



QASSIM CEMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH AND SIX-MONTH
PERIODS ENDED JUNE 30, 2025
WITH INDEPENDENT AUDITOR'S REVIEW
REPORT

QASSIM CEMENT COMPANY
(A Saudi Joint Stock Company)

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2025 WITH
INDEPENDENT AUDITOR'S REVIEW REPORT**

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**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**To the Shareholders of
Qassim Cement Company**
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Qassim Cement Company "Saudi Joint Stock Company" ("the Company"), and its Subsidiary (together "the Group") as of June 30, 2025 and the related interim condensed consolidated statements of profit or loss and other comprehensive income for the three-month and six-month periods then ended, and the interim condensed consolidated statements of changes in 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 consolidated financial statements in accordance with International Accounting Standard 34 – ("IAS 34") "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", that is endorsed in the Kingdom of Saudi Arabia. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Other Matter

The consolidated financial statements of the Group for the year ended December 31, 2024, were audited by another auditor who expressed an unmodified opinion on those statements on March 26, 2025. The interim condensed consolidated financial statements of the Group for the three-month and six-month periods ended June 30, 2024, were reviewed by the same auditor who expressed an unmodified conclusion on those financial statements on August 14, 2024. As part of our review of the interim condensed consolidated financial statements for the three-month and six-month periods ended June 30, 2025, we also reviewed the adjustments described in Note 16 that were applied to amend the 2024 consolidated financial statements. In our conclusion, nothing has come to our attention that causes us to believe that such adjustments are not appropriate and have not been properly applied. We were not engaged to audit, review, or apply any procedures to the 2024 consolidated financial statements of the Group other than with respect to the adjustments and, accordingly, we do not express an opinion or conclusion or any other form of assurance on the 2024 consolidated financial statements taken as a whole.

For Dr. Mohamed Al-Amri & Co.




Ahmed Al Jumah
Certified Public Accountant
Registration No. 621

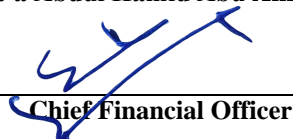
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INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025
(Saudi Riyals “ﷲ”)

	Note	June 30, 2025 (Unaudited)	December 31, 2024 (Restated note 16)
ASSETS			
Non-current assets			
Property, plant and equipment	6	1,278,145,144	1,317,014,007
Intangible assets		90,714,048	96,510,331
Goodwill	15	25,378,018	25,378,018
Investment properties		9,516,450	9,516,450
Financial investments at FVTPL	7	27,646,241	27,668,322
Financial investments at amortized cost	9	100,000,000	100,000,000
Right-of-use assets		2,096,324	2,321,654
Total non-current assets		1,533,496,225	1,578,408,782
Current assets			
Inventory	8	767,293,092	760,273,191
Financial investments at amortized cost	9	45,317,588	180,000,000
Financial investments at FVTPL	7	317,337,501	326,081,100
Trade receivables		154,737,974	140,600,834
Prepaid expenses and other receivables		40,197,979	24,919,324
Cash and cash equivalents		188,109,759	106,802,357
Total Current Assets		1,512,993,893	1,538,676,806
Total assets		3,046,490,118	3,117,085,588
EQUITY AND LIABILITIES			
Equity attributable to the Shareholders of the Company			
Share capital	1	1,105,590,000	1,105,590,000
Additional share capital	15	997,111,500	997,111,500
Statutory reserve		270,000,000	270,000,000
Cumulative changes in the items of other comprehensive income		116,709	116,709
Retained earnings		399,009,189	424,945,654
Treasury shares		(47,617,914)	(47,617,914)
Total equity		2,724,209,484	2,750,145,949
Liabilities			
Non-current liabilities			
Provision for rehabilitation of areas subject to franchise license		22,147,115	21,622,722
Employees' benefits obligations		65,374,092	63,112,762
Long-term lease liabilities		2,232,462	2,232,462
Total Non-current liabilities		89,753,669	86,967,946
Current liabilities			
Trade and other payables		154,764,611	190,946,167
Dividends' payable		54,762,694	53,947,760
Zakat Provision		22,062,610	33,847,827
Other Provision		817,314	817,314
Short-term lease liabilities		119,736	412,625
Total current liabilities		232,526,965	279,971,693
Total liabilities		322,280,634	366,939,639
Total equity and liabilities		3,046,490,118	3,117,085,588

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

Ala'a Abdul Hamid Abu Amereeh



Chief Financial Officer

Eng. Omar Bin Abdullah Al Omar



Chief Executive Officer - Board Member

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2025**

(Saudi Riyals “ﷲ”)

