

**YANBU CEMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED) AND
INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE-MONTH
PERIOD ENDED 31 MARCH 2026**

YANBU CEMENT COMPANY (A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) AND
INDEPENDENT AUDITOR'S REVIEW REPORT
For the three-month period ended 31 March 2026

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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE SHAREHOLDERS OF
YANBU CEMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Yanbu Cement Company, a Saudi Joint Stock Company ("the Company" or "the Parent Company") and its Subsidiary (collectively referred to as "the Group") which comprises the interim condensed consolidated statement of financial position as at 31 March 2026 and the related interim condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34"), that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

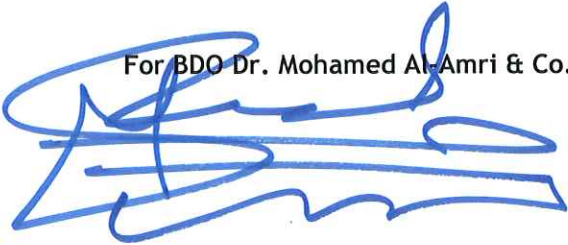
Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", that is endorsed in the Kingdom of Saudi Arabia. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing 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 statements are not prepared, in all material respects, in accordance with IAS 34, that is endorsed in the Kingdom of Saudi Arabia.

For BDO Dr. Mohamed Al-Amri & Co.



Maher Al-Khatieb
Certified Public Accountant
License Number 514



Jeddah on 17 May 2026(G)
Corresponding to: 30 Dhul Qaida 1447(H)

YANBU CEMENT COMPANY (A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the three-month period ended 31 March 2026

		For the three- month period ended 31 March 2026	For the three- month period ended 31 March 2025
		S	S
	Note	Unaudited	Unaudited
Revenue	4	254,085,317	266,443,471
Cost of revenue		(178,399,584)	(191,358,001)
GROSS PROFIT		75,685,733	75,085,470
Selling and distribution expenses		(18,244,342)	(26,181,616)
General and administrative expenses		(14,689,845)	(13,024,032)
PROFIT FROM OPERATIONS		42,751,546	35,879,822
Other income		213,478	899,239
Loss on derivative instruments at fair value through profit or loss (FVTPL)		(131,074)	(314,651)
Gain from investment at fair value through profit or loss (FVTPL)	9	-	86,954
Finance income		777,029	948,969
Finance cost		(1,705,533)	(4,276,232)
PROFIT BEFORE ZAKAT		41,905,446	33,224,101
Zakat	5	(4,369,011)	(3,316,526)
NET PROFIT FOR THE PERIOD		37,536,435	29,907,575
EARNINGS PER SHARE			
Basic and diluted earnings per share	14	<u>0.24</u>	<u>0.19</u>

The accompanying notes from 1 to 20 form an integral part of these unaudited interim condensed consolidated financial statements.

YANBU CEMENT COMPANY (A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the three-month period ended 31 March 2026

	For the three- month period ended 31 March 2026	For the three- month period ended 31 March 2025
	ﷲ	ﷲ
	Unaudited	Unaudited
NET PROFIT FOR THE PERIOD	37,536,435	29,907,575
Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	37,536,435	29,907,575

The accompanying notes from 1 to 20 form an integral part of these unaudited interim condensed consolidated financial statements.

