

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

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

YANBU CEMENT COMPANY (A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) AND INDPENDENT
AUDITOR’S REVIEW REPORT
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025

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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE SHAREHOLDERS OF YANBU CEMENT COMPANY (A SAUDI JOINT STOCK COMPANY)

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Yanbu Cement Company, a Saudi Joint Stock Company ("the Company" or "the Parent Company") and its Subsidiary (Collectively referred to as "the Group") which comprises the interim condensed consolidated statement of financial position as at 30 June 2025 and the related interim condensed consolidated statements of profit or loss and comprehensive income for the three-month and six-month periods then ended and the related 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 - "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 consolidated financial statements based on our review.

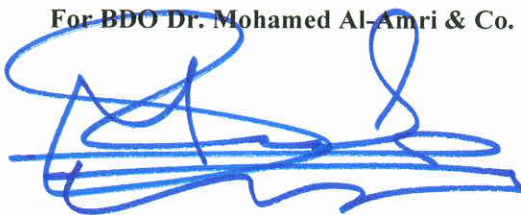
Scope of review

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.

For BDO Dr. Mohamed Al-Amri & Co.



Maher Al-Khatieb
Certified Public Accountant
Registration No. 514



Jeddah, on 04 Safar 1447
Corresponding to: 29 July 2025

YANBU CEMENT COMPANY (A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025

		For the three- month period ended 30 June 2025	For the three- month period ended 30 June 2024	For the six- month period ended 30 June 2025	For the six- month period ended 30 June 2024
		ﷲ	ﷲ	ﷲ	ﷲ
	Note	Unaudited	Unaudited	Unaudited	Unaudited
Revenue from contracts with customers	4	274,295,650	202,166,010	540,739,121	444,524,561
Cost of revenue		(204,721,528)	(129,668,059)	(396,079,529)	(280,041,517)
GROSS PROFIT		69,574,122	72,497,951	144,659,592	164,483,044
Selling and distribution expenses		(24,152,736)	(12,204,321)	(50,334,352)	(24,927,694)
General and administrative expenses		(17,485,280)	(13,326,509)	(30,509,312)	(27,324,688)
PROFIT FROM OPERATIONS		27,936,106	46,967,121	63,815,928	112,230,662
Other income - net		276,670	626,260	1,476,102	1,572,824
Loss on derivative instruments at fair value through profit or loss (FVTPL)		(275,758)	(369,603)	(590,409)	(432,072)
Gain from investment at fair value through profit or loss (FVTPL)	9.1	95,455	476,865	182,409	1,614,648
Finance income		408,995	1,180,527	1,057,771	1,993,557
Finance cost		(3,434,914)	(4,769,753)	(7,711,146)	(10,249,717)
PROFIT BEFORE ZAKAT		25,006,554	44,111,417	58,230,655	106,729,902
Zakat	5	(3,387,747)	(4,345,300)	(6,704,273)	(8,657,724)
NET PROFIT FOR THE PERIOD		21,618,807	39,766,117	51,526,382	98,072,178
EARNINGS PER SHARE					
Basic and diluted earnings per share	14	0.14	0.25	0.33	0.62

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

YANBU CEMENT COMPANY (A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025

	For the three- month period ended 30 June 2025	For the three- month period ended 30 June 2024	For the six- month period ended 30 June 2025	For the six- month period ended 30 June 2024
	ﷲ	ﷲ	ﷲ	ﷲ
	Unaudited	Unaudited	Unaudited	Unaudited
NET PROFIT FOR THE PERIOD	21,618,807	39,766,117	51,526,382	98,072,178
Other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	21,618,807	39,766,117	51,526,382	98,072,178

