

NORTHERN REGION CEMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
AND INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE-MONTH AND SIX-MONTH PERIOD ENDED JUNE 30, 2025

NORTHERN REGION CEMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
AND INDEPENDENT AUDITOR'S REVIEW REPORT
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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Northern Region Cement Company (the "Company") and its subsidiaries (together "the Group") as of June 30, 2025, and the related interim condensed consolidated statement of profit or loss and other comprehensive income for the three-month and six-month period then ended, and interim condensed consolidated statements of changes in equity and cash flows for the six-month periods then ended, and the other explanatory notes. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34 - "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

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

Conclusion

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

RSM Allied Accountants Professional Services



Abdullah Bin Ahmed Al Faddaghi

License No, 706

Riyadh, Saudi Arabia

Safar 12, 1447 H (corresponding to August 6, 2025 G).



Northern Region Cement Company
(A Saudi Joint Stock Company)
Interim condensed consolidated statement of financial position
As at June 30, 2025
(All amounts are in Saudi Riyals unless otherwise stated)

		June 30, 2025	December 31, 2024
Assets	Note	(Unaudited)	(Audited)
Non-current assets:			
Property, plant and equipment, net		2,165,981,168	2,130,263,439
Intangible assets, net	6	557,701,165	558,958,846
Right of use assets, net		11,421,041	11,548,537
Total non-current assets		2,735,103,374	2,700,770,822
Current assets:			
Inventory	8	707,881,944	681,879,308
Prepaid expenses and other debit balances		68,690,655	70,786,992
Trade receivables, net		57,049,690	43,979,941
Due from related party	9-1	413,071	413,071
Notes receivable		23,698,563	39,452,765
Cash and cash equivalents		32,446,199	26,987,432
Total current assets		890,180,122	863,499,509
Total assets		3,625,283,496	3,564,270,331
Shareholders' equity and liabilities			
Shareholders' equity:			
Share capital		1,800,000,000	1,800,000,000
Statutory reserve		161,703,317	161,703,317
Retained earnings		321,514,213	300,506,888
Employees defined benefit obligations remeasurement reserve		(4,357,219)	(4,357,219)
Foreign currency translation reserve		(3,604,893)	(5,639,265)
Total shareholders' equity attributable to the shareholders' of the parent company		2,275,255,418	2,252,213,721
Non-controlling interests		2,120,435	2,097,878
Total shareholders' equity		2,277,375,853	2,254,311,599
Liabilities			
Non-current liabilities:			
Long-term borrowings - non-current portion	10	253,643,332	315,466,001
Leases liabilities - non-current portion		6,832,048	6,587,780
Zakat liability - non-current portion	11-1	26,491,253	30,925,912
Employees defined benefit obligations		26,234,303	24,148,962
Provision for site restoration		5,166,661	4,854,037
Total non-current liabilities		318,367,597	381,982,692
Current liabilities:			
Bank facilities	10	632,727,987	481,589,730
Long-term borrowings – current portion	10	134,911,112	173,050,059
Trade and notes payable		204,627,409	145,080,034
Accrued expenses and other credit balances		41,664,195	101,206,942
Leases liabilities - current portion		1,551,821	1,972,559
Zakat liability - current portion	11-1	10,423,410	16,697,533
Zakat and income tax provision	11-2	3,634,112	8,379,183
Total current liabilities		1,029,540,046	927,976,040
Total liabilities		1,347,907,643	1,309,958,732
Total shareholders' equity and liabilities		3,625,283,496	3,564,270,331

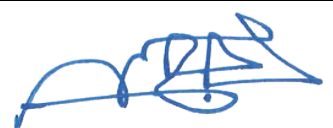
Chief Financial Officer



Chief Executive Officer



Chairman



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

Northern Region Cement Company
(A Saudi Joint Stock Company)
Interim condensed consolidated Statement of profit or loss and
Other comprehensive income
For the three-month and six-month period ended June 30, 2025
(All amounts are in Saudi Riyals unless otherwise stated)