YANBU CEMENT COMPANY (A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2026

	Note	31 March 2026 Unaudited ﷲ	31 December 2025 Audited ﷲ
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	1,962,301,363	1,990,503,928
Intangible assets		19,942,730	20,668,630
Investment in an associate		292,628	292,628
TOTAL NON-CURRENT ASSETS		<u>1,982,536,721</u>	<u>2,011,465,186</u>
CURRENT ASSETS			
Inventories	7	754,279,823	744,966,895
Trade receivables	8	157,753,345	166,771,286
Prepayments, advances and other receivables		37,324,489	38,635,009
Financial derivatives	17	205,382	336,456
Investment at fair value through profit or loss (FVTPL)	9	-	5,002,375
Cash and cash equivalents	10	58,714,625	75,364,663
TOTAL CURRENT ASSETS		<u>1,008,277,664</u>	<u>1,031,076,684</u>
TOTAL ASSETS		<u>2,990,814,385</u>	<u>3,042,541,870</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital	1	1,575,000,000	1,575,000,000
Statutory reserve	12	787,500,000	787,500,000
Retained earnings		187,399,158	149,862,723
TOTAL EQUITY		<u>2,549,899,158</u>	<u>2,512,362,723</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Bank borrowings	11(A)	7,000,000	8,750,000
Provision for employees' defined benefits obligations		112,994,341	115,095,164
Provision for site restoration		11,810,017	11,626,344
TOTAL NON-CURRENT LIABILITIES		<u>131,804,358</u>	<u>135,471,508</u>
CURRENT LIABILITIES			
Trade payables		66,552,222	45,324,701
Current portion of bank borrowings	11(A)	22,162,135	27,199,960
Short term financing	11(B)	35,114,853	120,195,912
Dividends payable		85,924,854	86,137,015
Accrued expenses and other current liabilities		74,653,387	95,515,644
Zakat payable	5	24,703,418	20,334,407
TOTAL CURRENT LIABILITIES		<u>309,110,869</u>	<u>394,707,639</u>
TOTAL LIABILITIES		<u>440,915,227</u>	<u>530,179,147</u>
TOTAL EQUITY AND LIABILITIES		<u>2,990,814,385</u>	<u>3,042,541,870</u>

The accompanying notes from 1 to 20 form an integral part of these unaudited interim condensed consolidated financial statements.

YANBU CEMENT COMPANY (A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the three-month period ended 31 March 2026

	Share capital ﷲ	Statutory reserve ﷲ	Retained earnings ﷲ	Total equity ﷲ
As at 1 January 2026 (Audited)	1,575,000,000	787,500,000	149,862,723	2,512,362,723
Net profit for the period	-	-	37,536,435	37,536,435
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	37,536,435	37,536,435
Balance at 31 March 2026 (Unaudited)	1,575,000,000	787,500,000	187,399,158	2,549,899,158

	Share capital ﷲ	Statutory reserve ﷲ	Retained earnings ﷲ	Total equity ﷲ
As at 1 January 2025 (Audited)	1,575,000,000	787,500,000	243,586,225	2,606,086,225
Net profit for the period	-	-	29,907,575	29,907,575
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	29,907,575	29,907,575
Balance at 31 March 2025 (Unaudited)	1,575,000,000	787,500,000	273,493,800	2,635,993,800

The accompanying notes from 1 to 20 form an integral part of these unaudited interim condensed consolidated financial statements.

YANBU CEMENT COMPANY (A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the three-month period ended 31 March 2026

		For the three- month period ended 31 March 2026 ﷲ	For the three- month period ended 31 March 2025 ﷲ
	<u>Note</u>	<u>Unaudited</u>	<u>Unaudited</u>
OPERATING ACTIVITIES			
Profit before zakat		41,905,446	33,224,101
<i>Adjustments to reconcile operating income to net cash flows:</i>			
Depreciation of property, plant and equipment	6	35,915,831	42,790,756
Amortization of intangible assets		725,900	174,525
Finance cost		1,705,533	4,276,232
Loss on derivative instruments		131,074	314,651
Gain on investment at FVTPL	9	-	(86,954)
Provision against spare parts		1,227,257	1,000,000
Allowance / (reversal of allowance) for expected credit losses		2,026,192	(109,023)
Provision for employees' defined benefits obligations		2,230,186	6,935,492
		85,867,419	88,519,780
<i>Working capital changes:</i>			
Inventories		(10,540,185)	22,851,084
Trade receivables		6,991,749	(17,183,837)
Prepayments, advances and other receivables		1,310,520	1,543,330
Trade payables		21,227,521	21,897,388
Accrued expenses and other current liabilities		(20,862,257)	(17,380,917)
		83,994,767	100,246,828
Zakat paid	5	-	(403,679)
Employees benefits paid		(4,331,009)	(841,650)
Finance cost paid		(1,521,860)	(4,177,289)
Net cash generated from operating activities		78,141,898	94,824,210
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	6	(7,713,266)	(3,791,964)
Proceeds from investment at FVTPL	9	5,002,375	-
Net cash used in investing activities		(2,710,891)	(3,791,964)
FINANCING ACTIVITIES			
Repayment of bank borrowings		(6,787,825)	(6,789,990)
Repayment of short-term financing		(85,081,059)	(97,753,079)
Dividend paid		(212,161)	(432,655)
Net cash used in financing activities		(92,081,045)	(104,975,724)
NET CHANGES IN CASH AND CASH EQUIVALENTS		(16,650,038)	(13,943,478)
Cash and cash equivalents at the beginning of the period	10	75,364,663	54,950,226
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	10	58,714,625	41,006,748