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

YANBU CEMENT COMPANY (A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

		30 June 2025	31 December 2024
		ﷲ	ﷲ
	Note	Unaudited	Audited
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	2,074,134,496	2,145,220,562
Intangible assets		57,441	406,491
Investment in an associate		575,159	575,159
Other non-current assets		3,449,310	9,166,298
TOTAL NON-CURRENT ASSETS		2,078,216,406	2,155,368,510
CURRENT ASSETS			
Inventories	7	781,090,326	807,032,088
Trade receivables	8	216,422,773	178,462,666
Prepayments, advances and other receivables		42,150,005	38,128,771
Financial derivatives	17	763,037	1,353,446
Investment at fair value through profit or loss (FVTPL)	9	15,563,166	15,380,757
Cash and cash equivalents	10	77,930,476	54,950,226
TOTAL CURRENT ASSETS		1,133,919,783	1,095,307,954
TOTAL ASSETS		3,212,136,189	3,250,676,464
EQUITY AND LIABILITIES			
EQUITY			
Share capital	1	1,575,000,000	1,575,000,000
Statutory reserve	12	787,500,000	787,500,000
Retained earnings		295,112,607	243,586,225
TOTAL EQUITY		2,657,612,607	2,606,086,225
LIABILITIES			
NON-CURRENT LIABILITIES			
Bank borrowings	11(A)	22,250,000	35,750,000
Employees' defined benefits obligations		113,815,465	112,542,513
Provision for site restoration		11,267,608	5,530,853
TOTAL NON-CURRENT LIABILITIES		147,333,073	153,823,366
CURRENT LIABILITIES			
Trade payables		67,834,496	14,324,542
Current portion of bank borrowings	11(A)	27,236,811	27,301,713
Short term financing	11(B)	149,985,506	255,315,909
Dividend payable		82,555,436	82,859,626
Accrued expenses and other current liabilities		68,702,670	94,406,547
Zakat payable	5	10,875,590	16,558,536
TOTAL CURRENT LIABILITIES		407,190,509	490,766,873
TOTAL LIABILITIES		554,523,582	644,590,239
TOTAL EQUITY AND LIABILITIES		3,212,136,189	3,250,676,464

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

YANBU CEMENT COMPANY (A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

	Share capital	Statutory reserve	Retained earnings	Total equity
	ﷲ	ﷲ	ﷲ	ﷲ
As at 1 January 2025 (Audited)	1,575,000,000	787,500,000	243,586,225	2,606,086,225
Net profit for the period	-	-	51,526,382	51,526,382
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	51,526,382	51,526,382
Balance at 30 June 2025 (Unaudited)	1,575,000,000	787,500,000	295,112,607	2,657,612,607

	Share capital	Statutory reserve	Retained earnings	Total equity
	ﷲ	ﷲ	ﷲ	ﷲ
As at 1 January 2024 (Audited)	1,575,000,000	787,500,000	289,505,717	2,652,005,717
Net profit for the period	-	-	98,072,178	98,072,178
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	98,072,178	98,072,178
Dividends (Note 13)	-	-	(118,125,000)	(118,125,000)
Balance at 30 June 2024 (Unaudited)	1,575,000,000	787,500,000	269,452,895	2,631,952,895

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

YANBU CEMENT COMPANY (A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

		For the six-month period ended 30 June 2025	For the six-month period ended 30 June 2024
		ﷲ	ﷲ
	Note	Unaudited	Unaudited
OPERATING ACTIVITIES			
Profit before zakat		58,230,655	106,729,902
<i>Adjustments to reconcile operating income to net cash flows:</i>			
Depreciation of property, plant and equipment	6	84,114,761	82,223,064
Amortization of intangible assets		349,050	349,049
Finance cost		7,711,146	10,249,717
Loss on derivative instruments at FVTPL		590,409	432,072
Gain on investment at FVTPL	9.1	(182,409)	(1,614,648)
Provision against spare parts		2,377,331	2,423,894
(Reversal of allowance) / allowance for expected credit losses		(109,023)	2,796,087
Provision for employees' defined benefits obligations		9,968,012	10,973,295
		163,049,932	214,562,432
<i>Working capital changes:</i>			
Inventories		23,564,431	(74,283,200)
Trade receivables		(37,851,084)	(62,661,282)
Prepayments, advances and other receivables		1,695,754	4,904,137
Trade payables		53,509,954	9,872,357
Accrued expenses and other current liabilities		(25,703,877)	5,040,153
		178,265,110	97,434,597
Zakat paid	5	(12,387,219)	(13,452,916)
Employees benefits paid		(8,695,060)	(5,316,954)
Finance cost paid		(12,832,356)	(10,481,785)
Net cash generated from operating activities		144,350,475	68,182,942
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	6	(7,566,035)	(16,698,186)
Additions to investment at FVTPL	9	-	(15,000,000)
Proceeds from investment at FVTPL	9	-	86,735,387
Net cash (used in) / generated from investing activities		(7,566,035)	55,037,201
FINANCING ACTIVITIES			
Repayment of lease liability		-	(40,000)
Repayment of bank borrowings		(13,500,000)	(13,500,000)
Repayment of short-term financing		(299,300,000)	(174,500,000)
Proceeds from short-term financing		199,300,000	179,300,000
Dividend paid		(304,190)	(117,562,642)
Net cash used in financing activities		(113,804,190)	(126,302,642)
NET CHANGES IN CASH AND CASH EQUIVALENTS		22,980,250	(3,082,499)
Cash and cash equivalents at the beginning of the period	10	54,950,226	73,586,556
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	10	٧٧,٩٣٠,٤٧٦	70,504,057

