

SOUTHERN PROVINCE CEMENT COMPANY
(A Saudi Joint Stock Company)

**INTERIM CONDENSED
FINANCIAL STATEMENTS (UNAUDITED)**
For the three-month and nine-month
periods ended 30 September 2025
AND
INDEPENDENT AUDITOR'S REVIEW REPORT

**SOUTHERN PROVINCE CEMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF FINANCIAL STATEMENTS (UNAUDITED) AND
INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2025**

Index	Page
Independent auditor's review report	2
Interim condensed statement of financial position (unaudited)	3
Interim condensed statement of profit or loss and other comprehensive income (unaudited)	4
Interim condensed statement of changes in shareholders' equity (unaudited)	5
Interim condensed statement of cash flows (unaudited)	6
Notes to the interim condensed financial statements (unaudited)	7 - 18

INDEPENDENT AUDITOR'S REVIEW REPORT

To the shareholders
Southern Province Cement Company
(A Saudi Joint Stock Company)
Abha, Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying interim condensed statement of financial position of **Southern Province Cement Company** - a Saudi Joint Stock Company (the "Company") as of 30 September 2025, and the related interim condensed statement of profit or loss and other comprehensive income for the three-month and nine-month periods then ended and the interim condensed statement of changes in shareholders equity and cash flows for the nine-month period then ended and other explanatory notes.

Management is responsible for the preparation and presentation of these interim condensed 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 this interim condensed financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" 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.

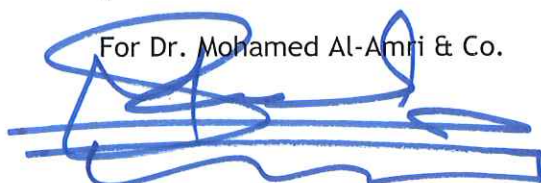
Conclusion

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

Other matter

The condensed interim financial statements of the Company for the three-month and nine-month periods ended 30 September 2024 were reviewed by another auditor, who expressed an unmodified conclusion on those condensed interim financial statements on 8 Jumada Al-Awal 1446H (corresponding to 10 November 2024). In addition, the financial statements of the Company as at and for the year ended 31 December 2024 were audited by another auditor, who expressed an unmodified opinion on those financial statements on 10 Shawwal 1446H (corresponding to 8 April 2025).

For Dr. Mohamed Al-Amri & Co.



Maher Al-Khatieb
Certified Public Accountant
License Number 514



Date: 19 November 2025(G)

Corresponding to 28 Jumada Al-Awwal 1447(H)

SOUTHERN PROVINCE CEMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 September 2025
(ALL AMOUNTS ARE EXPRESSED IN ﷲ)

	Note	30 September 2025	31 December 2024	1 January 2024
		(Unaudited)	(Audited) - Restated - Note 17	(Audited) - Restated - Note 17
Assets				
Non-current assets				
Property plant and equipment	7	3,571,650,562	3,064,476,890	2,817,887,560
Intangible assets		1,054,423	905,957	-
Investment properties		5,476,376	5,476,376	5,437,625
Total non-current assets		3,578,181,361	3,070,859,223	2,823,325,185
Current assets				
Inventories	8	1,078,214,339	959,097,904	744,786,614
Trade receivables		140,365,949	135,832,318	97,475,209
Prepayments and other current assets	9	36,491,521	49,601,982	41,966,676
Cash and cash equivalents	10	92,012,422	186,413,978	363,096,531
Total current assets		1,347,084,231	1,330,946,182	1,247,325,030
Total assets		4,925,265,592	4,401,805,405	4,070,650,215
Shareholders' equity and liabilities				
Shareholders' equity				
Share capital	1	1,400,000,000	1,400,000,000	1,400,000,000
Statutory reserve	1	700,000,000	700,000,000	700,000,000
Retained earnings		1,191,176,332	1,244,914,093	1,163,729,253
Total shareholders' equity		3,291,176,332	3,344,914,093	3,263,729,253
Liabilities				
Non-current liabilities				
Bank borrowings	11	1,179,839,738	607,550,536	361,164,949
Employees' defined benefits obligations		97,332,290	106,197,155	116,804,570
Quarry rehabilitation provision		3,955,024	3,944,150	1,140,000
Total Non-current liabilities		1,281,127,052	717,691,841	479,109,519
Current liabilities				
Bank borrowings	11	58,931,120	41,607,924	1,211,640
Accrued expenses and other current liabilities		68,150,371	67,317,554	70,746,752
Trade payables		74,133,074	74,270,474	76,482,127
Dividend payables	12	126,614,838	128,738,188	159,375,577
Zakat provision	13	25,132,805	27,265,331	19,995,347
Total Current liabilities		352,962,208	339,199,471	327,811,443
Total liabilities		1,634,089,260	1,056,891,312	806,920,962
Total shareholders' equity and liabilities		4,925,265,592	4,401,805,405	4,070,650,215