	Note	For the three-month period ended		For the six-month period ended	
		30 June 2025	30 June 2024	30 June 2025	30 June 2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Sales		180,772,836	147,517,375	325,825,136	286,648,992
Cost of sales		(125,899,053)	(100,322,888)	(224,168,966)	(194,836,731)
Gross profit		54,873,783	47,194,487	101,656,170	91,812,261
Selling and marketing expenses		(12,588,127)	(7,644,490)	(22,933,486)	(15,577,718)
General and administrative expenses		(10,162,750)	(11,951,270)	(19,469,696)	(23,068,285)
Profit from operations		32,122,906	27,598,727	59,252,988	53,166,258
Finance costs		(14,534,783)	(11,017,013)	(28,724,720)	(26,211,600)
Profit from the disposal of Investment in Associate Company	7	-	-	-	45,447,576
Other income, net		1,603,745	181,511	1,603,745	578,462
Profit before zakat and income tax		19,191,868	16,763,225	32,132,013	72,980,696
Zakat	11	(4,500,000)	(4,500,000)	(9,000,000)	(9,000,000)
Income taxes of non-Gulf subsidiaries	11	(1,475,374)	(485,766)	(2,084,890)	(574,944)
Net profit for the period		13,216,494	11,777,459	21,047,123	63,405,752
Other comprehensive income:					
Items that may later be reclassified to profit or loss:					
Losses from translation of foreign currency financial statements of subsidiaries		(2,715,853)	(75,012)	2,036,890	(711,533)
Total other comprehensive loss for the period:		(2,715,853)	(75,012)	2,036,890	(711,533)
Total comprehensive income for the period		10,500,641	11,702,447	23,084,013	62,694,219
Net profit for the period attributable to:					
Shareholders of the parent company		13,187,843	11,766,916	21,007,325	63,392,097
Non-controlling interest		28,651	10,543	39,798	13,655
Net profit for the period		13,216,494	11,777,459	21,047,123	63,405,752
Total comprehensive income for the period attributable to:					
Shareholders of the parent company		10,475,346	11,691,800	23,041,697	62,681,444
Non-controlling interest		25,295	10,647	42,316	12,775
Total comprehensive income for the period		10,500,641	11,702,447	23,084,013	62,694,219
Earnings per share					
Basic and diluted earnings per share from net profit for the period attributable to the shareholders of the parent company.	12	0.07	0.07	0.12	0.35

Chief Financial Officer



Chief Executive Officer



Chairman



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

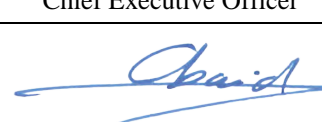
Northern Region Cement Company
(A Saudi Joint Stock Company)
Interim condensed consolidated Statement of Changes in equity
For the six-month period ended June 30, 2025
(All amounts are in Saudi Riyals unless otherwise stated)

	Equity attributable to the shareholders of the Parent Company						
	Share Capital	Statutory Reserve	Retained Earnings	Employees defined benefit obligations remeasurement reserve	Foreign currency translation reserve	Total equity attributable to the shareholders of the parent company	Total shareholders' Equity
Balance as at January 1, 2024 (Audited)	1,800,000,000	161,703,317	289,707,238	(4,503,587)	(6,810,532)	2,240,096,436	2,242,233,589
Net profit for the period	-	-	63,392,097	-	-	63,392,097	63,405,752
Total other comprehensive loss for the period	-	-	-	-	(710,653)	(710,653)	(711,533)
Total comprehensive income for the period	-	-	63,392,097	-	(710,653)	62,681,444	62,694,219
Dividends paid (Note 16)	-	-	(45,000,000)	-	-	(45,000,000)	(45,000,000)
Balance as at June 30, 2024 (Unaudited)	1,800,000,000	161,703,317	308,099,335	(4,503,587)	(7,521,185)	2,257,777,880	2,259,927,808
Balance as at January 1, 2025 (Audited)	1,800,000,000	161,703,317	300,506,888	(4,357,219)	(5,639,265)	2,252,213,721	2,254,311,599
Net profit for the period	-	-	21,007,325	-	-	21,007,325	21,047,123
Total other comprehensive income for the period	-	-	-	-	2,034,372	2,034,372	2,036,890
Total comprehensive income for the period	-	-	21,007,325	-	2,034,372	23,041,697	23,084,013
Dividends paid (Note 16)	-	-	-	-	-	-	(19,759)
Balance as at June 30, 2025 (Unaudited)	1,800,000,000	161,703,317	321,514,213	(4,357,219)	(3,604,893)	2,275,255,418	2,277,375,853