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

YANBU CEMENT COMPANY (A SAUDI JOINT STOCK COMPANY)
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

1. CORPORATE INFORMATION

Yanbu Cement Company (“the Company” or “the Parent Company”) - a Saudi Joint Stock Company – has been established in the Kingdom of Saudi Arabia by the Royal Decree No. M/10 dated on 4 Rabi' I 1397H (Corresponding to 22 February 1977), and it is registered in Yanbu city under Commercial Registration (CR) No. 4700000233 dated on 21 Dhul-Qi'dah 1398H (Corresponding to 24 October 1978). The Company's shares are listed in the Stock Exchange of the Kingdom of Saudi Arabia. These interim condensed consolidated financial statements comprise the interim condensed financial statements of the Company and its fully owned subsidiary, Yanbu Saudi Kuwaiti Paper Products Company Limited (the “Subsidiary”) (together referred to as the “Group”).

The Parent Company's authorized and paid-up share capital is divided into 157,500,000 shares as at 30 June 2025 (31 December 2024: 157,500,000 shares) stated at SR 10 per share.

The Company is mainly engaged in manufacturing, producing and trading in cement and its related products as per industrial license No. 451110128256 renewed on 5 Muharram 1445H (Corresponding to 23 July 2023) which ends on 13 Rabi ul Awal 1450H (Corresponding to 4 August 2028). The Subsidiary is mainly engaged in manufacturing and wholesale trading of cement paper as per industrial license No. 431110118935 issued on 23 Sha'ban 1425H (Corresponding to 7 October 2004) and ending on 26 Dhu'l-Hijjah 1448H (Corresponding to 01 June 2027) and registered in Yanbu city under Commercial Registration (CR) No. 4700009036 dated on 17 Dhul-Qi'dah 1425H (Corresponding to 29 December 2004).

The registered address of the Company is Yanbu Cement building located at Al Baghdadiyah Al Gharbiyah District, P. O. Box 5530, Jeddah 21422, Kingdom of Saudi Arabia. The Company has branch in Jeddah with CR number 4030021367. The financial results of this Branch are included in these interim condensed consolidated financial statements.

On 17 Dhul Hijjah 1445H (Corresponding to 23 June 2024), the Company signed a non-binding Memorandum of Understanding (MoU) with Southern Province Cement Company to assess the feasibility of a merger between the two companies. A committee from both companies has been formed to oversee the process and implement the necessary steps. On 27 Dhul Hijjah 1446H (Corresponding to 23 June 2025), both companies have agreed to extend the memorandum of understanding for an additional three months.

Investment in associate

During the year ended 31 December 2020, the Company had invested 49% interest in Knowledge Center for Cement Training Limited (the associate company), a mixed limited liability company registered in the Kingdom of Saudi Arabia and have a share capital of SR 500,000. The Company is established to conduct short term cement training programs. The remaining 51% shareholding is held by FL Smidth Company.

