

TABUK CEMENT COMPANY
(A Saudi Joint Stock Company)

**CONDENSED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)**

For the three-month and six-month periods ended 30 June 2025
with

INDEPENDENT AUDITOR'S REVIEW REPORT

**KPMG Professional Services Company**

Zahran Business Center
Prince Sultan Street
P. O. Box 55078
Jeddah 21534
Kingdom of Saudi Arabia
Commercial Registration No 4030290792

Headquarters in Riyadh

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية

مركز زهران للأعمال
شارع الأمير سلطان
ص. ب. 55078
جده 21534
المملكة العربية السعودية
سجل تجاري رقم 4030290792

المركز الرئيسي في الرياض

Independent Auditor's Report on Review of Condensed Interim Financial Statements To Shareholders of Tabuk Cement Company (A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying 30 June 2025 condensed interim financial statements of Tabuk Cement Company (the "Company"), which comprise:

- the condensed statement of financial position as at 30 June 2025;
- the condensed statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2025;
- the condensed statement of changes in equity for the six-month period ended 30 June 2025;
- the condensed statement of cash flows for the six-month period ended 30 June 2025; and
- the notes to the condensed interim financial statements.

Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed interim 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' that is endorsed in the Kingdom of Saudi Arabia. A review of condensed interim 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.



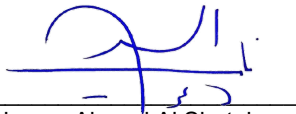
Independent Auditor's Report on Review of Condensed Interim Financial Statements (continued)

To Shareholders of Tabuk Cement Company
(A Saudi Joint Stock Company)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2025 condensed interim financial statements of Tabuk Cement Company are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

KPMG Professional Services Company



Nasser Ahmed Al Shutairy
License No. 454

Jeddah, 7 August 2025
Corresponding to 13 Safar 1447H



TABUK CEMENT COMPANY
(A Saudi Joint Stock Company)



CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

(Expressed in Saudi Arabian Riyals unless otherwise stated)

	Note	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Assets			
Property, plant and equipment	6	860,548,225	878,082,209
Investment properties		72,279,440	72,279,440
Equity investment at Fair Value through Other Comprehensive Income (FVOCI)	7	152,864,000	169,961,000
Intangible assets		3,543,413	4,348,735
Right-of-use assets		3,669,713	4,587,213
Derivative financial instrument	8	1,306,625	2,700,767
Non-current assets		1,094,211,416	1,131,959,364
Inventories	9	248,180,503	243,054,082
Trade receivables		70,812,676	46,612,826
Prepayment and other debit balances		12,088,162	7,651,734
Cash and cash equivalents	10	25,871,263	82,549,364
Current assets		356,952,604	379,868,006
Total assets		1,451,164,020	1,511,827,370
Equity			
Share capital	1	900,000,000	900,000,000
Statutory reserve		233,592,463	233,592,463
Other reserves		(15,178,125)	3,313,017
Retained earnings		69,998,589	65,329,156
Total equity		1,188,412,927	1,202,234,636
Liabilities			
Long-term loan	11	--	30,506,488
Lease liabilities		2,033,587	3,089,056
Employees' defined benefit obligations		20,913,589	19,923,690
Non-current liabilities		22,947,176	53,519,234
Current portion of long-term loan	11	62,977,314	63,470,883
Lease liabilities		1,902,643	1,754,572
Accruals and other credit balances		29,692,040	35,904,119
Trade payables		22,890,621	25,211,548
Dividends payable to shareholders	12	119,923,501	120,133,922
Provision for zakat	13	2,417,798	9,598,456
Current liabilities		239,803,917	256,073,500
Total liabilities		262,751,093	309,592,734
Total equity and liabilities		1,451,164,020	1,511,827,370

These condensed interim financial statements were approved by the Board of Directors on 4/8/2025 and are signed on behalf by:

 Abdullah Al Mutairi CFO	 Ali bin Mohamed Al Qahtani CEO	 Tareq bin Khalid Al Angari BOD Member
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The accompanying notes from 1 to 20 form an integral part of these condensed interim financial statements.