The accompanying notes 1 to 19 form an integral part of these interim condensed financial statements.


Executive Vice President
of Finance


Chief Executive Officer


Chairman

SOUTHERN PROVINCE CEMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME (UNAUDITED)
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2025
(ALL AMOUNTS ARE EXPRESSED IN ٬)

	Note	For the three-month period ended 30 September		For the nine-month period ended 30 September	
		2025 (Unaudited)	2024 (Unaudited) (Restated - Note 17)	2025 (Unaudited)	2024 (Unaudited) (Restated -Note 17)
Revenue	6	219,176,327	232,518,100	633,737,158	697,506,043
Cost of revenue		(184,677,445)	(161,003,537)	(511,839,752)	(473,073,554)
Gross profit		34,498,882	71,514,563	121,897,406	224,432,489
Expected credit losses on trade receivables		-	-	(118,143)	(2,172,189)
Selling and distribution expenses		(2,505,580)	(3,989,585)	(6,185,602)	(7,460,891)
General and administrative expenses		(15,531,703)	(18,912,157)	(46,528,183)	(54,300,886)
Operating profit		16,461,599	48,612,821	69,065,478	160,498,523
Finance income		212,079	1,235,559	2,726,811	6,812,618
Finance costs		(10,495,500)	(4,167,314)	(10,626,601)	(16,100,278)
Other income		554,308	8,838,400	939,157	9,648,030
Profit before zakat		6,732,486	54,519,466	62,104,845	160,858,893
Zakat	13	(4,568,464)	(5,634,008)	(17,842,606)	(18,187,490)
Profit for the period		2,164,022	48,885,458	44,262,239	142,671,403
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		2,164,022	48,885,458	44,262,239	142,671,403
Earnings per share					
Basic and diluted, earning per share	14	0.02	0.35	0.32	1.02

The accompanying notes 1 to 19 form an integral part of these interim condensed financial statements.


 Executive Vice
 President of Finance


 Chief Executive Officer


 Chairman

SOUTHERN PROVINCE CEMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 September 2025
(ALL AMOUNTS ARE EXPRESSED IN ٬)

	<u>Note</u>	<u>Share capital</u>	<u>Statutory reserve</u>	<u>Retained earnings</u>	<u>Total</u>
Balance as at 1 January 2024 (Audited) (Restated -Note 17)		1,400,000,000	700,000,000	1,163,729,253	3,263,729,253
Profit for the period (Restated -Note 17)		-	-	142,671,403	142,671,403
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	-	142,671,403	142,671,403
Dividends	12	-	-	(161,000,000)	(161,000,000)
Balance as at 30 September 2024 (Unaudited)(Restated -Note 17)		<u>1,400,000,000</u>	<u>700,000,000</u>	<u>1,145,400,656</u>	<u>3,245,400,656</u>
Balance as at 1 January 2025 (Audited) (Restated -Note 17)		1,400,000,000	700,000,000	1,244,914,093	3,344,914,093
Profit for the period		-	-	44,262,239	44,262,239
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	-	44,262,239	44,262,239
Dividends	12	-	-	(98,000,000)	(98,000,000)
Balance as at 30 September 2025 (Unaudited)		<u>1,400,000,000</u>	<u>700,000,000</u>	<u>1,191,176,332</u>	<u>3,291,176,332</u>

The accompanying notes 1 to 19 form an integral part of these interim condensed financial statements.


