendments and revised IFRS issued but not yet effective

The Group has not early applied the following new and revised IFRSs and amendments that have been issued but are not yet effective. The management is assessing the impact of these standards on the Group's financial statements.

Amendments to standard	Description	Effective for annual years beginning on or after
IFRS 9 and IFRS 7	Amendments - Classification and Measurement of Financial Instruments	January 1, 2026
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027

6. MATERIAL ACCOUNTING POLICIES

The following accounting policies have been consistently applied to all periods presented in these consolidated financial statements, unless otherwise stated.

6.1) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs.

The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025
(Saudi Riyal ﷲ)

6. MATERIAL ACCOUNTING POLICIES (CONTINUED)

6.1) Business combinations and goodwill (continued)

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

6.2) Property, plant and equipment

Recognition and measurement

Property, plant and equipment are recorded at cost less accumulated depreciation and impairment losses, if any. Cost includes expenses that are directly related to the acquisition of the asset. For internally constructed assets, the cost of the asset includes the cost of materials, direct labor and other direct costs that are required to prepare them to the condition in which they are operated at their location and for the purpose for which they were acquired.

Major or essential components of an item of property, plant and equipment that have different useful lives are accounted for as separate items (major components) within property, plant and equipment.

Gains or losses arising from the disposal of an item of property, plant and equipment are determined on the basis of the difference between the net proceeds of sale and the book value of the disposed items of property, plant and equipment, and are included in the consolidated statement of profit or loss in the period in which the disposal is made. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Capital work-in-progress

The cost of capital work in progress is calculated on the basis of the actual cost and is shown as projects under construction until they are completed and then transferred to the various items within the property, plant and equipment, and then their depreciation begins.

Subsequent costs

The costs of replacing a part of an item of property, plant and equipment are recognized in the carrying amount of this item if it is probable that the future economic benefits inherent in that part will flow to the Group, in addition to the possibility of measuring this cost reliably. The carrying amount of the replaced part is eliminated. The costs of the day-to-day servicing of property, plant and equipment are recognized in the consolidated statement of profit as loss as incurred.

Major inspections and maintenance activities are accounted for as a separate component if they are used in more than one financial period. The carrying amount of these components is determined by reference to the current market price of these repairs.

Depreciation

Depreciation is the systematic allocation of the depreciable value of items of property, plant and equipment (the cost of the asset less the residual value of the asset) over its useful life.

Depreciation charge is recognized in the consolidated statement of profit or loss on the straight-line method over the estimated useful life of each item of property, plant and equipment. Leased assets are depreciated over the lower of lease term or the useful lives of the assets. Unless there is reasonable assurance that the Group will acquire ownership of these assets at the end of the lease term. Freehold lands held by the Group are not depreciated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025
(Saudi Riyal ﷲ)

6. MATERIAL ACCOUNTING POLICIES (CONTINUED)

6.2) Property, plant and equipment (continued)

Depreciation (continued)

The estimated useful lives of main items of property, plant and equipment for current and comparative years are as follows:

<u>Asset Class</u>	Current and comparative year useful lives (Years)
Buildings	20-41
Plant and equipment	20-36
Tools and instruments	5-20
Furniture and fixtures	5-10
Motor vehicles	5
Computers	5

Derecognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss and other comprehensive income when the asset is derecognised.

6.3) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in consolidated statement of profit or loss and other comprehensive income in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss and other comprehensive income in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss and other comprehensive income.

Capital work-in-progress

The cost of capital work in progress is calculated on the basis of the actual cost and is shown as projects in progress until they are completed and then transferred to the various items within the intangible assets, and then their amortisation begins.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025
(Saudi Riyal ﷲ)

6. MATERIAL ACCOUNTING POLICIES (CONTINUED)

6.3) Intangible assets (continued)

The estimated useful lives of intangible assets are as follows:

Assets	Useful lives in Years
Softwares	3-10

Intangible assets are recognised on business combinations if they are separable from the acquired entity or give rise to other contractual/legal rights. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques.

The estimated useful lives of intangible assets recognised on business combinations are as follows:

Assets	Useful economic life in Years	Valuation method
Customer relationship	6	Income approach
Brand	10	Income approach
Quarry rights	17	Income approach

6.4) Investment properties

Investment properties are measured initially at cost, including transaction costs. Group has used the cost model for the investment properties. Subsequent to initial recognition, Group reports investment property at cost less and any accumulated impairment losses.

6.5) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025
(Saudi Riyal ﷻ)

6. MATERIAL ACCOUNTING POLICIES (CONTINUED)

6.6) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

6.6.1) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables are measured at the transaction price.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, Group's financial assets are classified in two categories:

- Financial assets at amortised cost
- Financial assets at fair value through profit or loss

Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in consolidated statement of profit or loss and other comprehensive income when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables, other receivables and cash and cash equivalents shown in current assets and investments at amortised cost shown under non-current financial assets.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of profit or loss and other comprehensive income. This category includes units of funds and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised as income in the statement of profit or loss when the right of payment has been established.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025
(Saudi Riyal ﷲ)

6. MATERIAL ACCOUNTING POLICIES (CONTINUED)

6.6) Financial instruments (continued)

6.6.1) Financial assets (continued)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025
(Saudi Riyal ﷲ)

6. MATERIAL ACCOUNTING POLICIES (CONTINUED)

6.6) Financial instruments (continued)

6.6.2) Financial liabilities

Initial recognition, measurement and presentation

Financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and short term borrowings.

The Group classifies financial liabilities that arise from supplier finance arrangement within Trade and other payables in the consolidated statement of financial position if they have a similar nature and function to trade payables.

This is the case if the supplier finance arrangement is part of the working capital used in the Group's normal operating cycle, the level of security provided is similar to trade payables and the terms of the liabilities that are part of the supply chain finance arrangement are not substantially different from the terms of trade payables that are not part of the arrangement. Cash flows related to liabilities arising from supplier finance arrangements that are classified in Trade and other payables in the consolidated statement of financial position are included in operating activities in the consolidated statement of cash flows.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss (the group does not have any financial liabilities through profit or loss)
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at amortised cost

After initial recognition, financial liabilities at amortised cost are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in consolidated statement of profit or loss and other comprehensive income when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit or loss and other comprehensive income.

The Group's financial liabilities at amortised cost includes trade and other payables, dividends payable and short term borrowings shown in current liabilities.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025
(Saudi Riyal ﷲ)

6. MATERIAL ACCOUNTING POLICIES (CONTINUED)

6.6.3) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

6.7) Fair value of assets and liabilities

Fair value is the selling price received to sell an asset or paid to transfer a liability within an orderly transaction between market participants on the measurement date or in the absence of that market, the best market available at that date. The fair value of liabilities reflects the non-performance risk.

When measuring the fair value of a financial asset or liability, the Group uses observable market data as far as possible. Fair values are categorized into levels of hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

If the inputs used to measure the fair value of an asset or liability are at different levels of the fair value hierarchy, the entire measurement is categorized under the lowest level of inputs that is significant to the measurement as a whole.

6.8) Current/non-current classification

The Group classifies assets and liabilities in the consolidated statement of financial position as current and non-current. An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in the ordinary course of business;
- Held primarily for trading purposes;
- Expected to be realized within twelve months after the date of the financial position; or
- Cash and cash equivalents.

All other assets are classified as non-current assets.

Liability is classified as current when it is:

- Expected to be settled in the ordinary course of business;
- Held primarily for trading purposes;
- Due to be settled within twelve months after the date of the financial position; or
- There is no right to defer settlement of the liability for at least twelve months after the date of the financial position.

The Group classifies all other liabilities as non-current.

6.9) Inventories

Inventories, including raw materials, finished goods and consumables (spares) are valued at the lower of cost i.e. historical purchase prices based on the weighted average principle plus directly attributable costs and the net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to complete a sale. Inventories of finished goods include cost of materials, labor and an appropriate proportion of variable and fixed direct overheads.

The cost of inventories is assigned by using weighted average cost. Abnormal inventory losses due to quality or other issues and overheads incurred during unplanned maintenance / shut down period are excluded from inventory costs. The allocation of overheads at period end for the purpose of inventory valuation are based on the higher of normal capacity or actual production for the period. Costs are assigned to individual items of inventory on the basis of weighted average costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025
(Saudi Riyal ﷻ)

6. MATERIAL ACCOUNTING POLICIES (CONTINUED)

6.9) Inventories (continued)

Costs of purchased inventory are determined after deducting rebates and discounts. Management reduces the inventory to its net realizable value if the cost of the inventory is not recoverable or the inventory is damaged or become an obsolete in whole or in part, or if the selling price is lower than cost or any other factors that cause the net realizable value to become less than the carrying amount. Management valuation of net realizable value is based on the most reliable evidence at the time the estimates are used. These estimates take into account fluctuations in prices or costs directly attributable to events occurring after the date of the financial statements to the extent that they confirm that the circumstances of such events exist as at end of the financial period.