TABUK CEMENT COMPANY
(A Saudi Joint Stock Company)

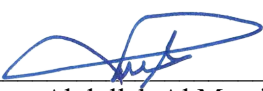


CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three-month and six-month periods ended 30 June 2025
(Expressed in Saudi Arabian Riyals unless otherwise stated)

	Note	For the three-month period ended 30 June		For the six-month period ended 30 June	
		<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenues		69,412,816	85,438,642	137,091,926	172,484,705
Cost of revenues		(48,929,314)	(58,009,567)	(96,108,127)	(120,183,099)
Gross profit		20,483,502	27,429,075	40,983,799	52,301,606
Selling and marketing expenses		(1,206,243)	(1,115,581)	(2,484,227)	(2,283,348)
General and administrative expenses		(7,699,865)	(6,977,181)	(15,368,179)	(13,958,732)
Impairment (loss) / reversal on trade receivables		60,175	(324,088)	(337,626)	(324,088)
Other income	14	3,797,252	12,797,714	7,914,504	18,114,967
Operating income		15,434,821	31,809,939	30,708,271	53,850,405
Finance cost		(554,866)	(1,125,439)	(1,224,700)	(2,390,448)
Murabaha income		525,517	264,331	658,017	264,331
Effect of financial liability cash flows adjustment		(322,811)	(630,502)	(735,385)	(1,345,997)
Profit before zakat		15,082,661	30,318,329	29,406,203	50,378,291
Zakat	13	(956,621)	(1,060,045)	(2,236,770)	(2,923,928)
Profit for the period		14,126,040	29,258,284	27,169,433	47,454,363
Other Comprehensive income;					
Items that will not be reclassified subsequently to profit or loss:					
Unrealized losses on investments in equity instruments at FVOCI		(17,097,000)	(3,986,180)	(17,097,000)	(3,986,180)
Movement in fair value of cash flow hedges		(641,150)	(828,016)	(1,394,142)	(1,773,421)
Total Other Comprehensive Loss		(17,738,150)	(4,814,196)	(18,491,142)	(5,759,601)
Total comprehensive income		(3,612,110)	24,444,088	8,678,291	41,694,762
Earnings per share:					
Basic and diluted earnings per share	15	<u>0.16</u>	<u>0.33</u>	<u>0.30</u>	<u>0.53</u>

These condensed interim financial statements were approved by the Board of Directors on 4/8/2025 and are signed on behalf by:


Abdullah Al Mutairi
CFO


Ali bin Mohamed Al Qahtani
CEO


Tareq bin Khalid Al Angari
BOD Member

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

TABUK CEMENT COMPANY
(A Saudi Joint Stock Company)





CONDENSED STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals unless otherwise stated)

	<u>Share capital</u>	<u>Statutory reserve</u>	<u>Other reserves</u>	<u>Retained earnings</u>	<u>Total Equity</u>
Balance at 1 January 2024 (audited)	900,000,000	233,592,463	124,942,869	32,911,003	1,291,446,335
Profit for the period	--	--	--	47,454,363	47,454,363
Other comprehensive loss	--	--	(5,759,601)	--	(5,795,601)
Total comprehensive income for the period	--	--	(5,759,601)	47,454,363	41,694,762
Dividends (note 12)	--	--	--	(22,500,000)	(22,500,000)
Balance at 30 June 2024 (unaudited)	900,000,000	233,592,463	119,183,268	57,865,366	1,310,641,097
Balance at 1 January 2025 (audited)	900,000,000	233,592,463	3,313,017	65,329,156	1,202,234,636
Profit for the period	--	--	--	27,169,433	27,169,433
Other comprehensive loss	--	--	(18,491,142)	--	(18,491,142)
Total comprehensive income for the period	--	--	(18,491,142)	27,169,433	8,678,291
Dividends (note 12)	--	--	--	(22,500,000)	(22,500,000)
Balance at 30 June 2025 (unaudited)	900,000,000	233,592,463	(15,178,125)	69,998,589	1,188,412,927

These condensed interim financial statements were approved by the Board of Directors on 4/8/2025 and are signed on behalf by:

 Abdullah Al Mutairi CFO	 Ali bin Mohamed Al Qahtani CEO	 Tareq bin Khalid Al Angari BOD Member
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The accompanying notes from 1 to 20 form an integral part
of these condensed interim financial statements.