2. BASIS OF PREPARATION AND BASIS OF MEASUREMENT

2.1 Statement of compliance

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

These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and therefore should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024. In addition, results for the three-month and six-month periods ended 30 June 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

2.2 Basis of measurement

These interim condensed consolidated financial statements have been prepared on a historical cost basis except for financial derivatives and investment that have been measured at fair value and for employees' benefits obligations, Projected Unit Credit Method is used. These interim condensed consolidated financial statements are presented in Saudi Riyals (“ﷲ”), which is also the functional currency of the Group. Figures have been rounded off to the nearest Saudi Riyal (“ﷲ”) unless otherwise stated.

2.3 Significant accounting judgments, estimates and assumptions

The preparation of the Group's interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results may differ from these estimates.

YANBU CEMENT COMPANY (A SAUDI JOINT STOCK COMPANY)
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

2. BASIS OF PREPARATION AND BASIS OF MEASUREMENT (CONTINUED)

2.3 Significant accounting judgments, estimates and assumptions (Continued)

The significant judgments made by the management in applying the Group's key sources of estimation uncertainty were the same as those described in the annual consolidated financial statements of the Group for the year ended 31 December 2024. The Group will continue to monitor the situation, and any changes required will be reflected in future reporting periods.

2.4 New standards, interpretations and amendments adopted by the Group

There are new standards and number of amendments to standards which are effective from 1 January 2025 and have been explained in Group's annual consolidated financial statements for the year ended 31 December 2024, but they do not have a material effect on the Group's interim condensed consolidated financial statements.

3. SEGMENT INFORMATION

The Group is engaged in one operating segment, i.e., manufacturing cement and operates completely from the Kingdom of Saudi Arabia. Accordingly, the financial information was not divided into different geographic or business segments. The financial information of the Subsidiary is not significant to Group's interim condensed consolidated financial statements for segment information.

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group's revenue is described below:

	For the three- month period ended 30 June		For the six- month period ended 30 June	
	2025	2024	2025	2024
	ﷲ	ﷲ	ﷲ	ﷲ
	Unaudited	Unaudited	Unaudited	Unaudited
<u>Product type</u>				
Bulk cement	121,644,499	125,261,320	242,142,512	266,426,263
Packed cement	50,867,837	47,302,008	100,623,195	107,938,302
Cement bags	6,957,364	4,600,257	18,005,860	16,875,727
Raw cement (Clinker)	94,825,950	25,002,425	179,967,554	53,284,269
Total revenue (*)	274,295,650	202,166,010	540,739,121	444,524,561
<u>Geographical markets</u>				
Total revenue inside the Kingdom of Saudi Arabia	179,469,700	177,163,585	360,771,567	391,240,292
Total revenue outside the Kingdom of Saudi Arabia	94,825,950	25,002,425	179,967,554	53,284,269
Total revenue	274,295,650	202,166,010	540,739,121	444,524,561

(*) The timing of the revenue recognition from the above goods is at a point in time.

5. ZAKAT PAYABLE

The movement in zakat payable of the Group is as follows:

	30 June 2025	31 December 2024
	ﷲ	ﷲ
	Unaudited	Audited
Balance at beginning of the period / year	16,558,536	13,976,107
Charged during the period / year	6,704,273	15,831,463
Paid during the period / year	(12,387,219)	(13,249,034)
Balance at the end of the period / year	10,875,590	16,558,536

YANBU CEMENT COMPANY (A SAUDI JOINT STOCK COMPANY)
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

5. ZAKAT PAYABLE (CONTINUED)

5.1 Status of zakat assessments

Parent Company:

The Company has submitted its Zakat returns to the Zakat, Tax and Customs Authority ("ZATCA up to the year ended 31 December 2024. The Company finalized its zakat position up to the year ended 31 December 2023, resulting in zakat differences amounting to ﷲ 0.40 million for the years 2021 and 2022, and ﷲ 0.07 million for the year ended 2023. These amounts were settled during the months of February and June 2025.

Subsidiary:

The Subsidiary has submitted the zakat returns to ZATCA up to the year ended 31 December 2024. The Subsidiary has also finalized its status until the year ended 31 December 2020.

