AL JOUF CEMENT COMPANY
(Saudi Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2026
AND THE INDEPENDENT AUDITOR'S REVIEW REPORT

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

To the Shareholders of
Al Jouf Cement Company
(A Saudi Joint Stock Company)
Riyadh, the Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al Jouf Cement Company - A Saudi Joint Stock Company (the "Company") and its subsidiaries (together the "Group"), as of 30 June 2026, and the related interim condensed consolidated statement 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 this interim condensed consolidated financial information 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 this interim condensed consolidated financial information based on our review.

Scope of Review

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

Basis for Qualified Conclusion

- The interim condensed consolidated statement of financial position includes property, plant and equipment having carrying amount of ⃁1,654 million as of 30 June 2026. During the six-month period ended 30 June 2026, the Group financial performance has deteriorated, and the Group was not able to achieve the performance goals which were agreed in the business plan approved by the Group's board of directors which indicates a possibility of impairment of property, plant and equipment. Management has engaged an external consultant to perform an impairment assessment; however, the assessment had not been finalized as of the date of our report. Accordingly, management was unable to determine whether any impairment loss was required to be recognized in respect of the property, plant and equipment as at that date.

  In the absence of such impairment assessment, we were unable to obtain sufficient appropriate evidence regarding whether the carrying amount of the property, plant and equipment was recoverable as of 30 June 2026. Consequently, we were unable to determine whether any impairment loss should have been recognized or whether any adjustments to the carrying amount of property, plant and equipment, impairment loss in profit or loss and the associated disclosures in the interim condensed consolidated financial information for the three-month and six-month periods ended 30 June 2026.

INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION – (CONTINUED)

To the Shareholders of
Al Jouf Cement Company
(A Saudi Joint Stock Company)
Riyadh, the Kingdom of Saudi Arabia

Basis for Qualified Conclusion – (continued)

- During the year ended 31 December 2025, management recognized inventory loss of ⃁97.8 million relating to work in-progress inventory. This loss resulted from discrepancies between management's inventory records and management's expert report related to inventory year-end physical count. Consequently, management has engaged an external consultant to investigate this matter. The investigation is still ongoing as of the date of our report. Accordingly, we were unable to ascertain whether this loss pertains to 2025 or prior years.

Qualified Conclusion

Except for the expected adjustments to the interim condensed consolidated financial information that we might have become aware of had it not been for the situation described above, based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the accompanying interim condensed consolidated financial information, the Group has a net loss for the six-month period ended 30 June 2026 amounting to ⃁45,984,834, and as of that date the Group has accumulated losses of ⃁176,830,108. The Group's current liabilities exceeded its current assets, which led to a deficit in working capital amounted to ⃁655,903,668 as at 30 June 2026. These events and conditions along with other matters explained in Note 2 indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not further modified in respect of this matter.

RSM Allied Accountants Professional Services

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AL JOUF CEMENT COMPANY
(SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 JUNE 2026
(ALL AMOUNTS IN ⃁ UNLESS OTHERWISE STATED)

	Note	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Assets			
Non-current assets			
Property, plant, and equipment	6	**1,654,458,389**	1,669,203,636
Intangible assets		**2,736,811**	3,367,488
Right-of-use assets		**475,273**	-
Investment in equity instruments at fair value through other comprehensive income	7	**-**	-
Total non-current assets		**1,657,670,473**	1,672,571,124
Current assets			
Inventory	8	**109,705,727**	112,890,301
Prepayments and other receivables		**15,572,893**	8,848,658
Trade receivables	9	**14,651,530**	20,016,770
Cash at banks		**231,369**	1,860,312
Total current assets		**140,161,519**	143,616,041
Total assets		**1,797,831,992**	1,816,187,165
Equity and Liabilities			
Equity			
Share capital	1	**1,087,000,000**	1,087,000,000
Changes in fair value in other comprehensive income	7	**(46,000,000)**	(46,000,000)
Accumulated losses		**(176,830,108)**	(130,845,274)
Foreign currency translation reserve		**(63,150)**	(63,150)
Total equity		**864,106,742**	910,091,576
Liabilities			
Non-current liabilities			
Long-term banks facilities - non-current portion	11	**115,693,774**	126,264,389
Quarry exploitation fees - non-current portion	12	**10,530,136**	16,539,778
Employees' end-of-service benefits		**11,238,924**	10,949,247
Lease liability - non-current portion		**197,229**	-
Total non-current liabilities		**137,660,063**	153,753,414
Current liabilities			
Long-term banks facilities - current portion	11	**407,189,054**	406,969,793
Short term banks facilities	11	**195,681,223**	168,352,588
Quarry exploitation fees - current portion	12	**22,187,380**	18,143,238
Trade and other payables	13	**136,368,342**	124,501,880
Current portion of lease liability		**287,012**	-
Provision for zakat	14	**34,352,176**	34,374,676
Total current liabilities		**796,065,187**	752,342,175
Total liabilities		**933,725,250**	906,095,589
Total equity and liabilities		**1,797,831,992**	1,816,187,165