Consumable and spare parts

Consumables are ancillary materials which are consumed in the production of semi-finished and finished products. Consumables may include engineering materials, one-time packaging materials and certain catalysts. General spares, equipment items and other consumables which do not meet the recognition criteria for property, plant and equipment are recorded under inventory and are subject to assessment for provision.

Work in process and finished goods

Work in process mainly represents clinker inventories and cement represents the finished goods inventories that are carried at the lower of cost or net realizable value. The cost of clinker and cement inventories includes the cost of raw materials, direct labor and manufacturing overheads and all other costs necessary to bring the cement inventories to their existing condition and location.

6.10) Cash and cash equivalents

Cash and short-term deposits in the consolidated statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are held for the purpose of meeting short-term cash commitments and are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above as they are considered an integral part of the Group's cash management.

6.11) Share capital

Share capital is recognized when equity instruments are issued and the Company receives consideration is recorded on the transaction date. Equity instruments are measured at the fair value of consideration received in cash or the fair value of assets received. Incremental costs directly attributable to issuing equity instruments are deducted directly from equity.

6.12) Treasury Shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in consolidated statement of profit or loss and other comprehensive income on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the share premium.

6.13) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit or loss and other comprehensive income net of any reimbursement.

6.14) Dividends

Provision or liability is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the Group, on or before the end of the reporting year but not distributed at the end of the reporting year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025
(Saudi Riyal ﷻ)

6. MATERIAL ACCOUNTING POLICIES (CONTINUED)

6.15) Segment information

A business segment represents a group of assets and operations that jointly provide products or services that are subject to risks and rewards that differ from those of other business segments and that are measured according to the reports used by executive management. The Group conducts most of its activities within the Kingdom of Saudi Arabia and therefore the financial information has not been separated into geographical segments.

6.16) Employees' Benefits

Short-term employee benefits

The liability is recognized and measured for benefits related to wages, salaries, annual leaves and sick-leaves in the period in which the service is provided on the undiscounted amounts of the benefits expected to be paid for these services.

Employee benefit obligations

The liability or asset recognized in the consolidated statement of financial position in respect of defined benefit. Employees' benefit obligation (EBO) plan is the present value of the defined benefit obligation at the end of the reporting year. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

Defined benefit costs are categorized as follows:

Service cost

Service costs includes current service cost and past service cost are recognized immediately in consolidated statement of profit or loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in consolidated statement of profit or loss as past service costs.

Interest cost

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the consolidated statement of profit or loss.

Re-measurement gains or losses

Re-measurement gains or losses arising from experience adjustments and changes in actuarial assumptions are recognized in the year in which they occur, directly in other comprehensive income.

6.17) Zakat

Zakat provision of the Group is calculated in accordance with the Zakat, Tax and Customs Authority ("ZATCA") provisions and rules in the Kingdom of Saudi Arabia. Zakat is calculated for the period relating to, and the provision for Zakat is charged in a separate item in the consolidated statement of profit or loss. Additional Zakat liability, if any, related to prior years' assessments are accounted for in the period in which the final assessments are finalized.

6.18) Value added tax (VAT)

Expenses and assets are recognized net of VAT, except in the following cases:

- When the value added tax incurred on a purchase of assets or services is not recoverable from the Zakat, Tax, and Customs Authority, in which case, the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When accounts receivable and accounts payable are recorded with the VAT amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025
(Saudi Riyal ﷻ)

6. MATERIAL ACCOUNTING POLICIES (CONTINUED)

6.19) Revenue from contracts with customers

The Group recognizes revenue from contracts with customers based on a five-step model as set out in IFRS 15- 'revenue from contracts with customers'.

Step 1 - Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates rights and obligations and sets out the criteria for every contract that must be met.

Step 2 - Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3 - Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4 - Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5 - Recognise revenue when (or as) the entity satisfies a performance obligation.

6.19.1) Sale of goods

For contracts with customers in which the sale of cement is generally expected to be the only performance obligation, revenue from the sale is recognized at the time that control of the asset is transferred to the customer at a point in time, which is usually at the delivery date.

The Group recognises revenue at the point in time at which the customer obtains control of a promised asset and the entity satisfies the performance obligations. The Group considers the below mentioned indicators in assessing the transfer of control of the promised asset:

- The Group has a present right to payment for the asset
- The customer has legal title to the asset
- The Group has transferred physical possession of the asset
- The customer has the significant risks and rewards of ownership of the asset
- The customer has accepted the asset

The Group sells bulk and packed cement, where the sale is made according to sales invoices and / or independent specific contracts with the clients.

6.20) Investment income

Investment income consists of Islamic Murabaha income on the funds invested, which are recognized in consolidated statement of profit or loss and other comprehensive income. Islamic Murabaha income are recognized as they become due in consolidated statement of profit or loss and other comprehensive income, using the effective interest method. Net gains and losses, including any interest or dividend income, are recognised in the consolidated statement of profit or loss and other comprehensive income.

6.21) Expenses

Selling and marketing expenses are those arising from the Group's efforts underlying the selling and marketing functions. All other expenses, excluding cost of sales and financial charges, are classified as administrative expenses. Allocation of common expenses between cost of sales, selling and marketing expenses and administrative expenses, where applicable, is made on a reasonable basis in accordance with the nature and function of those expenses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025
(Saudi Riyal ﷲ)

6. MATERIAL ACCOUNTING POLICIES (CONTINUED)

6.22) Foreign currency transactions

Transactions denominated in foreign currencies are translated to the functional currency of the Group at the exchange rates ruling at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing at the reporting date. For non-financial assets and liabilities that are measured at fair value in a foreign currency, they are retranslated into the functional currency according to the exchange rates prevailing on the date of determining the fair value. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate ruling on the date of the transaction. Foreign currency differences arising on retranslation are recognized in consolidated statement of profit or loss and other comprehensive income.

6.23) Earnings per share

Basic and diluted earnings per share (if any) are presented for ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year, adjusted by the number of ordinary shares repurchased or issued during the period. The diluted earnings per share are adjusted by adjusting the profit or loss attributable to ordinary equity holders of the Group and the weighted average number of shares outstanding during the year with the effect of all potential dilutive ordinary shares.

6.24) Provision for site restoration

The provision for the site restoration of areas is measured at the present value of the expected cost of re-settlement of the Group's site, using the discount rate as at the start date of the franchise license contract.

6.25) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. The Group has chosen to present grants related to an expense item as other income in the consolidated statement of profit or loss and other comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025
(Saudi Riyal ﷲ)

7. PROPERTY, PLANT AND EQUIPMENT

	Lands	Buildings	Plant and equipment	Motor vehicles	Computer	Furniture and fixtures	Tools and instruments	Capital work in progress*	Total
Cost:									
Balance at the beginning of the year	17,356,021	1,083,546,566	2,785,193,340	15,152,651	20,238,153	35,626,901	13,152,272	20,814,069	3,991,079,973
Additions during the year	-	1,038,254	54,893,630	1,444,346	1,031,585	787,537	800,280	202,280,792	262,276,424
Transferred from projects in progress	-	13,467,615	-	-	-	-	-	(13,467,615)	-
Disposals during the year	-	-	(560,418)	-	(476,290)	-	-	-	(1,036,708)
Balance at December 31, 2025	17,356,021	1,098,052,435	2,839,526,552	16,596,997	20,793,448	36,414,438	13,952,552	209,627,246	4,252,319,689
Accumulated depreciation:									
Balance at the beginning of the year	-	(599,693,702)	(2,005,194,920)	(9,952,701)	(17,201,486)	(31,568,051)	(10,455,106)	-	(2,674,065,966)
Depreciation charged for the year	-	(25,243,057)	(89,691,243)	(1,666,835)	(1,474,044)	(1,937,932)	(478,409)	-	(120,491,520)
Disposals during the year	-	-	7,839	-	476,264	-	-	-	484,103
Balance at December 31, 2025	-	(624,936,759)	(2,094,878,324)	(11,619,536)	(18,199,266)	(33,505,983)	(10,933,515)	-	(2,794,073,383)
Net carrying amount:									
At December 31, 2025	17,356,021	473,115,676	744,648,228	4,977,461	2,594,182	2,908,455	3,019,037	209,627,246	1,458,246,306

* Capital work in progress mainly consist of establishing a fourth production line at its plant site in Buraydah city, with a production capacity of 10,000 tons per day and liquid displacement project. The project is expected to be completed in 2028. The amount of borrowing cost capitalised during the year is ﷲ 0.6 million. The rate used to determine the amount of borrowing cost eligible for capitalisation is 6% which is effective interest rate of specific borrowings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025
(Saudi Riyal ﷲ)