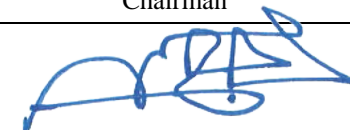
Chief Financial Officer



Chief Executive Officer



Chairman



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


Northern Region Cement Company
(A Saudi Joint Stock Company)
Interim condensed consolidated Statement of Cash Flows
For the six-month period ended June 30, 2025
(All amounts are in Saudi Riyals unless otherwise stated)

	Note	For the six-month period ended	
		June 30, 2025	June 30, 2024
		(Unaudited)	
Cash flows from operating activities:			
Profit before zakat and income tax		32,132,013	72,980,696
Adjustments to non-cash transactions			
Depreciation and amortization		25,998,354	25,575,731
Finance costs		28,724,720	26,211,600
Capital gains		(22,790)	-
Gain from disposal of investment in associate	7	-	(45,447,576)
Employee defined benefit obligation expenses		3,281,102	2,107,111
		<u>90,113,399</u>	<u>81,427,562</u>
Changes in working capital			
Trade and notes receivable, net		2,684,453	11,774,918
Inventory		(26,002,636)	(21,448,894)
Prepaid expenses and other debit balances		2,096,337	(7,055,522)
Trade and notes payable		59,547,375	(10,636,988)
Accrued expenses and other credit balances		(59,542,747)	138,265
Zakat liability		(10,941,812)	(14,004,188)
Cash generated from operating activities		<u>57,954,369</u>	<u>40,195,153</u>
paid zakat and income tax		(15,596,931)	(17,215,652)
Paid defined employee benefit obligations		(1,171,830)	(708,358)
Net cash flows generated from operating activities		<u>41,185,608</u>	<u>22,271,143</u>
Cash flows from investing activities:			
Additions to property, plant and equipment		(56,134,353)	(55,550,441)
Proceeds from Sale of Property, Plant and Equipment		22,790	-
Additions to intangible asset	6	(526,995)	(372,049)
Acquisition of Non-controlling Interests		-	(740,665)
Proceeds from the disposal of an investment in an associate	7	-	206,250,000
Net cash flows (used in) generated from investing activities		<u>(56,638,558)</u>	<u>149,586,845</u>
Cash flows from financing activities:			
Repayments of Borrowings and Bank Facilities	10	(666,210,021)	(348,661,893)
Proceeds from long-term borrowings	10	717,386,662	250,000,000
Finance costs paid		(31,346,055)	(21,227,566)
Dividends paid to the company's shareholders		-	(45,000,000)
Dividends Paid to Non-controlling Interests		(19,759)	-
Repayment of lease liabilities		(936,000)	(214,500)
Net cash flows generated from (used in) financing activities		<u>18,874,827</u>	<u>(165,103,959)</u>
Net change in cash and cash equivalents		<u>3,421,877</u>	<u>6,754,029</u>
Cash and cash equivalents at the beginning of the period		26,987,432	42,918,096
Effect of Foreign Currency Translation on Subsidiaries' Financial Statements		2,036,890	(711,533)
Cash and cash equivalents at the end of the period		<u>32,446,199</u>	<u>48,960,592</u>
Non-cash Transactions			
Financing Costs Capitalized to Property, Plant and Equipment		2,621,335	6,340,541
Transferred from Projects Under Construction to Intangible Assets		(254,160)	(3,105,071)

Chief Financial Officer



Chief Executive Officer



Chairman



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

Northern Region Cement Company
(A Saudi Joint Stock Company)
Notes to the Interim condensed consolidated financial information (Unaudited)
For the three-month and six-month period ended June 30, 2025
(All amounts are in Saudi Riyals unless otherwise stated)

1- Parent Company information:

A. Establishing the Parent Company

Northern Region Cement Company (the "Company") is a Saudi joint stock company, registered in Turaif, Saudi Arabia under the Commercial Register No. 3451002618 on 19 Safar 1427 H (corresponding March 19, 2006).

B. The Company's share capital

The Company's share capital amounted to SAR 1,800 million, divided into 180 million shares with a par value of SAR 10 per share.

C. Nature of the Parent Company's Business

The main activity of the Company is the production of ordinary Portland cement and resisting and managing and operating Portland cement factories of all kinds and wholesale and retail in the Company's products and building materials including import and export abroad, rock pieces under license 900 issued on 28 Rabi' II 1426 H (corresponding 5 June 2005). On Rabi' II 7, 1442 AH, the license was amended by Resolution No. 421102108487 to include white cement within the Company's activities.