The accompanying notes from 1 to 20 form an integral part of these unaudited interim condensed consolidated financial statements.

1 CORPORATE INFORMATION

Yanbu Cement Company (“the Company” or “the Parent Company”) - a Saudi Joint Stock Company - has been established in the Kingdom of Saudi Arabia by the Royal Decree No. M/10 dated on 4 Rabi' I 1397H (Corresponding to 22 February 1977G), and it is registered in Yanbu city under Commercial Registration (CR) No. 470000233 (Unified Number: 7000275540) dated on 21 Dhul-Qi'dah 1398H (Corresponding to 24 October 1978G). The Company's shares are listed in the Stock Exchange of the Kingdom of Saudi Arabia. These consolidated financial statements comprise the financial statements of the Company and its fully owned subsidiary, Yanbu Saudi Kuwaiti Paper Products Company Limited (the “Subsidiary”) (together referred to as the “Group”).

The Parent Company's authorized and paid-up share capital is divided into 157,500,000 shares as at 31 March 2026 (31 December 2025: 157,500,000 shares) stated at ﷲ 10 per share.

The Company is mainly engaged in manufacturing, producing and trading in cement and its related products as per industrial license No. 451110128256 renewed on 5 Muharram 1445H (Corresponding to 23 July 2023G) which ends on 13 Rabi ul Awal 1450H (Corresponding to 4 August 2028G). The Subsidiary is mainly engaged in manufacturing and wholesale trading of cement paper as per industrial license No. 431110118935 issued on 23 Sha'ban 1425H (Corresponding to 7 October 2004G) and ending on 26 Dhu'l-Hijjah 1448H (Corresponding to 01 June 2027G) and registered in Yanbu city under Commercial Registration (CR) No. 4700009036 (Unified Number: 7001473409) dated on 17 Dhul-Qi'dah 1425H (Corresponding to 29 December 2004G).

The registered address of the Company is Yanbu Cement building located at Al Baghdadiyah Al Gharbiyah District, P. O. Box 5530, Jeddah 21422, Kingdom of Saudi Arabia. The Company has branch in Jeddah with CR number 4030021367 (Unified Number: 7012137845). The financial results of this Branch are included in these consolidated financial statements.

On 17 Dhul Hijjah 1445H (Corresponding to 23 June 2024G), the Company signed a non-binding Memorandum of Understanding (MoU) with Southern Province Cement Company to assess the feasibility of a merger between the two companies. A committee from both companies has been formed to oversee the process and implement the necessary steps. On 27 Dhul Hijjah 1446H (Corresponding to 23 June 2025G), both companies have agreed to extend the memorandum of understanding for an additional three months. On 30 Rabi Al-Awwal 1447H (Corresponding to 22 September 2025G), the memorandum has expired without reaching a final agreement between the two companies.

