SOUTHERN PROVINCE CEMENT COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED
FINANCIAL STATEMENTS (UNAUDITED)
For the three-month and six-month
periods ended 30 June 2026
AND
INDEPENDENT AUDITOR'S REVIEW REPORT

الدكتور محمد العمري وشركاه
Dr. Mohamed Al-Amri & Co.

Head office: Moon Tower - 8 Floor
P.O. Box 8736, Riyadh 11492
Unified Number : 92 002 4254
Fax : +966 11 278 2883

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 June 2026, and the interim condensed statements of profit or loss and other comprehensive income for the three-month and six-month periods then ended and the interim condensed statement of changes in shareholders equity and cash flows for the six-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 these 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 are not prepared, in all material respects, in accordance with International Accounting Standard (34) that is endorsed in the Kingdom of Saudi Arabia.

For BDO Dr. Mohamed Al-Amri & Co.

Maher Al-Khatieb
Certified Public Accountant
License No. 514

Date: *17/08/*2026(G)
Corresponding to: 04/03/1448(H)

SOUTHERN PROVINCE CEMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 June 2026
(ALL AMOUNTS ARE EXPRESSED IN ⃁)

	Note	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Assets			
Non-current assets			
Property plant and equipment	7	3,578,196,130	3,563,082,488
Intangible assets		950,621	1,040,061
Total non-current assets		**3,579,146,751**	**3,564,122,549**
Current assets			
Inventories	8	967,689,284	918,795,785
Trade receivables		157,659,175	151,877,701
Prepayments and other current assets	9	26,170,055	23,396,950
Cash and cash equivalents	10	163,410,274	100,926,261
Total current assets		**1,314,928,788**	**1,194,996,697**
Total assets		**4,894,075,539**	**4,759,119,246**
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital	1	1,400,000,000	1,400,000,000
Statutory reserve	1	700,000,000	700,000,000
Retained earnings		950,911,074	965,768,196
Total shareholders' equity		**3,050,911,074**	**3,065,768,196**
Liabilities			
Non-current liabilities			
Bank facilities	11	1,291,349,635	1,168,603,934
Employees' defined benefits obligations		90,289,104	89,209,000
Quarry rehabilitation provision		3,958,648	3,958,648
Total Non-current liabilities		**1,385,597,387**	**1,261,771,582**
Current liabilities			
Bank facilities	11	151,782,033	95,303,545
Accrued expenses and other current liabilities		88,590,779	84,004,297
Trade payables		82,108,975	72,048,437
Dividend payables	12	124,017,601	159,430,142
Zakat provision	13	11,067,690	20,793,047
Total Current liabilities		**457,567,078**	**431,579,468**
Total liabilities		**1,843,164,465**	**1,693,351,050**
Total shareholders' equity and liabilities		**4,894,075,539**	**4,759,119,246**

Acting Executive Vice President of Finance | Chief Executive Officer | Chairman

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

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 SIX-MONTH PERIODS ENDED 30 JUNE 2026
(ALL AMOUNTS ARE EXPRESSED IN ⃁)

		For the three-month period ended 30 June		For the six-month period ended 30 June	
	Note	**2026**	**2025**	**2026**	**2025**
		(Unaudited)	**(Unaudited) (Restated - Note 17)**	**(Unaudited)**	**(Unaudited) (Restated - Note 17)**
Revenue	6	200,562,505	195,004,257	403,260,929	414,560,831
Cost of revenue		(148,777,619)	(163,662,573)	(328,553,001)	(343,309,026)
Gross profit		**51,784,886**	31,341,684	**74,707,928**	71,251,805
Selling and distribution expenses		(4,299,034)	(1,490,699)	(8,913,596)	(3,798,165)
General and administrative expenses		(15,193,681)	(17,602,231)	(30,074,183)	(30,996,480)
Operating profit		**32,292,171**	**12,248,754**	35,720,149	36,457,160
Finance income		471,286	1,130,075	653,286	2,514,732
Finance costs		(2,762,364)	(3,920,562)	(5,677,765)	(7,204,511)
Other income		209,440	(202,674)	465,563	384,849
Profit before zakat		30,210,533	9,255,593	31,161,233	32,152,230
Zakat	13	(5,998,103)	(6,525,405)	(11,018,355)	(13,274,142)
Profit for the period		24,212,430	2,730,188	20,142,878	18,878,088
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		24,212,430	2,730,188	20,142,878	18,878,088
Earnings per share					
Basic and diluted earnings per share	14	0.17	0.02	0.14	0.13