The accompanying notes 1 to 23 form an integral part of this interim condensed consolidated financial information.

Chief Financial Officer	**Managing Director and Chief Executive Officer**	**Chairman**

AL JOUF CEMENT COMPANY
(SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2026
(ALL AMOUNTS IN ⃁ UNLESS OTHERWISE STATED)

		For the three-months period ended 30 June		For the six-months period ended 30 June	
	Note	**2026 (Unaudited)**	2025 (Unaudited)	**2026 (Unaudited)**	2025 (Unaudited)
Net sales	16	**43,937,828**	69,229,619	**84,131,802**	137,727,832
Cost of sales		**(44,388,287)**	(62,564,451)	**(83,950,760)**	(125,121,937)
Gross (loss) / profit		**(450,459)**	6,665,168	**181,042**	12,605,895
Selling and marketing expenses		**(1,355,095)**	(587,757)	**(3,403,354)**	(4,750,607)
General and administrative expenses		**(8,928,920)**	(11,625,219)	**(14,198,397)**	(19,676,331)
Operating loss		**(10,734,474)**	(5,547,808)	**(17,420,709)**	(11,821,043)
Finance costs		**(14,062,968)**	(14,983,938)	**(28,305,650)**	(29,522,378)
Reversal of allowance for expected credit losses		**653,664**	-	**653,664**	2,000,000
Other income, net		**512,682**	139,898	**587,861**	1,816,484
Loss for the period before zakat		**(23,631,096)**	(20,391,848)	**(44,484,834)**	(37,526,937)
Zakat charge	14	**(750,000)**	(3,000,000)	**(1,500,000)**	(1,100,000)
Net loss for the period		**(24,381,096)**	(23,391,848)	**(45,984,834)**	(38,626,937)
Other Comprehensive Income:					
Items that will not be reclassified to profit or loss		-	-	-	-
Total comprehensive loss for the period		**(24,381,096)**	(23,391,848)	**(45,984,834)**	(38,626,937)
Loss per share					
Basic and diluted loss per share for the period	15	**(0.22)**	(0.22)	**(0.42)**	(0.36)

The accompanying notes 1 to 23 form an integral part of this interim condensed consolidated financial information.

Chief Financial Officer	**Managing Director and Chief Executive Officer**	**Chairman**

AL JOUF CEMENT COMPANY
(SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2026
(ALL AMOUNTS IN ⃁ UNLESS OTHERWISE STATED)

	Share Capital	Statutory Reserve	Changes in Fair Value in Other Comprehensive Income	(Accumulated losses) / Retained Earnings	Foreign Currency Translation Reserve	Total Equity
Balance as of 31 December 2025 (Audited)	**1,087,000,000**	-	**(46,000,000)**	**(130,845,274)**	**(63,150)**	**910,091,576**
Net loss for the period	-	-	-	**(45,984,834)**	-	**(45,984,834)**
Other comprehensive income items	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	**(45,984,834)**	-	**(45,984,834)**
Balance as of 30 June 2026 (Unaudited)	**1,087,000,000**		**(46,000,000)**	**(176,830,108)**	**(63,150)**	**864,106,742**
Balance as of 31 December 2024 (Audited)	1,087,000,000	62,947,016	(46,000,000)	12,600,195	(63,150)	1,116,484,061
Net loss for the period	-	-	-	(38,626,937)	-	(38,626,937)
Other comprehensive income items	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(38,626,937)	-	(38,626,937)
Transferred from statutory reserve	-	(62,947,016)	-	62,947,016	-	-
Balance as of 30 June 2025 (Unaudited)	1,087,000,000	-	(46,000,000)	36,920,274	(63,150)	1,077,857,124

The accompanying notes 1 to 23 form an integral part of this interim condensed consolidated financial information.

