

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

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

Najran Cement Company
(A Saudi Joint Stock Company)
Interim Condensed Consolidated Financial Statements (Unaudited)
For The Three-Month And Six-Month Periods Ended 30 June 2025
And Independent Auditor's Review Report

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INDEPENDENT AUDITOR'S REVIEW REPORT

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

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Najran Cement Company - A Saudi Joint Stock Company - ("the Company") and its subsidiary ("collectively referred to as the "Group"), as of 30 June 2025, and the related interim condensed consolidated statements of profit or loss and comprehensive income, changes in shareholders' equity and cash flows for the three-month and six-month periods then ended and other explanatory notes.

Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34"), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

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

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", as endorsed in the Kingdom of Saudi Arabia.

Other matter

We reviewed the Group's condensed consolidated interim financial statements as at and for the period ended 30 June 2024 and we issued a modified conclusion on our report dated 11 Safar 1446 H (Corresponding to 15 August 2024). As part of our review procedures of the Group's condensed consolidated interim financial statements for the three and six month periods ended 30 June 2025, we reviewed the adjustments mentioned in note (19) that were applied to restate the comparative figures presented to the Group's condensed consolidated interim financial statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three and six month periods ended 30 June 2024.

For Dr. Mohamed Al-Amri & Co.




Maher Al-Khatieb
Certified Public Accountant
Registration No. 514

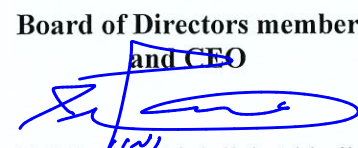


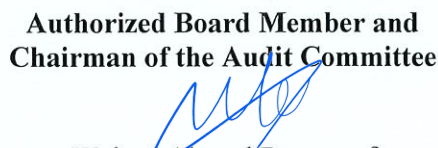
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Najran Cement Company
(A Saudi Joint Stock Company)
Interim Condensed Consolidated Statement of Financial Position
(All amounts in thousands Saudi Riyals unless otherwise stated)

		30 June 2025 (Unaudited) S'000	31 December 2024 (Audited) S'000
ASSETS	Note		
Non-current assets			
Property, plant and equipment	7	1,988,740	2,029,870
TOTAL NON-CURRENT ASSETS		1,988,740	2,029,870
Current assets			
Inventories	8	407,777	379,628
Trade receivables	9	21,822	21,839
Prepayments and other receivables		25,571	28,871
Cash and cash equivalents		19,801	16,485
TOTAL CURRENT ASSETS		474,971	446,823
TOTAL ASSETS		2,463,711	2,476,693
EQUITY AND LIABILITIES			
Equity			
Share capital	10	1,700,000	1,700,000
Treasury shares	10	(35,849)	-
Retained earnings		364,027	342,315
TOTAL EQUITY		2,028,178	2,042,315
LIABILITIES			
Non-current liabilities			
Employees' defined benefit obligations		51,640	47,684
Non-current portion of lease liability		1,827	1,827
Rehabilitation provision		1,259	1,217
Non-current portion of long term borrowing	11	240,808	205,962
TOTAL NON-CURRENT LIABILITIES		295,534	256,690
Current liabilities			
Provision for zakat	12	3,530	6,927
Current portion of lease liability		269	269
Current portion of long-term borrowing	11	18,453	61,357
Short-term financing	11	40,000	30,000
Contract liability-advances from customers		5,528	5,542
Trade payables		55,774	46,958
Accrued and other payables		14,991	25,181
Dividends payable		1,454	1,454
TOTAL CURRENT LIABILITIES		139,999	177,688
TOTAL LIABILITIES		435,533	434,378
TOTAL EQUITY AND LIABILITIES		2,463,711	2,476,693

CFO

Rami Jawad Abu Jneid

**Board of Directors member
and CEO**

Abdulsalam Abdullah Aldraibi

**Authorized Board Member and
Chairman of the Audit Committee**

Waleed Ahmed Bamarouf

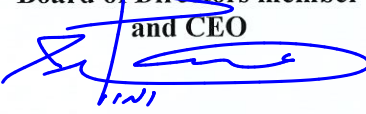
The attached notes from 1 to 20 form an integral part of these interim condensed consolidated financial statements.