 Executive Vice
 President of Finance


 Chief Executive Officer


 Chairman

SOUTHERN PROVINCE CEMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 September 2025
(ALL AMOUNTS ARE EXPRESSED IN ٬)

		For the nine-month period ended 30 September	
	Note	2025	2024
		(Unaudited)	(Unaudited) (Restated -Note 17)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before Zakat		62,104,845	160,858,893
Adjustments for:			
Depreciation on property, plant and equipment	7	140,820,350	149,580,591
Amortization of intangible assets		94,124	5,564
Amortization of loan rescheduling losses		-	(901,641)
Gain/loss from disposal of property, plant and equipment		(147,102)	(617,178)
Write off Inventory		-	4,889,790
Expected credit losses on trade receivables		118,143	2,172,189
Provision for quarry rehibition		10,874	6,676,600
Finance cost		10,626,601	16,100,278
Finance income		(2,726,810)	(6,812,618)
Provision for employees' defined benefit obligations		7,242,162	6,013,371
		218,143,187	337,965,839
Change in working capital:			
Trade receivables		(4,651,775)	(49,047,835)
Inventories		(119,116,435)	(173,136,349)
Prepayments and other current assets		13,110,461	(15,679,482)
Trade payables		(137,400)	4,315,882
Accrued expenses and other current liabilities		(2,536,328)	(9,948,221)
Cash generated from operating activities		104,811,710	94,469,834
Employees' defined benefit obligations paid		(16,107,026)	(8,676,670)
Finance cost paid		(10,626,602)	(21,077,071)
Zakat paid	13	(19,975,132)	(19,212,402)
Net cash generated from operating activities		58,102,950	45,503,691
CASH FLOW FROM INVESTING ACTIVITIES			
Additions of property, plant and equipment	7	(644,891,474)	(209,629,417)
Additions of intangible assets		(242,590)	(346,600)
Proceeds from disposal of property, plant and equipment		413,700	617,178
Additions to investment properties		-	(38,751)
Finance income received		2,726,810	6,812,618
Net cash used in investing activities		(641,993,554)	(202,584,972)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from bank borrowings	11	589,612,398	121,140,645
Dividends paid	12	(100,123,350)	(185,455,396)
Net cash generated from / (used in) financing activities		489,489,048	(64,314,751)
Net change in cash and cash equivalents		(94,401,556)	(221,396,032)
Cash and cash equivalents at beginning of the period		186,413,978	363,096,531
Cash and cash equivalents at the end of the period	10	92,012,422	141,700,499
Non-cash transactions			
Transfer from projects in progress to property, plant and equipment	7	13,523,785	93,733,398
Accrued interest capitalized on property, plant and equipment		3,369,146	3,486,506

The accompanying notes 1 to 19 form an integral part of these interim condensed financial statements.


Executive Vice
President of Finance


Chief Executive Officer


Chairman

SOUTHERN PROVINCE CEMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025
(ALL AMOUNTS ARE EXPRESSED IN ﷲ)

1. GENERAL

Southern Province Cement Company was established as a Saudi Joint Stock Company ("the Company") under the Royal Decree No. M/3 on 12/2/1398H based on the companies' law and executive regulations from the Ministry of Commerce.

The Company's main activity is to manufacture and produce cement, its derivatives and accessories, and to trade in those products and to carry out all works related directly or indirectly to the realization of these purposes.

As at 30 September 2025, the Company authorized, subscribed and fully paid-up capital amounted to ﷲ 1.4 billion (2024: ﷲ1.4 billion) divided into 140 million ordinary shares (2024: 140 million ordinary shares) of ﷲ 10 each (2024: ﷲ 10).

In accordance with the company's by-laws, the ordinary general assembly, based on the proposal of the Board of Directors, may decide to form reserves, to the extent that achieves the interest of the company or ensures the distribution of fixed dividend as much as possible to shareholders.

The registered address of the Company is as follows:

Southern Province Cement Company
Abha City
PO Box 548
Abha, Kingdom of Saudi Arabia

The Company operates through three factories, which are as follows:

1. Jazan, Ahad Al Masarihah city.
2. Aseer, Bisha.
3. Mecca Region, Al Qunfudhah - Thalothe Emara.

The following factories operate under separate industrial licenses that are numbered and dated as follows:

<u>Factory</u>	<u>Industrial license No.</u>	<u>Industrial license date</u>
Ahad Al Masarihah - Jazan area	451102131374	24 Shawal 1450H, corresponding to 10 March 2029G
Bisha - Aseer area	441110123631	24 Rajab 1449H, corresponding to 23 December 2027G
Tehama - Makkah area	451110129097	6 Rabea Al Awal 1451 H, corresponding to 19 July 2029 G.