Acting Executive Vice President of Finance

Chief Executive Officer

Chairman

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

SOUTHERN PROVINCE CEMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026
(ALL AMOUNTS ARE EXPRESSED IN ⃁)

	Note	Share capital	Statutory reserve	Retained earnings	Total
Balance as at 1 January 2025 (Audited)		1,400,000,000	700,000,000	1,271,468,777	3,371,468,777
Prior years' adjustments (Restated -Note 17)		-	-	(129,718,999)	(129,718,999)
		1,400,000,000	700,000,000	1,141,749,778	3,241,749,778
Profit for the period (Restated -Note 17)		-	-	18,878,088	18,878,088
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	-	**18,878,088**	**18,878,088**
Dividends		-	-	(98,000,000)	(98,000,000)
Balance as at 30 June 2025 (Restated - **Unaudited)**		1,400,000,000	700,000,000	1,062,627,866	3,162,627,866
Balance as at 1 January 2026 (Audited)		**1,400,000,000**	**700,000,000**	**965,768,196**	**3,065,768,196**
Profit for the period		-	-	**20,142,878**	**20,142,878**
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	-	**20,142,878**	**20,142,878**
Dividends		-	-	**(35,000,000)**	**(35,000,000)**
Balance as at 30 June 2026 (Unaudited)		**1,400,000,000**	**700,000,000**	**950,911,074**	**3,050,911,074**

Acting **Executive Vice President of Finance**

Chief Executive Officer

Chairman

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

SOUTHERN PROVINCE CEMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026
(ALL AMOUNTS ARE EXPRESSED IN ⃁)

	Note	For the six-month period ended 30 JUNE 2026 (Unaudited)	2025 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before Zakat		31,161,233	32,152,230
Adjustments for:			
Depreciation on property, plant and equipment	7	90,816,989	98,550,771
Amortization of intangible assets		89,440	57,447
Loss / (Gain) from disposal of property, plant and equipment		6,855	(122,853)
Inventory write-down loss		366,807	-
Expected credit losses on trade receivables		-	118,143
Finance cost		5,677,765	7,204,511
Finance income		(653,286)	(2,514,732)
Provision for employees' defined benefit obligations		4,278,958	4,771,451
		131,744,761	140,216,968
Change in working capital:			
Trade receivables		(5,781,474)	(20,292,178)
Inventories		(49,260,306)	(72,948,085)
Prepayments and other current assets		(2,773,105)	4,121,860
Trade payables		10,060,538	11,256,528
Accrued expenses and other current liabilities		4,586,482	(9,534,705)
Cash generated from operating activities		88,576,896	52,820,388
Employees' defined benefit obligations paid		(3,198,854)	(13,333,159)
Interest paid		(37,299,086)	(26,323,809)
Zakat paid		(20,743,712)	(19,975,132)
Net cash generated from / (Used in) operating activities		27,335,244	(6,811,712)
CASH FLOW FROM INVESTING ACTIVITIES			
Additions of property, plant and equipment	7	(75,241,464)	(467,475,042)
Finance income received		653,286	2,514,732
Proceeds from disposal of property, plant and equipment		-	389,450
Net cash used in investing activities		(74,588,178)	(464,570,860)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from bank facilities	11	194,736,801	452,048,090
Repayments of bank facilities	11	(14,587,313)	-
Dividends paid	12	(70,412,541)	(2,562,154)
Net cash generated from financing activities		109,736,947	449,485,936
Net change in cash and cash equivalents		62,484,013	(21,896,636)
Cash and cash equivalents at beginning of the period		100,926,261	186,413,978
Cash and cash equivalents at the end of the period	10	163,410,274	164,517,342
Non-cash transactions			
Transfer from projects in progress to property, plant and equipment		3,947,908	6,394,519

Acting Executive Vice President of Finance

Chief Executive Officer

Chairman

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

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 corresponding to 22 January 1978 with **unified number 7000027198.** 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 June 2026, the Company authorized, subscribed and fully paid-up capital amounted to ⃁ 1.4 billion (2025: ⃁1.4 billion) divided into 140 million ordinary shares (2025: 140 million ordinary shares) of ⃁ 10 each (2025: ⃁ 10).