Investment in associate

During the year ended 31 December 2020, the Company had invested 49% interest in Knowledge Center for Cement Training Limited (the associate company), a mixed limited liability company registered in the Kingdom of Saudi Arabia and have a share capital of ﷲ 500,000. The Company is established to conduct short term cement training programs. The remaining 51% shareholding is held by FL Smidth Company.

2 BASIS OF PREPARATION AND BASIS OF MEASUREMENT

2.1 Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34, “Interim Financial Reporting” “IAS 34” that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and therefore should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025. In addition, results for the three-month period ended 31 March 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

2.2 Basis of measurement

These interim condensed consolidated financial statements have been prepared on a historical cost basis except for financial derivatives and investment that have been measured at fair value and for employees' benefits obligations, Projected Unit Credit Method is used. These interim condensed consolidated financial statements are presented in Saudi Riyals (“ﷲ”), which is the functional currency of the Company and the presentation currency of the Group. Figures have been rounded off to the nearest Saudi Riyal (“ﷲ”) unless otherwise stated.

2.3 Significant accounting judgments, estimates and assumptions

The preparation of the Group's interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results may differ from these estimates.

2 BASIS OF PREPARATION AND BASIS OF MEASUREMENT (Continued)

2.3 Significant accounting judgments, estimates and assumptions (Continued)

The significant judgments made by the management in applying the Group's key sources of estimation uncertainty were the same as those described in the annual consolidated financial statements of the Group for the year ended 31 December 2025. The Group will continue to monitor the situation, and any changes required will be reflected in future reporting periods.

2.3.1 Change in useful life property, plant and equipment

During the current period, the Parent Company reviewed the estimated useful lives of property, plant and equipment relating to its fourth production line and revised those estimates. This change is accounted for prospectively as a change in accounting estimate in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". The impact of this change on depreciation expense is disclosed in Note 6.2.

2.4 New standards, interpretations and amendments adopted by the Group

There are new standards and number of amendments to standards which are effective from 1 January 2026 and have been explained in Group's annual Consolidated Financial Statements for the year ended 31 December 2025, but they do not have a material effect on the Group's Interim Condensed Consolidated Financial Statements.

3 SEGMENT INFORMATION

The Group is engaged in one operating segment, i.e., manufacturing cement and operates completely from the Kingdom of Saudi Arabia. Accordingly, the financial information was not divided into different geographic or business segments. The financial information of the Subsidiary is not significant to Group's interim condensed consolidated financial statements for segment information.

4 REVENUE

The Group's revenue is described below:

	For the three-month period ended	
	31 March	2025
	2026	2025
	ﷲ	ﷲ
Product type	Unaudited	Unaudited
Cement	185,167,015	170,253,371
Cement bags	6,386,572	11,048,496
Clinker	62,531,730	85,141,604
Total revenue (*)	<u>254,085,317</u>	<u>266,443,471</u>
Geographical markets		
Total revenue inside the Kingdom of Saudi Arabia	191,553,587	181,301,867
Total revenue outside the Kingdom of Saudi Arabia	62,531,730	85,141,604
Total revenue	<u>254,085,317</u>	<u>266,443,471</u>

(*) The timing of the revenue recognition from the above goods is at a point in time.

5 ZAKAT PAYABLE

The movement in zakat payable of the Group is as follows:

	31 March	31 December
	2026	2025
	ﷲ	ﷲ
	Unaudited	Audited
Balance at beginning of the period / year	20,334,407	16,558,536
Charged during the period / year	4,369,011	16,163,089
Paid during the period / year	-	(12,387,218)
Balance at the end of the period / year	<u>24,703,418</u>	<u>20,334,407</u>

5 ZAKAT PAYABLE (CONTINUED)

Status of zakat assessments

Parent Company:

The Company has submitted its Zakat returns to the Zakat, Tax and Customs Authority ("ZATCA") up to the year ended 31 December 2024 and obtained Zakat certificate. The Company finalized its zakat position up to the year ended 31 December 2023, resulting in zakat differences amounting to ₪ 0.40 million for the years 2021 and 2022, and ₪ 0.07 million for the year ended 2023. These amounts were settled during the months of February and June 2025. During the year 2024, the Company has received an assessment order from the ZATCA for the year ended 31 December 2024 and claimed additional amount ₪ 3.72 million. The Company has objected on the above mentioned assessment and the ZATCA response is still under process until 31 March 2026.