SOUTHERN PROVINCE CEMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025
(ALL AMOUNTS ARE EXPRESSED IN ﷲ)

2. BASIS OF PREPARATION

a) Statement of compliance

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

These interim condensed financial statements do not include all the information and disclosures required in the full set of annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2024. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements. In addition, results for the interim period ended 30 September 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

b) Basis of measurement

The interim condensed financial statements have been prepared on historical cost convention using the accruals basis of accounting and going concern concept except for employee defined benefits obligations which are measured at present value for the future obligations and provision for quarry rehabilitation is measured at the present value of the expected cost of resurfacing the site using the discount rate as at the contract inception date.

c) Functional and presentation currency

These interim condensed financial statements have been presented in Saudi Arabian Riyals (ﷲ) which is the Company's functional and presentation currency.

3. USE OF JUDGEMENTS AND ESTIMATES

The preparation of the interim condensed financial statements requires management to make judgments and estimates that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and actual results may differ from these estimates.

Estimates and assumptions are based on previous experience and factors that may include expecting suitable future events which are used estimate book value of assets and liabilities from other resources and estimates and assumptions are continuously being evaluated. Revised accounting estimates are also reviewed in the period in which the estimates are revised in the audit period and future periods, if the changed estimates affect current and future periods.

The significant judgments and estimates made by management in applying the Company's accounting policies are consistent with those disclosed in the annual financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted by the Company in preparing the interim condensed financial statements are consistent with those followed in preparing the annual financial statements of the Company for the year ended 31 December 2024.

SOUTHERN PROVINCE CEMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025
(ALL AMOUNTS ARE EXPRESSED IN ﷲ)

5. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS

New standards, interpretations, and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the International Accounting Standards Board ("IASB") that are effective in future accounting periods that the Company has decided not to adopt early.

IFRS	Summary	Effective date
IFRS 9 and IFRS 7	Amendments regarding the classification and measurement of financial instruments	1 January 2026
Annual Improvements to IFRS Accounting Standards	Amendments/Annual improvements in IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7	1 January 2026
IFRS 18	Presentation and Disclosures in Financial Statements	1 January 2027
IFRS 19	Disclosures - Subsidiaries without Public Accountability	1 January 2027

The Company is currently assessing the impact of these new accounting standards and amendments. The Company does not expect any standard issued by IASB that are yet to be effective to have a material impact on the Company.

New standards, interpretations, and amendments effective in the current period

The following are the new standards, interpretations and amendments to standards that are effective in the current period but they have no impact on these interim condensed financial statements of the Company.

IFRS	Summary	Effective date
IAS 21	Amendment - Lack of Exchangeability	1 January 2025

SOUTHERN PROVINCE CEMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025
(ALL AMOUNTS ARE EXPRESSED IN ﷲ)

6. SEGMENT INFORMATION

The Company has one main product, which is packed and unpackaged cement. The main sectors of the Company are presented according to geographical sectors. These segments are organized and managed separately according to the geographical location, each forming a separate unit. The geographical segments set out below are determined by distinguishing business activities from which the Company generates revenues and incurs costs. The economic characteristics are reviewed and the method of determining the geographical sectors is reconsidered in light of the evaluation made by the Chief Operating Decision Maker at least every quarter, provided that they are approved by the Company's Board of Directors. The Company is operating its activities in the Kingdom of Saudi Arabia through the following geographic areas:

For the period ended 30 September 2025
(Unaudited)

	Jazan	Bisha	Tehama	Unallocated	Total
Revenue from selling cement	204,884,241	218,255,556	188,129,048	-	611,268,845
Revenue from selling clinker	22,468,313	-	-	-	22,468,313
Total revenues	227,352,554	218,255,556	188,129,048	-	633,737,158
Cost of revenue	(180,125,982)	(116,325,654)	(75,275,922)	-	(371,727,558)
Selling and distribution expenses	(3,003,181)	(1,596,537)	(1,569,089)	-	(6,168,807)
General and Administrative expenses	-	-	-	(45,836,822)	(45,836,822)
Depreciation	(17,672,410)	(45,016,077)	(77,440,502)	(691,361)	(140,820,350)
Provision for expected credit loss	-	-	-	(118,143)	(118,143)
Finance income	-	-	-	2,726,811	2,726,811
Finance cost	-	-	-	(10,626,601)	(10,626,601)
Other income	116,109	309,606	513,442	-	939,157
Profit (Loss) before Zakat	26,667,090	55,626,894	34,356,977	(54,546,116)	62,104,845
Zakat expense	-	-	-	(17,842,606)	(17,842,606)
Profit (Loss) for the period	26,667,090	55,626,894	34,356,977	(72,388,722)	44,262,239
<u>As of 30 September 2025,</u>					
Total assets	1,589,561,356	1,402,256,414	1,820,000,941	113,446,881	4,925,265,592
Total liabilities	1,069,749,302	317,739,708	91,984,122	154,616,128	1,634,089,260