In accordance with the Company's Articles of Association, the Ordinary General Assembly may, based on a proposal by the Board of Directors, decide to form reserves to the extent that serves the Company's interest or ensures, as far as possible, the distribution of consistent dividends 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 Region, Ahad Al Masarihah city.
2. Aseer Region, Bisha.
3. Mecca Region, Al Qunfudhah - Thaloth Emara.

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

Factory	Industrial license No.	Industrial license expiry date
Ahad Al Masarihah - Jazan area	1397100191146	24 Shawal 1450H, corresponding to 10 March 2029G
Bisha - Aseer area	441110123631	24 Rajab 1449H, corresponding to 23 December 2027G
Tehama - Makkah area	142410018392	6 Rabea Al Awal 1451 H, corresponding to 18 July 2029 G.

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 2025. 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 June 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

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 (⃁) 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 to estimate carrying values 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 2025.

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 18	Presentation and Disclosures in Financial Statements	1 January 2027
IFRS 19	Disclosures – Subsidiaries without Public Accountability	1 January 2027

The Company does not expect any material impact on the implementation of these standard, interpretation and amendments except for the implementation of IFRS 18 as mentioned below.

5-1 IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 "Presentation and Disclosure in Financial Statements" will supersede IAS 1 "Presentation of Financial Statements" and is effective for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The Company has not early adopted IFRS 18 in preparing these condensed interim financial statements.

The most significant expected effects of IFRS 18, including the consequential amendments to other IFRS Accounting Standards, are set out below.

Classification of income and expenses in the statement of profit or loss

IFRS 18 requires all income and expenses to be classified into one of five categories: operating, investing, financing, income taxes/zakat and discontinued operations. The Standard also requires the presentation of two new mandatory subtotals: "operating profit or loss" and "profit or loss before financing and income taxes/zakat".

Income and expenses are generally classified based on the characteristics of the income or expense and the type of asset or liability to which they relate. Certain exceptions apply to entities whose specified main business activities include investing in assets or providing financing to customers.

IFRS 18 does not change the recognition or measurement requirements for items in the financial statements. Accordingly, its application is not expected to have an impact on the Company's net profit or loss, earnings per share, financial position or equity.

Based on the preliminary assessment performed by management, the expected impacts of the initial application of IFRS 18 on the Company's financial statements are as follows:

Totals and subtotals presented in the statement of profit or loss

The Company's principal business activity is the manufacture and production of cement and its derivatives and related products, and the trading of such products. Accordingly, the Company has preliminarily determined that investing in assets and providing financing to customers do not represent specified main business activities of the Company.

5. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS (CONTINUED)

New standards, interpretations, and amendments not yet effective (Continued)
5-1 IFRS 18 “Presentation and Disclosure in Financial Statements” (Continued)

The statement of profit or loss will be structured into operating, investing and financing categories, in addition to the income taxes/zakat and discontinued operations categories where applicable, and the mandatory subtotals required by IFRS 18 will be presented.
Based on the Company’s current assessment:

- Revenue, cost of revenue, selling and distribution expenses, and general and administrative expenses arising from the Company’s principal cement operations are expected to continue to be classified within the operating category.
- Finance income arising from cash, cash equivalents and short-term deposits is expected to be classified within the investing category.
- Finance costs arising from borrowings and banking facilities are expected to be classified within the financing category.
- Other income will be assessed based on the nature and characteristics of the underlying transactions and classified in accordance with the requirements of IFRS 18.
- The Company will present the mandatory subtotal “profit or loss before financing and income taxes/zakat”.

The Company currently presents operating profit separately from finance income and finance costs in its statement of profit or loss. Accordingly, based on the preliminary assessment, no material changes to the classification of the Company’s principal operating income and expenses are currently expected, although the presentation and classification of individual items will be reassessed as the Company progresses with its implementation of IFRS 18.
These changes in classification and presentation will not, in themselves, affect the Company’s net profit or loss for the period.