Subsidiary:

The Subsidiary has submitted the zakat returns to ZATCA up to the year ended 31 December 2025 and obtained the Zakat certificate. The Subsidiary has also finalized its status until the year ended 31 December 2020.

The Subsidiary received an additional assessment from ZATCA for the year 2017 claiming an additional zakat liability of ₪ 0.20 million and accordingly filed objections against this assessment order with the Tax Dispute and Violation Committee Procedures (TVDC) which were rejected on 16 March 2022. Management has filed the appeal against the decision to TVDAC on 13 April 2022. On 2 May 2024, the TVDAC decided to support the Company without any additional claim and the zakat status has been finalized for the year 2017.

On 8 August 2023, the subsidiary received a request for additional information for the year 2020 and a final assessment has been issued on 30 May 2024 claiming an additional zakat of ₪ 0.003 million which was duly paid and the zakat status has been finalized for the year 2020.

6 PROPERTY, PLANT AND EQUIPMENT

	For the three-month period ended 31 March	
	2026 ₪	2025 ₪
	Unaudited	Unaudited
Depreciation	35,915,831	42,790,756
Additions to property, plant and equipment	7,713,266	3,791,964

6.1 The plants are situated on land leased from Ministry of Industries and Mineral Resources of Ras Baridi in Yanbu, for 30 Hijri years commencing 4 Rabi' I 1398H (Corresponding to 12 February 1978G). The lease has been renewed for a similar period for 30 years on 3 Rabi' I 1428H (Corresponding to 22 March 2007G). The lease is renewable for further similar periods subject to the agreement of both parties.

6.2 During the three-month period ended 31 March 2026, the Group reviewed the estimated useful lives of property, plant and equipment attributable to the Parent Company's fourth production line and changed those estimates with effect from 1 January 2026, as shown in the table below. The revised estimates were based on an external assessment obtained by the Group and on other information available to management. The revised useful lives have been applied prospectively to the remaining carrying amount of the affected assets.

Had the useful lives not been changed, property, plant and equipment for the three-month period ended 31 March 2026 would have been decreased by ₪ 5.19 million for the reduction of depreciation, the inventories' work in process balance would have been increased by ₪ 4.17 million, and net profit for the period would have been decreased by ₪ 1.02 million. The category-wise impact on accumulated depreciation is as follows (unaudited):

	The new rate used in 2026	The Old rates used in 2025	Impact for the three- month period ended 31 March 2026 ₪
			Unaudited
Factory buildings on leasehold land	41 years	32 years	122,689
Buildings and other constructions	23 years	14 years	5,087
Machinery and equipment	18 - 42 years	09 - 33 years	5,061,302
			5,189,078

YANBU CEMENT COMPANY (A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
For the three-month period ended 31 March 2026

7 INVENTORIES

	31 March 2026 ﷲ	31 December 2025 ﷲ
	Unaudited	Audited
Spare parts	266,715,652	271,091,760
Less: provision against spare parts	(121,377,990)	(120,150,733)
Spare parts, net	145,337,662	150,941,027
Finished goods	9,003,290	10,991,188
Work in process	527,079,811	519,301,127
Raw materials	27,630,690	27,338,157
Fuel	31,607,373	22,426,278
Packaging materials	4,744,760	5,589,514
Fuel in transit	4,187,321	3,616,622
Raw materials in transit	4,015,365	3,390,392
Other materials	673,551	1,372,590
	608,942,161	594,025,868
	754,279,823	744,966,895

8 TRADE RECEIVABLES

	31 March 2026 ﷲ	31 December 2025 ﷲ
	Unaudited	Audited
Trade receivables	171,021,849	178,013,598
Allowance for expected credit losses	(13,268,504)	(11,242,312)
	157,753,345	166,771,286

Trade receivables are non-interest bearing and are generally on the term of 30 to 90 days.