TABUK CEMENT COMPANY
(A Saudi Joint Stock Company)




CONDENSED STATEMENT OF CASH FLOWS

For the six-month period ended 30 June 2025


(Expressed in Saudi Arabian Riyals unless otherwise stated)

	Note	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Cash flow from operating activities:			
Profit for the period before Zakat		29,406,203	50,378,291
Adjustments for:			
Depreciation on property, plant and equipment	6	21,705,197	23,869,034
Disposal losses on property, plant and equipment		95,262	3,575
Amortization of intangible assets		805,322	805,322
Amortization of right-of-use assets		917,500	917,500
Finance cost		1,224,700	2,390,448
Murabaha income		(658,017)	(264,331)
Provision for expected credit losses		337,626	324,088
Impairment / (reversal) in value of inventory items	9	221,543	(141,320)
Effect of financial liability cash flows adjustment		735,385	1,345,997
Employee defined benefit obligation charge for the period		1,904,407	1,810,155
		<u>56,695,128</u>	<u>81,438,759</u>
Changes in:			
Trade receivables		(24,537,476)	(49,428,341)
Prepayments and other debit balances		(4,436,428)	7,358,265
Inventories		(5,347,963)	19,951,012
Trade payables		(2,320,927)	424,421
Accruals and other credit balances		(6,212,080)	9,634,788
Employees' defined benefit obligations - paid		(914,508)	(891,091)
Cash generated from operating activities		<u>12,925,746</u>	<u>68,487,813</u>
Zakat Paid	13	(9,417,428)	(7,240,997)
Net cash generated from operating activities		<u>3,508,318</u>	<u>61,246,816</u>
Cash flows from investing activities:			
Additions of property, plant and equipment	6	(4,266,475)	(8,831,996)
Murabaha income received		658,017	264,331
Net cash used in investing activities		<u>(3,608,458)</u>	<u>(8,567,665)</u>
Cash flows from financing activity:			
Paid from loans		(31,735,442)	(31,735,442)
Payment of lease liabilities		(907,398)	(849,825)
Payment of lease liabilities interest		(144,822)	(202,395)
Finance cost paid		(1,079,878)	(2,188,053)
Dividends paid	12	(22,710,421)	(117,435)
Net cash used in financing activities		<u>(56,577,961)</u>	<u>(35,093,150)</u>
Net cash (decrease) / increase in cash and cash equivalents		<u>(56,678,101)</u>	<u>17,586,001</u>
Cash and cash equivalents beginning of the period		<u>82,549,364</u>	<u>36,894,267</u>
Cash and cash equivalents at the end of the period	10	<u>25,871,263</u>	<u>54,480,268</u>

These condensed interim financial statements were approved by the Board of Directors on 4/8/2025 and are signed on behalf by:


Abdullah Al Mutairi
CFO


Ali bin Mohamed Al Qahtani
CEO


Tareq bin Khalid Al Angari
BOD Member

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals unless otherwise stated)

1. GENERAL INFORMATION

Tabuk Cement Company (the Company) is a Saudi joint stock company established under the regulations for companies in the Kingdom of Saudi Arabia issued by Royal Decree No, (M/6) dated 30 Jumada Thani 1405H (corresponding to 22 March 1985), The Company is registered in the city of Tabuk under Commercial Registration No, 3550012690 and the unified Number 7001365316 on 25 Safar 1415H (corresponding to 2 August 1994).

The Company's main activity is as follows:

1. Production of ordinary cement (Portland)
2. Production of salt-resistant cement
3. Production of agglomerated cement (clinker)

The Company operates under industrial license No, 42110217153 issued on 21 Safar 1445H (corresponding to 6 September 2023) which expires on 16 Rabi' Al-Thani 1450H (corresponding to 6 September 2028).