The Subsidiary received an additional assessment from ZATCA for the year 2017 claiming an additional zakat liability of ﷲ 0.20 million and accordingly filed objections against this assessment order with the TVDRC which were rejected on 16 March 2022. Management has filed the appeal against the decision to TVDAC on 13 April 2022. On 2 May 2024, the TVDAC decided to support the Company without any additional claim and the zakat status has been finalized for the year 2017.

On 8 August 2023, the subsidiary received a request for additional information for the year 2020 and a final assessment has been issued on 30 May 2024 claiming an additional zakat of ﷲ 0.003 million which was duly paid and the zakat status has been finalized for the year 2020.

6. PROPERTY, PLANT AND EQUIPMENT

	For the six-month period ended 30 June	
	2025	2024
	ﷲ	ﷲ
	Unaudited	Unaudited
Depreciation	84,114,761	82,223,064
Additions to property, plant and equipment	7,566,035	16,698,186

6.1 The plants are situated on land leased from Ministry of Industries and Mineral Resources of Ras Baridi in Yanbu, for 30 Hijra years commencing 4 Rabi' I 1398H (Corresponding to 12 February 1978). The lease has been renewed for a similar period for 30 years on 3 Rabi' I 1428H (Corresponding to 22 March 2007). The lease is renewable for further similar periods subject to the agreement of both parties.

6.2 During the year ended 31 December 2024, the Group re-evaluated the recognition of surface rentals as lease under the scope of IFRS 16 "Leases" and reversed right of use asset, accumulated depreciation and lease liability. The surface rentals have been recorded as "Rent expense" under the "Cost of revenue". The Group did not restate the comparative information in the interim condensed consolidated statement of profit or loss for the six-month period ended 30 June 2024 as the overall impact of adjustments was not material.

7. INVENTORIES

	30 June 2025	31 December 2024
	ﷲ	ﷲ
	Unaudited	Audited
Spare parts	263,864,753	277,925,728
Less: provision against spare parts	(111,482,988)	(109,105,657)
Spare parts - net	152,381,765	168,820,071
Finished goods	8,317,253	5,055,210
Work in process	528,226,006	574,994,547
Raw materials	57,193,727	33,075,772
Fuel	23,277,021	13,145,246
Packaging materials	5,670,568	6,237,657
Goods in transit (Fuel)	157,221	3,035,559
Goods in transit (Raw materials)	5,667,067	2,444,179
Other materials	199,698	223,847
	628,708,561	638,212,017
	781,090,326	807,032,088

YANBU CEMENT COMPANY (A SAUDI JOINT STOCK COMPANY)
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

7. INVENTORIES (CONTINUED)

7.1 As at 30 June 2025, provision against slow-moving spare parts amounted to ٥ 111.48 million (31 December 2024: ٥ 109.11 million).

8. TRADE RECEIVABLES

	30 June 2025	31 December 2024
	٥	٥
	Unaudited	Audited
Trade receivables	227,992,664	190,141,580
Allowance for expected credit losses	(11,569,891)	(11,678,914)
	216,422,773	178,462,666

8.1 Trade receivables are non-interest bearing and are generally on the term of 30 to 90 days.

9. INVESTMENT AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

		30 June 2025	31 December 2024
		٥	٥
	Note	Unaudited	Audited
Balance at the beginning of the period / year		15,380,757	85,161,356
Purchases during the period / year		-	43,000,000
Sales during the period / year		-	(115,070,984)
Fair value gain	9.1	182,409	2,290,385
Balance at the end of the period / year		15,563,166	15,380,757

9.1 Fair value gain on investment at FVTPL

	30 June 2025	31 December 2024
	٥	٥
	Unaudited	Audited
Unrealized gain	182,409	214,830
Realized gain	-	2,075,555
	182,409	2,290,385