Principles of aggregation and disaggregation
IFRS 18 introduces enhanced principles governing how assets, liabilities, equity, income, expenses and cash flows are aggregated and disaggregated in the primary financial statements and the related notes.

The Company is reviewing the level of aggregation and disaggregation of line items currently presented in its primary financial statements and related notes, including items presented under general descriptions such as “other”, to determine whether additional disaggregation or more informative descriptions will be required under IFRS 18.

As the Company presents operating expenses primarily by function, including cost of revenue, selling and distribution expenses and general and administrative expenses, the Company is also assessing the additional requirements to disclose specified expenses by nature in a single note to the financial statements, where applicable.

Management-defined performance measures
IFRS 18 requires entities to disclose information about management-defined performance measures (“MPMs”). MPMs are subtotals of income and expenses that an entity uses in public communications outside the financial statements to communicate management’s view of an aspect of the financial performance of the entity as a whole and which are not otherwise specified by IFRS Accounting Standards.

The Company is assessing the subtotals of income and expenses used in its public communications outside the financial statements to determine whether any such measures meet the definition of MPMs under IFRS 18.

Where an MPM is identified, the Company will be required to disclose the relevant information in a single note to the financial statements, including a reconciliation of the MPM to the most directly comparable total or subtotal specified by IFRS Accounting Standards.

5. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS (CONTINUED)

New standards, interpretations, and amendments not yet effective (Continued)

5-1 IFRS 18 “Presentation and Disclosure in Financial Statements” (Continued)

Consequential amendments to IAS 7 “Statement of Cash Flows”
IFRS 18 introduces consequential amendments to IAS 7 “Statement of Cash Flows”.
For entities using the indirect method to prepare the statement of cash flows, the starting point for reporting cash flows from operating activities will generally be “operating profit or loss”. The Company currently uses “profit before zakat” as the starting point for its statement of cash flows.

IFRS 18 also removes certain classification alternatives relating to interest and dividend cash flows.

The Company currently classifies interest paid within operating activities, finance income received within investing activities and dividends paid within financing activities.

Upon application of IFRS 18 and the consequential amendments to IAS 7:
- interest paid will be classified within financing activities;
- finance income received from cash, cash equivalents and deposits will continue to be classified within investing activities; and
- dividends paid will continue to be classified within financing activities.

These changes will affect the classification of cash flows between operating, investing and financing activities but will have no impact on the net increase or decrease in cash and cash equivalents.

Consequential amendments to IAS 33 “Earnings per Share”
IFRS 18 also introduces consequential amendments to IAS 33 “Earnings per Share”.
Under the amended requirements, an entity may present additional earnings per share amounts only when the numerator used in calculating such amounts is either:
- a total or subtotal specified by IFRS 18; or
- a management-defined performance measure.

Additional disclosure requirements will apply where an entity presents additional per-share measures, particularly where an MPM is used as the numerator.
The Company currently presents basic and diluted earnings or loss per share and does not currently present additional earnings per share measures. Accordingly, based on the preliminary assessment, the Company does not expect the consequential amendments to IAS 33 to have a material impact unless additional earnings per share measures are presented in the future.

Ongoing assessment
The above assessment is preliminary and the actual impact of applying IFRS 18 may change as the Company progresses with its implementation plan and completes its detailed assessment of the requirements of the Standard.

The Company will continue to assess the impact of IFRS 18, including the necessary changes to its accounting policies, financial reporting processes, systems and internal controls, and will update its assessment in future financial statements as appropriate.

In addition, the Company is in the process of engaging an independent advisor to review the assessment being prepared by management and provide its professional opinion thereon.