As at 30 June 2025, the authorized, subscribed and fully-paid-up share capital 900 million (31 December 2024: SR 900 million) divided into 90 million ordinary shares (31 December 2024: 90 million shares) of SR 10 each (31 December 2024: SR 10). The Company's shares are listed in the Capital Market Authority in the Kingdom of Saudi Arabia.

The registered address of the Company is:

TCC Building
Al-Dhabab area, north of Dhaba City
Beside Dhaba Port, near Duba Sea Port
P.O. Box 122, Tabuk 71451
Kingdom of Saudi Arabia

2. BASIS OF PREPERATION

a) Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting standards "Interim Financial Reporting" (IAS 34) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA). These condensed interim financial statements do not include all the information and disclosure required in the annual financial statements. They should be read with the last annual financial statements of the Company as at 31 December 2024 ("Last Annual Financial Statements"). However, some accounting policies and explanatory notes have been included to explain the events and transactions that are important to understand the changes in the financial position and financial performance of the Company from the financial statements of the previous year.

In addition, the results for the three-month and six-month period ending 30 June 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025. Certain comparative figures have been reclassified to conform with the current presentation of the condensed interim financial statements, and this reclassification has no impact on the profit or equity.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals unless otherwise stated)

2. BASIS OF PREPERATION (continued)

b) Basis of measurement

The condensed interim financial statements have been prepared on the historical cost basis except for the following significant items included in the condensed statement of financial position:

- Employee defined benefit obligations, which are measured at the present value of future obligations using the projected unit credit method using the accrual basis of accounting and the going concern concept,
- Investment in equity instruments is measured at fair value through other comprehensive income.
- The derivative financial instrument is measured at fair value through other comprehensive income.

c) Functional and presentation currency

These condensed interim financial statements are presented in Saudi Arabian Riyals (SR) which is the functional and presentation currency of the Company.

3. USE OF JUDGEMENTS AND ESTIMATES

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

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

4. MATERIAL ACCOUNTING POLICIES

The accounting policies applied in the preparation of condensed interim financial statements are consistent with the accounting policies applied in the preparation of the Company's annual financial statements for the year ended 31 December 2024, except if mentioned otherwise.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals unless otherwise stated)

5. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS

5.1 New Standards, Amendment to Standards and Interpretations;

The following amendments to existing standards and framework have been applied by the Company in preparation of these condensed interim financial statements. The adoption of the following standard did not have a material effect on the company's condensed interim financial statement.

<u><i>Standard / Interpretation</i></u>	<u><i>Description</i></u>	<u><i>Effective date</i></u>
IAS 21	Lack of exchangeability (amendments to IAS 21)	1 January 2025

5.2 Standards issued but not yet effective

The standards, interpretations, and amendments issued, but not yet effective up to the date of issuance of the condensed interim financial statements, are disclosed below. The Company is currently assessing the implications on the Company's condensed interim financial statements on adoption. The Company intends to adopt these standards, where applicable, when they become effective.

<u><i>Standard / Interpretation</i></u>	<u><i>Description</i></u>	<u><i>Effective date</i></u>
IFRS 9 and IFRS 7 IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments Annual Improvements to IFRS Accounting Standards – Amendments to: <ul style="list-style-type: none"> • IFRS 1 First-time Adoption of International Financial Reporting Standards; • IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; • IFRS 9 Financial Instruments; • IFRS 10 Consolidated Financial Statements; and • IAS 7 Statement of Cash flows 	1 January 2026
IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	1 January 2026
IFRS 18	Presentation and disclosure in financial statements	1 January 2027
IFRS 10 and IAS 28	Sale or contribution of assets between investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)	To be determined

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals unless otherwise stated)

6. PROPERTY, PLANT AND EQUIPMENT

Movement in property, plant and equipment is as follows:

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)	31 December 2024 (Audited)
Cost			
Beginning of the period / year	2,403,627,706	2,388,220,115	2,388,220,115
Addition during the period / year	4,266,475	8,831,996	15,889,835
Disposal during the period / year	(2,379,557)	(1,273,994)	(482,244)
Ending of the period / year	<u>2,405,514,624</u>	<u>2,395,778,117</u>	<u>2,403,627,706</u>
Accumulated depreciation			
Beginning of the period / year	1,525,545,497	1,480,249,586	1,480,249,586
Charge during the period / year	21,705,197	23,869,034	45,675,152
Disposals during the period / year	(2,284,295)	(1,270,419)	(379,241)
Ending of the period / year	<u>1,544,966,399</u>	<u>1,502,848,201</u>	<u>1,525,545,497</u>
Net book value at the end of period / year	<u>860,548,225</u>	<u>892,929,916</u>	<u>878,082,209</u>

The buildings are built on land with a 30-year concession from the Ministry of Petroleum and Mineral Resources that expires on 4 September 2027. The lease is renewable for further period of 20-year. The Company is reasonably certain for the extension of the given period.

The useful life of a portion of machinery and equipment has been amended from 25 years to 30 years, effective from 1 January 2024. The change in the depreciation method has been accounted for as a change in accounting estimate, and the remaining book value of that portion of machinery and equipment will be depreciated according to the new depreciation rates. The impact of this amendment amounted to SR 4,163,217 for the financial period ended 30 June 2024 and reduce the depreciation value by the same amount during the financial period ended 30 June 2025. The impact of this on the next five years is as follows:

	<u>2026</u>	<u>2027</u>	<u>Estimated 2028</u>	<u>2029</u>	<u>2030</u>
Decrease in depreciation expenses	8,326,434	8,326,434	8,326,434	8,326,434	8,326,434

7. EQUITY INVESTMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)

The equity investment at fair value through other comprehensive income (FVOCI) represent 2,36% shares in the Industrialization and Energy Services Company -TAQA (Saudi joint stock company), (31 December 2024: 2,36%).

The nature of this Company's business is power generation, and the investment was recorded, based on the Company's business model, at fair value through other comprehensive income, The investment is mortgaged against the loan granted to the Company (Note 11). The Industrialization and Energy Services Company – TAQA has not announced any dividends for the period ended 30 June 2025 (for the year ended 31 December 2024 the company received dividends of SR 5,080,463).

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals unless otherwise stated)

8. DERIVATIVE FINANCIAL INSTRUMENT

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)	31 December 2024 (Audited)
Balance as at beginning period / year	2,700,767	7,179,800	7,179,800
Changes in fair value of cash flow hedges in OCI	(1,394,142)	(1,773,421)	(4,479,033)
Balance as at ending period / year	<u>1,306,625</u>	<u>5,406,379</u>	<u>2,700,767</u>

On 11 November 2021, the Company entered into profit rate SWAP agreements (“Hedging Instrument”) with a local bank for its long-term loan to hedge against changes in SIBOR (“Hedging Item”), The Hedging Instrument and Hedging Item have similar significant terms such as reference rate, reset dates, payment dates, maturity dates and notional amount, and therefore the hedge ratio is 1:1.

This arrangement has been designated as a hedging instrument since inception and is subject to a forward-looking test of hedge effectiveness at each reporting date, as at the reporting date, the hedge effectiveness was assessed as 100% as all significant covenants were met throughout the year. (31 December 2024: As at the reporting date, the hedge effectiveness was assessed as 100% as all significant conditions were met throughout the year).

The details of the agreement are as follows:

Effective date	Due date	Book value as at 30 June 2025	Book value as at 31 December 2024
3 January 2022	12 March 2026	63,470,883	95,206,323

9. INVENTORIES

Inventories comprise the following:

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)	31 December 2024 (Audited)
Production under processing	110,314,713	113,128,813	101,229,705
Spare parts	93,055,632	94,862,317	93,720,391
Raw materials	34,295,285	42,772,601	40,615,123
Finished goods	5,788,274	6,059,992	4,519,154
Goods in transit	6,189,373	6,941,729	4,210,940
	<u>249,643,277</u>	<u>263,765,452</u>	<u>244,295,313</u>
Less: impairment for slow moving inventory items	<u>(1,462,774)</u>	<u>(1,219,435)</u>	<u>(1,241,231)</u>
	<u>248,180,503</u>	<u>262,546,017</u>	<u>243,054,082</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals unless otherwise stated)