7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Lands	Buildings	Plant and equipment	Motor vehicles	Computer	Furniture and fixtures	Tools and instruments	Capital work in Progress*	Total
Cost:									
Balance at the beginning of the year	10,507,750	717,852,784	1,634,487,187	1,257,204	8,081,017	12,327,081	12,831,210	189,333,536	2,586,677,769
Additions during the year	-	1,392,748	13,482,076	3,022,286	505,547	697,669	183,088	41,924,926	61,208,340
Additions as a result of acquisition	6,848,271	294,067,531	997,959,420	10,873,161	11,683,910	22,602,151	-	-	1,344,034,444
Transferred from projects in progress	-	70,751,419	139,555,000	-	-	-	137,974	(210,444,393)	-
Disposals during the year	-	(517,916)	(290,343)	-	(32,321)	-	-	-	(840,580)
Balance at December 31, 2024 (Restated note 37)	17,356,021	1,083,546,566	2,785,193,340	15,152,651	20,238,153	35,626,901	13,152,272	20,814,069	3,991,079,973
Accumulated depreciation:									
Balance at the beginning of the year	-	(504,643,592)	(1,357,892,798)	(695,585)	(7,003,006)	(11,329,557)	(9,996,376)	-	(1,891,560,914)
Depreciation charged for the year	-	(18,705,109)	(72,853,730)	(898,006)	(1,171,774)	(1,270,691)	(458,730)	-	(95,358,040)
Additions as a result of acquisition	-	(76,853,680)	(574,737,353)	(8,359,110)	(9,055,660)	(18,967,803)	-	-	(687,973,606)
Disposals during the year	-	508,679	288,961	-	28,954	-	-	-	826,594
Balance at December 31, 2024 (Restated note 37)	-	(599,693,702)	(2,005,194,920)	(9,952,701)	(17,201,486)	(31,568,051)	(10,455,106)	-	(2,674,065,966)
Net carrying amount:									
At December 31, 2024 (Restated note 37)	17,356,021	483,852,864	779,998,420	5,199,950	3,036,667	4,058,850	2,697,166	20,814,069	1,317,014,007

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025
(Saudi Riyal ﷻ)

7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

- 7.1 Qassim Cement Company obtained a mining concession in the Jabal Al-Quwaiter area, north of Buraydah, under the Royal Decree no. M/9 dated 4 Rabi' I 1398H for a period of (30) renewable Hijri years if the Company so desired in return for an annual fee, and on which the Company's buildings, machines and facilities were built. The license to exploit the limestone was renewed by the Ministerial Resolution No. 93/Q dated 17 Shawwal 1428H, valid for a period of 30 years, effective from the 3 Rabi' I 1428H.
- 7.2 The land on which the Subsidiary's plant is located in Turubah Governorate, located in the city of Hail, is leased under a 30-year mining license issued by the Ministry of Industry and Mineral Resources (Ministry of Energy) starting from 2012, which grants the Company the exclusive right to extract and exploit specific minerals in the license area with a total area of 46.4 square kilometers.
- 7.3 On 11 September 2024, the Company obtained a license for small mine for a period of 10 years in the Qassim region by Resolution No. 1560/1/1446H.
- 7.4 Depreciation for the year was allocated as follows:

	<u>Note</u>	December 31, 2025	December 31, 2024 (Restated note 37)
Cost of Revenue		119,231,972	94,385,735
Selling and marketing expenses	26	340,631	270,037
General and administrative expenses	27	918,917	702,268
		120,491,520	95,358,040

There are no mortgages on property, plant and equipment owned by the Group as at December 31, 2025 (2024: nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025
(Saudi Riyal ﷲ)

8. INTANGIBLE ASSETS

8.1 Movement of intangible assets is as follows:

	Software	Quarry right	Brand	Customer relationship	Projects in progress	Total
Cost:						
Balance at January 01, 2024	5,894,946	-	-	-	3,219,002	9,113,948
Additions during the year	-	-	-	-	2,409,190	2,409,190
Additions as a result of acquisition	9,371,586	34,300,000	19,400,000	43,700,000	-	106,771,586
Transferred from projects in progress	1,812,021	-	-	-	(1,812,021)	-
Balance at December 31, 2024 (Restated note 37)	17,078,553	34,300,000	19,400,000	43,700,000	3,816,171	118,294,724
Additions during the year	1,719,395	-	-	-	2,468,246	4,187,641
Transferred from projects in progress	2,004,151	-	-	-	(2,004,151)	-
Balance at December 31, 2025	20,802,099	34,300,000	19,400,000	43,700,000	4,280,266	122,482,365
Accumulated Amortisation						
Balance at January 01, 2024	(5,837,457)	-	-	-	-	(5,837,457)
Additions as a result of acquisition	(9,371,586)	-	-	-	-	(9,371,586)
Amortisation charged for the year	(8,669)	(1,126,520)	(1,083,167)	(4,356,994)	-	(6,575,350)
Balance at December 31, 2024 (Restated note 37)	(15,217,712)	(1,126,520)	(1,083,167)	(4,356,994)	-	(21,784,393)
Amortisation charged for the year	(421,432)	(2,017,649)	(1,940,000)	(7,803,571)	-	(12,182,652)
Total as at December 31, 2025	(15,639,144)	(3,144,169)	(3,023,167)	(12,160,565)	-	(33,967,045)
Carrying value						
As at December 31, 2024 (Restated note 37)	1,860,841	33,173,480	18,316,833	39,343,006	3,816,171	96,510,331
As at December 31, 2025	5,162,955	31,155,831	16,376,833	31,539,435	4,280,266	88,515,320

8.2 Amortisation of intangible assets was allocated as follows:

	Note	December 31, 2025	December 31, 2024 (Restated note 37)
Cost of revenue		2,439,081	717,617
Selling and marketing expense	26	9,743,571	5,440,161
General and administrative expenses	27	-	417,572
		12,182,652	6,575,350

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025
(Saudi Riyal ﷻ)

9. INVESTMENT PROPERTIES

Investment properties represent assets (lands) owned by the Company for the purpose of leasing, capital appreciation or both. As at December 31, 2025, the fair value of these lands amounted to ﷻ 15.8 million (2024: ﷻ 14.2 million) according to an approved valuer (Deqat Mothamin Real Estate Company), who is an independent expert certified and licensed by the Saudi Authority for Accredited Valuers (Taqeem) (License number 1210000202). The valuation techniques used within Level 2 fair value were based on comparable prevailing market sale prices for similar investment properties.

	December 31, 2025	December 31, 2024
Carrying amount	9,516,450	9,516,450

10. FINANCIAL INVESTMENTS AT FVTPL

	December 31, 2025	December 31, 2024 (Restated note 37)	January 01, 2024 (Restated note 37)
Investments at FVTPL - non-current (10.1)	184,873,756	76,164,241	73,706,614
Financial investments at FVTPL - current (10.2)	82,651,698	277,585,181	260,367,932

10.1 Financial investments at FVTPL - non-current

	December 31, 2025	December 31, 2024 (Restated note 37)	January 01, 2024 (Restated note 37)
Balance at the beginning of the year	76,164,241	73,706,614	82,060,643
Additions during the year	100,089,316	-	-
Disposals during the year	(2,441,365)	(1,878,501)	(2,358,512)
Unrealized gain during the year	11,061,564	13,101,180	(5,995,517)
Reclassification from non-current to current	-	(8,765,052)	-
	184,873,756	76,164,241	73,706,614

The above investments represent units of real estate and Income fund. Units of both are valued at their fair value by the fund managers.

10.2 Financial investments at FVTPL - current

	December 31, 2025	December 31, 2024 (Restated note 37)	January 01, 2024 (Restated note 37)
Balance at the beginning of the year	277,585,181	260,367,932	395,065,136
Additions during the year	95,918	20,033,858	15,028,567
Additions resulting from acquisition of a subsidiary	-	65,713,579	-
Disposals during the year	(185,971,009)	(85,490,036)	(170,665,561)
Unrealized (loss) / gain during the year	(9,058,392)	8,194,796	20,939,790
Reclassification from non-current to current	-	8,765,052	-
	82,651,698	277,585,181	260,367,932

(*) The above investments represent shares of commodity trading funds, trading finance funds, and discretionary portfolio with financial companies, which are valued at fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025
(Saudi Riyal ﷲ)

11. FINANCIAL INVESTMENTS AT AMORTIZED COST

Financial investments at amortized cost as of the end of the year are classified as follows:

	December 31, 2025	December 31, 2024
Financial investment at amortized cost	100,000,000	100,000,000

The above investments represent Sukuk. The average commission is 4% per annum (2024: 4%). The total Sukuk reward income of ﷲ 4 million during the year ended December 31, 2025 (December 31, 2024: ﷲ 4 million) was charged to the consolidated statement of profit or loss.

