

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

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

NAJRAN CEMENT COMPANY
(A Saudi Joint Stock Company)
Interim Condensed Consolidated Financial Statements (Unaudited)
For The Three-month period ended 31 March 2026
And Independent Auditor's Review Report

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INDEPENDENT AUDITOR'S REVIEW REPORT

To The Shareholders Of
Najran Cement Company
(A Saudi Joint Stock Company)
Najran, Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Najran Cement Company - A Saudi Joint Stock Company - ("the Company") and its subsidiary ("collectively referred to as the "Group"), as of 31 March 2026, and the related interim condensed consolidated statements of profit or loss and comprehensive income, changes in shareholders' 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"), as 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 the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", as endorsed in the Kingdom of Saudi Arabia. A review of interim financial statements consists of making inquiries, primarily to the 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, as 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.

Basis for Qualified Conclusion

As disclosed in Note 6 to the interim condensed consolidated financial statements relating to property, plant and equipment, management performed an impairment assessment during the year ended 31 December 2025, with the assistance of an external consultant, to determine whether any impairment existed in accordance with IAS 36 "Impairment of Assets." The assessment was based on projected future cash flows and other key assumptions and was undertaken due to the presence of potential indicators of impairment of property, plant and equipment with a carrying amount to ₪ 1,921 million as of and for the three-month period ended 31 March 2026 (31 December 2025: ₪ 1,944 million). These indicators included a decline in the Group's net profit compared to prior years and the underutilization of the main production lines, among other factors. Based on this assessment, management concluded that no impairment existed. However, we were unable to obtain sufficient appropriate audit evidence to evaluate the reasonableness of the key assumptions and forecasts used by management and its external consultant in performing this assessment. Accordingly, we were unable to determine whether any adjustments might be necessary to the interim condensed consolidated financial statements for the three-month period ended 31 March 2026 and the consolidated financial statements for the year ended 31 December 2025.

Qualified Conclusion

Except for the possible effects of the matter described in the Basis for Qualified Conclusion section of our report, based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

For Dr. Mohamed Al-Amri & Co.


Maher Al-Khatieb
Certified Public Accountant
Registration No. 514



30/11/1447 (H)
17/05/2026 (G)

Najran Cement Company
(A Saudi Joint Stock Company)
Interim Condensed Consolidated Statement of Financial Position
(All amounts in thousands Saudi Riyals unless otherwise stated)

		31 March 2026 (Unaudited) S'000	31 December 2025 (Audited) S'000
ASSETS	<i>Note</i>		
Non-current assets			
Property, plant and equipment	6	1,921,421	1,944,136
TOTAL NON-CURRENT ASSETS		1,921,421	1,944,136
Current assets			
Inventories	7	463,598	438,990
Prepayments and other receivables		38,184	23,044
Trade receivables	8	24,390	22,315
Cash and cash equivalents		9,242	6,722
TOTAL CURRENT ASSETS		535,414	491,071
TOTAL ASSETS		2,456,835	2,435,207
EQUITY AND LIABILITIES			
Equity			
Share capital	9	1,700,000	1,700,000
Treasury shares	9	(43,847)	(43,847)
Retained earnings		384,933	378,825
TOTAL EQUITY		2,041,086	2,034,978
LIABILITIES			
Non-current liabilities			
Employees' defined benefit obligations		52,889	52,562
Non-current portion of lease liability		1,549	1,549
Rehabilitation provision		1,323	1,302
Long term borrowing - non-current portion	10	221,963	215,280
TOTAL NON-CURRENT LIABILITIES		277,724	270,693
Current liabilities			
Short term financing	10	-	10,000
Long term borrowing -Current portion	10	37,528	35,393
Trade payables		63,222	53,006
Accrued and other payables		21,403	15,952
Contract liability-advances from customers		5,147	6,210
Current portion of lease liability		277	277
Dividends payable		899	899
Provision for zakat	11	9,549	7,799
TOTAL CURRENT LIABILITIES		138,025	129,536
TOTAL LIABILITIES		415,749	400,229
TOTAL EQUITY AND LIABILITIES		2,456,835	2,435,207

CFO


Rami Jawad Abu Jneid

CEO


Ataa Abdulqader Bakkar

Authorized Board Member

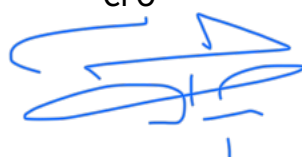


Fahad Abdullah AlRajhi

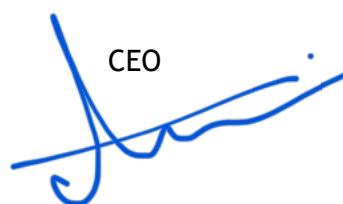
The attached notes from 1 to 18 form an integral part of these interim condensed consolidated financial statements.