D. Fiscal year

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

E. Presentation and functional currency

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

2- Group information

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

<u>Company Name</u>	<u>Country</u>	<u>Legal entity</u>	<u>Percentage of ownership (%) As at</u>			
			<u>30 June 2025</u>		<u>31 December 2024</u>	
			<u>Direct</u>	<u>Indirect</u>	<u>Direct</u>	<u>Indirect</u>
	The Hashemite Kingdom of Jordan	Public joint stock				
North Cement Company (1)	Jordan	limited liability	83,89	15,56	83,82	15,56
Dyar Najed Contracting & Trading Ltd. Co. (2)	U.A.E	limited liability	100	-	100	-
Sama Al Yamamah Limited (2)	U.A.E	limited liability	100	-	100	-
North gulf Cement and Building Materials Trading Company Limited (2)	U.A.E	limited liability	100	-	100	-
Trans North Cement, Derivatives and Building Materials Company Limited (2)	U.A.E	limited liability	100	-	100	-
Al Hazm cement and Derivative Trading Company Limited (2)	U.A.E	limited liability	100	-	100	-
Um-Qasr Northern Cement Co. Ltd. (3)	U.A. E	limited liability	100	-	100	-
Um-Qasr Northern Cement Co. Ltd. (3)	IRAQ	limited liability	-	99,890	-	99,876
Sarh Zamzam Company for Investment and Rehabilitation of Industrial Projects (4)	The Hashemite Kingdom of Jordan	limited liability	100	-	100	-
White Stars Mining Investment Limited (1)	The Hashemite Kingdom of Jordan	limited liability	-	99,45	-	99,382
Al-Fiha Cement Company for Cement Manufacturing and Industrial Projects Rehabilitation (1)	The Hashemite Kingdom of Jordan	limited liability	-	99,45	-	99,382

Northern Region Cement Company
(A Saudi Joint Stock Company)
Notes to the Interim condensed consolidated financial information (Unaudited)
For the three-month and six-month period ended June 30, 2025
(All amounts are in Saudi Riyals unless otherwise stated)

2- Group information (Continued):

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

During the period ended 30 June 2025, Northern Region Cement Company – Kingdom of Saudi Arabia purchased additional shares in Northern Cement Company – Hashemite Kingdom of Jordan, resulting in an increase in ownership percentage from 99.382% to 99.45%.

2- The above subsidiaries are limited liability companies established in the United Arab Emirates for the purpose of owning stakes in North Cement Jordan.

3- During the first quarter of 2018, the Company acquired 100% of the shares of Umm Qasr Northern Cement Limited ("Umm Qasr – Emirates"), registered in the Jebel Ali area in Dubai, with a capital of AED 10,000, for an amount of SAR 6,064,527. Both of the following subsidiaries: Umm Qasr – Emirates, Northern Cement – Jordan, and Sarh Zamzam – Jordan, own 70%, 20%, and 10%, respectively, of the equity of Umm Qasr Northern Cement Manufacturing Limited – Iraq, which holds the right to execute a contract for the rehabilitation, operation, and production-sharing of the Basra Cement Plant in the Republic of Iraq.

4- During the fourth quarter of the year ended December 31, 2023, the Company acquired 50% of Sarh Zamzam Investment and Industrial Projects Rehabilitation Company ("Sarh Zamzam"), registered in Amman with a capital of 100,000 Jordanian Dinars, for an amount of 1,125,000 Saudi Riyals. Meanwhile, the subsidiary, Northern Cement Jordan, owned 50% of Sarh Zamzam's shares as of December 31, 2023. The main objectives of Sarh Zamzam is management and development of industrial, administrative, and mining projects; investment in commercial and industrial projects and companies, including mining, cement, iron, and other companies; clinker production and grinding; and cement manufacturing.

During the year ended December 31, 2024, Northern Cement Jordan transferred its 50% share in Sarh Zamzam to the Parent Company, making the Company the direct and sole owner of 100% of Sarh Zamzam's capital.