6. SEGMENT INFORMATION

The Company has one principal product, which is bagged and bulk cement. The Company's operating segments are presented based on geographical areas, as the Company's operations are organized and managed according to their geographical locations, with each location representing a separate operating unit. These geographical segments are determined based on the manner in which management monitors the Company's operations, evaluates performance, and allocates resources. The Company conducts its operations within the Kingdom of Saudi Arabia through the following geographical regions:

For the six months period ended 30 June 2026 (Unaudited)	**Jazan**	**Bisha**	**Tehama**	**Unallocated**	**Total**
Revenue from selling cement	118,299,367	112,018,112	126,563,075	-	356,880,554
Revenue from selling clinker	34,481,025	-	11,899,350	-	46,380,375
Total revenues	152,780,392	112,018,112	138,462,425	-	403,260,929
Depreciation and amortization	9,407,367	30,244,568	50,767,213	487,281	90,906,429
Finance income	-	-	-	653,286	653,286
Finance cost	-	-	-	(5,677,765)	(5,677,765)
Profit / (loss) before Zakat	18,685,941	20,463,136	26,208,969	(34,196,813)	31,161,233
Zakat expense	-	-	-	(11,018,355)	(11,018,355)
Profit / (loss) for the period	18,685,941	20,463,136	26,208,969	(45,215,168)	20,142,878
As of 30 June 2026,					
Total assets	1,628,605,663	1,304,478,997	1,785,494,130	175,496,749	4,894,075,539
Total liabilities	1,270,708,843	335,701,746	81,639,461	155,114,415	1,843,164,465

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

6. SEGMENT INFORMATION (CONTINUED)

For the six-month period ended 30 June 2025 (Unaudited) (Restated -Note 17)	Jazan	Bisha	Tehama	Unallocated	Total
Revenue from selling cement	146,074,019	136,326,000	120,961,437	-	403,361,456
Revenue from selling clinker	11,199,375	-	-	-	11,199,375
Total revenues	157,273,394	136,326,000	120,961,437	-	414,560,831
Depreciation and amortization	16,772,383	29,866,720	51,419,842	549,273	98,608,218
Finance income	-	-	-	2,514,732	2,514,732
Finance cost	-	-	-	(7,204,511)	(7,204,511)
Profit / (loss) before Zakat	17,254,299	27,637,202	23,065,130	(35,804,401)	32,152,230
Zakat expense	-	-	-	(13,274,142)	(13,274,142)
Profit / (loss) for the period (Restated)	17,254,299	27,637,202	23,065,130	(49,078,543)	18,878,088
As of 31 December 2025,					
Total assets	1,513,464,662	1,315,001,126	1,817,206,577	113,446,881	4,759,119,246
Total liabilities	1,125,416,638	327,654,546	94,571,961	145,707,905	1,693,351,050

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

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 Six-month period is as follows:

	30 June 2026 (Unaudited)	**30 June 2025 (Unaudited)**
Depreciation during the period	90,816,989	98,550,771
Additions during the period	3,873,318	6,560,790
Additions during the period- Capital work in progress	102,064,148	487,618,209
Loss / (gain) of disposals during the period	6,855	(122,853)

7.2 Company's property, plant and equipment are not pledged against standing loans as at 30 June 2026 and 31 December 2025.

7.3 Borrowing costs capitalized during the first half of 2026 amounted to SAR 30,696,002 (2025: SAR 26,199,957) on the project under construction (Jazan Plant). Accordingly, the total borrowing costs capitalized on the project amounted to SAR 154,108,410 as at 30 June 2026.

8. INVENTORIES

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Production under processing	732,447,075	692,138,668
Spare parts	245,930,402	243,820,510
Raw materials, packing materials and others	89,022,817	82,180,810
	1,067,400,294	1,018,139,988
Less: provision for inventory items	(99,711,010)	(99,344,203)
	967,689,284	918,795,785

Movement in provision for inventory items is as follows:

	For the six-month period ended 30 June 2026 (Unaudited)	For the year ended 31 December 2025 (Audited)
Balance at the beginning of the period/year	99,344,203	93,510,993
Provided during the period/year	366,807	5,833,210
	99,711,010	**99,344,203**

9. PREPAYMENTS AND OTHER CURRENT ASSETS

	30 June 2026 (Unaudited)	**31 December 2025 (Audited)**
Payments to suppliers	17,987,091	15,962,189
Prepaid expenses	5,895,036	5,233,857
Other receivables balances	2,287,928	2,200,904
	26,170,055	**23,396,950**

10. CASH AND CASH EQUIVALENTS

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Cash at banks	63,393,408	100,889,395
Cash in hand	16,866	36,866
	63,410,274	**100,926,261**
Islamic deposits (Refer to 10.1)	100,000,000	-
	163,410,274	**100,926,261**

10.1 The investment in Islamic deposits represents time deposits placed with commercial banks with maturities of three months or less from the original investment date, on which commissions are earned based on prevailing short-term Islamic Murabaha rates.