Najran Cement Company
(A Saudi Joint Stock Company)
Interim Condensed Consolidated Statement of Profit or Loss
(All amounts in thousands Saudi Riyals unless otherwise stated)

		<i>For the three-month period ended</i>	
		<i>31 March</i>	
		<i>2026</i>	<i>2025</i>
		<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>Note</i>	<i>ﷲ'000</i>	<i>ﷲ'000</i>
Sales	12	123,018	135,240
Cost of sales		(100,146)	(101,406)
Gross profit		22,872	33,834
Selling and distribution expense		(2,111)	(1,958)
General and administrative expense		(9,429)	(9,132)
Operating profit		11,332	22,744
Finance costs		(4,195)	(4,776)
Other income		721	752
Profit before zakat		7,858	18,720
Zakat	11	(1,750)	(1,530)
Net profit for the period		6,108	17,190
EARNINGS PER SHARE			
Basic and diluted profit per share based on profit for the period attributable to shareholders of the Company (ﷲ)	13	0,04	0,10

CFO


Rami Jawad Abu Jneid

CEO


Ataa Abdulqader Bakkar

Authorized Board Member



Fahad Abdullah AlRajhi

The attached notes from 1 to 18 form an integral part of these interim condensed consolidated financial statements.

Najran Cement Company
(A Saudi Joint Stock Company)
Interim Condensed Consolidated Statement of Comprehensive Income
(All amounts in thousands Saudi Riyals unless otherwise stated)

	<i>For the three-month period ended 31 March</i>	
	2026 <i>(Unaudited)</i> S'000	2025 <i>(Unaudited)</i> S'000
NET PROFIT FOR THE PERIOD	6,108	17,190
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	6,108	17,190

CFO


Rami Jawad Abu Jneid

CEO


Ataa Abdulqader Bakkar

Authorized Board Member



Fahad Abdullah AlRajhi

The attached notes from 1 to 18 form an integral part of these interim condensed consolidated financial statements.

Najran Cement Company
(A Saudi Joint Stock Company)
Interim Condensed Consolidated Statement of Changes in Equity
(All amounts in thousands Saudi Riyals unless otherwise stated)

	<i>Note</i>	<i>Share capital</i> SAR'000	<i>Treasury shares</i> SAR'000	<i>Retained earnings</i> SAR'000	<i>Total Equity</i> SAR'000
As at 1 January 2025 (Audited)		1,700,000	-	342,315	2,042,315
Net profit for the period		-	-	17,190	17,190
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	-	17,190	17,190
Treasury shares		-	(6,459)	-	(6,459)
Balance as at 31 March 2025 (Unaudited)		1,700,000	(6,459)	359,505	2,053,046
As at 1 January 2026 (Audited)		1,700,000	(43,847)	378,825	2,034,978
Net profit for the period		-	-	6,108	6,108
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	-	6,108	6,108
Balance as at 31 March 2026 (Unaudited)		1,700,000	(43,847)	384,933	2,041,086

CFO

Rami Jawad Abu Jneid

CEO

Ataa Abdulqader Bakkar

Authorized Board Member

Fahad Abdullah AlRajhi

The attached notes from 1 to 18 form an integral part of these interim condensed consolidated financial statements.

Najran Cement Company
(A Saudi Joint Stock Company)
Interim Condensed Consolidated Statement of Cash Flows
(All amounts in thousands Saudi Riyals unless otherwise stated)