9. INVENTORIES (continued)

Impairment for slow moving inventory items as follows:

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)	31 December 2024 (Audited)
Balance as at beginning period / year	1,241,231	1,360,755	1,360,755
Charge during the period / year	221,543	--	115,165
Reversal during the period / year	--	(141,320)	(234,689)
Balance as at ending period / year	<u>1,462,774</u>	<u>1,219,435</u>	<u>1,241,231</u>

10. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

	Note	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)	31 December 2024 (Audited)
Cash at banks on current accounts		25,871,263	13,480,268	49,549,364
Islamic Murabaha	10.1	--	41,000,000	33,000,000
		<u>25,871,263</u>	<u>54,480,268</u>	<u>82,549,364</u>

- 10.1** Islamic Murabaha represents short-term Murabaha held with local commercial banks in Saudi Riyals and their original maturity period does not exceed three months from the date of the original investment. It generates a return according to prevailing short-term deposit rates.

11. LONG-TERM LOAN

The Company has bank loan with a local bank with a total amount of SR 62,977,314 as at 30 June 2025 (31 December 2024: SR 93,977,371). The loan agreement with the bank contains some covenants, which among other things, that the leverage ratio shall not be more than 1:1 and the debt coverage ratio shall not be less than 1:3 based on the annual audited financial statements, and it also requires maintaining some financial ratios and indicators.

A breach of these covenants in the future may lead to renegotiation, The management monitors the covenants Periodically, and in case of the existence of a breach that is expected to occur in the future, the management takes the necessary measures to ensure compliance, The Company has fulfilled these covenants as at 30 June 2025.

The loan is stated in the condensed statement of financial position as follows:

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)	31 December 2024 (Audited)
Current portion under current liabilities	62,977,314	63,470,883	63,470,883
Non-current portion under non-current liabilities	--	61,201,740	30,506,488
	<u>62,977,314</u>	<u>124,672,623</u>	<u>93,977,371</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals unless otherwise stated)

11. LONG-TERM LOAN (continued)

The loan movement during the period / year is as follows:

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)	31 December 2024 (Audited)
Balance at the beginning of the period / year	93,977,371	155,062,068	155,062,068
Effect of financial liability cash flows adjustment	735,385	1,345,997	2,386,187
Payment	(31,735,442)	(31,735,442)	(63,470,884)
	<u>62,977,314</u>	<u>124,672,623</u>	<u>93,977,371</u>

During 2020, the Company's management rescheduled the loan and amended the terms of the contract, The company performed a 10% test of the loan obligation in accordance with the requirements of IFRS, 9 "Financial Instruments", This test resulted in a modification gain of SR 22,758,671, This amount represents the difference between the present value of the loan according to the terms before the amendment and the present value of future cash payments according to the terms of the renegotiated and modified loan amendment, which is discounted at the original effective interest rate of the loan, Since the difference is less than 10%, the modification in the terms is not considered material and is not accounted for as a release of the loan obligation and recognition of a new financial liability. Accordingly, the present value of future cash payments according to the terms of the amendment was recognized using the original effective interest rate of the loan, and the difference was recognized as a modification gain.

On 11 November 2021, the Company entered into profit rate swap agreements ("hedging instrument") with a local bank for its long-term loan to hedge against changes in SIBOR (Note 8).

The loan is secured by an investment in the Industrialization and Energy Services Company, (Note 7), The loan includes financial covenants, The management monitors the fulfillment of commitments on a regular basis, and in the event of a breach expected to occur in the future, the necessary measures are taken to ensure compliance.

12. DIVIDENDS PAYABLE TO SHAREHOLDERS

The movement on dividends payable to shareholders is as follows:

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)	31 December 2024 (Audited)
Balance at 1 January	120,133,922	119,691,529	119,691,529
Dividends distributed during the period / year	22,500,000	22,500,000	45,000,000
Dividend payments during the period / year	(22,710,421)	(117,435)	(44,557,607)
	<u>119,923,501</u>	<u>142,074,094</u>	<u>120,133,922</u>

The Extraordinary General Assembly on 26 March 2025 approved the distribution of cash dividends to shareholders at the rate of SR 0.25 per share, with a total amount of SR 22,500,000 (30 June 2024 ; SR 22,500,000 and 31 December 2024: SR 45,000,000).