Chief Financial Officer	Managing Director and Chief Executive Officer	Chairman

AL JOUF CEMENT COMPANY
(SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2026
(ALL AMOUNTS IN ⃁ UNLESS OTHERWISE STATED)

	Notes	For the six-months period ended 30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for the period before Zakat		**(44,484,834)**	(37,526,937)
Adjustments for:			
Depreciation of property, plant and equipment	6	**14,776,834**	13,211,977
Reversal of expected credit losses	9	**(653,664)**	(2,000,000)
Depreciation of right-of-use assets		**95,053**	94,281
Amortization of intangible assets		**630,677**	188,262
Provision for legal claim		**1,380,000**	900,000
Provision for slow moving inventory	8	**-**	549,669
Finance costs		**28,305,650**	29,522,378
Provision for employees' end of service benefits		**765,491**	911,749
		815,207	5,851,379
Changes in operating assets and liabilities:			
Inventories		**3,184,574**	30,217,595
Trade receivables		**6,018,904**	4,088,310
Prepayments and other receivables		**(6,724,235)**	(637,180)
Trade and other payables		**10,486,462**	3,958,409
Cash flows from operations		**13,780,912**	43,478,513
Payment of quarry exploitation fees	12	**(3,000,000)**	(3,800,000)
Employees' end of service benefits paid		**(475,814)**	(326,726)
Zakat paid	14	**(1,522,500)**	-
Net cash generated from operating activities		**8,782,598**	39,351,787
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	6	**(31,587)**	(1,086,679)
Addition to intangible assets		**-**	(100,000)
Net cash used in investing activities		**(31,587)**	(1,186,679)
CASH FLOWS FROM FINANCING ACTIVITIES			
Credit facilities repayments	11	**(8,036,172)**	(30,628,104)
Receipt of credit facilities	11	**4,801,000**	1,315,506
Payment of lease liabilities		**(104,500)**	(104,500)
Finance costs paid	11	**(7,040,282)**	(20,492,319)
Net cash used in financing activities		**(10,379,954)**	(49,909,417)
Net decrease in cash and cash equivalents		**(1,628,943)**	(11,744,309)
Cash and cash equivalents at beginning of the period		**1,860,312**	11,959,909
Cash and cash equivalents at end of the period		**231,369**	215,600

The accompanying notes 1 to 23 form an integral part of this interim condensed consolidated financial information.

Chief Financial Officer	**Managing Director and Chief Executive Officer**	**Chairman**

1. CORPORATE INFORMATION

Al Jouf Cement Company (the "Company") is a Saudi joint stock company, established under License No. 25 of the Ministry of Commerce dated 11 Muharram 1426 (corresponding to 20 February 2005) and registered in the city of Riyadh under Commercial Registry No. 1010225259 dated 1 Dhul-Qi'dah 1427 (corresponding to 22 November 2006) and Industrial License No. 25 dated 11 Muharram 1426 (corresponding to 20 February 2005) and renewed under No. 1042 dated 8 Rabi' al-Thani 1437 (18 January 2016). The Company operates under a materials quarry license in accordance with the mining system issued by Royal Decree No. 59/Q, dated 3 Rajab 1428 (corresponding to 17 July 2007). Its duration is (30) thirty Hijri years starting from the date of the license, and the Company has the right to request renewal of this license for a similar period with the approval of the Ministry of Industry and Mineral Resources.

This interim condensed consolidated financial information includes the assets, liabilities, and business results of the Company and its subsidiaries and branch (the "Group") which are as follows:

Company Name	Relationship	Country of incorporation	Ownership percentage	Main activities
Al-Jouf Cement Company	Subsidiary	The Hashemite Kingdom of Jordan	100%	Import, export, wholesale and retail trade.
Al-Jouf Investments Company	Subsidiary	Kingdom of Saudi Arabia	100%	Wholesale and retail trade of cement and its derivatives, commercial undertakings, import and export services, and marketing for others.
Jahez Al-Jouf Company	Subsidiary	Kingdom of Saudi Arabia	100%	Wholesale of cement and the like, and land transportation of goods.

The above subsidiaries has not started the operations as at 30 June 2026.