		For the three-month period ended 31 March	
		2026 (Unaudited) S'000	2025 (Unaudited) S'000
	Note		
OPERATING ACTIVITIES			
Profit before zakat		7,858	18,720
Adjustments to reconcile income before zakat to net cash flows:			
Depreciation of Property, Plant and Equipment	6	24,211	24,377
Finance costs		4,174	4,776
Current service cost of defined benefit obligations for employees		1,446	1,288
Rehabilitation provision		21	21
		<u>37,710</u>	<u>49,182</u>
Working capital adjustments			
Trade receivables		(2,075)	(16)
Inventories		(24,608)	(10,151)
Prepayments and other receivables		(15,140)	(9,862)
Contract liability - advances from customers		(1,063)	(871)
Trade payables		10,216	6,917
Accrued and other payables		5,451	(8,007)
Net cash generated from operations		<u>10,491</u>	<u>27,192</u>
Finance costs paid		(2,039)	(2,459)
Benefits paid from defined benefit obligations for employees		(1,119)	(187)
Net cash generated from operating activities		<u>7,333</u>	<u>24,546</u>
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	6	(1,496)	(6,230)
Proceeds from disposal of property, plant and equipment		-	6
Net cash used in investing activities		<u>(1,496)</u>	<u>(6,224)</u>
FINANCING ACTIVITIES			
Proceeds from long-term loans	10	14,683	-
Net movement of short-term loans	10	(10,000)	-
Payment of long-term loan	10	(8,000)	(8,000)
Purchases of treasury shares	9	-	(6,459)
Net cash used in financing activities		<u>(3,317)</u>	<u>(14,459)</u>
Net Change in cash and cash equivalents		<u>2,520</u>	<u>3,863</u>
Cash and cash equivalents at the beginning of the period		6,722	16,485
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		<u>9,242</u>	<u>20,348</u>

<p>CFO</p>  <p>Rami Jawad Abu Jneid</p>	<p>CEO</p>  <p>Ataa Abdulqader Bakkar</p>	<p>Authorized Board Member</p>  <p>Fahad Abdullah AlRajhi</p>
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The attached notes from 1 to 18 form an integral part of these interim condensed consolidated financial statements.

1 CORPORATE INFORMATION

Najran Cement Company (“the Company” or “the Parent Company”), a Saudi Joint Stock Company, registered at Najran on 5 Ramadan 1426 (corresponding to 9 October 2005) under Commercial Registration number 5950010479. On 10 Shaaban 1437 (corresponding to 17 May 2016), the Company was granted an Industrial License, number 2446. The Company’s shares are listed in the Saudi stock Market in the Kingdom of Saudi Arabia.

The principal activities of the Company are manufacturing ordinary Portland cement and cement resistant to salts.

These interim condensed consolidated financial statements comprise the Company and its wholly owned subsidiary, Wasl Al Janub Land Transportation Company (One person company) (together referred to as the “Group”).

The subsidiary Company is registered as a limited liability Company at Najran was established on 23 Dhul-Hijjah 1441 (corresponding to 8 August 2020) under Commercial Registration number 5950119264. On 02 Shaaban 1442 (corresponding to 15 March 2021), the subsidiary company was granted transportation License, number 11/00007925.

The principal activity of the subsidiary company is land transport of goods.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These interim condensed consolidated financial statements for the three-month period ended 31 March 2026 have been prepared in accordance with IAS 34, “Interim Financial Reporting”, as endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants.

The Group has prepared the condensed consolidated interim financial statements on a going concern basis. Management considers that there are no material uncertainties that may cast significant doubt on this assumption. Management has exercised its judgement that there is a reasonable expectation that the Group has adequate resources to continue its operational existence for the foreseeable future, and for a period of not less than 12 months from the end of the reporting period.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2025. In addition, results of the interim 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 Going Concern

Management has assessed the Group’s ability to successfully execute its business plan and to generate sufficient cash flows to meet its obligations for the next twelve months. In preparing the forecasts, management considered all reasonably possible cash flows, with timing and amounts supported by conditions and facts available as at the date of approval of these Interim condensed consolidated interim financial statements. In developing the business plan, management considered the following factors:

1. The Group has continued to generate positive cash flows from its operating activities and achieved ₪ 7.3 million in the first quarter of 2026. Management believes that the Group will be able to generate positive cash flows in its plan for the next twelve months.
2. The Group has existing financing obligations, with no breaches of debt covenants, and has a proven track record of renewing banking facilities and dealing with financing parties.
3. As disclosed in Note (10), the Group obtained additional financing during the period ended 31 March 2026, which enhances its liquidity position and supports its ability to meet its obligations during the future period.
4. Management has prepared a budget and cash flow forecast covering the next twelve months, which indicates the Group’s ability to meet its obligations as they fall due.