10. CASH AND CASH EQUIVALENTS

	30 June 2025	31 December 2024
	٥	٥
	Unaudited	Audited
Bank balances	77,930,476	54,950,226

11. LOANS

A) BANK BORROWINGS

	30 June 2025	31 December 2024
	٥	٥
	Unaudited	Audited
SAB Loan (Note I and II)	49,486,811	63,051,713
Current portion	(27,236,811)	(27,301,713)
Non-current portion	22,250,000	35,750,000

I. During 2022, the Parent Company entered into a bank facility agreement with SAB amounted to ٥ 35 million to cover the acquisition of 40% of the remaining shares of the Subsidiary Company. The loan is subject to repayment of quarterly installments of ٥ 1.75 million each, starting from September 2023 until February 2028. The loan entails financing costs as per prevailing Saudi rates (SAIBOR) in addition to a fixed commission rate.

YANBU CEMENT COMPANY (A SAUDI JOINT STOCK COMPANY)
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

11. LOANS (CONTINUED)

A) BANK BORROWINGS (CONTINUED)

II. During 2023, the Parent Company entered into a Murabaha finance agreement with SAB amounted to ﷲ 70 million. The loan is repayable in quarterly installments of ﷲ 5 million each, starting from September 2023 until November 2026. The loan entails financing costs as per prevailing Saudi rates (SAIBOR) in addition to a fixed commission rate.

B) SHORT TERM FINANCING

The Parent Company has entered into non-conventional financing facilities agreements with various banks at SAIBOR plus agreed commission rate to meet its working capital requirements. The facilities availed during the period ended 30 June 2025 amounted to ﷲ 430 million (31 December 2024: ﷲ 430 million). As at 30 June 2025, the outstanding amounts of ﷲ 149.99 million (31 December 2024: ﷲ 255.32 million) were classified under current liabilities since these are due within 12 months period.

12. STATUTORY RESERVE

In accordance with the Company's previous By-laws, the Company was required to allocate at least 10% of its annual net income to the statutory reserve until the reserve reached 30% of the share capital. As part of its financial policy, the Company had decided to continue maintaining the statutory reserve at 50% of the share capital. However, following recent amendments to the Companies Law, the Company has discontinued the creation of the statutory reserve and By-laws has been updated in this regard.

Accordingly, the Board of Directors has approved submitting a recommendation to the General Assembly regarding the transfer of the entire statutory reserve balance of ﷲ 787.50 million to the general reserve, in a manner that best serves the interests of the Company and its shareholders in accordance with the amended By- laws. This recommendation will be presented in the next General Assembly meeting to obtain necessary approvals.

13. DIVIDENDS

13.1 No dividends were proposed by the Board of Directors of the Parent Company during the period ended 30 June 2025.

13.2 On 8 Dhu al-Qa'dah 1445H (Corresponding to 16 May 2024), the Board of Directors of the Parent Company decided to distribute cash dividends amounting to ﷲ 118.13 million (ﷲ 0.75 per share) for the first half of the year ended 31 December 2024, equivalent to 7.5% of the nominal value of the share.

14. EARNINGS PER SHARE

Basic earnings per share (EPS) is calculated by dividing the net profit for the period by the weighted average number of ordinary shares which are 157.5 million shares.

The table below reflects the details of the net profit for the period and the number of shares used in calculating basic and diluted earnings per share:

	For the three- month period ended 30 June		For the six- month period ended 30 June	
	2025	2024	2025	2024
	ﷲ	ﷲ	ﷲ	ﷲ
	Unaudited	Unaudited	Unaudited	Unaudited
Net profit for the period	21,618,807	39,766,117	51,526,382	98,072,178
Weighted average number of outstanding ordinary shares	157,500,000	157,500,000	157,500,000	157,500,000
Basic and diluted earnings per share	0.14	0.25	0.33	0.62

14.1 There has been no item of dilution affecting the weighted average number of ordinary shares.

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15. CONTINGENCIES AND COMMITMENTS

15.1 As at 30 June 2025, the contingencies against banks' letter of guarantees issued on behalf of the Group amounted to ﷲ 62.83 million (31 December 2024: ﷲ 46.26 million).

15.2 As at 30 June 2025, the Group has no letter of credits (31 December 2024: ﷲ 0.69 million) issued from banks in the Kingdom of Saudi Arabia.

16. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent major shareholders, Board of Directors, the Group's key management personnel and entities managed or significantly influenced by those parties. The following are the details of major-related parties' transactions during the six-month period ended 30 June 2025:

Allowances and compensation of the Board of Directors and senior executives

The Group's senior management includes key management personnel and executives, Board of Directors, having authorities and responsibilities for planning, directing and controlling the activities of the Group.

Board of Directors and committees' compensation charged and accrued during the six-month period ended 30 June 2025 amounted to ﷲ 2.6 million (30 June 2024: ﷲ 1.9 million).

Key management personnel compensation comprised the following:

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2025	2024	2025	2024
	ﷲ	ﷲ	ﷲ	ﷲ
	Unaudited	Unaudited	Unaudited	Unaudited
Short term employee benefits	2,700,211	2,301,314	5,128,322	4,602,628
Post-employment benefits	157,098	133,970	298,558	267,940
	2,857,309	2,435,284	5,426,880	4,870,568

The Group entered into transaction with its associate under mutually agreed terms and conditions

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2025	2024	2025	2024
	ﷲ	ﷲ	ﷲ	ﷲ
	Unaudited	Unaudited	Unaudited	Unaudited
Knowledge Centre for Cement Training - (the "associate") (Nature of transaction)				
Training cost charged by associate	-	301,875	-	301,875
Paid on behalf of the associate	1,071	333,746	1,071	434,610

Knowledge Centre for Cement Training – associate

	Note	30 June 2025	31 December 2024
Balances		ﷲ	ﷲ
		Unaudited	Audited
Due from a related party balance	16.1	394,651	393,580

16.1 The due from a related party balance is included in prepayments, advances and other receivables.

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17. FAIR VALUE MEASUREMENT

All assets and liabilities for which fair value is measured or disclosed in the interim condensed consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

Suppose the inputs used to measure the fair value of an asset or liability falls into different levels of the fair value hierarchy. In that case, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest input level that is significant to the entire measurement.

Set out below is a comparison, by class, of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Assets measured at fair value	Date of valuation	Total ﷲ	Fair value measurement using		
			Quoted prices in active markets (Level 1) ﷲ	Significant observable inputs (Level 2) ﷲ	Significant unobservable inputs (Level 3) ﷲ
Financial derivatives	30 June 2025 (Unaudited)	763,037	-	-	763,037
Investment at FVTPL	30 June 2025 (Unaudited)	15,563,166	-	7,563,166	8,000,000
Financial derivatives	31 December 2024 (Audited)	1,353,446	-	-	1,353,446
Investment at FVTPL	31 December 2024 (Audited)	15,380,757	-	7,380,757	8,000,000

Financial derivatives

The Group enters into derivative financial instrument principally with financial institutions having investment-grade credit ratings. Derivatives valued using valuation techniques with observable market inputs is interest rate swaps. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations.

Investments at FVTPL

This represents investment in mutual funds which are measured based on the unit price. The fund manager limits market risk by monitoring the developments in the relevant markets for these instruments.

During the six-month period ended 30 June 2025 and year ended 31 December 2024, there were no movements between the levels.

18. EVENTS AFTER THE REPORTING PERIOD

On 19 Muharram 1447H (Corresponding to 14 July 2025), the Board of Directors of the Parent Company decided to distribute cash dividends amounting to ﷲ 78.75 million (ﷲ 0.5 per share) for the first half of the year ending 31 December 2025, equivalent to 5% of the nominal value of the share.

Management believes that there are no significant subsequent events that either require disclosure or adjustments to the accompanying interim condensed consolidated financial statements.

19. COMPARATIVE FIGURES

The Group reclassified transportation expenses previously netted off from 'revenue from contracts with customers' to "selling and distribution expenses" amounted to ﷲ 16.15 million to conform to the current period presentation. This reclassification does not affect the net profit and retained earnings of the Group in prior period.

20. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements of the Group were approved by the Board of Directors on 27/01/1447 H (Corresponding to the 22/7/2025 G).