9 INVESTMENT AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

	31 March 2026 ﷲ	31 December 2025 ﷲ
Note	Unaudited	Audited
Balance at the beginning of the period / year	5,002,375	15,380,757
Purchases during the period / year	-	5,000,000
Sales during the period / year	(5,002,375)	(15,578,616)
Fair value gain	-	200,234
Balance at the end of the period / year	-	5,002,375

9.1 FAIR VALUE GAIN ON INVESTMENT AT FVTPL

	2026 ﷲ	2025 ﷲ
	Unaudited	Audited
Unrealized gain	-	2,375
Realized gain	-	197,859
	-	200,234

YANBU CEMENT COMPANY (A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
For the three-month period ended 31 March 2026

10 CASH AND CASH EQUIVALENTS

	31 March 2026 ﷲ	31 December 2025 ﷲ
	Unaudited	Audited
Bank balances	40,714,625	75,364,663
Short term deposits	18,000,000	-
	58,714,625	75,364,663

11 LOANS

A) BANK BORROWINGS

	31 March 2026 ﷲ	31 December 2025 ﷲ
	Unaudited	Audited
Saudi Awwal Bank Loan (Note I and II)	29,162,135	35,949,960
Current portion	(22,162,135)	(27,199,960)
Non-current portion	7,000,000	8,750,000

- I. During 2022, the Parent Company entered into a Shariah-compliant banking facility agreement with Saudi Awwal Bank (SAB) amounted to ﷲ 35 million to cover the acquisition of 40% of the remaining shares of the Subsidiary Company. The loan is subject to repayment of quarterly installments of ﷲ 1.75 million each, starting from June 2023 to February 2028. The loan entails financing costs as per prevailing Saudi rates (SAIBOR) in addition to a fixed commission rate.
- II. During 2023, the Parent Company entered into a Shariah-compliant banking facility agreement with SAB amounted to ﷲ 70 million. The loan is repayable in quarterly installments of ﷲ 5 million each, starting from September 2023 until November 2026. The loan entails financing costs as per prevailing Saudi rates (SAIBOR) in addition to a fixed commission rate.

B) SHORT TERM FINANCING

The Parent Company has entered into un-secured Shariah-compliant financing facilities agreements with various banks at SAIBOR plus agreed commission rate to meet its working capital requirements. The facilities availed during the period amounted to ﷲ 430 million (31 December 2025: ﷲ 430 million). As at 31 March 2026, the outstanding amounts of ﷲ 35.11 million (31 December 2025: ﷲ 120.20 million) were classified under current liabilities since these are due within 12 months period.

12 STATUTORY RESERVE

In accordance with the Company's previous By-laws, the Company was required to allocate at least 10% of its annual net income to the statutory reserve until the reserve reached 30% of the share capital. As part of its financial policy, the Company had decided to continue maintaining the statutory reserve at 50% of the share capital. However, following recent amendments to the Companies Law, the Company has discontinued the creation of the statutory reserve and By-laws has been updated in this regard.

Accordingly, the Board of Directors has approved submitting a recommendation to the General Assembly regarding the transfer of the entire statutory reserve balance of ﷲ 787.50 million, comprising ﷲ 393.75 million to be transferred to the general reserve and ﷲ 393.75 million to be transferred to the retained earnings in accordance with the By-laws, in a manner that best serves the interests of the Company and its shareholders in accordance with the amended By-laws, which is pending the General Assembly's approval.

13 DIVIDENDS

No dividends were proposed by the Board of Directors of the Parent Company during the current and prior period ended 31 March 2026 and 31 March 2025, respectively.

14 EARNINGS PER SHARE

Basic earnings per share (EPS) is calculated by dividing the net profit for the period by the weighted average number of ordinary shares which are 157.50 million shares.