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals unless otherwise stated)

13. ZAKAT

a) Charge of the period

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Charged on the period	2,236,770	2,923,928
	2,236,770	2,923,928

b) Provision for zakat

The movement in Zakat payable represented as follows:

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)	31 December 2024 (Audited)
Balance at beginning of the period / year	9,598,456	16,198,234	16,198,234
Add: Charge of the period / year	2,236,770	2,923,928	5,817,932
Less: Payments during the period / year	(9,417,428)	(7,240,997)	(12,417,710)
Balance at end of the period/year	2,417,798	11,881,165	9,598,456

The Company has submitted its Zakat returns to the Zakat, Tax and Customs Authority in the Kingdom of Saudi Arabia for all years up to the financial year ended 31 December 2024, and had Zakat certificate valid till 30 April 2026.

As a result of 2023, final assessment with Zakat, Tax and Customs Authority, the Company has been informed SAR 173,867 of refund which set off with the Company account during year 2024.

The Zakat, Tax and Customs Authority issued Zakat assessments for the years 2019 to 2022, resulting in a total Zakat difference of SAR 13,124,512, which has been fully paid.

14. OTHER INCOME

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Dividends from investments in equity instruments (Note 7)	--	5,080,463
Building and land rental	7,914,504	13,034,504
	7,914,504	18,114,967

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals unless otherwise stated)

15. EARNING PER SHARE

a) Basic earnings per share

The calculation of basic earnings per share has been based the distributable earnings attributable to shareholders of ordinary shares and the weighted average number of ordinary shares outstanding at the date of the financial statements.

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit for the period	14,126,040	29,258,284	27,169,433	47,454,363
Number of shares (weighted average)	90,000,000	90,000,000	90,000,000	90,000,000
Basic earnings per share (SR)	0.16	0.33	0.30	0.53

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 were no diluted shares, accordingly the diluted earnings per share was the same as the basic.

16. CONTINGENT COMMITMENT

Contingent commitment in the letter of guarantees outstanding as of 30 June 2025 amounted to SR 17,936,966 (31 December 2024: SR 9,994,341).

17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Transactions with related parties principally represent transactions with BOD members and key management personnel, The transactions with related parties during the period ended 30 June 2025 and the period ended 30 June 2024 are as follows:

<u>Transactions with</u>	<u>Nature of the transaction</u>	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Key management personnel	Salaries, wages, benefits, and equivalents	1,170,000	1,361,250
	End of service benefits	62,687	61,216
BOD members	Board of directors' remunerations	1,321,506	1,124,664

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals unless otherwise stated)

18. SEGMENT REPORT

A Segment is a distinguishable component of the Company that is engaged either in providing products or services (a business segment) or in providing products or services within a particular economic environment (a geographic segment), which is subject to risks and rewards that are different from those of other segments. The Company's Chief Operating Decision Maker (CODM) the Chief Executive Officer considers for management reporting and decision-making purposes, the activities of the Company are organized into one operating segment. The Company operates in the said reportable operating segment. Accordingly, the figures reported in the financial statements are related to the Company's only reportable segment.

Major Customers

Revenue from eight customers of the Company represented approximately 94% amounting to SR 128.7 million (30 June 2024: 90% amounting to SR 154.8 million) of the Company's total revenue.

19. SUBSEQUENT EVENTS

In The Board of directors of the Company in their meeting held on 4 August 2025, approved the distribution of dividend at SR 0.25 per share, amounting to SR 22.5 million. The financial statements for the period ended 30 June 2025, do not include the effect of these appropriations which will be accounted for in the financial statements for the period ending 30 September 2025. Except for this, there have been no significant subsequent events since the year end up to and including the date of the approval of these financial statements that would require disclosures or adjustments in these financial statements

20. APPROVAL OF INTERIM CONDENSED FINANCIAL STATEMENTS

The condensed interim financial statements were authorized for issue by the Board of Directors on 4 August 2025, corresponding to 10 Safar 1447H.