12. LEASES

a) Right-of-use assets:

	December 31, 2025	December 31, 2024 (Restated note 37)
Cost:		
Balance at the beginning of the year	6,290,037	2,937,209
Adjustments	(196,173)	-
Additions as a result of acquisition	-	3,352,828
Balance at the end of the year	6,093,864	6,290,037
Depreciation:		
Balance at the beginning of the year	3,968,383	2,264,099
Depreciation during the year	126,266	380,976
Depreciation as a result of acquisition	-	1,323,308
Balance at the end of the year	4,094,649	3,968,383
Right-of-use assets	1,999,215	2,321,654

b) Lease liabilities

Lease liabilities have been presented in consolidated statement of financial position as follows:

	December 31, 2025	December 31, 2024 (Restated note 37)
Lease liabilities at the beginning of the year	2,645,087	666,527
Additions as a result of acquisition	-	2,161,403
Adjustment	(196,173)	-
Repayments made during the year	(171,837)	(410,165)
Interest expense on lease liabilities - (note 29)	15,759	227,322
	2,292,836	2,645,087
Current portion of lease liabilities	289,533	412,625
Non-current portion of lease liabilities	2,003,303	2,232,462

Lease liabilities pertains to administrative building with a lease term of 25 years.

The Group has recognized lease liabilities and interest expense using an incremental borrowing rate, which is the rate of return it expects to use in order to borrow the necessary financing for a similar term of the leases, with the same collateral. Leases do not contain any covenants.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025
(Saudi Riyal ﷻ)

13. INVENTORIES

	December 31, 2025	December 31, 2024 (Restated note 37)
Spare parts	166,791,663	169,163,114
Raw materials	35,480,914	68,451,964
Work in progress	570,293,930	517,862,297
Finished goods	14,778,217	11,800,062
Packing materials	4,544,183	5,740,490
Consumables and supplies	21,267,271	22,264,309
In-transit inventories	2,958,989	5,962,071
	816,115,167	801,244,307
Less: allowance for obsolete / slow moving of inventory	(50,426,398)	(40,971,116)
	765,688,769	760,273,191

13.1 Movement in allowance for obsolete / slow moving inventory is as follows:

	December 31, 2025	31 December, 2024 (Restated note 37)
Balance at the beginning of the year	40,971,116	28,485,157
Increased as a result of acquisition	-	10,164,917
Charge for the year	9,455,282	2,321,042
	50,426,398	40,971,116

14. TRADE RECEIVABLES

	December 31, 2025	31 December, 2024
Trade receivables	173,312,930	145,536,356
Allowance for expected credit loss (ECL)	(3,683,793)	(4,935,522)
	169,629,137	140,600,834

a) Movement in expected credit losses on trade receivables is as follows:

	December 31, 2025	December 31, 2024
Balance at the beginning of the year	4,935,522	1,283,981
(Reversal) / Provision during the year	(1,251,729)	3,651,541
	3,683,793	4,935,522

Additional information related to credit and market risk is disclosed in note 34.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025
(Saudi Riyal ﷲ)

15. PREPAID EXPENSES AND OTHER RECEIVABLES

	December 31, 2025	December 31, 2024
Advances to suppliers	15,819,845	10,987,800
Prepaid expense	6,985,501	4,146,828
Accrued income	1,292,696	1,868,155
Employees' receivables	1,753,973	2,421,007
Margin on letter of credits	86,378,155	698,507
Other receivables	16,510,470	4,797,027
	128,740,640	24,919,324

16. CASH AND CASH EQUIVALENTS

	December 31, 2025	December 31, 2024 (Restated note 37)	January 01, 2024 (Restated note 37)
Cash in hand	581,676	796,918	532,658
Cash at banks in local currency *	21,947,794	94,142,496	31,464,715
Cash at banks in foreign currencies *	3,220,820	11,862,943	7,991,721
Short term investments **	79,000,000	180,000,000	160,830,667
	104,750,290	286,802,357	200,819,761

(*) This represents cash held in current accounts with banks operating in the Kingdom of Saudi Arabia.

(**) Short-term investments represent Murabaha investments with maturity dates of three months or less.

17. SHARE CAPITAL AND ADDITIONAL CAPITAL

Share capital

The Company's share capital is ﷲ1,105 million divided into 110,559 million shares of ﷲ 10 each, as at December 31, 2025 (December 31, 2024: ﷲ 1,105 million divided into 110,559 million shares of ﷲ 10 each).

There is no movement in share capital or additional capital during the year. The movement in year 2024 is as follows;

Share capital	December 31, 2024
Number of shares acquired from Hail Cement Company	97,900,000
Share swap rate according to the acquisition agreement	0.21
Number of shares issued by the Company	20,559,000
The nominal value of the shares issued by the Company - ﷲ 10 per share	205,590,000
Add: Company's share capital immediately prior to the acquisition	900,000,000
Post-acquisition share capital	1,105,590,000

Additional Share capital

Additional Share capital	December 31, 2024
Number of shares issued by the Company	20,559,000
Company's share price on 10 June 2024 (acquisition date)	58.5
Total consideration	1,202,701,500
Less: nominal value of the shares issued by the Company - ﷲ 10 per share	(205,590,000)
Additional share capital resulting from acquisition	997,111,500

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025
(Saudi Riyal ﷲ)

18. STATUTORY RESERVE

The statutory reserve included in the consolidated financial statements as of December 31, 2025 and December 31, 2024 was required under the Company's previous by-laws. However, following amendments to the Company's by-laws on April 15, 2024, the requirement to set aside a statutory reserve has been removed. Hence for the year ended there are no additional transfer to the statutory reserve.

19. PROVISION FOR SITE RESTORATION

The Group conducted a study to estimate cost of restoration of the Group's quarry after the end of the mining period and accordingly recorded the provision for its quarries at the inception of the license.

Movement in the provision for site restoration is as follows:

	December 31, 2025	December 31, 2024
Balance at the beginning of the year	21,622,722	14,799,151
Additions during year	-	1,392,748
Additions as a result of acquisition	-	4,334,172
Interest cost	1,048,787	1,096,651
	22,671,509	21,622,722

20. EMPLOYEES' BENEFITS OBLIGATIONS

a) Movement in the employees' benefits obligation is as follows:

	December 31, 2025	December 31, 2024
Balance at the beginning of the year	63,112,762	43,871,182
Expense charged during the year (b)	9,371,554	6,432,615
Additions as a result of acquisition	-	19,432,746
Payments during the year	(5,027,496)	(4,782,676)
Actuarial loss / (gain) from re-measurement of employees' benefits obligations (c)	1,077,090	(1,841,105)
	68,533,910	63,112,762

b) Charged to the consolidated statement of profit or loss for the year:

	December 31, 2025	December 31, 2024
Service cost	5,995,202	3,724,938
Interest cost	3,376,352	2,707,677
Expense recognized in profit or loss	9,371,554	6,432,615

c) The following is the breakup of the re-measurement loss / (gain) on employee's benefits obligations:

	December 31, 2025	December 31, 2024
Demographic assumptions	-	456,421
Financial assumptions	1,663,807	(1,870,583)
Experience adjustment	(586,717)	(426,943)
	1,077,090	(1,841,105)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025
(Saudi Riyal ﷲ)

20. EMPLOYEES' BENEFITS OBLIGATIONS (CONTINUED)

d) The significant actuarial assumptions used by an independent external actuary are as follows:

	December 31, 2025	December 31, 2024
Salary increase rate	4.00%	5%
Discount rate	5.01%	5.36%
Staff turnover rate	Medium	Medium

e) **Sensitivity in defined benefit obligation**

Reasonably possible changes as to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation as follows:

	Change	December 31, 2025	December 31, 2024
Salary rate	1% increase	(4,415,742)	(3,990,137)
	1% decrease	4,000,302	3,694,673
Discount rate	1% increase	3,714,952	3,417,444
	1% decrease	(4,169,507)	(3,745,099)
Weighted average age of employees (years)		40	39
Average years of experience		8.65	7.7

21. TRADE AND OTHER PAYABLES

	December 31, 2025	December 31, 2024
Trade payables	77,255,868	82,055,062
Accrued employees' benefits	30,774,336	36,673,697
Accrued expenses	22,551,571	29,051,615
BOD remuneration payable	5,516,000	4,675,342
Advance payments from customer	14,830,354	8,008,251
Retention of performance bond from contractors	12,319,148	9,117,303
Accrued quarry fees	11,229,256	11,465,930
Value added tax payable	11,750,821	8,619,338
Accrued withholding tax	266,469	245,649
Other payables	479,174	1,033,980
	186,972,997	190,946,167

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025
(Saudi Riyal ﷲ)

22. ZAKAT PROVISION

a) Zakat base of the Company comprises the following:

	December 31, 2025	December 31, 2024
Equity at beginning of the year	2,750,145,949	1,579,301,183
Additions	254,553,326	1,359,793,626
Deductions	(2,381,984,838)	(1,931,812,607)
Basis for calculation of Zakat	622,714,437	1,007,282,202
Adjusted net income for the year subject to Zakat	259,932,859	315,331,148
	882,647,296	1,322,613,350
Zakat base (equity method) (a)	882,647,296	1,322,613,350
Zakat base (adjusted net income) (b)	259,932,859	315,331,148
Zakat payable (Higher of (A) or (B))	22,549,929	33,847,827
(Less) / add carried forward balance from previous periods	(2,196,960)	193,265
Additions as a result of acquisition	-	(6,059,707)
Provision for claims	2,409,159	-
Zakat charge made during the year	22,762,128	27,981,385

b) Movement in Zakat Provision during the year is as follows:

	December 31, 2025	December 31, 2024
Balance at the beginning of the year	33,847,827	20,441,682
Additions as a result of acquisition	-	6,059,707
Provided during the year	22,762,128	27,981,385
Paid during the year	(31,650,867)	(20,634,947)
Balance at the end of the year	24,959,088	33,847,827

c) Zakat status

The Group has filed a consolidated zakat return for the Company and its subsidiary for the year 2024. The Group obtained a certificate from ZATCA for the year ended December 31, 2024.