Based on the above plan, the Group’s expected cash flows for the twelve-month period from the reporting date show a net positive cash flow. Management believes that the Group will be able to generate sufficient cash flows to meet its obligations as they fall due over the twelve months following the date of these interim condensed consolidated financial statements. Accordingly, these interim condensed consolidated financial statements have been prepared on a going concern basis.

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Basis of measurement

These interim condensed consolidated financial statements are prepared under the historical cost convention using the accrual basis of accounting and going concern concept, except for the following items which are measured as follows:

<i>Items</i>	<i>Measurement basis</i>
Employee defined benefit liabilities	Present value of the defined benefit obligation using projected credit unit method

2.4 Functional and presentation currency

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

2.5 Significant accounting judgements, 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.

The significant judgments made by management in applying the Group's accounting policies and the methods of computation and the key sources of estimation are the same as those that applied to the consolidated financial statements for the year ended 31 December 2025.

3 BASIS OF CONSOLIDATION

These interim condensed consolidated financial statements include the financial information of the Parent Company and its wholly owned subsidiary, Wasl Al Janub Land Transportation Company (One person company) (together referred to as the "Group"), in which the Group exercises control as at 31 March 2026.

<i>Subsidiary name</i>	<i>Country of incorporation</i>	<i>Principal business activity</i>	<i>Effective ownership interest</i>	
			<i>31 March 2026</i>	<i>31 December 2025</i>
Wasl Al Janub Land Transportation Company (One person company)	KSA	land transport of goods	100%	100%

The financial statements of the subsidiary are prepared for the same reporting period as that of the Group, using consistent accounting policies of the Group.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated.

Unrealized losses (if any) are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

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

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

3 BASIS OF CONSOLIDATION (Continued)

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

Control is achieved when the Group is exposed, or has rights, to variable returns from its transactions with the investee and has the ability to affect those returns through exercising its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

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

4 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP

The accounting policies applied in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the application of new standards effective as of 1 January 2026. The Group has not early adopted any other standards, interpretations, or amendments that have been issued but are not yet effective. Several amendments became effective for the first time in 2026, as explained in the Group's financial statements; however, they had no impact on the Group's condensed consolidated interim financial statements as of 31 March 2026.

5 SEGMENTAL REPORTING

The Group is engaged in one significant operating segment, i.e., manufacturing cement and operates in entirely from the Kingdom of Saudi Arabia and certain foreign jurisdictions. Accordingly, the financial information was not divided on to different geographic or business segments. Further, significant amount of liabilities of the Group are payable in Saudi Arabia.

6 PROPERTY, PLANT AND EQUIPMENT

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

	31 March 2026 (Unaudited)	31 March 2025 (Unaudited)
Depreciation	24,211	24,377
Additions to property, plant and equipment	(1,496)	(6,230)

6-1 The plants are situated on land leased in Sulттana from Ministry of industry and Mineral Resources, for 30 Hijra years commenced on 11 Jumada II 1426H (corresponding to 17 July 2005) and land leased in Akfah from Najran Municipal for 25 Hijra years commenced on 21 Dhu al-Qi`dah 1428H (corresponding to 1 December 2007).

6-2 The Group, as at 31 December 2025, assessed whether there were any indicators of impairment of its property, plant and equipment in accordance with the requirements of International Accounting Standard (IAS) 36 "Impairment of Assets." An impairment test was performed with the assistance of an independent certified valuer using a value-in-use model, which is based on estimated future cash flows and a number of key assumptions relating to expected operational performance and future economic conditions. The results of the assessment concluded that there is no impairment in the value of property, plant and equipment.

7 INVENTORIES

	31 March 2026 (Unaudited)	31 December 2025 (audited)
Raw materials, fuel and packing materials	26,039	26,921
Work in process	361,970	344,996
Finished goods	11,287	6,737
Spare parts - Consumables not for sale	72,119	68,153
Total	471,415	446,807
Less: Provision for obsolete spare parts	(7,817)	(7,817)
Total	463,598	438,990

8 TRADE RECEIVABLES

8.1 Trade Receivables

	31 March 2026 (Unaudited)	31 December 2025 (audited)
Trade receivables	26,056	23,981
Less: provision for expected credit loss	8-2 (1,666)	(1,666)
	24,390	22,315

Trade receivables are non-interest bearing and are generally payable on demand.