The table below reflects the details of the net profit for the period and the number of shares used in calculating basic and diluted earnings per share:

	For the three-month period ended 31 March	
	2026 ﷲ	2025 ﷲ
	Unaudited	Unaudited
Net profit for the period	37,536,435	29,907,575
Weighted average number of outstanding ordinary shares	157,500,000	157,500,000
Basic and diluted earnings per share	0.24	0.19

There has been no item of dilution affecting the weighted average number of ordinary shares.

15 CONTINGENCIES AND COMMITMENTS

As at 31 March 2026, the contingencies against banks' letters of guarantees issued on behalf of the Group are amounted to ﷲ 99.33 million (31 December 2025: ﷲ 62.57 million).

As at 31 March 2026, the Group has letters of credit amounted to Nil (31 December 2025: Nil).

16 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent major shareholders, Board of Directors, the Group's key management personnel and entities managed or significantly influenced by those parties. The following are the details of major-related parties' transactions during the three-month period ended 31 March 2026:

Allowances and compensation of the Board of Directors and senior executives

The Group's senior management includes key management personnel and executives, Board of Directors, having authorities and responsibilities for planning, directing and controlling the activities of the Group.

Board of Directors and committees' compensation charged and accrued during the three-month period ended 31 March 2026 amounted to ﷲ 1.08 million (31 March 2025: ﷲ 0.9 million).

Key management personnel compensation comprised the following:

	For the three-month period ended 31 March	
	2026 ﷲ	2025 ﷲ
	Unaudited	Unaudited
Short term employee benefits	3,854,483	2,428,111
Post-employment benefits	198,871	141,460
	4,053,354	2,569,571

The Group entered into transaction with its associate under mutually agreed terms and conditions:

	Amount of transaction For the three-month period ended 31 March	
	2026 ﷲ	2025 ﷲ
	Unaudited	Unaudited
Knowledge Centre for Cement Training - (the "associate") (Nature of transaction)		
Paid on behalf of associate	-	1,071

17 FAIR VALUE MEASUREMENT

All assets and liabilities for which fair value is measured or disclosed in the interim condensed consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- 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

Suppose the inputs used to measure the fair value of an asset or liability falls into different levels of the fair value hierarchy. In that case, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest input level that is significant to the entire measurement.

Set out below is a comparison, by class, of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Assets measured at fair value	Date of valuation	Total ﷲ	Fair value measurement using		
			Quoted prices in active markets (Level 1) ﷲ	Significant observable inputs (Level 2) ﷲ	Significant unobservable inputs (Level 3) ﷲ
Financial derivatives	31 March 2026 (Unaudited)	205,382	-	205,382	-
Financial derivatives	31 December 2025 (Audited)	336,456	-	336,456	-
Investment at FVTPL	31 December 2025 (Audited)	5,002,375	-	5,002,375	-

Financial derivatives

The Group enters into derivative financial instrument principally with financial institutions having investment-grade credit ratings. Derivatives valued using valuation techniques with observable market inputs is interest rate swaps. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations.

Investments at FVTPL

This represents investment in mutual funds. The fund manager limits market risk by monitoring the developments in the relevant markets for these instruments.

During the three-month period ended 31 March 2026 and year ended 31 December 2025, there were no movements between the levels.

18 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors announced on 7 May 2026 a resolution to distribute cash dividends to shareholders semi-annual totaling ﷲ 118.12 million, at a rate of ﷲ 0.75 per share.

19 COMPARATIVE FIGURES

During the period, the Group reclassified an amount of ﷲ 0.30 million related to unwinding discounts from other income to finance income. This was done to achieve proper classification of income, and the comparative figures have also been reclassified. The reclassification does not affect the net profit and retained earnings of the Group in prior period.

20 APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements of the Group were approved by the Board of Directors on 23 Dhul Qaida 1447 H (Corresponding to the 10 May 2026 G).