11. BANK FACILITIES

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Current portion under current liabilities	151,782,033	95,303,545
Non-current portion under non-current liabilities	1,291,349,635	1,168,603,934
	1,443,131,668	**1,263,907,479**

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

	For the six-months period ended 30 June 2026 (Unaudited)	For the year ended 31 December 2025 (Audited)
Balance at the beginning of the period/year	1,263,907,479	657,122,945
Proceed received during the period/year	194,736,801	624,251,341
Profit from Loan Rescheduling	-	(10,327,752)
Amortization of loan rescheduling losses	(404,100)	(1,564,971)
Paid during the period/year	(14,587,313)	(7,293,656)
Interest	36,777,887	65,588,911
Interest paid	(37,299,086)	(63,869,339)
Balance at the end of the period / year	**1,443,131,668**	**1,263,907,479**

The total facilities amounted to SAR 1.63 billion as at 30 June 2026 (31 December 2025: SAR 1.63 billion), while the utilized balance of the facilities amounted to SAR 1,44 billion as at 30 June 2026 (31 December 2025: SAR 1,27 billion). The facilities are repayable in variable quarterly instalments commencing on 6 October 2025 through the end of 2033. These facilities are secured by a promissory note. On 8 June 2023, the Company renewed the facilities agreement and restructured the banking facilities with one of the local banks, which resulted in losses from loan restructuring amounting to SAR 7.6 million. During the year 2025, the Company restructured one of its credit facilities, whereby the repayment terms were amended so that the instalment payments commence from 6 October 2026 until the end of 2033, instead of the previous repayment schedule, resulting in gains from loan restructuring amounting to SAR 9.8 million.The company has complied with all covenants and contractual terms as stipulated in the loan agreements during the period.

All bank facilities obtained by the Company are compliant with Islamic Sharia principles.

12. DIVIDEND PAYABLES

	For the six-months period ended 30 June 2026 (Unaudited)	**For the year ended 31 December 2025 (Audited)**
Balance at 1 January	159,430,142	128,738,188
Dividends declared during the period/year	35,000,000	133,000,000
Dividend payments during the period/year	(70,412,541)	(102,308,046)
	124,017,601	**159,430,142**

- The Board of Directors, at its meeting held on 30 March 2026 (corresponding to 11 Shawwal 1447H), recommended the distribution of cash dividends amounting to SAR 35 million for the second half of the financial year 2025, representing SAR 0.25 per share. The shareholders approved this recommendation at the General Assembly meeting held on 15 June 2026 (corresponding to 29 Dhu Al-Hijjah 1447H).

- The Board of Directors, in its meeting held on 26 Ramadan 1446H, corresponding to 26 March 2025, resolved to distribute cash dividends amounting to SAR 98 million for the second half of the financial year 2024, at SAR 0.70 per share. These dividends were approved by the Company's General Assembly at its meeting held on 22 Dhu Al-Hijjah 1446H, corresponding to 18 June 2025.

- The Board of Directors, in its meeting held on 9 Rajab 1447H, corresponding to 29 December 2025, resolved to distribute cash dividends amounting to SAR 35 million for the first half of the financial year 2025, at SAR 0.25 per share.

13. ZAKAT

	For the six-month period ended 30 June 2026 (Unaudited)	For the year ended 31 December 2025 (Audited)
Balance as at the beginning of the period/year	20,793,047	27,265,331
Provision for the period /year	11,018,355	20,793,047
Provision no longer required	-	(7,290,199)
Paid during the period /year	(20,743,712)	(19,975,132)
Balance as at the end of the period /year	11,067,690	20,793,047

Zakat and tax status

The Company submitted its Zakat return for the financial year ended 31 December 2025 and obtained a certificate valid until 30 April 2027.