The Company's activity is the production of ordinary portland cement, salt-resistant cement, white cement, the agglomerated cement (clinker), pozzolanic cement and green cement.

The share capital of the Company as at 30 June 2026 comprised 108.7 million shares stated at ⃁10 per share (2025: 108.7 million shares at ⃁ 10 per share).

1.1 Recent Geopolitical Developments in the Middle East

During the six-months period ended 30 June 2026, geopolitical tensions in parts of the Middle East intensified, leading to economic instability. Given that the majority of the Group's operations are conducted within the region, management continues to monitor these developments closely as the situation remains evolving, and any further escalation or prolonged continuation of the conflict could potentially affect Group's business.

2. GOING CONCERN

The Group has a net loss for the six-month period ended 30 June 2026 amounting to ⃁45,984,834 (six-month period ended 30 June 2025: ⃁38,626,937), and as of that date the Group has accumulated losses of ⃁ 176,830,108 (31 December 2025: ⃁130,845,274). The Group's current liabilities exceeded its current assets, which led to a deficit in working capital amounted to ⃁655,903,668 as at 30 June 2026 (31 December 2025: ⃁ 608,726,134).

2. GOING CONCERN – CONTINUED

During 2024, the Group successfully signed an agreement with the National Electricity Transmission Company to deliver electricity to the factory by the third quarter of 2026. An agreement was also signed with Engie to build a 22-megawatt solar power plant (operational contract) that will start in the fourth quarter of 2026, with no capital costs for the Group. Such agreement will help the Group to reduce it's operational cost and move towards environment friendly tools. Management expects to complete the factory's connection to the natural gas grid by 2027. All of these factors will help utilize the factory's full capacity, thus significantly reducing production costs, which will contribute to improving the Group's profit margins. On 29 September 2025, the Group held a meeting with the Ministry of Industry and Mineral Resources regarding the Liquid Fuel Displacement Program, which is designed to compensate the Group for costs incurred in internal modifications necessary to implement an alternative energy initiative. On 21 May 2026 the Group entered into an agreement with the Altec Limited for the design, supply and installation of electrical interconnection works to connect the Company's facilities to the Saudi Electricity Company Grid. The project is expected to be completed within six months from the date of signing the contract.

The Group participated in the Industrial Sector Competitiveness Program through an agreement aimed at enhancing energy efficiency and quality in its industrial facilities. The program contributed to reducing production costs, complementing ongoing initiatives to improve operational efficiency. As a result, the Group received the financial compensation starting in 2024.

Furthermore, the Group has developed a 7-year business plan, approved by the Board of Directors on 26 August 2025.The plan projects improved operational performance and profitability through optimal utilization of existing production capacity and an increase in production and sales of cement and clinker. Key initiatives include the revision of selling prices in line with market trends, expansion into regional export markets and planned transition from heavy fuel oil to natural gas is expected to significantly lower production costs and improve gross profit margins. Based on business plan the Group will generate sufficient cashflows and meet its current liabilities within 12 months of the reporting period. The Group is in breach of covenants for certain of the borrowing facilities which have become repayable on demand (note 11.7). Management is actively engaged in strengthening the Group's financial position by pursuing banks facilities restructuring arrangements and rollover existing short term banks facilities. Management of the Group believes that they will be able to successfully negotiate the favorable terms which will improve the financial position of the Group. In addition, the Board of Directors are currently reassessing the Group's business plan, and the reassessment is expected to be completed during the third quarter of 2026.

These initiatives, coupled with management's ongoing efforts to enhance operational efficiency and cost control, are expected to support improved liquidity, reduce net losses, and ensure the Group's continued financial stability.

The Group management has assessed available information for at least twelve months from the reporting date and taking into account the above uncertainties and concluded that preparation on a going concern basis remains appropriate after considering mitigating plans, accordingly this interim condensed consolidated financial information have been prepared on the going concern basis.

3. BASIS OF PREPARATION

3.1 Statement of Compliance

This interim condensed consolidated financial information has been prepared in accordance with IAS 34 'Interim Financial Reporting' as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncement issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"). The interim condensed consolidated financial information does not include all the information and disclosures required in the annual statements to prepare a complete set of financial statements; however, the accounting policies and explanatory notes are mentioned to explain events and the important transaction to understand the changes in the Group's financial position and its performance since the last annual financial statement of the Group.