Zakat status of Company:

The assessment order for the year 2021 has been issued by ZATCA, amounting to ﷲ 2.5 million. The provision has been recorded in these consolidated financial statements.

Zakat status of subsidiary:

The assessments for 2021 and 2023 were finalized during the year through the settlement of an amount totaling ﷲ 0.39 million.

23. SHORT TERM BORROWING

The Group has short term sharia compliant credit facility from local bank consisting of short-term loans. The short-term facility is guaranteed by promissory notes on demand and carry effective interest rate of 6%. The maturity term for short-term borrowing is three months.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025
(Saudi Riyal ﷲ)

24. REVENUE AND COST OF REVENUE

- a) No other revenue classifications have been disclosed as the entire amount of revenue is a result of bulk and bagged cement sales within the Kingdom of Saudi Arabia only and there are no other products for the Group, and there is no key difference between the selling prices or the production cost of the two types of bulk or bagged cement. The Group also sells its entire products through distributors. The revenue is recorded at a point in time.
- b) The cost of revenue represents mainly the cost of raw materials, direct wages, depreciation, fuel, power, spare parts and consumables.

25. DIVIDENDS

a) During the year ended December 31, 2025

- On March 19, 2025, based on the authorization of the General Assembly of the shareholders, the Board of Directors resolved to distribute dividends amounting to ﷲ 87.8 million at a rate of ﷲ 0.8 per share for the fourth-quarter 2024.
- On May 20, 2025, based on the authorization of the General Assembly of the shareholders, the Board of Directors resolved to distribute dividends amounting to ﷲ 87.8 million at a rate of ﷲ 0.8 per share for the first-quarter of 2025.
- On August 14, 2025, based on the authorization of the General Assembly of the shareholders, the Board of Directors resolved to distribute dividends amounting to ﷲ 87.8 million at a rate of ﷲ 0.8 per share for the second-quarter of 2025.
- On November 19, 2025, based on the authorization of the General Assembly of the shareholders, the Board of Directors resolved to distribute dividends amounting to ﷲ 87.8 million at a rate of ﷲ 0.8 per share for the third-quarter of 2025.

b) During the year ended December 31, 2024

- On February 21, 2024, based on the authorization of the General Assembly of the shareholders, the Board of Directors decided to distribute dividends of ﷲ 58.5 million at ﷲ 0.65 per share for the fourth quarter dividends of the year 2023.
- On August 28, 2024, based on the authorization of the General Assembly of shareholders, the Board of Directors decided to distribute dividends of ﷲ 143,7 million at ﷲ 1.30 per share for the first quarter and the second quarter dividends of 2024.
- On November 20, 2024, based on the authorization of the Shareholders' General Assembly, the Board of Directors decided to distribute dividends of ﷲ 71.3 million at ﷲ 0.65 per share for the third quarter dividends of the year 2024.

c) Movement in dividends payable during the year is as follows:

	December 31, 2025	December 31, 2024
Balance at the beginning of the year	53,947,760	56,497,883
Balance resulting from acquisition	-	264,021
Announced during the year	351,234,072	273,571,121
Paid during the year	(349,828,026)	(276,385,265)
	55,353,806	53,947,760

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025
(Saudi Riyal ﷻ)

26. SELLING AND MARKETING EXPENSES

	For the Year ended December 31, 2025	For the Year ended December 31, 2024 (Restated note 37)
Salaries, wages and equivalents	8,882,432	8,588,984
Amortisation for intangible assets	9,743,571	5,440,161
Other employees' benefits and medical insurance	884,760	772,256
Depreciations	340,631	270,037
Assignments and business trips expenses	224,780	295,863
Maintenance expenses	34,736	114,879
Training costs	2,942	19,392
Depreciation of right-of-use assets	-	24,594
Technical, consulting and professional fees	-	18,686
Other expenses	883,836	758,065
Expenses charged from/ (to) cost of common service centers	4,708,114	2,966,910
	25,705,802	19,269,827

27. GENERAL AND ADMINISTRATIVE EXPENSES

	For the Year ended December 31, 2025	For the Year ended December 31, 2024 (Restated note 37)
Salaries, wages and equivalents	19,087,674	31,976,952
Donations and social responsibility	3,869,419	824,667
Directors' remuneration	3,500,000	3,218,048
Remuneration of committee members from outside the board of directors	1,780,000	1,693,082
Allowance to attend meeting of the Board of Directors and Committees	569,694	500,000
Technical, consulting and professional fees	1,494,492	2,920,946
Other employees' benefits and medical insurance	1,235,121	1,584,105
Depreciations	918,917	702,268
Listing and deposit center fees	800,539	1,044,634
Depreciation of right-of-use assets	126,266	70,499
Maintenance expenses	78,468	944,084
Acquisition transaction costs	45,121	23,006,280
Training costs	14,447	112,562
Assignments and business trips expenses	9,643	237,561
Amortisation for intangible assets	-	417,572
Other provision made	-	706,623
Other expenses	4,012,860	2,380,120
Expenses charged from/ (to) cost of common service centers	7,080,775	3,054,837
	44,623,436	75,394,840

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025
(Saudi Riyal ﷻ)

28. OTHER INCOME, NET

	For the year ended December 31, 2025	For the year ended December 31, 2024
Support for the sector competitiveness initiative *	70,422,567	40,473,645
Deposits received from Human Resource Development Fund	1,159,917	1,864,237
Revenue from rentals	841,232	1,101,594
Revenue from sale of industrial waste, cement dust and scrap	495,682	2,015,057
Contractors' compensations	6,948	1,661,230
Losses on the sale and disposal of PPE	(26)	(13,986)
Other miscellaneous income	2,485,211	4,289,148
	75,411,531	51,390,925

(*) The amount represents the value of support the Company received during the year as part of the industrial sector competitiveness initiative by the Ministry of Industry and Mineral Resources due to the rising fuel prices.

29. FINANCE COSTS

	For the year ended December 31, 2025	For the year ended December 31, 2024
Finance costs of employees' end-of-service benefits	3,376,352	2,707,677
Finance costs for site restoration	1,048,787	1,096,651
Finance costs from leases	15,759	227,322
	4,440,898	4,031,650

30. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

As at December 31, 2025, the Group has bank facilities in the form of letters of guarantee and letters of credit from commercial banks of ﷻ 66 million (December 31, 2024: ﷻ 57.6 million).

The Group's capital commitments as at December 31, 2025 are ﷻ 1,400.1 million (December 31, 2024: ﷻ 16.8 million), primarily related to new production line under construction. The total value of the ongoing project contracts amounted to ﷻ1,601.9 million as at December 31, 2025 (December 31, 2024: ﷻ 190.3 million).

The major capital commitment pertains to the project of establishing a fourth production line at its plant site in Buraydah city, with a production capacity of 10,000 tons per day.

31. SEGMENT INFORMATION

The Group's activities are mainly represented in an operating segment, which is the manufacturing and selling of cement that is mainly sold to local customers. The Executive Management monitors the operating results of Group for the purpose of making decisions about resource allocation and performance assessment and accordingly, the financial information was not divided into different geographic or business segment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025
(Saudi Riyal ﷻ)

32. EARNINGS PER SHARE – BASIC AND DILUTED

Basic earnings per share was calculated by dividing the distributable income for the year among the shareholders who own the ordinary shares of the Company by the weighted average number of ordinary shares outstanding during the year.

The diluted earnings per share are the same as the basic earnings per share as the Group has no diluted instruments.