	Note	For the three-month period ended		For the six-month period ended	
		June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited) (Restated note 16)	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited) (Restated note 16)
Sales		293,469,724	203,300,720	596,153,628	399,717,733
Cost of sales		(220,645,637)	(125,252,183)	(432,858,388)	(238,886,889)
Gross profit		72,824,087	78,048,537	163,295,240	160,830,844
Selling and marketing expenses		(6,023,849)	(3,739,256)	(12,112,079)	(6,692,470)
General and administrative expenses		(10,784,499)	(16,464,065)	(22,647,924)	(30,064,884)
Provision for expected credit losses of trade receivables		(996,335)	(1,153,073)	(996,335)	(1,957,932)
Other income, net	11	18,451,150	16,518,304	34,596,884	17,936,355
Operating profit		73,470,554	73,210,447	162,135,786	140,051,913
Unrealized (losses) / gains on investments at FVTPL, net		(4,665,156)	(1,717,205)	1,336,524	7,045,544
Realized (losses) / gains on investments at FVTPL, net		(31,227)	4,137,383	(13,762)	4,137,383
Dividends from investments at fair value through profit or loss		25,721	267,053	658,148	2,069,431
Income from financial investments at amortized cost	9	2,918,188	3,437,023	7,166,693	7,048,744
Finance costs		(1,109,519)	(256,121)	(2,374,413)	(481,935)
Profit before zakat		70,608,561	79,078,580	168,908,976	159,871,080
Zakat		(9,544,432)	(7,661,498)	(19,228,406)	(14,232,406)
Net profit for the period		61,064,129	71,417,082	149,680,570	145,638,674
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Re-measurement of employees' benefits obligations		-	-	-	-
Total comprehensive income		61,064,129	71,417,082	149,680,570	145,638,674
Basic and diluted earnings per share for the period:	12	0.56	0.76	1.36	1.58

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

Ala'a Abdul Hamid Abu Amereeh

Chief Financial Officer

Eng. Omar Bin Abdullah Al Omar

Chief Executive Officer - Board Member

QASSIM CEMENT COMPANY

(A Saudi Joint Stock Company)



INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2025

(Saudi Riyals “ﷲ”)

	Share capital	Statutory reserve	Additional Share capital	Treasury shares	Retained earnings	Cumulative changes in other comprehensive income items	Total
For the six-month period June 30, 2024 (unaudited)							
Balance as at January 01, 2024	900,000,000	270,000,000	-	-	411,025,579	(1,724,396)	1,579,301,183
Profit for the period (restated note 16)	-	-	-	-	145,638,674	-	145,638,674
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income (restated note 16)	-	-	-	-	145,638,674	-	145,638,674
Issue of ordinary shares (note 15)	205,590,000	-	997,111,500	-	-	-	1,202,701,500
Treasury shares	-	-	-	(47,617,914)	-	-	(47,617,914)
Interim dividends	-	-	-	-	(58,500,000)	-	(58,500,000)
Balance as at June 30, 2024 (Restated note 16)	1,105,590,000	270,000,000	997,111,500	(47,617,914)	498,164,253	(1,724,396)	2,821,523,443
For the six-month period ended June 30, 2025 (unaudited)							
Balance as at January 01, 2025 as previously reported	1,105,590,000	270,000,000	997,111,500	(47,617,914)	438,803,796	116,709	2,764,004,091
Effect of restatement (note 16)	-	-	-	-	(13,858,142)	-	(13,858,142)
Balance as at January 01, 2025 (Restated note 16)	1,105,590,000	270,000,000	997,111,500	(47,617,914)	424,945,654	116,709	2,750,145,949
Profit for the period	-	-	-	-	149,680,570	-	149,680,570
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	149,680,570	-	149,680,570
Issue of ordinary shares (note 15)	-	-	-	-	-	-	-
Treasury shares	-	-	-	-	-	-	-
Interim dividends (note 18)	-	-	-	-	(175,617,035)	-	(175,617,035)
Balance as at June 30, 2025	1,105,590,000	270,000,000	997,111,500	(47,617,914)	399,009,189	116,709	2,724,209,484

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

Ala'a Abdul Hamid Abu Amereeh

Chief Financial Officer

Eng. Omar Bin Abdullah Al Omar

Chief Executive Officer - Board Member

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2025
(Saudi Riyals “ﷲ”)