3. BASIS OF PREPARATION - CONTINUED

3.1 Statement of Compliance - continued

The interim condensed consolidated financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the annual consolidated financial statements as of and for the year ended 31 December 2025.

The results for the six-months period ended 30 June 2026 are not necessarily indicative of the results that can be expected for the financial year ending 31 December 2026.

3.2 Basis of Consolidation

The interim condensed consolidated financial information includes the financial statements of the Company, its branch and its subsidiaries (together referred to as the "Group") located in the Kingdom of Saudi Arabia as of 30 June 2026 as disclosed in note 1.

Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through the exercise of its power over the investee. In particular, the Group controls an investee only when it has:

- Has power over the investee (having rights to give the group the ability to direct the activities related to the investee company),
- Is exposed to risk, or has rights to variable returns from its involvement with the investee; and
- Has the ability to use its power over the investee to affect its returns.

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 power 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 year are included in the interim condensed consolidated financial information from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Group.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

3.3 Functional and presentation currency

This interim condensed consolidated financial information is presented in Saudi Arabian Riyals (⃁), which is also the Group's functional and presentation currency.

3. BASIS OF PREPARATION - CONTINUED

3.4 Significant accounting judgements, estimates and assumptions

The preparation of this interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, revenue and expenses. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The significant estimates made by the management when applying the Group’s accounting policies and the significant sources of the estimation uncertainty were similar to those disclosed in the last issued annual consolidated financial statements.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those used in preparing the annual consolidated financial statements for the Group for the year ended 31 December 2025.

5. NEW AMENDED STANDARDS AND INTERPRETATIONS

The new standards and amendments to standards disclosed in the Group's annual consolidated financial statements for the year ended 31 December 2025 remain unchanged.

IFRS 18 Presentation and Disclosure in Financial Statements will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The Group has not early adopted the new accounting standard in preparing these interim condensed consolidated financial information; however, earlier application is permitted.

The Group is in the process of assessing the estimated impact that the initial application of IFRS 18 will have on its consolidated financial statements.

a) Structure of the Statement of Profit or Loss
IFRS 18 requires entities to classify all income and expenses into categories in the statement of profit or loss – namely operating, investing, financing, zakat income tax and discontinued operations. Classification of income and expenses depends on the main business activities of an entity. The Group has determined that it does not have a specified main business activity of investing in assets and/or providing financing to customers.

Neither net profit nor net assets will change as a result of the Group’s adoption of IFRS 18. The Group will be required to present two newly defined subtotals, which are ‘operating profit’ and ‘profit or loss before financing and income taxes’, However, operating profit subtotal differs from the current operating profit subtotal presented by the Group. Based on the information currently available, the Group expects changes to the current structure of the statement of profit or loss to result from the following:

- Interest expenses are generally included in finance costs under the Group’s current accounting policy and are presented in the ‘finance costs’ subtotal. IFRS 18 provides specific guidance on the expenses classified in the financing categories.

- Interest cost on employee benefit obligations, which is currently presented within finance costs, will remain unchanged in terms of classification and presentation, with no material impact expected.

5. NEW AMENDED STANDARDS AND INTERPRETATIONS - CONTINUED

a) Structure of the Statement of Profit or Loss - Continued

- Net foreign exchange losses are currently included in other income, net. Under IFRS 18, foreign exchange differences are required to be presented in the same category as the income and expenses from the items that gave rise to the differences. The Group has determined that it has foreign exchange differences to be classified in the operating and financing categories. For example, foreign exchange differences on trade payables and trade receivables will be classified in the operating category.

b) Management- defined performance measures

Management-defined performance measures (MPMs) are subtotals of income and expenses used in public communications outside the financial statements that communicate to users management's view of an aspect of the financial performance of the entity as a whole. The Group will be required to disclose specific information about MPMs in a single note in the financial statements.

The Group is in process to determine which public communications should be considered when identifying MPMs. MPMs relate to the same reporting period as the financial statements. Therefore, MPMs disclosed by the Group following adoption of IFRS 18 will be determined based on public communications issued by the Group relating to the 2027 interim reporting period.

c) Principles of aggregation and disaggregation

IFRS 18 provides enhanced principles on how to group information in the financial statements (i.e. the primary financial statements and the notes). It also introduces guidance on labelling and describing items presented in the primary financial statements or disclosed in the notes.