14. 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.

14. EARNINGS PER SHARE (CONTINUED)

	For the three-month period ended (Unaudited)		For the six-month period ended (Unaudited)	
	30 June 2026	30 June 2025 (Restated - Note 17)	**30 June 2026**	30 June 2025 (Restated - Note 17)
Profit for the period (⃁)	**24,212,430**	**2,730,188**	20,142,878	18,878,088
Weighted average number of shares	**140,000,000**	**140,000,000**	**140,000,000**	**140,000,000**
Basic earnings per share (⃁)	0.17	0.02	0,14	0,13

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.

15. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties include the Company's shareholders, entities under common ownership or control, key management personnel of the Company. Pricing policies and terms of these transactions are approved by the Company's management. All outstanding balances with these related parties are priced on mutually agreed terms. The major shareholder of the Company is Public Investment Fund (PIF). The Government of Kingdom of Saudi Arabia controls PIF, and the Company is an associate of the PIF due to its shareholding ownership of 37.4%. As a result, the Government of Saudi Arabia, semi-Government and other entities with Government ownership or control, including, but not limited to ministries, regulatory bodies and authorities are related parties of the Company. In accordance with the exemption in IAS 24, the management has adopted a partial exemption for disclosure of transactions and balances for government-related entities as required under IAS 24.

Significant related party transactions with major shareholder, entities under common ownership or control and other related parties for the year and balance arising there from are described as under:

Entity Name	Nature of transaction	For the three month period ended		For the six month period ended	
		30 June 2026	30 June 2025	**30 June 2026**	30 June 2025
Government entity	Purchases	83,543,395	65,907,010	129,297,264	99,140,358
Government entity	Services	228,423	262,178	559,172	623,280
Government entity	Loan and facility	150,087,963	201,955,499	194,736,801	452,370,446
Government entity	Bank charges	56,494	31,935	101,312	60,043
Government entity	Finance cost	21,567,081	17,833,470	36,862,688	27,766,396

15. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

	Closing balance	
	30 June 2026	**31 December 2025**
Cash and cash equivalents	-	19,294,867
Trade payables	(31,991,758)	(15,829,449)
Loans and facilities	(1,443,131,668)	(1,263,907,479)
	(1,475,123,426)	**(1,260,442,061)**

The salaries, wages and related costs benefits during the six-month period ended 30 June include the following:

Transactions with	**Nature of relationship**	**Nature of transaction**	For the three month period ended		For the six month period ended	
			2026	2025	2026	2025
Key management personnel	Employees	Short-term and long-term employee benefits	3,628,985	3,214,709	6,604,333	7,089,272
BOD members	Board of Directors	Board of directors' remunerations and allowances	135,046	1,350,000	3,070,000	2,700,000

16. CONTINGENCIES AND CAPITAL COMMITMENTS

a) Contingent liabilities in respect of bank guarantees issued amounted to SAR 80.2 million as at 30 June 2026 (31 December 2025: SAR 80.4 million).

b) Capital commitments relating to projects under construction amounted to SAR 160.7 million as at 30 June 2026 (31 December 2025: SAR 104.4 million).

c) There are legal cases filed against the Company that are still pending before the courts. Based on the assessment of the Company's management and legal counsel, no financial obligation is expected to arise from these cases. Accordingly, no provision has been recognized in respect thereof.

17. PRIOR YEARS ADJUSTMENTS

During the year 2025, management reassessed the accounting treatments of certain transactions and balances reported in the financial statements for prior periods, with the objective of verifying whether such transactions and balances were recognized, measured, and presented in compliance with the International Financial Reporting Standards as adopted in the Kingdom of Saudi Arabia.

As a result of this assessment, certain errors relating to prior periods were identified, and management corrected them and appropriately reflected their accounting impact during the fourth quarter of 2025. Accordingly, the impact of these adjustments on the statement of profit or loss for the financial period ended 30 June 2025 has been determined as follows:

1- Borrowing Costs

During the year 2025, management reassessed the accounting treatment of borrowing costs related to projects under construction and identified arising differences from the capitalization of certain borrowing costs that did not meet the capitalization criteria in accordance with the requirements of International Financial Reporting Standards, as such costs should have been recognized as finance costs in the statement of profit or loss rather than being capitalized as part of projects under construction.