	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited) (Restated note 16)
Profit for the period	149,680,570	145,638,674
Adjustments for:		
Zakat expense	19,228,406	14,232,406
Depreciation of property, plant and equipment	61,539,080	33,088,847
Amortization of intangibles assets	6,106,282	723,988
Depreciation of right-of-use assets	225,330	472,610
Expected credit losses on trade receivables	996,335	1,957,932
Impairment loss on inventory	2,928,696	2,067,105
Unrealized gains on financial investments at FVTPL	(1,336,524)	(7,045,545)
Realized losses on financial investments at FVTPL	(13,762)	(4,137,383)
Income from investments at amortized cost	(7,166,693)	(7,048,744)
Employee benefit obligations	4,695,990	3,515,393
Finance costs for rehabilitation of areas subject to franchise license	524,393	442,125
Finance costs from leases	177,111	49,789
property, plant and equipment written off	552,579	-
	238,137,793	183,957,197
Changes in working capital:		
Inventory	(9,948,597)	(37,010,555)
Trade receivables	(15,133,475)	(21,805,987)
Prepaid expenses and other receivables	(15,751,714)	(4,617,406)
Trade and other payables	(36,181,556)	10,732,095
Employees' benefits obligations paid	(2,434,660)	(1,102,150)
Zakat paid	(31,013,623)	(20,634,947)
Net cash generated from operating activities	127,674,168	109,518,247
Cash flows from investing activities		
Paid to purchase property, plant and equipment	(23,222,796)	(17,251,682)
Paid to purchase intangible assets	(309,999)	(538,882)
Paid to purchase investments at fair value through profit or loss	-	(20,033,858)
Proceeds from sale of investments at fair value through profit or loss	10,115,967	30,120,549
Paid to purchase financial investments at amortized cost	(272,473,812)	(305,000,000)
Proceeds from financial investments at amortized cost	407,156,224	284,818,704
Proceeds from investments income at amortized cost	7,639,751	8,060,707
Cash and cash equivalents through business combination	-	52,868,623
Net cash generated from investing activities	128,905,335	33,044,161
Cash flows from financing activities		
Lease payments	(470,000)	(410,131)
Dividend paid	(174,802,101)	(61,997,549)
Net cash used in financing activities	(175,272,101)	(62,407,680)
Net change in cash and cash equivalents during the period	81,307,402	80,154,728
Cash and cash equivalents as at the beginning of the period	106,802,357	39,989,094
Cash and cash equivalents as at the end of the period	188,109,759	120,143,822

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

Ala'a Abdul Hamid Abu Amereeh



Chief Financial Officer

Eng. Omar Bin Abdullah Al Omar



Chief Executive Officer - Board Member

1- ORGANIZATION AND PRINCIPAL ACTIVITIES

Qassim Cement Company (the “Company” or “Parent Company”) is a Saudi Joint Stock Company registered in Buraydah in the Kingdom of Saudi Arabia under commercial registration number (1131001224) dated 28 Shaaban 1398H (corresponding to August 02, 1978). The Company was established by the Royal Decree no. M/62 dated 15 Shaaban 1396H (corresponding to August 11, 1976).

The Group's share capital is ﷲ 1,105 million divided into 110.559 million shares, of ﷲ 10 each, as at June 30, 2025 (December 31, 2024: ﷲ 1,105 million divided into 110.559 million shares of ﷲ 10 each).

The Group is engaged in manufacturing and producing cement, its derivatives and related products, the trade of these products, and carrying out all activities directly and indirectly related to this purpose. The Group carries out its activities through its two existing factories located in Buraidah – Al-Qassim and Hail.

The group's fiscal year begins on the first of January and ends at the end of December of each calendar year.

The Group's registered address is P.O. Box 4266, Unit No. 1 – Buraidah 52271-6735, Kingdom of Saudi Arabia.

2- BASIS OF PREPARATION OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2.1 Accounting standards applied

These interim condensed consolidated financial statements for the three-month and six-month periods ended June 30, 2025 have been prepared in accordance with the IAS 34 “Interim Financial Reporting” as endorsed in Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants (“SOCPA”). These interim condensed consolidated financial statements should be read in conjunction with the Company’s last year consolidated financial statements as at December 31, 2024 (“Last year financial statements”). These interim condensed consolidated financial statements do not include all the required information to prepare a full set of consolidated financial statements in accordance with IFRS as endorsed in the Kingdom of Saudi Arabia; however, certain accounting policies and selected explanatory notes are included to explain significant events and transactions to understand the changes in the Group’s consolidated financial position and performance from last year financial statements. Further, the results for the six-month period ended June 30, 2025 are not necessarily indicative of the results that may be expected for the year ended December 31, 2025.

These interim condensed consolidated financial statements are approved for issue by the Board of Directors and were approved on their behalf by the Audit Committee on 16 Safar 1447H (corresponding to August 10, 2025), pursuant to a delegation granted by the Board of Directors on January 21, 2025.