SOUTHERN PROVINCE CEMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025
(ALL AMOUNTS ARE EXPRESSED IN ﷲ)

6. SEGMENT INFORMATION (Continued)

For the period ended 30 September
2024 (Unaudited) (Restated -Note 17)

	Jazan	Bisha	Tehama	Unallocated	Total
Revenue from selling cement	195,348,622	204,482,479	264,194,032	-	664,025,133
Revenue from selling clinker	33,480,910	-	-	-	33,480,910
Total revenues	228,829,532	204,482,479	264,194,032	-	697,506,043
Cost of revenue	(142,924,144)	(87,688,470)	(93,429,278)	-	(324,041,892)
Selling and distribution expenses	(2,507,307)	(2,103,755)	(2,849,829)	-	(7,460,891)
General and Administrative expenses	-	-	-	(53,751,957)	(53,751,957)
Depreciation	(25,722,991)	(42,945,220)	(80,363,451)	(548,929)	(149,580,591)
Provision for expected credit loss	-	-	-	(2,172,189)	(2,172,189)
Finance income	-	-	-	6,812,618	6,812,618
Finance cost	-	-	-	(16,100,278)	(16,100,278)
Other income	467,309	3,746,075	5,434,646	-	9,648,030
Profit (loss) before Zakat	58,142,399	75,491,109	92,986,120	(65,760,735)	160,858,893
Zakat expense	-	-	-	(18,187,490)	(18,187,490)
Profit for the period (Restated)	58,142,399	75,491,109	92,986,120	(83,948,225)	142,671,403
<u>As of 31 December 2024,</u>					
Total assets (Restated -Note 17)	1,010,563,264	417,052,108	1,807,948,406	1,166,241,627	4,401,805,405
Total liabilities (Restated -Note 17)	733,610,303	73,871,629	95,820,044	153,589,336	1,056,891,312

(*) The timing of the revenue recognition from the sale of cement and clinker are at a point in time.

SOUTHERN PROVINCE CEMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025
(ALL AMOUNTS ARE EXPRESSED IN ﷲ)

7. PROPERTY, PLANT AND EQUIPMENT

7.1 For the purposes of preparing the interim condensed statement of cash flows, the movement in property, plant and equipment during the nine-month period is as follows:

	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)
Depreciation during the period	140,820,350	149,580,591
Additions during the period	10,933,397	33,466,311
Additions during the period- Capital work in progress (Plant and other equipment)	633,958,077	176,163,106
Transfer from projects in progress	13,523,785	93,733,398
Net value of disposals during the period	266,598	-

7.2 Company's property, plant and equipment are not pledged against standing loans as at 30 September 2025 and 31 December 2024.

7.3 Capitalized borrowing costs on the project under construction (Jazan Plant) amounted to ﷲ 37,026,799 as of 30 September 2025.

8. INVENTORIES

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Production under processing	777,127,929	671,818,371
Spare parts	255,846,062	266,336,124
Fuel	38,916,365	29,243,511
Inter-plant transferred Clinker	27,200,012	9,593,565
Packaging	4,425,533	5,189,798
Raw Materials	5,696,461	5,901,673
Oils and Lubricants	4,356,465	5,616,147
Explosives	997,731	988,658
Other	16,061,554	16,823,830
	1,130,628,112	1,011,511,677
Less: provision for inventory	(52,413,773)	(52,413,773)
	1,078,214,339	959,097,904

Movement in write-down inventory items is as follows:

	For the nine- month period ended 30 September 2025 (Unaudited)	For the year ended 31 December 2024 (Audited)
Balance at the beginning of the period/year	52,413,773	55,055,406
Reversal during the period/year	-	(2,641,633)
	52,413,773	52,413,773