17. PRIOR YEARS ADJUSTMENTS (CONTINUED)

1- Borrowing Costs (Continued)

Management analyzed these differences and determined the periods to which they relate, and appropriately recognized the accounting impact in the relevant years. Accordingly, it was determined that the share of the statement of profit or loss for the financial period ended 30 June 2025 resulting from these adjustments amounted to SAR 7 million.

2- Strategic spare parts inventory:

During the year 2025, management conducted a study of the strategic spare parts inventory. Based on the results of this study, it was determined that certain spare parts meet the recognition criteria as property, plant and equipment in accordance with the requirements of International Accounting Standard (IAS) 16, as they are expected to be used for more than one financial period.

Accordingly, the Company reclassified an amount of SAR 14 million from inventory to property, plant and equipment, and calculated the related depreciation for the relevant prior periods. As a result, it was determined that the statement of profit or loss for the financial period ended 30 June 2025 should be adjusted by an amount of SAR 494 thousand.

3- Accruals related to the Ministry of Industry and Mineral Resources:

During the year 2025, the Company received an email from representatives of the Ministry of Industry and Mineral Resources indicating the existence of differences between the clinker quantities reported in the Board of Directors' report and the quantities disclosed in the mining declaration.

It was determined that these differences arose from the failure to calculate the financial consideration for the exploitation license in accordance with the methodology required under the Mining Investment Law and its Executive Regulations since 2023. Accordingly, management prepared a study to estimate the payables related to prior periods from the date of application of the new methodology for calculating the exploitation consideration.
As a result of this study, it was determined that the statement of profit or loss for the financial period ended 30 June 2025 should be adjusted by an amount of SAR 5.8 million.

4- Limestone inventory count:

In prior years up to the year ended 31 December 2025, the Company did not adequately verify the existence of limestone inventory. Upon completion of the physical inventory count and reconciliation of the results with the accounting records, differences were identified between the actual quantities and the quantities recorded in the books.

Management analyzed these differences and determined the periods to which they relate, and appropriately recognized the accounting impact in the relevant periods. Accordingly, it was determined that the statement of profit or loss for the financial period ended 30 June 2025 should be adjusted by an amount of SAR 4.4 million.

17. PRIOR YEARS ADJUSTMENTS (CONTINUED)

5- Depreciation rate of additions related to the suspended production line at Jazan plant:

During the year 2023, the Company's management decided to suspend the old production line at the Jazan plant effective from the end of 2025. Based on this decision, the useful lives of the assets related to this line should have been revised to reflect the expected suspension date.

However, during 2025, it was identified that the Company continued to calculate depreciation on certain capital additions made after the suspension decision using the previous depreciation rates, instead of applying the revised rates that reflect the remaining useful life up to the expected suspension date.

As a result, a difference in depreciation expense amounting to SAR 5.4 million was identified for the financial period ended 30 June 2025, and the related accounting impact has been appropriately adjusted.

Impact on interim condensed Statement of Profit or Loss and Other Comprehensive Income for the six-month ended 30 June 2025:

Description	2025 As issued	Adjustments	2025 Adjusted
Cost of revenue	(327,162,307)	(16,146,719)	(343,309,026)
Finance Cost	(131,101)	(7,073,410)	(7,204,511)
Net profit	42,098,217	(23,220,129)	18,878,088

18. SUBSEQUENT EVENTS

The Gulf region has witnessed escalating geopolitical tensions, resulting in a notable increase in global oil prices, volatility in regional and global financial markets, as well as disruptions to transportation, shipping and supply chains across the region.

The geopolitical situation remains volatile and uncertain, and these developments may potentially affect the Company's operations, supply chains or operating costs in future periods. Management continues to monitor these developments and take appropriate actions as necessary.

No significant subsequent events have occurred between the end of the period on 30 June 2026 and the date of authorization of these financial statements that could have a material effect on the Company's financial position or financial performance.

19. APPROVAL OF FINANCIAL STATEMENTS

These interim condensed financial statements were approved for issue on 10 August 2026 corresponding to 27 Safar 1448H.