2.2 Basis of Measurement

The interim condensed consolidated financial statements have been prepared on a historical cost basis, except for the following major items presented in the interim condensed consolidated statement of financial position:

- Term Murabaha and Sukuk is measured at amortized cost.
- Investments are measured at fair value through the statement of profit or loss.
- Future employees’ benefits obligations entitlements are recognized based on the projected unit credit method.

2- BASIS OF PREPARATION OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2.3 Functional and presentation currency

These interim condensed consolidated financial statements have been prepared in Saudi Riyal (“ﷲ”), which is the Group’s functional and presentation currency.

2.4 Basis of consolidation

The interim condensed consolidated financial statements comprise the financial statements of the Company and its subsidiary as at June 30, 2025.

A subsidiary is an entity controlled by the Group. Control is achieved when the Group is exposed to risks and has rights to receive variable returns from its involvement with the investee and has the power to affect the returns through its power over the investee.

The Group has presented the consolidated statement of financial position for the six-month period ended June 30, 2025, as well as for the year ended December 31, 2024, subsequent to the acquisition of the subsidiary on June 10, 2024.

These interim condensed consolidated financial statements include the financial position and financial performance of the Company and its subsidiary listed below:

<u>Subsidiary name</u>	<u>Principal activities</u>	<u>Country of incorporation</u>	<u>Share capital</u>	<u>Date of acquisition</u>	<u>Effective holding percentage</u>	
					<u>June, 30 2025</u>	<u>December 31, 2024</u>
Hail Cement Company	Production of cement	Kingdom of Saudi Arabia, commercial registration no. 3350159045	ﷲ 979,000,000 divided into 97,900,000 shares with a nominal value of ﷲ 10 each.	June 10, 2024	100%	100%

3- USE OF ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

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 revenue, costs, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty regarding about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of the assets and liabilities affected in the future.

These estimates and assumptions are based on historical experience and factors including expectations of future events that are appropriate in the circumstances and are used to determine the carrying amounts of assets and liabilities that are not independent from other sources. The estimates and assumptions are reviewed on an ongoing basis.

Accounting estimates recognized in the period in which the estimates are reviewed in the reviewing period and future periods are reviewed if the changed estimates affect both current and future periods.

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 December 31, 2024.

4- MATERIAL INFORMATION ON ACCOUNTING POLICIES

The accounting policies used when preparing these interim condensed consolidated financial statements are in line with the consolidated financial statements of the Group for the year ended December 31, 2024.

The material information applied in the preparation of these interim condensed consolidated financial statements has been consistently applied to all the periods presented.

New standards, amendments to standards, and interpretations

New standards and amendments to standards have been issued, effective from January 01, 2025, and have been explained in the annual consolidated financial statements. However, they do not have a material impact on Group’s interim condensed consolidated financial statements.

5- SEGMENT INFORMATION

The Group’s activities are mainly represented in an operating segment, which is the manufacturing and selling of cement that is mainly sold to local customers.

- a) The financial information for revenue and profits related to the Group’s components for the six-month period ended June 30, 2025 and June 30, 2024 is as follows:

	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited) (Restated note 16)
Revenue from contracts with customer	596,153,628	399,717,733
Income for the period before Zakat	168,908,976	159,871,080

- b) The financial information for assets and liabilities related to the operating segment as at June 30, 2025 and December 31, 2024 is as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Restated note 16)
Total assets	3,046,490,118	3,117,085,588
Total liabilities	322,280,634	366,939,639

6- PROPERTY, PLANT AND EQUIPMENT

As at June 30, 2025, the total cost of property, plant and equipment ﷲ 4,013.74 million (December 31, 2024: ﷲ 3,991.08 million restated note 16), the addition during the six months period amounts to ﷲ 23.22 million (June 30, 2024: ﷲ 17.25 million) and the accumulated depreciation amounts to ﷲ 2,735.60 million (December 31, 2024: ﷲ 2,674.07 million restated note 16). The depreciation charged for the period amounts to ﷲ 61.54 million (June 30, 2024: ﷲ 33.09 million restated note 16).

As at June 30, 2025, the value of projects in progress amounted to ﷲ 28 million (December 31, 2024: ﷲ 20.8 million).

Projects in progress mainly consist of projects to improve and develop equipment and production lines.

7- FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

The below investments represent shares in commodity trading funds and trading finance funds with financial companies, and are measured at fair value.