SOUTHERN PROVINCE CEMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025
(ALL AMOUNTS ARE EXPRESSED IN ﷲ)

9. PREPAYMENTS AND OTHER CURRENT ASSETS

	30 September 2025 (Unaudited)	31 December 2024 (Audited) Restated - Note 17	1 January 2024 (Audited) Restated - Note 17
Payments to suppliers	28,156,795	29,832,978	32,676,180
Prepaid expenses	6,465,582	4,525,189	4,977,215
Other receivables balances	1,869,144	15,243,815	4,313,281
	36,491,521	49,601,982	41,966,676

10. CASH AND CASH EQUIVALENTS

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Cash at banks	66,941,486	106,376,457
Cash in hand	70,936	37,521
	67,012,422	106,413,978
Islamic deposits (Refer to 10.1)	25,000,000	80,000,000
	92,012,422	186,413,978

10.1 Investment in Islamic deposits represent time deposits, placed with commercial banks, and has a maturity of 3 months or less as at the original investment date, and on which a commission is generated according to the prevailing short-term deposit rates. All the Islamic deposits matured during the period.

11. BANK BORROWINGS

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Current portion under current liabilities	58,931,120	41,607,924
Non-current portion under non-current liabilities	1,179,839,738	607,550,536
	1,238,770,858	649,158,460

The movement on bank borrowings during the period/year is as follows:

	For the nine months period ended 30 September 2025 (Unaudited)	For the year ended 31 December 2024 (Audited)
Balance at the beginning of the period/year	649,158,460	362,376,589
Proceed during the period/year	589,612,398	287,993,510
Amortization of loan rescheduling losses	-	(1,211,639)
Balance at the end of the period/year	1,238,770,858	649,158,460

SOUTHERN PROVINCE CEMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025
(ALL AMOUNTS ARE EXPRESSED IN ﷲ)

11. BANK BORROWINGS (Continued)

- 11.1 On 8 June 2023, the Company renewed the facilities agreement and rescheduled the bank facilities with a local bank, so that the total amount of the facilities amounted to ﷲ 1.68 billion as at 30 September 2025 (31 December 2024: ﷲ 1.63 billion), and the utilized balance of facilities at 30 September 2025 amounted to ﷲ 1,238 million (31 December 2024: ﷲ 649 million) to be paid in variable quarterly installments starting on 6 October 2025 until the end of the year 2033. These facilities are secured by a promissory note.
- 11.2 The loan agreements include covenants which, among other things, require certain financial ratios to be maintained. All banking facilities carry agreed upon commissions according to the commercial rates prevailing in the market
- 11.3 The company has also complied with all covenants and contractual terms stipulated in the loan agreements during the period.

12. DIVIDEND PAYABLES

	For the nine- months period ended 30 September 2025 (Unaudited)	For the year ended 31 December 2024 (Audited)
Balance at 1 January	128,738,188	159,375,577
Dividends declared during the period/year	98,000,000	161,000,000
Dividend payments during the period/year	(100,123,350)	(191,637,389)
	126,614,838	128,738,188

The Board of Directors, at its meeting held on 26 Ramadan 1446H, corresponding to 26 March 2025, recommended cash dividends of ﷲ 98 million for the second half of the financial year 2024 at ﷲ 0.70 per share. which was approved by the Company's General Assembly in their meeting dated 22 Dhu al-Hijjah 1446H, corresponding to 18 June 2025.

The Board of Directors, in its meeting held on 3 Ramadan 1445H, corresponding to 13 March 2024, recommended cash dividends of ﷲ 91 million for the second half of the financial year 2023 at ﷲ 0.65 per share, which was approved by the Company's General Assembly in their meeting dated 12 Dhu al-Qi'dah 1445H, corresponding to 20 May 2024.

On 4 Safar 1446H corresponding to 08 August 2024, the Company's Board of Directors decided to distribute cash dividends for the first half of the year 2024 amounting to ﷲ 70 million, at a rate of ﷲ 0.50 per share.

SOUTHERN PROVINCE CEMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025
(ALL AMOUNTS ARE EXPRESSED IN ﷲ)

13. ZAKAT

	For the nine- month period ended 30 September 2025 (Unaudited)	For the year ended 31 December 2024 (Audited)
Balance as at the beginning of the period/year	27,265,331	19,995,347
Provision for the period/year	17,842,606	26,482,386
Paid during the period/year	(19,975,132)	(19,212,402)
Balance as at the end of the period/year	25,132,805	27,265,331

Zakat and tax status

- The Company filed its zakat return for the year ended 31 December 2024 and paid the zakat due accordingly, and obtained a certificate valid until 30 April 2026.