8.2 Movement in the provision for expected credit loss is as follows:

	31 March 2026 (Unaudited)	31 December 2025 (audited)
Balance at the end of the period / year	1,666	1,666

9 SHARE CAPITAL

9.1 Share capital

The authorized share capital of the Group comprised 170 million ordinary shares stated at 10 per share. All shares are issued and fully paid. (31 December 2025: 170 million ordinary shares stated at 10 per share).

9.2 Treasury shares

On 22 Rabi' al-Awal 1446H (corresponding to 25 September 2024), The group's board of directors decided to purchase 17 million shares of the Group and retain them as treasury shares for a period of ten years from the date of the Extraordinary General Assembly's approval, due to the decline in the Group's share price in the market.

On 21 Jumada al-Thani 1446H (corresponding to 22 December 2024), the Extraordinary General Assembly of the Group approved the purchase of these shares.

The Group purchased 5,24 million shares worth SR 43,8 million.

Accordingly, the group completed the share repurchase in accordance with the applicable laws and regulations.

10 LOANS TERM FINANCING

Long & short terms borrowing from commercial banks is presented as follows:

10.1 Long term borrowing

	31 March 2026	31 December 2025
Principal amount, beginning balance	248,808	264,808
Plus: proceeds during the period / year	14,683	-
Less: repayments during the period / year	(8,000)	(16,000)
Net principal amount	255,491	248,808
Accrued mark up for the period / year	4,000	1,865
	259,491	250,673
Long term borrowing - Current portion	(37,528)	(35,393)
Long term borrowing - Non Current portion	221,963	215,280

10.2 Short term financing

	31 March 2026	31 December 2025
Principal amount, beginning balance	10,000	30,000
Draw-down during the period /year	-	40,000
Less: repayments during the period / year	(10,000)	(60,000)
Net Principal amount	-	10,000

10.3 Tawarruq

During the year 2022, the Parent Company signed banking facilities agreement (Tawarruq) with a local Bank. In the same year the company utilized □ 278.5 million which are repayable in seven years over thirteen equal semi-annual instalments starting from May 2023, and carries financing costs on the basis of the prevailing Saudi interbank rate (SAIBOR) plus a specified profit margin. The amount is secured by a promissory note. During the period, the Parent Company obtained the bank's approval to extend the loan term by an additional two and a half years. Accordingly, the repayment schedule was amended, with the next installment due on December 1, 2026.

During the year 2023, the subsidiary signed banking facilities agreement (Tawarruq) with a local bank and utilized □ 80 million long term facilities to finance its capital expenditures. The new facilities are repayable in six years over twelve equal semi-annual instalments starting from September 2024 and carries financing costs on the basis of the prevailing Saudi interbank rate (SAIBOR) plus a specified profit margin. The amount is secured by some of the subsidiary's vehicles and promissory note. The carrying values of the borrowings are denominated in Saudi riyals.

On 15 January 2026, the Parent Company signed new banking facilities agreement (Tawarruq) with a local Bank to finance the expansion of its subsidiary, amounting to SR 50 million. The financing will be repaid over five years in semi-annual instalments, with a six-month grace period. Financing costs will carries financing costs on the basis of the prevailing Saudi interbank rate (SAIBOR) plus a specified profit margin.. The amount is secured by a promissory note. The carrying values of the borrowings are denominated in Saudi riyals.

On 26 March 2026, the Parent Company signed a banking facilities agreement (Tawarruq) with a local bank to finance the electrical grid connection project, amounting to SR 49 million note no.(14). The financing will be repaid over two years in annual instalments, with a six-month grace period. Financing costs will carries financing costs on the basis of the prevailing Saudi interbank rate (SAIBOR) plus a specified profit margin. The amount is secured by a promissory note. The carrying values of the loans are denominated in Saudi Riyals.

As of 31 March 2026, the short term bank facilities balance amounting: □ Nil (31 December 2025: □ 10 million), used for supporting the working capital purposes of the Group.

The Short-term facilities are repayable during the next 12 months and carries financing costs on the basis of the prevailing Saudi interbank rate (SAIBOR) plus a specified profit margin secured by a promissory note.

All The above loans is sharia compliant.