3- Basis of the preparation of interim condensed consolidated information statements:

Statement of compliance

These interim condensed consolidated financial information have been prepared in accordance with International Accounting Standard No. 34: "Interim Financial Reporting," as endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements endorsed in the Kingdom of Saudi Arabia. This interim condensed consolidated financial information does not include all the information and disclosures required for a full set of consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), but selected accounting policies and explanatory notes have been included to explain significant events and transactions necessary to understand the changes in the financial position and performance of the group since December 31, 2024. Accordingly, this interim condensed consolidated financial information should be read in conjunction with the group's consolidated financial statements for the year ended December 31, 2024. In addition, the results for the three-month and six-month period ended June 30, 2025, are not necessarily indicative of the results that may be expected for the year ending December 31, 2025.

Basis of measurement

The Interim condensed consolidated financial information are prepared in accordance with the principle of historical cost and using Accrual basis and the concept of continuity of activity, except for the employee's defined benefits obligations, which is recognized at the present value of future obligation using the projected unit credit method.

Northern Region Cement Company
(A Saudi Joint Stock Company)
Notes to the Interim condensed consolidated financial information (Unaudited)
For the three-month and six-month period ended June 30, 2025
(All amounts are in Saudi Riyals unless otherwise stated)

3- Basis of preparation of interim condensed consolidated financial information (Continued):

Going concern:

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

Significant Accounting Judgments and Estimates

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

4- Material accounting policies:

Material accounting policies applied to these the Interim condensed consolidated financial information is the same as those applied to the consolidated financial statements for the fiscal year ended December 31, 2024.

4-1 New standards, interpretations, and amendments

There are new standards and number of amendments to standards which are effective from 1 January 2025 and have been explained in Group's annual Consolidated Financial Statements, but they do not have a material effect on the Group's Interim Condensed Consolidated Financial Statements.

Northern Region Cement Company

(A Saudi Joint Stock Company)

Notes to the interim condensed consolidated financial information (Unaudited)

For the three-month and six-month period ended June 30, 2025

(All amounts are in Saudi Riyals unless otherwise stated)

5- Segment information

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

	Kingdom of Saudi Arabia	The Hashemite Kingdom of Jordan	The Iraqi Republic	Adjustments and eliminations	Total
As at June 30, 2025:					
Property, plant and equipment, net	1,906,843,312	154,859,967	104,277,889	-	2,165,981,168
Total assets	3,580,333,184	553,378,646	215,413,001	(723,841,335)	3,625,283,496
Total liabilities	1,305,075,251	184,699,650	142,441,755	(284,309,013)	1,347,907,643
As at December 31, 2024:					
Property, plant and equipment, net	1,883,558,487	156,420,686	90,284,266	-	2,130,263,439
Total assets	3,521,879,335	555,332,670	205,568,288	(718,509,962)	3,564,270,331
Total liabilities	1,270,836,882	184,616,813	139,307,344	(284,802,307)	1,309,958,732
For the six-month period ended June 30, 2025:					
Sales	220,500,159	122,752,169	56,448,266	(73,875,458)	325,825,136
Depreciation and amortization	21,157,670	3,600,686	1,239,998	-	25,998,354
Finance cost	28,724,720	-	-	-	28,724,720
Net profit for the period	8,171,190	6,177,173	6,710,303	(11,543)	21,047,123
For the six-month period ended June 30, 2024:					
Sales	170,350,684	124,426,277	62,205,724	(70,333,693)	286,648,992
Depreciation and amortization	20,480,133	3,919,544	1,176,054	-	25,575,731
Finance cost	26,211,600	-	-	-	26,211,600
Net profit for the period	58,722,307	1,581,303	3,141,113	(38,971)	63,405,752

Northern Region Cement Company
(A Saudi Joint Stock Company)
Notes to the interim condensed consolidated financial information (Unaudited)
For the three-month and six-month period ended June 30, 2025
(All amounts are in Saudi Riyals unless otherwise stated)

6- Intangible assets, net

	Goodwill *	Plant rehabilitation**	IT Software***	Licenses	Total
Cost					
Balance as at January 1, 2025 (Audited)	506,851,497	61,452,158	11,560,282	792,930	580,656,867
Additions during the period	-	356,370	170,625	-	526,995
Transfer to property, plant and equipment	-	-	(254,160)	-	(254,160)
Balance as at June 30, 2025 (Unaudited)	506,851,497	61,808,528	11,476,747	792,930	580,929,70
Accumulated amortization					
Balance as at January 1, 2025 (Audited)	-	11,421,176	9,485,782	791,063	21,698,021
Charged for the period	-	1,239,998	290,062	456	1,530,516
Balance as at June 30, 2025 (Unaudited)	-	12,661,174	9,775,844	791,519	23,228,537
Net book value					
As at June 30, 2025 (Unaudited)	506,851,497	49,147,354	1,700,903	1,411	557,701,165
As at December 31, 2024 (Audited)	506,851,497	50,030,982	2,074,500	1,867	558,958,846