14. EARNING PER SHARE

a) Basic earnings per share

The calculation of basic earnings per share has been based on the distributable earnings attributable to shareholders of ordinary shares and the weighted average number of ordinary shares outstanding at the date of the interim condensed financial statements. The calculation of diluted earnings per share ('EPS') is not applicable to the Company.

	For the three-month period ended (Unaudited)		For the nine months period ended (Unaudited)	
	30 September 2025	30 September 2024 (Restated - Note 17)	30 September 2025	30 September 2024 (Restated - Note 17)
Profit for the period (ﷲ)	2,164,022	48,885,458	44,262,239	142,671,403
Weighted average number of shares	140,000,000	140,000,000	140,000,000	140,000,000
Basic earnings per share (ﷲ)	0.02	0.35	0.32	1.02

b) Diluted EPS

The calculation of diluted earnings per share has been based on the profit distributable to shareholders on ordinary shares and weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, if any. During the period there are no factors diluting earnings per share.

SOUTHERN PROVINCE CEMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025
(ALL AMOUNTS ARE EXPRESSED IN ₪)

15. RELATED PARTY TRANSACTIONS AND BALANCES

The Company, in the normal course of business, enters into transactions with other entities that fall within the definition of a related party contained in International Accounting Standard 24. Related parties represent major shareholders, directors, and key management personnel of the Company and entities controlled, jointly controlled, or significantly influenced by such parties. The transactions with related parties are made at approved contractual terms. The significant transactions and the related amounts are as follows:

Related party	Nature of relationship	Nature of transactions	Amounts of transactions for the three-month period ended 30 September		Amounts of transactions for the nine-month period ended 30 September	
			2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Key management personnel	Employees	Long-term / Short-term benefits	2,291,590	2,184,624	9,380,862	8,614,042
Board of Directors'	Board of Directors'	Board of Directors' remuneration	1,919,500	1,350,000	4,630,000	4,610,000

16. CONTINGENCIES AND CAPITAL COMMITMENTS

- As at 30 September 2025, the contingent liabilities against issued banking letters of guarantee amounted to ₪ 65,7 million (30 September 2024: ₪ 45.8 million).
- As at 30 September 2025, the capital commitments related to projects in progress amounted to ₪ 184 million (30 September 2024: ₪ 1.29 billion).
- There are legal cases filed against the Company which are still under litigation. Based on the assessment of the Company's management and its legal advisor, there is no expectation of any financial obligation arising from these cases. Accordingly, no provision has been recognized in respect of these matters.

17. PRIOR YEARS ADJUSTMENTS

The financial statements for the year ended 31 December 2024 and the opening balances as at 1 January 2024 have been restated and reclassified due to the following reasons:

a. Borrowing Costs

The Company did not recognize interest expenses in accordance with the requirements of the International Financial Reporting Standards, as it capitalized interest costs that were not eligible for capitalization within property and equipment. Accordingly, it was determined that an amount of ₪ 12 million in 2023 and ₪ 16.4 million in 2024 had been capitalized to the construction-in-progress related to the Jazan Plant, whereas these amounts should have been recognized as finance costs in the statements of profit or loss for the years 2023 and 2024, respectively.

The Company has appropriately reversed the accounting impact, and the opening retained earnings as at 1 January 2024 have been adjusted to reflect this correction.

SOUTHERN PROVINCE CEMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025
(ALL AMOUNTS ARE EXPRESSED IN ﷲ)

17. PRIOR YEARS ADJUSTMENTS (Continued)

b. Loan Arrangement Fees

The Company did not recognize the loan arrangement fees amounting to ﷲ 2.8 million in accordance with the requirements of the International Financial Reporting Standards, as the full amount was expensed in the 2024 statement of profit or loss instead of being accounted for using the effective interest rate method.