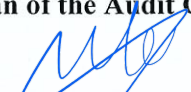
Najran Cement Company
(A Saudi Joint Stock Company)
Interim Condensed Consolidated Statement of Profit or Loss
(All amounts in thousands Saudi Riyals unless otherwise stated)

	Note	For the three-month period ended 30 June		For the six-month period ended 30 June	
		2024		2024	
		(Restated note 19)		(Restated note 19)	
		2025 (Unaudited) S'000	(Unaudited) S'000	2025 (Unaudited) S'000	(Unaudited) S'000
Sales	13	124,701	113,267	259,941	251,394
Cost of sales		(103,227)	(92,418)	(204,633)	(194,067)
Gross profit		21,474	20,849	55,308	57,327
Selling and distribution expense		(2,125)	(2,345)	(4,083)	(4,848)
General and administrative expense		(9,683)	(7,249)	(18,814)	(16,550)
Operating profit		9,666	11,255	32,411	35,929
Finance costs		(4,549)	(5,796)	(9,325)	(12,207)
Other income		932	244	1,686	1,406
Profit before zakat		6,049	5,703	24,772	25,128
Zakat	12	(1,530)	(1,530)	(3,060)	(3,060)
Net profit for the period		4,519	4,173	21,712	22,068
EARNINGS PER SHARE					
Basic and diluted earnings per share attributable to the shareholder of the Company (S)	14	0.03	0.02	0.13	0.13

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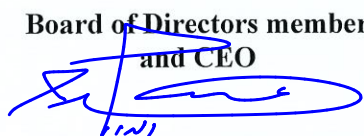
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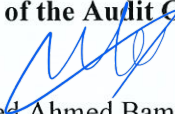
Najran Cement Company
(A Saudi Joint Stock Company)
Interim Condensed Consolidated Statement of Comprehensive Income
(All amounts in thousands Saudi Riyals unless otherwise stated)

	<i>For the three-month period ended 30 June</i>		<i>For the six-month period ended 30 June</i>	
	2025 (Unaudited) S'000	2024 (Restated note 19) (Unaudited) S'000	2025 (Unaudited) S'000	2024 (Restated note 19) (Unaudited) S'000
NET PROFIT FOR THE PERIOD	4,519	4,173	21,712	22,068
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	4,519	4,173	21,712	22,068

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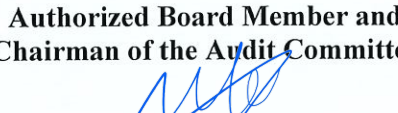
Najran Cement Company
(A Saudi Joint Stock Company)
Interim Condensed Consolidated Statement of Changes in Equity
(All amounts in thousands Saudi Riyals unless otherwise stated)

	<i>Note</i>	<i>Share capital S'000</i>	<i>Treasury shares S'000</i>	<i>Statutory reserve S'000</i>	<i>Retained earnings S'000</i>	<i>Total Equity S'000</i>
As at 1 January 2025 - (Audited)		1,700,000	-	-	342,315	2,042,315
Net profit for the period		-	-	-	21,712	21,712
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the period		-	-	-	21,712	21,712
Treasury shares	10	-	(35,849)	-	-	(35,849)
Balance as at 30 June 2025 (Unaudited)		1,700,000	(35,849)	-	364,027	2,028,178
As at 1 January 2024 (Audited)		1,700,000	-	162,193	111,869	1,974,062
Net profit for the period (<i>Restated note 19</i>)		-	-	-	22,068	22,068
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the period		-	-	-	22,068	22,068
Balance as at 30 June 2024 (<i>Restated note 19</i>) (Unaudited)		1,700,000	-	162,193	133,937	1,996,130

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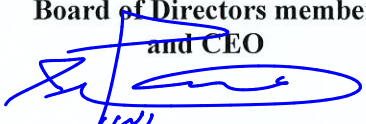
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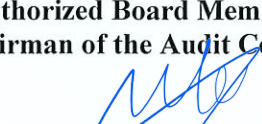
The attached notes from 1 to 20 form an integral part of these interim condensed consolidated financial statements.