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Financial investments at FVTPL – non-current	27,646,241	27,668,322
Financial investments at FVTPL - current	317,337,501	326,081,100

Movement of financial investments at FVTPL

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at beginning of the period / year	353,749,422	334,074,546
Addition during the period / year	-	20,033,858
Additions resulting from acquisition of a subsidiary	-	65,713,579
Disposals during the period / year	(10,102,204)	(87,368,537)
Unrealized gain during the period / year	1,336,524	21,295,976
	344,983,742	353,749,422

8- INVENTORY

	June 30, 2025 (Unaudited)	December 31, 2024 (Restated note 16)
Spare parts	176,271,727	169,163,114
Raw materials	37,184,015	68,451,964
Production in progress	555,723,644	517,862,297
Finished goods	12,036,631	11,800,062
Packing and packaging materials	4,523,545	5,740,490
Consumables and supplies	19,299,382	22,264,309
Goods in-transit	6,153,960	5,962,071
	811,192,904	801,244,307
Less: impairment of inventory	(43,899,812)	(40,971,116)
	767,293,092	760,273,191

8- INVENTORY (CONTINUED)

Movement in impairment of inventory during the period / year is as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Restated note 16)
Balance at the beginning of the period / year	40,971,116	28,485,157
Increase as a result of acquisition	-	10,164,917
Provided during the period	2,928,696	2,321,042
	43,899,812	40,971,116

The provision for impairment of inventory for the period ended June 30, 2025 amounted to ﷲ 2.9 million. (June 30, 2024 ﷲ 2.1 million).

9- FINANCIAL INVESTMENTS AT AMORTIZED COST

	30 June, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at beginning of the period / year	280,000,000	260,830,667
Additions during the period / year	272,473,812	731,150,783
Disposals during the period / year	(407,156,224)	(711,981,450)
	145,317,588	280,000,000

Financial investments classified at amortized cost as at the end of the period/ year as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Non-current portion of financial investments at amortized cost (*)	100,000,000	100,000,000
Current portion of financial investments at amortized cost	45,317,588	180,000,000

Financial investments represent the Murabaha and Sukuk with profit margin and the average annual yield rate is 4.89% per annum (June 30, 2024: 5.46%). The total Murabaha and Sukuk income of ﷲ 7.16 million included in statement of profit or loss for the six-month period ended at June 30, 2025 (June 30, 2024: ﷲ 7.04 million).

10- ZAKAT

The Group has filed a consolidated zakat return for the Company and its subsidiary for the year 2024. The Group obtained a certificate from ZATCA for the year ended December 31, 2024 to enable it to complete all its transactions, including the payment of its final accruals for contracts.

a) Zakat status of Qassim Cement Company:

The initial assessment order for the year 2021 has been issued by ZATCA amounting to ﷲ 2.47 million. The provision has been recorded in these interim condensed consolidated financial statements.

b) Zakat status of subsidiary:

- 1- For the Zakat position of Hail Cement Company, Zakat has been reviewed, assessed, and settled for the years from 2012 to 2020.
- 2- Additional information was requested by ZATCA for the Zakat returns for the years from 2021 to 2023, and it has been provided to ZATCA. The initial assessment order for the year 2021 and 2023 has been issued by ZATCA for the amount of ﷲ 0.25 million and ﷲ 0.14 million respectively. The provision for these amounts has been recorded in these interim condensed consolidated financial statements.

11- OTHER INCOME, NET

	For the three-month period ended		For the six-month period ended	
	June 30, 2025 (Unaudited)	30 June 2024 (Unaudited)	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
Contractors' compensation	37,950	878,776	44,898	886,149
Rental income	224,946	263,859	484,674	525,543
Deposits received from Human Resources Development Fund	371,056	244,822	674,494	748,011
Revenue from sale of cement dust	121,325	84,745	246,818	151,419
Revenue from sale of industrial waste and scrap	5,478	-	5,478	460,870
Reversal of provisions and expenses reimbursements	(617,400)	-	250,000	-
Support industrial sector competitiveness initiative *	17,931,327	14,092,419	31,574,030	14,092,419
Other miscellaneous income, net	376,468	953,683	1,316,492	1,071,944
	18,451,150	16,518,304	34,596,884	17,936,355

* The amount represents the value of support, the Group received during the period as part of the industrial sector competitiveness initiative by the Ministry of Industry and Mineral Resources due to the rising fuel prices as at January 01, 2024, and the commencement of the transition plan in accordance with the agreement of the industrial sector competitiveness program.

12- BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing income for the period attributable to the Group’s ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

The diluted earnings per share are the same as the basic earnings per share as the Group has no diluted instruments.

	For the three-month period ended		For the six-month period ended	
	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited) (Restated note 16)	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited) (Restated note 16)
Net profit for the period	61,064,129	71,417,082	149,680,570	145,638,674
Number of shares				
Weighted average number of shares	109,760,646	94,218,565	109,760,646	92,085,846
Basic and diluted earnings per share	0.56	0.76	1.36	1.58

13- CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

As at June 30, 2025, the Group has bank facilities in the form of letters of guarantee and documentary credits from commercial banks amounting to ﷲ 56.3 million (December 31, 2024: ﷲ 57.6 million).