	For the year ended December 31, 2025	For the year ended December 31, 2024 (Restated note 37)
Net profit for the year	259,932,859	287,491,196
Weighted average number of shares	109,760,647	101,044,307
Basic and diluted earnings per share	2.37	2.85

Calculation of the weighted average number of shares is as follows:

	For the year ended December 31, 2025	For the year ended December 31, 2024 (Restated note 37)
Number of shares at the beginning of the year	90,000,000	90,000,000
Weighted average number of shares issued at acquisition date	20,559,000	11,490,510
Weighted average number of treasury shares resulting from acquisition transaction	(798,353)	(446,203)
Weighted average of total number of shares during the year	109,760,647	101,044,307

33. DISCLOSURES OF RELATED PARTIES

Related parties represent major shareholders, members of the Board of Directors of the Group, key management personnel of the Group, and entities managed or a significant influence is exercised over them by these parties. There are no transactions with related parties other than the following:

Key management personnel compensation

The remuneration of the board of directors and other key management personnel charged during the year are as follows:

	For the year ended December 31, 2025	For the year ended December 31, 2024
Salaries and short-term benefits - Key management personnel	17,988,195	13,102,766
Post-employment benefits - Key management personnel	660,591	1,485,476
Board of Directors and committees' remuneration and allowances	5,836,000	5,968,000
	24,484,786	20,556,242

Board Remuneration payable amounted to ﷻ5.5 million– note 21 (2024: ﷻ 4.7 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025
(Saudi Riyal ﷻ)

34. FAIR VALUE MEASUREMENT AND RISK MANAGEMENT

Set out below is a comparison, by class, of the carrying amounts and fair value of the Group's financial instruments at FVTPL:

	Date of valuation	Fair value measurement using			
		Level 1	Level 2	Level 3	Total
Financial instruments measured at fair value					
Financial investments at FVTPL	December 31, 2025	33,940,431	233,585,023	-	267,525,454
Financial investments at FVTPL	December 31, 2024 (Restated note 37)	111,098,350	242,651,072	-	353,749,422

Investment at FVTPL

This represents investment in mutual funds and shares of the companies. During the year ended December 31, 2025 and 2024, there were no movements between the levels.

a) Financial risk management framework

Risk management is carried out by the senior management under policies approved by the Board of Directors. Senior management identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The most important types of risk are credit risk, currency risk and fair value and cash flow interest rate risks.

The Board of Directors has an overall responsibility for the establishment and oversight of the Group's risk management framework. The executive management team is responsible for developing and monitoring the Group's risk management policies. The teamwork conducts meetings on a regular basis, and any changes or matters related to compliance with policies are reported to the Board of Directors through the Audit Committee.

The risk management systems are reviewed regularly by the executive management team to reflect changes in market conditions and the Group's activities. Through training, management standards and procedures, the Group aims to develop a responsible and constructive control environment so that all employees are aware of their roles and responsibilities.

The Risk Committee oversees the management's compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Financial instruments included in the consolidated statement of financial position include cash and cash equivalents, trade and other receivables, financial investments at fair value and amortized cost, trade and other payables and short-term borrowings. The recognition methods used are disclosed in the individual policy statement for each item.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025
(Saudi Riyal ﷲ)

34. FAIR VALUE MEASUREMENT AND RISK MANAGEMENT (CONTINUED)

The Group has an exposure to the following risks from its use of the financial instruments:

- i) Credit risks
- ii) Liquidity risk and
- iii) Market Risk

i) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty fails to meet its contractual obligations and arises principally from the Group's trade receivables and cash and cash equivalents. The carrying amount of financial assets represents the maximum credit exposure.

The following table presents an analysis of the credit quality of debt securities at amortized cost, fair value through other comprehensive income, and fair value through profit or loss. It indicates whether the assets measured at amortized cost or fair value through other comprehensive income are subject to 12-month ECL or lifetime ECL, and in the latter case, whether they are credit-impaired.

	As at December 31, 2025			
	Investments at fair value through profit or loss	Financial investments at amortized cost		
		Subject to 12-month ECL	Subject to Lifetime ECLs	Subject to Lifetime ECLs - credit-impaired
Credit rating				
AAA to BBB	267,525,454	100,000,000	-	-
	267,525,454	100,000,000	-	-

As at December 31, 2024				
Credit rating	Investments at fair value through profit or loss	Financial investments at amortized cost		
		Subject to 12-month ECL	Subject to Lifetime ECLs	Subject to Lifetime ECLs - credit-impaired
AAA to BBB	353,749,422	100,000,000	-	-
	353,749,422	100,000,000	-	-

Bank balances and trade receivables

The cash and cash equivalents of the company are deposited in public accounts with local banks with good credit ratings ranging from BBB- and above. Additionally, the margin on letter of credit as in note 15 is in good credit ratings local bank.

The Group's exposure to credit risk is mainly affected by the individual characteristics of each customer, however; management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry in which the customer operates.

The management also continues to monitor the credit risks related to its customers and creates a provision for expected credit losses. The existing customer balances are continuously monitored. Cash and cash equivalents are placed with national banks with sound credit ratings. Trade and other receivables are primarily due from customers in the local market, and most of the customer balances are secured by effective bank letters of guarantee from local banks with sound credit ratings. Trade and other receivables have been shown at their estimated recoverable value.

100% of trade receivables is in the Kingdom of Saudi Arabia (2024: 100%). The three largest customers constitute approximately 74% of trade receivables as at December 31, 2025 (2024: 65%). The three largest customers represent approximately 39% of total revenue as at December 31, 2025 (2024: 43%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025
(Saudi Riyal ﷻ)

34. FAIR VALUE MEASUREMENT AND RISK MANAGEMENT (CONTINUED)

i) Credit Risk(continued)

Management takes into account available and supportive forward-looking information such as:

- Significant actual or anticipated changes in the business.
- Actual or expected significant changes in the operating results of the counterparty,
- Financial or economic conditions that are expected to cause a significant change in the counterparty's ability to fulfill its obligations.
- Significant increase in credit risk on other financial instruments of the same counterparty,
- Significant changes in the value of the collateral in support of the obligation or in the quality of counterparty guarantees or credit improvements.

The aging of trade receivables as of the date of the consolidated financial statements is as follows:

Duration	December 31, 2025				December 31, 2024				
	Balance	Impairment	Weighted-average credit losses rate	Credit impaired	Balance	Impairments	Weighted-average credit losses rate	Credit impaired	
Not past due and not impaired	134,337,163	-	0%	No	104,470,774	-	0%	No	
0 - 90 days	29,744,321	1,163,822	4%	No	35,763,851	1,797,536	5%	No	
90 - 180 days	7,110,741	405,585	6%	No	3,004,901	916,575	31%	No	
180 - 360 days	52,039	45,720	88%	No	376,281	300,862	80%	No	
More than 365 days	2,068,666	2,068,666	100%	Yes	1,920,549	1,920,549	100%	Yes	
	173,312,930	3,683,793			145,536,356	4,935,522			

Management believes that the amounts that have been impaired and that are past due for more than 90 days are still fully collectible based on the previous payment behavior and comprehensive analysis of the customer's credit risk, including the customer's underlying credit ratings, if available. The Group establishes a provision for all balances past due for more than 365 days (2024: 365 days). As at 31 December 2025, the balance of the provision for expected credit losses amounted to ﷻ 3,683,793 (2024: ﷻ 4,935,522). Credit risk grades are divided according to the Group's classification, and the expected credit loss rate for each Group is calculated based on the payment delay status and the actual credit loss experience over the past years.

ii) Liquidity risk

Liquidity risk is the difficulties that an entity will encounter in raising funds to meet commitments related to financial instruments. Liquidity risk may result from the inability to sell financial assets quickly at an amount close to its fair value. Liquidity risk is managed by monitoring liquidity on an ongoing basis and ensuring that sufficient financial resources are in place. Concentration in liquidity risk may arise from terms of repayment of financial obligations, sources of financing, or reliance on a specific market to obtain liquid assets. The following are the contractual maturities of the financial liabilities at the end of the year that were presented in gross and undiscounted amounts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025
(Saudi Riyal ﷲ)

34. FAIR VALUE MEASUREMENT AND RISK MANAGEMENT (CONTINUED)

ii) Liquidity risks (continued)

	Total carrying amount	Less than one year	1-5 Years	Greater than 5 years	Total contractual maturity
2025					
Short term borrowing	100,620,493	100,620,493	-	-	100,620,493
Trade Payable	77,255,868	77,255,868	-	-	77,255,868
BOD remuneration payable	5,516,000	5,516,000	-	-	5,516,000
Retention of performance bond from contractors	12,319,148	12,319,148	-	-	12,319,148
Dividends' payable	55,353,806	55,353,806	-	-	55,353,806
Lease liabilities	2,292,836	352,000	704,000	1,760,000	2,464,000
	251,065,315	251,065,315	704,000	1,760,000	100,620,493
2024					
Trade Payable	82,055,062	82,055,062	-	-	82,055,062
BOD remuneration payable	4,675,342	4,675,342	-	-	4,675,342
Retention of performance bond from contractors	9,117,303	9,117,303	-	-	9,117,303
Dividends' payable	53,947,760	53,947,760	-	-	53,947,760
Lease liabilities (Restated note 37)	2,227,335	-	880,000	1,936,000	2,816,000
	152,022,802	149,795,467	880,000	1,936,000	152,611,467

As at December 31, 2025, the Group holds cash and cash equivalents of ﷲ 104.8 million (December 31, 2024: ﷲ 286.8 million). Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to manage liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under normal and stressed conditions, without incurring losses or risking damage to the Group's reputation.

b) Capital management

The Group's objectives when managing capital is to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders. And to maintain a strong capital base to support the sustained development of its businesses.