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

		For the six-month period ended 30 June	
		2025	2024 (Restated note 19)
	Note	(Unaudited) S'000	(Unaudited) S'000
OPERATING ACTIVITIES			
Profit before zakat		24,772	25,128
Adjustments to reconcile income before zakat to net cash flows:			
Depreciation	7	48,216	47,983
Finance costs		9,325	12,207
Provision for employees' benefits		4,217	4,016
Transfer of property, plant and equipment	19	-	2,027
		86,530	91,361
Working capital adjustments			
Trade receivables		17	(2,116)
Inventories		(28,149)	(25,955)
Prepayments and other receivables		3,300	5,705
Contract liability - advances from customers		(14)	(737)
Trade payables		8,816	(414)
Accrued and other payables		(10,190)	(25,397)
Net cash generated from operations		60,310	42,447
Zakat Paid	12	(6,457)	-
Finance costs paid		(9,341)	(12,305)
End of service benefits paid		(261)	(1,548)
Net cash generated from operating activities		44,251	28,594
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	7	(7,388)	(18,880)
Disposal of property, plant and equipment		302	-
Net cash used in investing activities		(7,086)	(18,880)
FINANCING ACTIVITIES			
Net movement of short-term loans		10,000	10,000
Payment of long-term loan	11	(8,000)	(21,423)
Purchases of treasury shares	10	(35,849)	-
Net cash used in financing activities		(33,849)	(11,423)
Net increase / (decrease) in cash and cash equivalents		3,316	(1,709)
Cash and cash equivalents at the beginning of the period		16,485	16,015
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		19,801	14,306
Non-Cash Transaction:			
Purchase of property, plant and equipment		-	10,520


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

1 CORPORATE INFORMATION

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

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

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

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

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

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These interim condensed consolidated financial statements for the Six-month periods ended 30 June 2025 have been prepared in accordance with International Accounting Standard (34) “Interim Financial Reporting” as 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”). The Group has prepared these interim condensed consolidated financial statements on the basis that it will continue to operate as a going concern. The management consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024. In addition, results of the interim period 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 are prepared under the historical cost convention using the accrual basis of accounting and going concern concept, except for the following items which are measured as follows:

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

2.3 Functional and presentation currency

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

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Significant accounting judgements, estimates and assumptions

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

The significant judgments made by management in applying the Group's accounting policies and the methods of computation and the key sources of estimation are the same as those that applied to the consolidated financial statements for the year ended 31 December 2024.

3 BASIS OF CONSOLIDATION

These interim condensed consolidated financial statements include the financial information of the Parent Company and its wholly owned subsidiary, Wasl Al Janub Land Transportation Company (One person company) (together referred to as the "Group"), in which the Group exercises control as at 30 June 2025.

<i>Subsidiary name</i>	<i>Country of incorporation</i>	<i>Principal business activity</i>	<i>Effective ownership interest</i>	
			<i>30 June 2025</i>	<i>31 December 2024</i>
Wasl Al Janub Land Transportation Company (One person company)	KSA	land transport of goods	100%	100%

The financial statements of the subsidiary are prepared for the same reporting period as that of the Group, using consistent accounting policies of the Group (note 5).

Transactions eliminated on consolidation

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

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

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

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

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

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

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

4 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2025, Which explained in the financial statements of the group but do not have an impact on the interim condensed consolidated financial statements of the Group as at 30 June 2025.

5 SUBSIDIARY

Below is a summary of the financial information of the subsidiary "Wasl Al Janub Land Transportation Company (One person company)" which is a wholly owned subsidiary of Najran Cement Company, this information is based on amounts before intercompany balances and transactions elimination for the group (Note3):

	<i>30 June 2025 (Unaudited) S'000</i>	<i>31 December 2024 (audited) S'000</i>
Summary of statement of financial position		
Non-current assets	125,482	132,768
Current assets	7,730	9,252
Non-current liabilities	64,121	74,479
Current liabilities	20,416	21,347
Net assets	48,675	46,194
	<i>For the six- month period ended 30 June 2025 (Unaudited) S'000</i>	<i>For the six- month period ended 30 June 2024 (Unaudited) S'000</i>
Summary of statement of comprehensive income		
Operating Profit	4,396	5,974
Net Profit	2,482	3,554

6 SEGMENTAL REPORTING

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

7 PROPERTY, PLANT AND EQUIPMENT

For purpose of preparing the interim condensed consolidated statement of cash flows, movement in property, plant and equipment during the Six-month period ended 30 June is as follows:

	<i>30 June 2025 (Unaudited) S'000</i>	<i>30 June 2024 (Restated note 19) (Unaudited) S'000</i>
Depreciation	48,216	47,983
Additions to property, plant and equipment	(7,388)	(29,400)

8 INVENTORIES

	30 June 2025 (Unaudited) S'000	31 December 2024 (audited) S'000
Raw materials, fuel and packing materials	32,929	18,491
Work in process	316,119	310,194
Finished goods	7,441	6,158
Spare parts - Consumables not for sale	58,856	52,353
Less: Provision for obsolete spare parts	(7,568)	(7,568)
Total	407,777	379,628

9 TRADE RECEIVABLES

9.1 Trade Receivables

	30 June 2025 (Unaudited) S'000	31 December 2024 (Audited) S'000
Trade receivables	23,401	23,418
Less: provision for expected credit loss	9-2 (1,579)	(1,579)
	21,822	21,839

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

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

	30 June 2025 (Unaudited) S'000	31 December 2024 (Audited) S'000
Balance at the beginning and end of the period / year	1,579	1,579

10 SHARE CAPITAL

10.1 Share capital

The authorized share capital of the Group comprised 170 million ordinary shares stated at S' 10 per share. All shares are issued and fully paid. (31 December 2024: 170 million ordinary shares stated at S' 10 per share).

10.2 Treasury shares

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

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

During the period, the Group purchased 4,25 million shares worth S' 35,8 million.

10.3 Statutory reserve

In accordance with the previous Companies Law in the Kingdom of Saudi Arabia, the Company had allocated a statutory reserve by transferring 10% of its net income to the statutory reserve until it reached 30% of the share capital. This reserve was not available for distribution.

During the year ended 31 December 2024, The Group has updated its Articles of Association in accordance with the new Companies Law. Additionally, the Extraordinary General Assembly approved the transfer of the statutory reserve to retained earnings on 21 Jumada al-Thani 1446H (corresponding to 22 December 2024).

11 LOANS TERM FINANCING

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

11.1 Long term borrowing

	<i>30 June 2025 S'000</i>	<i>31 December 2024 S'000</i>
Principal amount, beginning balance	264,808	315,654
Less: repayments during the period/ year	(8,000)	(50,846)
Net principal amount	256,808	264,808
Accrued mark up for the period/ year	2,453	2,511
	259,261	267,319
Long term borrowing - Current portion	(18,453)	(61,357)
Long term borrowing - non-Current portion	240,808	205,962

11.2 Short term financing

	<i>30 June 2025 S'000</i>	<i>31 December 2024 S'000</i>
Principal amount, beginning balance	30,000	20,000
Draw-down during the period/year	40,000	60,000
Less: repayments during the period/ year	(30,000)	(50,000)
Net Principal amount	40,000	30,000

11.3 Tawarruq

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

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

As of 30 June 2025, the short bank facilities balance amounting: S' 40 million (31 December 2024: S' 30 million), for the working capital purposes of the Group.

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

All The above loans is sharia compliant.

12 ZAKAT

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

	30 June 2025 (Unaudited) S'000	31 December 2024 (Audited) S'000
Balance at beginning of the period / year	6,927	8,030
Provision during the period / year	3,060	5,726
Paid during the period / year	(6,457)	(6,829)
Balance at the end of the period / year	3,530	6,927

The Group submitted its Consolidated Zakat returns to the zakat, Tax and customs Authority (ZATCA) for all the years up to December 31, 2024 and settled the obligations for these years based on the filed Zakat returns. Zakat assessments have been finalized with Zakat, Tax and Customs Authority (ZATCA) for the years 2006 to 2011 and 2014 to 2023.

13 SALES

13.1 Disaggregated sales information

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2025 (Unaudited) S'000	2024 (Unaudited) S'000	2025 (Unaudited) S'000	2024 (Unaudited) S'000
Product type				
Cement	124,701	113,267	259,941	251,394
Total sales	124,701	113,267	259,941	251,394
Customer type				
Corporate customers	124,701	113,267	259,941	251,394
Total sales	124,701	113,267	259,941	251,394
Geographical markets				
Local	116,536	104,277	243,689	239,080
Export	8,165	8,990	16,252	12,314
Total sales	124,701	113,267	259,941	251,394