As at June 30, 2025, the capital commitments of the Group are ﷲ15.6 million (December 31, 2024: ﷲ 16.8 million). The total value of outstanding and Finished projects contracts amounted to ﷲ 45.8 million as at June 30, 2025 (December 31, 2024: ﷲ 190.3 million).

14- RELATED PARTY DISCLOSURES

Related parties represent major shareholders, members of the Board of Directors of the Group, key management personnel of the Group, and entities managed or a significant influence exercised over them by these parties. There are no transactions with the related parties other than the following.

Board of directors and key management personnel benefits

The remunerations of the members of the board of directors and other key management personnel charged during the period are as follows:

	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
Salaries and short-term benefits - key management personnel	5,319,065	5,170,588
Remuneration of board of directors and committees	2,716,000	2,090,000
Post-employment benefits - key management personnel	156,546	455,637
	8,191,611	7,716,225

15- BUSINESS COMBINATIONS

On June 10, 2024, Qassim Cement Company acquired 100% of the issued share capital of Hail Cement Company, and the acquisition is in line with the Qassim Cement Company’s strategy to enhance its market competitiveness.

Purchase consideration

The fair value of the issued 20,559,000 shares has been determined as part of the consideration paid to acquire Hail Cement Company and on the basis of the closure rate in the Saudi Stock Exchange (Tadawul) of the ordinary share for Qassim Cement Company in the Saudi Stock Exchange at the acquisition date i.e., at June 10, 2024 with a nominal value of ﷲ 10 each and market value of (ﷲ 58.5).

As a result of shares issuance, there was an increase in the share capital and additional paid in share capital of the Company of ﷲ 205,590,000 and ﷲ 997,111,500, respectively.

Acquisition Accounting

The acquisition has been accounted for using the acquisition method under IFRS 3 – “Business Combinations” with the group being acquirer and the Hail Cement Company being the acquiree.

The net assets recognized in the annual consolidated financial statements for the year ended December 31 2024 were based on a carrying values. The valuation had not been completed by the date the 2024 consolidated financial statements were issued.

During the period, the Group completed a purchase price allocation exercise, resulting in a fair value adjustment to the net identifiable assets as of the acquisition date. The comparative figures for 2024 have been restated to reflect these adjustments to carrying values. As a result, there was an increase in intangible assets. Additionally, there was an increase in the property plant and equipment and inventory leading to a decrease in goodwill, as detailed below. The goodwill is primarily attributed to the expected future profits from the acquired business and the synergies generated by the acquisition.

The net identifiable assets of Hail Cement company at the date of acquisition were as follows;

	ﷲ
Assets	
Property, plant and equipment - net	656,060,838
Intangible assets, net	97,400,000
Right-of-use assets, net	2,029,520
Inventory, net	330,701,868
Trade receivables - net	12,854,906
Prepaid expenses and other receivables	16,472,552
Investments at fair value through profit or loss	65,713,579
Cash and cash equivalents	52,868,623
Total assets	1,234,101,886
Liabilities	
Lease liabilities	2,161,403
Employee benefit obligations	19,432,746
Provision for rehabilitation of areas subject to franchise license	4,334,172
Trade payables and accrued expenses	43,787,974
Accrued profits	264,021
Zakat Provision	6,059,707
Total liabilities	76,040,023
Total identifiable net assets	1,158,061,863

15- BUSINESS COMBINATIONS (CONTINUED)

a) Acquired receivables

The fair value of the trade receivables acquired amounted to ﷲ 12,854,906 acquired upon acquisition.

Trade receivables comprise gross contractual amounts due of ﷲ12,854,906, out of which no amounts would be expected to be uncollectible at the acquisition date.

b) Revenue and contribution in profits

Hail Cement Company contributed revenues of ﷲ149,191,532 and Net Profit after Zakat of ﷲ 11,999,095 to the Group during the six-month period ended June 30, 2025. During the six months period ended June 30, 2024, Hail Cement Company contributed revenues of ﷲ14,213,383 and Net Loss after Zakat of ﷲ 3,213,109.

If the acquisition of Hail Cement Company had been completed on the first day of the financial year of 2024, Group revenues for the six months period ended June 30, 2024 would have been ﷲ 525,798,434 and group net profit for the six months period ended June 30, 2024 after Zakat would have been ﷲ 151,079,835.