The Group's adjusted net liabilities to equity ratio is as follows:

	December 31, 2025	December 31, 2024 (Restated note)
Total liabilities	462,221,953	366,939,639
Less: cash and cash equivalents	(104,750,290)	(286,802,357)
Adjusted net debt	357,471,663	80,137,282
Total shareholder's equity	2,657,767,646	2,750,145,949
Adjusted equity and net debt	3,015,239,309	2,830,283,231
Adjusted debt ratio to adjusted equity ratio	11.9%	2.83%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025
(Saudi Riyal ﷻ)

34. FAIR VALUE MEASUREMENT AND RISK MANAGEMENT (CONTINUED)

b) Capital management (continued)

Changes in liabilities arising from financing activities

	December 31, 2024	Cash flows	Others	December 31, 2025
Short term borrowings	-	100,000,000	620,493	100,620,493
Lease liabilities	2,645,087	(171,837)	(180,414)	2,292,836
Dividends' payable	53,947,760	(349,828,026)	351,234,072	55,353,806
Total liabilities from financing activities	56,592,847	(249,999,863)	351,674,151	158,267,135

	December 31, 2023	Cash flows	Others	December 31, 2024
Lease liabilities (Restated note 37)	666,527	(410,165)	2,388,725	2,645,087
Dividends' payable	56,497,883	(276,385,265)	273,835,142	53,947,760
Total liabilities from financing activities	57,164,410	(276,795,430)	276,223,867	56,592,847

c) Market risk

Market risk is the risk of possible impact of changes in market prices, such as foreign exchange rates and commission rate. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Price risk

The Group's listed and non-listed investments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the price risk through diversification and by placing limits on individual and total financial instruments.

The table below reflects the possible change of 100 basis points in investments at fair values through profit or loss at the reporting date on consolidated profit or loss and other comprehensive income with other variable remains constant.

	Profit / (loss) 2025		Profit / (loss) 2024	
	Decrease in basis points of 100 bps related to fair value	Increase in basis points of 100 bps related to fair value	Decrease in basis points of 100 bps related to fair value	Increase in basis points of 100bps related to fair value
Financial Investment at FVTPL	(2,675,255)	2,675,255	(3,537,494)	3,537,494

Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in currency foreign exchange rates. Since the Saudi Riyal is pegged against the US Dollar, there are no significant currency risks. The Group's management monitors the changes in foreign currency exchange rates and believes that foreign currency risks are insignificant.

Commission rate risk

Commission rate risk arises from the possibility that changes in market commission rates will affect future profitability or the fair value of the financial instruments. The Group monitors the fluctuations in commission rates and believes that the effect of the commission rate risk is not material.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025
(Saudi Riyal ﷻ)

35. NON – CASH TRANSACTIONS

The most important non-cash transactions for the purposes of preparing the statement of cash flows are as follows:

	December 31, 2025	December 31, 2024
Transferred from projects in progress to property, plant and equipment - Note (7)	13,467,615	210,444,393
Revenue from investments at amortized cost	547,420	415,560
Addition to right-of-use assets - Note (12-A)	-	449,386
Addition to provision for site restoration- Note (19)	-	1,392,746
Actuarial gain on employee benefits - Note (20)	1,077,090	1,841,105
Dividends	1,406,046	2,814,144
Treasury shares from investments at fair value through profit or loss - Note (37)	-	28,356,295
Finance cost capitalized to property, plant and equipment	620,493	-

36. BUSINESS COMBINATIONS COMPLETED IN PRIOR PERIODS

On June 10, 2024, Qassim Cement Company acquired 100% of the issued share capital of Hail Cement Company, and the acquisition is in line with the Qassim Cement Company’s strategy to enhance its market competitiveness.

Purchase consideration

The fair value of the issued 20,559,000 shares has been determined as part of the consideration paid to acquire Hail Cement Company and on the basis of the closure rate in the Saudi Stock Exchange (Tadawul) of the ordinary share for Qassim Cement Company in the Saudi Stock Exchange at the acquisition date i.e., at June 10, 2024 with a nominal value of ﷻ 10 each and market value of (ﷻ 58.5).

As a result of shares issuance, there was an increase in the share capital and additional paid in share capital of the Company of ﷻ 205,590,000 and ﷻ 997,111,500, respectively.

Acquisition Accounting

The business combination has been accounted for using the acquisition method under IFRS 3 – “Business Combinations” with the group being acquirer and the Hail Cement Company being the acquiree.

The net assets recognized in the annual consolidated financial statements for the year ended December 31, 2024 were based on provisional amounts. The valuation had not been completed by the date the 2024 consolidated financial statements were issued.

During the measurement period, the Group completed a purchase price allocation exercise, resulting in a fair value adjustment to the net identifiable assets as of the acquisition date. The comparative figures for 2024 have been restated to reflect these adjustments to provisional amounts. As a result, there was an increase in intangible assets. Additionally, there was an increase in the property plant and equipment and inventory leading to a decrease in goodwill, as detailed below. The goodwill is primarily attributed to the expected future profits from the acquired business and the synergies generated by the acquisition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025
(Saudi Riyal ﷻ)

36. BUSINESS COMBINATIONS COMPLETED IN PRIOR PERIODS (CONTINUED)

Acquisition Accounting (continued)

Details of the (restated) fair value of identifiable assets and liabilities acquired are as follows:

	Book Value	Fair Value adjustments	Fair Value
Assets			
Property, plant and equipment - net	578,749,247	77,311,591	656,060,838
Intangible assets, net	2,595,738	94,804,262	97,400,000
Right-of-use assets, net	7,420,367	(5,390,847)	2,029,520
Inventory, net	329,801,868	900,000	330,701,868
Trade receivables - net	12,854,906	-	12,854,906
Prepaid expenses and other receivables	16,472,552	-	16,472,552
Investments at fair value through profit or loss	65,713,579	-	65,713,579
Cash and cash equivalents	52,868,623	-	52,868,623
Total assets	1,066,476,880	167,625,006	1,234,101,886
Liabilities			
Lease liabilities	8,241,743	(6,080,340)	2,161,403
Employee benefit obligations	19,432,746	-	19,432,746
Provision for site restoration	4,334,172	-	4,334,172
Trade payables and accrued expenses	43,787,974	-	43,787,974
Dividend's payable	264,021	-	264,021
Zakat Provision	6,059,707	-	6,059,707
Total liabilities	82,120,363	(6,080,340)	76,040,023
Total identifiable net assets	984,356,517	173,705,346	1,158,061,863

a) Acquired receivables

The initial fair value of the trade receivables acquired amounted to ﷻ 12,854,906 acquired upon acquisition.

The trade receivables comprise gross contractual amounts due of ﷻ12,854,906 of which Zero was expected to be uncollectable at the date of the acquisition.

b) Revenue and contribution in profits

During the year ended December 31, 2024, Hail Cement Company contributed revenues of ﷻ 143.7 million and Net profit after Zakat of ﷻ 31.4 million.

If the acquisition of Hail Cement Company had been completed on the first day of the financial year of 2024, Group revenues for year ended December 31, 2024 would have been ﷻ 1,097.2 million and group net profit for the year ended 31, 2024 after Zakat would have been ﷻ 300.7 million.

Acquisition costs of ﷻ 23 million arose as a result of the acquisition have been recognised as part of administrative expenses in the consolidated statement of profit and loss and other comprehensive income.

Goodwill

	ﷻ
Purchase consideration	1,202,701,500
Less: treasury shares	(19,261,619)
Less: the fair value of the net assets acquired of Hail Cement Company	(1,158,061,863)
	25,378,018

Goodwill is subject to annual impairment testing, or more frequently when there are indicators of impairment. For CGUs on which goodwill was allocated as a result of prior-year acquisitions, impairment testing is performed by comparing the carrying amount of each CGU to the recoverable amount which has been determined based on a value in use calculation using cash flow projections based on financial forecasts approved by management covering a five-year period. The pre-tax discount rate of 9.4% is applied to cash flow projections. For the terminal value, the Gordon Growth Model is applied to the cash flows of the final forecast year, with a long-term growth rate of 2.5%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025
(Saudi Riyal ﷲ)

36. BUSINESS COMBINATIONS COMPLETED IN PRIOR PERIODS (CONTINUED)

Acquisition Accounting (continued)

Goodwill (continued)

The calculation of value in use is most sensitive to the assumptions on pre-tax discount rates.

Management has determined the values assigned to each of the key assumptions as follows:

Sales growth rate: Average annual growth rate over the five-year forecast period; based on past performance and management's expectations of market development.

Pre-tax discount rate: A discount rate, namely weighted average cost of capital (WACC), is applied for specific business areas based on assumptions regarding interest rates, tax rates and risk premiums. It is recalculated to a before-tax rate ('Pre-tax discount rate').

Sensitivity to Changes in Assumptions

The implications of changes to the key assumptions are discussed below.

(a) Sales Growth Assumption

The sales growth in the forecast period has been estimated to be a compounded annual growth rate of 1.0%. If all other assumptions remain constant; the calculation of value-in-use is not significantly impacted by material change in compounded annual growth rate.

(b) Pre-tax discount rate

The Pre-tax discount rate in the forecast period has been estimated to be 9.4%. If all other assumptions remain constant; the calculation of value-in-use is not significantly impacted by material change in the pre-tax discount rate.