The Company has appropriately reversed the accounting impact, and the opening retained earnings as at 1 January 2024 have been adjusted to reflect this correction.

c. Other Debit Balances

The Company did not capitalize an amount of ﷲ 7 million within property, plant and equipment, representing a payment made pursuant to a court judgment related to the Company's acquisition of a portion of the Jazan Plant land, which was previously owned by another party. The Company obtained a final judgment transferring the legal title of the land to the Company on 1 July 2005, and the Company has exercised effective control over the land, thereby meeting the recognition requirements of IAS 16 "Property, Plant and Equipment". Accordingly, the Company has appropriately reversed the accounting impact to reflect this correction

d. Accrual of 2023 Production Bonus

During 2024, the Company identified that it had not recognized the bonus expense on an accrual basis in accordance with International Financial Reporting Standards. Accordingly, the bonus amounting to ﷲ 9.75 million was recognized in the statement of profit or loss and other comprehensive income for the period ended 30 June 2024, whereas it should have been recognized in the financial statements for the year ended 31 December 2023.

The Company has appropriately reversed the accounting impact by reducing cost of revenue, selling and distribution expenses, and general and administrative expenses by the respective amounts in the statement of profit or loss and other comprehensive income for the period ended 30 June 2024, and by adjusting the opening retained earnings as at 1 January 2024.

Impact on Statement of Financial Position:

Description	As Previously Issued 31 December 2024	Adjustments	As Restated 31 December 2024
As of 31 December 2024:			
Property, plant and equipment (a), (b), (c)	3,086,225,242	(21,748,352)	3,064,476,890
Prepayments and other current assets (b), (c)	54,408,314	(4,806,332)	49,601,982
Retained earnings	1,271,468,777	(26,554,684)	1,244,914,093

Description	As Previously Issued 1 January 2024	Adjustments	As Restated 1 January 2024
As of 1 January 2024:			
Property, plant and equipment (a), (b), (c)	2,826,226,343	(8,338,783)	2,817,887,560
Prepayments and other current assets (b), (c)	46,353,008	(4,386,332)	41,966,676
Retained earnings	1,186,204,368	(22,475,115)	1,163,729,253
Accrued expenses and other current liabilities (d)	60,996,752	9,750,000	70,746,752

SOUTHERN PROVINCE CEMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025
(ALL AMOUNTS ARE EXPRESSED IN ﷲ)

17. PRIOR YEARS ADJUSTMENTS (Continued)

Impact on Statement of Profit Or Loss and Other Comprehensive Income:

Description	30 September 2024 (Previously Issued) (Unaudited)	Adjustments	30 September 2024 (Restated) (Unaudited)
As of 30 September 2024:			
Cost of revenue (d)	(478,898,246)	5,824,692	(473,073,554)
Selling and distribution expenses (d)	(7,652,273)	191,382	(7,460,891)
General and administrative expenses (d)	(58,034,812)	3,733,926	(54,300,886)
Finance Cost (a)	(3,845,766)	(12,254,512)	(16,100,278)
Net profit	145,175,915	(2,504,512)	142,671,403

Description	30 September 2023 (Previously Issued) (Unaudited)	Adjustments	30 September 2023 (Restated) (Unaudited)
As of 30 September 2023:			
Cost of revenue (d)	(624,200,004)	(5,824,692)	(630,024,696)
Selling and distribution expenses (d)	(12,588,551)	(191,382)	(12,779,933)
General and administrative expenses (d)	(40,310,902)	(3,733,926)	(44,044,828)
Net profit	121,188,440	(9,750,000)	111,438,440

Impact on the Statement of Cash Flows:

Description	30 September 2024 (Previously Issued) (Unaudited)	Adjustments	30 September 2024 (Restated) (Unaudited)
As of 30 September 2024:			
Net cash generated from operating activities	57,758,203	(12,254,512)	45,503,691
Net cash used in investing activities	(214,839,484)	12,254,512	(202,584,972)

- The Company did not capitalize any borrowing costs related to the loan designated for the Bisha Plant Project during the nine-month period ended 30 September 2023. The amount of ﷲ 12 million referred to above (Note 17-1) was capitalized during the fourth quarter of the same year. Accordingly, this adjustment has no impact on the statement of profit or loss or the statement of cash flows for the period ended 30 September 2023.

18. SUBSEQUENT EVENTS

There have been no significant subsequent events since the period end, that would require disclosures or adjustments in these interim condensed financial statements.

19. APPROVAL OF INTERIM CONDENSED FINANCIAL STATEMENTS

The interim condensed financial statements were authorized for issuance by the Board of Director on 10 November 2025, corresponding to 19 Jumada Al-Awwal 1447H.