Goodwill

	ﷲ
Purchase consideration	1,202,701,500
Less: treasury shares	(19,261,619)
Less: the fair value of the net assets acquired of Hail Cement Company	(1,158,061,863)
	25,378,018

16- RESTATEMENT OF COMPARATIVE FIGURES

During the current period, the Group completed the Purchase Price Allocation for the subsidiary acquired in 2024, Hail Cement Company. The Group determined the fair value and adjusted the carrying amounts retrospectively at the date of acquisition in accordance with IFRS 3.

The above transaction resulted in the restatement of the comparative figures as at December 31, 2024 in the consolidated financial statements to retrospectively reflect the adjustments arising during the measurement period, as set out below;

- (i) Property, plant and equipment increased by ﷲ 77.3 million as a result of the fair value adjustment, partly offset by ﷲ 7.5 million of additional depreciation, resulting in a net increase of ﷲ 69.8 million.
- (ii) Intangible assets increased by ﷲ 94.8 million as a result of the fair value adjustment, partly offset by ﷲ 6.1 million of additional amortization, resulting in a net increase of ﷲ 88.7 million.
- (iii) Right-of-use assets decreased by ﷲ 5.4 million due to the derecognition of the quarry license at the acquisition date in accordance with IFRS 16. The corresponding lease liability was adjusted due to the same.
- (iv) Inventory increased by ﷲ 0.9 million as a result of the fair value adjustment, partly offset by ﷲ 0.3 million due to the consumption till December 31, 2024, resulting in a net increase of ﷲ 0.6 million.
- (v) Goodwill was decreased by ﷲ 173.7 million following the incorporation of all the fair value adjustments noted above.

16- RESTATEMENT OF COMPARATIVE FIGURES (CONTINUED)

The following tables summarize the impact of these adjustments on the consolidated statement of financial position as at December 31, 2024, the interim condensed consolidated statement of profit or loss and other comprehensive income for the three-month and six-month periods ended June 30, 2024, as well as the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period ended June 30, 2024.

Effect on the consolidated statement of financial position as at December 31, 2024:

	As previously reported	Adjustments	Restated balance
Property, plant and equipment	1,247,166,215	69,847,792	1,317,014,007
Intangible assets	7,773,643	88,736,688	96,510,331
Goodwill	199,083,364	(173,705,346)	25,378,018
Right-of-use assets	7,712,501	(5,390,847)	2,321,654
Total non-current assets	1,598,920,495	(20,511,713)	1,578,408,782
Inventory	759,699,960	573,231	760,273,191
Total Current Assets	1,538,103,575	573,231	1,538,676,806
Total assets	3,137,024,070	(19,938,482)	3,117,085,588
Retained earnings	438,803,796	(13,858,142)	424,945,654
Total equity	2,764,004,091	(13,858,142)	2,750,145,949
Long-term lease liabilities	8,312,802	(6,080,340)	2,232,462
Total Non-current liabilities	93,048,286	(6,080,340)	86,967,946
Total liabilities	373,019,979	(6,080,340)	366,939,639
Total equity and liabilities	3,137,024,070	(19,938,482)	3,117,085,588

Effect on the interim condensed consolidated statement of profit or loss and other comprehensive income for the six-months period ended June 30, 2024

	As previously reported	Adjustments	Restated balance
Cost of Sales	(237,976,753)	(910,136)	(238,886,889)
Gross profit	161,740,980	(910,136)	160,830,844
Sales and marketing expenses	(6,120,054)	(572,416)	(6,692,470)
General and administrative expenses	(30,073,253)	8,369	(30,064,884)
Operation profit	141,526,096	(1,474,183)	140,051,913
Profit before Zakat	161,345,263	(1,474,183)	159,871,080
Profit for the year	147,112,857	(1,474,183)	145,638,674
Basic and diluted Earnings Per Share	1.60	(0.02)	1.58

16- RESTATEMENT OF COMPARATIVE FIGURES (CONTINUED)

Effect on the interim condensed consolidated statement of profit or loss and other comprehensive income for the three-months period ended June 30, 2024

	As previously reported	Adjustments	Restated balance
Cost of Sales	(124,342,047)	(910,136)	(125,252,183)
Gross profit	78,958,673	(910,136)	78,048,537
Sales and marketing expenses	(3,166,840)	(572,416)	(3,739,256)
General and administrative expenses	(16,472,434)	8,369	(16,464,065)
Operation profit	74,684,630	(1,474,183)	73,210,447
Profit before Zakat	80,552,763	(1,474,183)	79,078,580
Profit for the year	72,891,265	(1,474,183)	71,417,082
Basic and diluted Earnings Per Share	0.77	(0.01)	0.76

Effect on the Interim condensed consolidated statement of changes in equity for the six-months period ended June 30, 2024