***Goodwill:**

Goodwill represents the goodwill resulting from the Group's acquisition of equity in Northern Cement Jordan during the third quarter of 2011. The management performs goodwill impairment testing at the end of each financial year to ensure there is no impairment loss. Management has concluded that no impairment loss was identified as of 31 December 2024.

**** Plant rehabilitation:**

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

*****IT Software:**

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

7- Investment in associate company, net:

The Group's investment in associate companies using the equity method is presented as follows:

Associate Company Name	Country of origin	Percentage of ownership	
		June 30, 2025	December 31, 2024
Cement Experts Development Company	The Hashemite Kingdom of Jordan	-	-

The movement in the investment in the associate company during the period/year is as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at the beginning of the period / year	-	160,802,424
Disposal during the period / year*	-	(160,802,424)
Balance at the end of the period / year	-	-

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7- Investment in associate company, net (Continued):

The investment in the associate represents a 50% of the ownership rights of Cement Experts Development company (LTD) registered in Amman - Hashemite Kingdom of Jordan, this associate company had activity includes investment, management and development of industrial, administrative and mining projects. Cement Experts Development company invests indirectly in Pioneer Trading and Investment company, Rehabilitation of industrial projects limited "Pioneer" (Republic of Iraq) where Pioneer Company signed a contract with the Iraqi government to rehabilitate and operate the Kubaisa cement plant for 26 years in exchange for a free share in production, to be returned to the government after the end of the contract period.

***Disposal**

During the year ended December 31, 2024, and based on the decision of the board of directors' meeting held on February 7, 2024, the Company disposed its entire shares in Cement Experts Development company (LTD) (exempted) registered in Amman - The Hashemite Kingdom of Jordan at a value of SAR 206 million to AMP Global Trading Company Emirates. During the year ended December 31, 2024, the Group realized gain from this sale transaction amounted to SAR 45,4 million in the consolidated statement of profit or loss and other comprehensive income for the six-month period ended June 30, 2024.

8- Inventory

	<u>June 30, 2025</u>	<u>December 31, 2024</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
Raw materials	343,164,637	322,662,088
Finished goods	167,083,664	158,548,356
Spare parts and consumables	159,466,715	151,775,655
Semi-finished goods	12,031,845	16,842,182
Goods in transit	22,401,956	22,794,731
Packing materials	4,530,671	11,056,296
Total	708,679,488	683,679,308
Provision for impairment	(797,544)	(1,800,000)
	707,881,944	681,879,308

9- Related Parties Balances, Transactions and Key Management Remuneration:

Related parties represent the major shareholders of the Group, and the entities that are controlled by, or subject to significant influence from, those parties.

Related Parties

	<u>Relationship</u>
Pan Kingdom Investment Company	Founding Shareholder
Pan Kingdom Saudi Trading Company	Relationship with a shareholder

The significant transactions made with related parties during the period / year are as follows:

<u>Related parties</u>	<u>Nature of transaction</u>	<u>June 30, 2025</u>	<u>June 30, 2024</u>
		<u>(Unaudited)</u>	<u>(Unaudited)</u>
A. Transactions with a related party			
Pan Kingdom Investment Company	Sales	-	153,900
B. Transactions with senior management officers			
Expenses and allowances of senior management officers, the Board of Directors and its committees	Expenses	1,653,000	821,500

These transactions resulted in the following balances:

9-1 Due from a related party:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
Pan Kingdom Investment Company	413,071	413,071

Northern Region Cement Company**(A Saudi Joint Stock Company)****Notes to the Interim condensed consolidated financial information (Unaudited)****For the three-month and six-month period ended June 30, 2025****(All amounts are in Saudi Riyals unless otherwise stated)****9- Related Parties Balances, Transactions and Key Management Remuneration (Continued):****9-2 Trade receivable from a related party**

	June 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
Pan Kingdom Saudi Trading Company (Included in accounts receivable)	1,994,357	2,994,357

10-Borrowings and bank facilities

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

Below is the borrowings and bank facilities for the Group:

	June 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
Bank facilities *	632,727,987	481,589,730
Borrowings **: 		
Long-term borrowings – current portion	134,911,112	173,050,059
Long-term borrowings – non-current portion	253,643,332	315,466,001
Total borrowings	388,554,444	488,516,060
Total borrowings and bank facilities	1,021,282,431	970,105,790

*** Bank facilities – Murabaha:**

The Group obtained banking facilities in the form of Murabaha from several local commercial banks. The outstanding balance amounted to SAR 632,7 million as at June 30, 2025 (December 31, 2024: SAR 481.6 Million) and incurs financing costs at prevailing prices in the market based on interbank offer rates in addition to fixed margin. The management intends to renew short - term loans when they are due. The bank facilities are secured by a promissory note. The related finance cost amounted to SAR 5,939,576 for the period (30 June 2024: SAR 9,642,611)

**** Long term borrowings:**

The Group obtained long-term loans from Saudi Industrial Development Fund and several local commercial banks. The outstanding balance amounted at SAR 388,6 million as at June 30, 2025 (December 31, 2024: SAR 488,5 Million) and incurs financing costs at prevailing prices in the market based on interbank offer rates in addition to fixed margin.

In accordance with the long-term loan agreement with the Fund, all property, plant, and equipment constructed or to be constructed on a plot of land with a total area of 30 km² — located in the Northern Free Zone in Arar Governorate and granted to the Company by virtue of a ministerial resolution transferring Ore Quarry License No. S/8213 dated 24 Ramadan 1435H — have been mortgaged, along with all project assets, equipment, machinery, appurtenances, and related components or those acquired for the expansion of the white cement production line, and other guarantees include a promissory note related to loans from local commercial banks. The related finance cost amounted to SAR 22,039,972 for the period (30 June 2024: SAR 15,946,644).

The movements during the period / year of borrowings and bank facilities are as follows:

	June 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
Balance at the beginning of period \ year	970,105,790	953,239,850
Proceeds during the period \ year	717,386,662	1,304,455,670
Paid during the period \ year	(666,210,021)	(1,287,589,730)
Balance at the end of the period \ year	1,021,282,431	970,105,790

Northern Region Cement Company**(A Saudi Joint Stock Company)****Notes to the Interim condensed consolidated financial information (Unaudited)****For the three-month and six-month period ended June 30, 2025****(All amounts are in Saudi Riyals unless otherwise stated)****11-Zakat, income tax provision and zakat liability:****11-1 Zakat liability:**

The Zakat, Taxes, and Customs Authority (the "Authority") issued assessments for the years 2014 to 2019, requiring the Company to pay zakat differences totaling SAR 96,750,924. The Company submitted a settlement request to the Zakat and Tax Disputes Settlement Committee, resulting in Decision No. 1445/46 under Application No. 32322 dated August 10, 2023. This decision reduced the Authority's claim to SAR 58,350,777, which the Company subsequently approved through an electronically documented approval from the Chamber of Commerce. The Company has recognized the amount of these claims over past years and the zakat claims are currently being paid in equal quarterly installments of SAR 2,235,110, with payments scheduled through the year 2029, in accordance with the agreed-upon terms.

An assessment was issued in 2020 regarding the Company's zakat differences, amounting to SAR 9,665,149. The Company initially objected to this assessment; however, its objection was rejected. The dispute was then escalated to the General Secretariat of Tax Committees, which also dismissed the Company's objection in full. Subsequently, the case was brought before the Appeals Committee, which had not issued a decision as of December 31, 2023. However, during the year ended December 31, 2024, a decision was issued rejecting the company's objection, thereby confirming the outstanding amount related to the mentioned Zakat differences. The Authority approved the installment payment of the Zakat differences amounting to SAR 9,665,149 for the year 2020 over one year. During 2022, the company paid SAR 1.8 million to the Authority out of the SAR 9.6 million. Accordingly, the company recorded the remaining Zakat liability of SAR 7.8 million during the past year and the zakat claims are currently being settled in accordance with their due dates and the outstanding balance was fully settled during the current period.

During the year 2025, the Zakat, Tax and Customs Authority conducted an examination of the Company's Zakat returns for the financial years from 2021 to 2023. A final Zakat assessment was issued with a total amount of SAR 233,030. The full outstanding amount was paid during the period ended June 30, 2025, and there are currently no outstanding Zakat liabilities related to those years.