Najran Cement Company
(A Saudi Joint Stock Company)
Notes to Interim Condensed Consolidated Financial Statements (Unaudited)
For the Three-Months Period Ended 31 March 2026
(All amounts in thousands Saudi Riyals unless otherwise stated)

11 ZAKAT

The movement in zakat payable on the Group was as follows:

	31 March 2026 (Unaudited)	31 December 2025 (audited)
Balance at beginning of the period / year	7,799	6,927
Provision during the period / year	1,750	7,329
Paid during the period / year	-	(6,457)
Balance at the end of the period / year	9,549	7,799

The Group submitted its Consolidated Zakat returns to the zakat, Tax and customs Authority (ZATCA) for all the years up to December 31, 2025 and settled the obligations for these years based on the filed Zakat returns. Zakat assessments have been finalized with Zakat, Tax and Customs Authority (ZATCA) for the years 2006 to 2011 and 2014 to 2023.

12 SALES

12.1 Disaggregated sales information

	For the three-month period ended 31 March	
	2026 (Unaudited)	2025 (Unaudited)
Product type		
Cement	123,018	135,240
Total sales	123,018	135,240
Customer type		
Corporate customers	123,018	135,240
Total sales	123,018	135,240
Geographical markets		
Local	115,831	127,153
Export	7,187	8,087
Total sales	123,018	135,240

12.2 Performance obligations - point in time

The performance obligation is satisfied at a point in time and payment is generally due in advance or on demand.

13 EARNINGS PER SHARE

The Group presents basic and diluted earnings per share for its ordinary shares. Basic is calculated by dividing the profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

	For the three-month period ended 31 March	
	2026 (Unaudited)	2025 (Unaudited)
Profit for the period attributable to the shareholders of the Company (in ₪'000)	6,108	17,190
Weighted average number of ordinary shares for the purposes of basic and diluted earnings Basic ('000 shares)*	164,760	169,270
Basic and diluted profit per share based on profit for the period attributable to shareholders of the Company (₪)	0,04	0,10

* The weighted average number of outstanding ordinary shares during the period ended 31 March 2026 and 2025 has been calculated after calculating the impact of the purchase of treasury shares (note 9-2).

14 CONTINGENCIES AND COMMITMENTS

The Group was contingently liable for letters of credit and bills for collections issued in the normal course of the business amounting to ﷲ 43 Million as at 31 March 2026 (31 December 2025: ﷲ 26 Million).

The Group has contingent liabilities as of 31 March 2026 amounting to ﷲ 49 million, as shown below:
On 25 June 2025, the Group entered into an agreement with the National Electricity Transmission Company (a subsidiary of the Saudi Electricity Company) to implement a power transmission substation project aimed at supplying electricity to the Group's plant located in Sultana - Najran, under the Kingdom's Liquid Fuel Displacement Program. The total project cost will be included within the Liquid Fuel Displacement Program, in accordance with the Ministry of Energy letter No. (45020804/700) dated 27/01/1445H. on 5 March 2026, the Group signed a contract with Sinoma International Engineering Co., Ltd. amounting to ﷲ 49 million for the execution of the grid connection project note no. (10).

15 RELATED PARTY TRANSACTIONS AND BALANCES

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 during the three-month period ended 31 March, 2026 amounting to ﷲ 1,191 Million (31 March 2025: ﷲ 1,212 Million).

Allowances and compensation of the Board of Directors and senior executives comprised the following:

	31 March 2026 (Unaudited)	31 March 2025 (Unaudited)
Short term employee benefits	2,349	4,164
Post-employment benefits	63	82
	2,412	4,246

16 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non- financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

16 FAIR VALUE MEASUREMENT (Continued)

All financial instruments for which fair value is recognized or disclosed are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement, as follows:

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

If the inputs used to measure the fair value of an asset or liability falls into different levels of the fair value hierarchy, then 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.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers among the levels during the period.

The management assessed that the fair value of financial assets and financial liabilities approximate their carrying amounts primarily due to the short-term maturities of these instrument.

17 SIGNIFICANT AND SUBSEQUENT EVENTS

During the period ended 31 March 2026, the Gulf region experienced escalating geopolitical tensions, which led to a significant increase in global oil prices and volatility in regional and international financial markets, as well as disruptions in transportation, shipping, and supply chains in the region.

The geopolitical situation in parts of the Middle East remains volatile and unstable. These developments may have a potential impact on the Company's operational activities, supply chains, or operating costs in future periods. Management continues to closely monitor these developments and take appropriate actions when necessary. However, at present, the potential financial impact of these events cannot be reliably estimated.

18 APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were authorized for issue by the Group's board 23/11/1447H (corresponding to 10/05/2026G)"