13.2 Performance obligations - point in time

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

14 EARNINGS PER SHARE

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

	<i>For the three-month period ended 30 June</i>		<i>For the six-month period ended 30 June</i>	
	<i>2025 (Unaudited)</i>	<i>2024 (Unaudited)</i>	<i>2025 (Unaudited)</i>	<i>2024 (Unaudited)</i>
Profit for the period attributable to the shareholders of the Company (in ₪'000)	4,519	4,173	21,712	22,068
Weighted average number of ordinary shares for the purposes of basic and diluted earnings Basic ('000 shares)	167,886	170,000	168,872	170,000
Basic and diluted profit per share based on profit for the period attributable to shareholders of the Company (₪)	0.03	0.02	0.13	0.13

* The weighted average number of outstanding ordinary shares during the period ended 30 June 2025 has been calculated after calculating the impact of the purchase of treasury shares (note 10-2).

15 CONTINGENCIES AND COMMITMENTS

The Group was contingently liable for letters of credit and bills for collections issued in the normal course of the business amounting to ₪ 29,259 Million as at 30 June 2025 (31 December 2024: ₪ 24,936 Million).

16 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent major shareholders, Board of Directors, the Group key management personnel and enterprises 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 compared to the six-month period ended 30 June 2024:

<i>Due to related parties</i>			<i>For the six-month period ended 30 June (Unaudited)</i>	
			<i>2025 ₪'000</i>	<i>2024 ₪'000</i>
<i>Related party</i>	<i>Nature of relation</i>	<i>Nature of transaction</i>		
Al Masane Al kobra Mining Company.	Some members of the group's Board of directors are members of the company's Board of directors	Sales to related party	-	281

16 RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

Allowances and compensation of the Board of Directors and senior executives

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

Board of Directors and committees' compensation charged during the six-month period ended 30 June 2025 amounting to ﷲ 2,397 Million (30 June 2024: ﷲ 1,918 Million).

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

	<i>30 June 2025 (Unaudited) ﷲ'000</i>	<i>30 June 2024 (Unaudited) ﷲ'000</i>
Short term employee benefits	6,552	5,885
Post-employment benefits	175	182
	6,727	6,067

17 FAIR VALUE MEASUREMENT

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

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

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

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

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

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

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

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

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

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

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

18 SUBSEQUENT EVENTS

Management believes that there are no material subsequent events that require disclosure or amendment to these condensed consolidated interim financial statements.

19 PRIOR YEARS RESTATEMENT

During 2024, management reassessed the accounting treatments of certain transactions and balances recorded in the consolidated financial statements of prior years to determine whether they had been accounted for in accordance with the International Financial Reporting Standards (IFRS) adopted in the Kingdom of Saudi Arabia. This reassessment was conducted in accordance with the requirements of IAS 8 "Accounting Policies, Changes in Accounting Estimates, and Errors", and the findings are as follows:

- a) In previous years, the Group used the declining balance method for the depreciation of property, plant, and equipment. During 2024, management engaged an external expert to conduct a comprehensive assessment to evaluate the appropriateness of the declining balance depreciation method currently applied by the Group in accordance with the requirements of IAS 16 "Property, Plant, and Equipment" as adopted in the Kingdom of Saudi Arabia. Consequently, management changed the depreciation method to the straight-line method retrospectively, by adjusting the impacted items for comparative figures.
- b) During 2024, management engaged an external expert to conduct a comprehensive review of spare parts recorded as inventory in the consolidated statement of financial position. The review identified a number of spare parts that meet the definition of property, plant, and equipment in accordance with IAS 16 "Property, Plant, and Equipment". As a result, management corrected the error by adjusting the impacted items on the consolidated financial statements for comparative figures.

Accordingly, the comparative figures have been restated as follows:

	30 June 2024 (Unaudited) S'000 Before Adjustment		30 June 2024 (Unaudited) S'000 After Adjustment
Consolidated statement of profit or loss			
Cost of sales	(187,093)	(6,974)	(194,067)
Net profit for the period	29,042	(6,974)	22,068
Earnings per share	0,17	(0,04)	0,13
Consolidated statement of cash flows			
Net change from operating activities			
Depreciation	43,036	4,947	47,983
Transfer of Property, plant and equipment	-	2,027	2,027

20 APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were authorized for issue by the Group's board of directors on 10/02/1447H (corresponding to 04/08/2025).