	As previously reported	Adjustments	Restated balance
Retained earnings	499,638,436	(1,474,183)	498,164,253

Effect on the interim condensed consolidated statement of cash flows for the six-months period ended June 30, 2024

	As previously reported	Adjustments	Restated balance
Profit for the period	147,112,857	(1,474,183)	145,638,674
Depreciation of property, plant and equipment	32,271,815	817,032	33,088,847
Amortization of intangibles assets	89,045	634,943	723,988
Inventory	(37,032,763)	22,208	(37,010,555)

17- FINANCIAL INSTRUMENTS

a) Fair value measurement

A number of the Group’s accounting policies and disclosures require the measurement of fair values for financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted (unadjusted) market prices in active markets for assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1, which are observable inputs for an asset or liability, either directly (such as prices) or indirectly (derived from prices).

Level 3: Inputs for assets or liabilities not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of the assets and liabilities fall within different levels in the fair value hierarchy, then the fair value is categorized as a whole using the lowest level of the fair value hierarchy inputs that are significant to the measurement as a whole. The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2025**

(Saudi Riyals “ﷲ”)



17. FINANCIAL INSTRUMENTS (CONTINUED)

b) Fair value measurement of financial instruments

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. They do not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximate of fair value.

	June 30, 2025							
	Carrying amount				Fair value			
	Fair value	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets at fair value:								
FVTPL investments	344,983,742	-	-	344,983,742	107,057,745	237,925,997	-	344,983,742
	<u>344,983,742</u>	<u>-</u>	<u>-</u>	<u>344,983,742</u>	<u>107,057,745</u>	<u>237,925,997</u>	<u>-</u>	<u>344,983,742</u>
Financial assets at amortized cost:								
Financial investments at amortized cost	-	145,317,588	-	145,317,588	-	-	-	-
Trade receivables	-	154,737,974	-	154,737,974	-	-	-	-
Cash and cash equivalents	-	188,109,759	-	188,109,759	-	-	-	-
	<u>-</u>	<u>488,165,321</u>	<u>-</u>	<u>488,165,321</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value:	-	-	-	-	-	-	-	-
Trade payables	-	-	60,283,331	60,283,331	-	-	-	-
Accrued expenses and other payables	-	-	94,481,280	94,481,280	-	-	-	-
	<u>-</u>	<u>-</u>	<u>154,764,611</u>	<u>154,764,611</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2025**

(Saudi Riyals “ﷲ”)



17. FINANCIAL INSTRUMENTS (CONTINUED)

b) Fair value measurement of financial instruments (continued)

	December 31, 2024 (Audited)							
	Carrying amount				Fair value			
	Fair value	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets at fair value:								
FVTPL investments	353,749,422	-	-	353,749,422	111,098,350	242,651,072	-	353,749,422
	353,749,422	-	-	353,749,422	111,098,350	242,651,072	-	353,749,422
Financial assets at amortized cost:								
Financial investments at amortized cost	-	280,000,000	-	280,000,000	-	-	-	-
Trade receivables	-	140,600,834	-	140,600,834	-	-	-	-
Cash and cash equivalents	-	106,802,357	-	106,802,357	-	-	-	-
	-	527,403,191	-	527,403,191	-	-	-	-
Financial liabilities not measured at fair value:								
Trade payables	-	-	82,055,062	82,055,062	-	-	-	-
Accrued expenses and other payables	-	-	108,891,105	108,891,105	-	-	-	-
	-	-	190,946,167	190,946,167	-	-	-	-

18- DIVIDENDS

For the period ended June 30, 2025

- On March 18, 2025, based on the authorization of the General Assembly of the shareholders, the Board of Directors resolved to distribute dividends amounting to ﷲ 87.8 million at a rate of ﷲ 0.8 per share for the fourth-quarter 2024.
- On May 20, 2025, based on the authorization of the General Assembly of the shareholders, the Board of Directors resolved to distribute dividends amounting to ﷲ 87.8 million at a rate of ﷲ 0.8 per share for the first-quarter of 2025.

19- SUBSEQUENT EVENTS

On August 14, 2025, based on the prior authorization of the General Assembly of the shareholder, the Board of Directors decided to distribute cash dividends of ﷲ 87.8 million at ﷲ 0.80 per share for the second quarter of the year 2025.

On August 14, 2025, the Group signed a contract for the project of establishing a fourth production line at its plant site in Buraydah city. The contracts amounted to ﷲ 1,117.5 million.

On August 14, 2025, the Group signed a contract for displacement of liquid fuel and conversion to natural gas for the existing production lines at the company’s plant in Buraydah city. The contracts amounted to ﷲ 45 million.