37. RESTATEMENT AND RECLASSIFICATIONS

Measurement period adjustments

During the period ended June 30, 2025, the Group completed the Purchase Price Allocation for the subsidiary acquired in 2024, Hail Cement Company. The Group determined the fair value and adjusted the carrying amounts retrospectively at the transaction date in accordance with IFRS 3.

The above transaction resulted in the restatement of the comparative figures as at December 31, 2024 in the consolidated financial statements to retrospectively reflect the adjustments arising during the measurement period, as set out below;

- (i) Property, plant and equipment increased by ﷲ 77.3 million as a result of the fair value adjustment, partly offset by ﷲ 7.5 million of additional depreciation, resulting in a net increase of ﷲ 69.8 million.
- (ii) Intangible assets increased by ﷲ 94.8 million as a result of the fair value adjustment, partly offset by ﷲ 6.1 million of additional Amortisation, resulting in a net increase of ﷲ 88.7 million.
- (iii) Right-of-use assets decreased by ﷲ 5.4 million due to the derecognition of the quarry license at the acquisition date in accordance with IFRS 16. The corresponding lease liability was adjusted due to the same.
- (iv) Inventory increased by ﷲ 0.9 million as a result of the fair value adjustment, partly offset by ﷲ 0.3 million due to the consumption till December 31, 2024, resulting in a net increase of ﷲ 0.6 million.
- (v) Goodwill was decreased by ﷲ 173.7 million following the incorporation of all the fair value adjustments noted above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025
(Saudi Riyal ﷲ)

37. RESTATEMENT AND RECLASSIFICATIONS (CONTINUED)

Reclassification adjustments

Certain prior period balances have been reassessed to present the appropriate nature of the balances and accordingly, the prior period corresponding amounts have been reclassified, as outlined below. These reclassifications had no impact on the previously reported profit for the year and retained earnings of the corresponding period presented.

During the year, the Group evaluated its financial investments measured at amortised cost (Murabaha investments) amounting to ﷲ180 million to determine whether they qualified as cash and cash equivalents. Following this assessment, these investments were presented under current assets as investments at amortised cost rather than as cash and cash equivalents in accordance with IAS 7. In the current year, management reassessed these investments and concluded that they meet the criteria for classification as cash and cash equivalents; accordingly, they have been reclassified to cash and cash equivalents.

An investment amounting to ﷲ48.5 million was classified as the current portion of financial investments at fair value through profit or loss instead of non-current portion. Accordingly, that investment has been classified as non-current portion to financial investments at fair value through profit or loss.

The following tables summarize the impact of measurement period and reclassification adjustments on the consolidated statement of financial position as at December 31, 2024, the consolidated statement of profit or loss and other comprehensive income for the year ended December 31, 2024, as well as the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended December 31, 2024.

Effect on the consolidated statement of financial position as at December 31, 2024:

	As previously reported	Measurement period adjustments	Reclassification Adjustments	Restated balance
Property, plant and equipment	1,247,166,215	69,847,792	-	1,317,014,007
Intangible assets	7,773,643	88,736,688	-	96,510,331
Goodwill	199,083,364	(173,705,346)	-	25,378,018
Right-of-use assets	7,712,501	(5,390,847)	-	2,321,654
Financial investments at FVTPL	27,668,322	-	48,495,919	76,164,241
Total non-current assets	1,598,920,495	(20,511,713)	48,495,919	1,626,904,701
Financial investments at FVTPL	326,081,100	-	(48,495,919)	277,585,181
Inventory	759,699,960	573,231	-	760,273,191
Financial investments at amortized cost	180,000,000	-	(180,000,000)	-
Cash and cash equivalents	106,802,357	-	180,000,000	286,802,357
Total Current Assets	1,538,103,575	573,231	(48,495,919)	1,490,180,887
Total assets	3,137,024,070	(19,938,482)	-	3,117,085,588
Retained earnings	438,803,796	(13,858,142)	-	424,945,654
Total equity	2,764,004,091	(13,858,142)	-	2,750,145,949
Long-term lease liabilities	8,312,802	(6,080,340)	-	2,232,462
Total Non-current liabilities	93,048,286	(6,080,340)	-	86,967,946
Total liabilities	373,019,979	(6,080,340)	-	366,939,639
Total equity and liabilities	3,137,024,070	(19,938,482)	-	3,117,085,588

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025
(Saudi Riyal ﷻ)

37. RESTATEMENT AND RECLASSIFICATIONS (CONTINUED)

Effect on the consolidated statement of profit or loss and other comprehensive income for the year ended December 31, 2024

	As previously reported	Measurement period adjustments	Restated balance
Cost of revenue	(634,220,361)	(7,998,115)	(642,218,476)
Gross profit	333,357,770	(7,998,115)	325,359,655
Sales and marketing expenses	(13,788,411)	(5,481,416)	(19,269,827)
General and administrative expenses	(75,016,229)	(378,611)	(75,394,840)
Operation profit	292,292,515	(13,858,142)	278,434,373
Profit before Zakat	329,330,723	(13,858,142)	315,472,581
Profit for the year	301,349,338	(13,858,142)	287,491,196
Basic and diluted earnings per share	2.98	(0.13)	2.85

Effect on the consolidated statement of changes in equity for the year ended December 31, 2024

	As previously reported	Measurement period adjustments	Restated balance
Retained earnings	438,803,796	(13,858,142)	424,945,654

Effect on the consolidated statement of cash flows for the year ended December 31, 2024

	As previously reported	Measurement period / Reclassification adjustments	Restated balance
Net cash generated from operating activities	317,092,499	(4,126,139)	312,966,360
Net cash used in financing activities	(277,244,816)	449,386	(276,795,430)
Net cash generated from investing activities	26,965,580	22,846,086	49,811,666
Cash and cash equivalents as at the end of the year	106,802,357	180,000,000	286,802,357

Effect on the consolidated statement of financial position as at January 01, 2024:

	As previously reported	Reclassification Adjustments	Restated balance
Financial investments at FVTPL – non- current	32,900,590	40,806,024	73,706,614
Total non-current assets	841,483,496	40,806,024	882,289,520
Financial investments at FVTPL - current	301,173,956	(40,806,024)	260,367,932
Financial investments at amortized cost	160,830,667	(160,830,667)	-
Cash and cash equivalents	39,989,094	160,830,667	200,819,761
Total Current Assets	963,322,700	(40,806,024)	922,516,676

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025
(Saudi Riyal ﷲ)

38. TREASURY SHARE

	December 31, 2025	December 31, 2024
Treasury shares (a)	19,261,619	19,261,619
Mutual funds (b)	28,356,295	28,356,295
Total treasury shares	47,617,914	47,617,914

The total number of treasury shares held by the Group as at December 31, 2025, amounted to 798,353 shares following the completion of the acquisition of the subsidiary (Hail Cement Company). The aforementioned treasury shares consist of the following:

- a) 1,493,478 treasury shares were owned by Hail Cement Company representing 1.53% of the share capital of Hail Cement Company prior to completion of the acquisition process. As a result of completing the acquisition, according to a swap ratio of (0.21) shares of Qassim Cement for each share in Hail Cement Company, these shares were converted to 313,630 shares in Qassim Cement Company representing (0.284%) in the share capital of Qassim Cement Company.
- b) The stated ownership represents the compensation shares issued against the (2,308,206) shares in Hail Cement Company owned by the mutual fund, representing 2.36% of the share capital of Hail Cement Company prior to the completion of the acquisition process. As a result of completing the acquisition, according to a swap ratio of (0.21) shares of Qassim Cement for each share in Hail Cement, these shares were converted to (484,723) shares of Qassim Cement Company, representing (0.438%) of the share capital of Qassim Cement Company. The fund manager completed the procedures for transferring these shares to become treasury shares directly owned by Qassim Cement Company. The shareholders' register has been updated accordingly.

39. COMPARATIVE FIGURES

The Group has prepared the consolidated financial statements for the years ended December 31, 2025 and December 31, 2024 following the acquisition of the subsidiary on June 10, 2024. Consequently, the comparative figures for the year ended December 31, 2024 reflect the results of Hail Cement Company only from the acquisition date and, therefore, are not directly comparable.

40. SUBSEQUENT EVENTS

On January 01, 2026, Qassim Cement Company announced that it had received a notice from Arabian Oil Company (Aramco) on January 01, 2026, regarding the adjustment of fuel prices used in Qassim Cement Company's activities, effective from January 01 2026. This adjustment will have a financial impact on production costs starting from the results of the first quarter of 2026. Management is in the process of analysing the impact on the financial impact.

On February 16, 2026, based on the prior authorization of the General Assembly of the shareholders, the Board of Directors resolved to distribute dividends of ﷲ 87.8 million at a rate of ﷲ 0.80 per share for the fourth quarter of the year 2025.

41. APPROVAL OF FINANCIAL STATEMENTS

These consolidated financial statements were approved by the Board of Directors on 28 Shaban 1447H (corresponding to February 16, 2026).