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

	June 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
Balance at the beginning of the period / year	47,623,445	58,350,777
Formed during the period / year	233,030	7,828,215
Paid during the period / year	(10,941,812)	(18,555,547)
Total	36,914,663	47,623,445

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

	June 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
Zakat liability - Non - Current Portion	26,491,253	30,925,912
Zakat liability - Current Portion	10,423,410	16,697,533
Total	36,914,663	47,623,445

11-2 Zakat and income tax:

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

	June 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
Accrued Zakat	2,438,281	5,794,119
Income tax for a non-Gulf subsidiaries	1,195,831	2,436,257
A government contribution tax non-Gulf subsidiaries	-	148,807
Total	3,634,112	8,379,183

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

11-2 Zakat and income tax (Continued):

Zakat and income tax movement is as follow:

	June 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
Balance at the beginning of the period / year	8,379,183	15,867,585
Charged for the period / year	10,851,860	14,440,955
Paid during the period / year	(15,596,931)	(21,929,357)
Total	3,634,112	8,379,183

- Status of Zakat and income Tax:

The Zakat and tax returns for the Company and its subsidiaries have been filed up to the year 2024, and the corresponding Zakat and tax liabilities have been duly settled.

12- Earnings per share:

The calculation of basic and diluted earnings per share is based on the net profit attributed to the Parent Company's shareholders and the weighted average number of existing common shares. Earnings per share as at June 30, 2025, was calculated based on the weighted average number of shares held during the period with a number of 180 million shares (June 30, 2024: 180 million shares). Diluted earnings per share is the same as the basic earnings per share as the Group has no convertible securities or reduced financial instruments to exercise it.

	For the three-month period ended		For the six-month period ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net profit for the period attributable to shareholders of the parent company	13,187,843	11,766,916	21,007,325	63,392,097
Number of outstanding shares	180,000,000	180,000,000	180,000,000	180,000,000
Basic and diluted earnings per share from net profit for the period	0.07	0.07	0.12	0.35

13- Capital management:

In order to manage the Group's capital, the capital includes equity and all other equity reserves belonging to the Group's owners. The main purpose of managing the Group's capital is to maximize the value of shareholders' shares. The Group manages and adjusts its capital structure considering changes in economic conditions and financial commitment requirements. To maintaining or modifying the capital structure, the Group may adjust dividends amounts paid to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using the leverage ratio, which represents net debt divided by total shareholders' equity. The Group's liabilities include net debt, term loans, commercial accounts payable, payable expenses and other credit balances, minus bank balances.

	June 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
Borrowings and bank facilities	1,021,282,431	970,105,790
Trade and notes payable	204,627,409	145,080,034
Accrued expenses and other credit balances	41,664,195	101,206,942
Zakat liability	36,914,663	47,623,445
Zakat and income tax	3,634,112	8,379,183
Leases liabilities	8,383,869	8,560,339
Less: Cash and cash equivalents	(32,446,199)	(26,987,432)
Net debt	1,284,060,480	1,253,968,301
Total shareholders' equity	2,277,375,853	2,254,311,599
Leverage rate	56%	55%

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14- Contingent liabilities:

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

	June 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
Letters of guarantee	13,000,000	13,000,000

15- Interim condensed results and adjustments for the period

All adjustments that the Group's management deemed important have been prepared so that the Interim condensed consolidated statement of the Financial Position and business results for the period appear fairly. The business results for the Interim condensed consolidated financial period may not represent an accurate indication of the actual results of the full year business.

16- Dividends paid:

The Board of Directors of Northern Region Cement Company decided on its meeting held on March 21, 2024, and based on the prior approval of the Company's general assembly, the distribution of cash dividends to the Company's shareholders for the year 2023, with an amount of SAR 45 million distributed on the number of shares of 180 million shares, SAR 0.25 Saudi riyals per share, distribution ratio of nominal value is 2.5%. The actual distribution was made by the Company on April 24, 2024.

17- Subsequent events:

Group management considers that there are no significant subsequent events after the date of the report that require their modification or disclosure in this Interim condensed consolidated financial information.

18- Approval of the Interim condensed consolidated financial information

The accompanying Interim condensed consolidated financial information were approved by the Company's Board of Directors on Safar 12, 1447 H (corresponding to August 6, 2025 G).