The Group is assessing the grouping of items on the basis of similar and dissimilar characteristics. Based on this assessment, it will present line items in the primary financial statements that provide useful structured summaries and disclose additional material information in the notes.

The Group is also assessing line items currently labelled as 'other' and will use more informative labels.

d) Consequential amendments

IFRS 18 introduces consequential amendments to IAS 7, which require entities to use the newly defined operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The Group currently uses profit for the year/period as the starting point of the reconciliation to cash flows from operating activities. Certain adjusting items included in the reconciliation will change as a result of the new starting point.

The consequential amendments also provide specific guidance on the classification of interest and dividend cash flows. The Group will classify cash flows from interest paid as financing activities rather than operating activities under this guidance. Cash flows from interest and dividends received and from dividends paid will continue to be classified as investing activities and financing activities, respectively.

6. PROPERTY, PLANT AND EQUIPMENT

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Cost:		
Balance at the beginning of the period / year	**2,347,167,961**	2,346,206,090
Additions during the period / year	**31,587**	1,998,538
Disposals during the period / year	**-**	(1,036,667)
Balance at the end of the period / year	**2,347,199,548**	2,347,167,961
Accumulated Depreciation:		
Balance at the beginning of the period / year	**677,964,325**	651,051,029
Charge for the period / year	**14,776,834**	27,038,094
Disposals during the period / year	**-**	(124,798)
Balance at the end of the period / year	**692,741,159**	677,964,325
Net book value for the period / year	**1,654,458,389**	1,669,203,636

All property, plant and equipment are pledged as guarantee against several loans (note 11).

7. INVESTMENT IN EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Ownership Percentage			
	2026	2025	**30 June 2026 (Unaudited)**	31 December 2025 (Audited)
Eastern Industrial Company (EIC) - Closed Saudi Joint Stock Co.(7.1)	**10%**	10%	**46,000,000**	46,000,000
Less: Fair value reserve for investment in Eastern Industrial Company (7.2)			**(46,000,000)**	(46,000,000)
			-	-

7.1 The Group holds 10% ownership in Eastern Industrial Company (EIC), a Closed Saudi Joint Stock Company in which the Group does not have effective control or influence.

7.2 In previous years, the Group devalued its investment in EIC to zero because EIC was incurring losses and went into liquidation and the decision by shareholders to liquidate EIC. Despite the appointment of a liquidator to oversee the liquidation process, the Group has not received any financial statements from EIC since 2019.

7.3 On 21 Jumada Al-Thani 1443 H, corresponding to 24 January 2022 the Group received a payment request from Saudi Industrial Development Fund (SIDF) amounting to ⃁49,549,920 as a result of EIC defaulting on a guaranteed loan that the Group had a share in since 2013. The Group had already recognized a liability for this amount in its financial statements in the year ended 31 December 2021 under "provision for a loan guarantee" and had made partial payments in the previous years (2022 and 2023) by an amount of ⃁9,955,000 and ⃁3,913,920 respectively. A lawsuit was filed by SIDF against the Group to recover the outstanding balance, and a court ruling initially ordered the seizure of funds to settle the debt, but this ruling was later lifted due to a defect in the guarantee provided by the Group. The remaining amount owed to SIDF is ⃁ 35,681,000, which the Group anticipates settling through the liquidation process.

7. INVESTMENT IN EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - CONTINUED

7.4 Shareholders of EIC have announced the company's liquidation, and the bankruptcy trustee has initiated the liquidation process following a ruling by the Commercial Court in Dammam. The Group's general assembly has authorized legal action against former board members for losses arising from the investment in EIC.

7.5 The Group has commenced the liquidation process for EIC and has received confirmation of approval for a proportional payment of ⃁ 50,658,222 from the surplus of the liquidation proceeds to cover the Group's payments to date for the loans of EIC to Bank Al-Jazira and SIDF, which were guaranteed by the Group.

7.6 Despite recording a liability of ⃁ 35,681,000 for guarantees made to SIDF for the EIC loan, during the year 2024, the management of the Group has decided to reverse this liability in the Group's books and disclose it as a contingent liability (note 19). This decision had been taken based on the updated information indicating SIDF's priority as a secured creditor in the liquidation of EIC's assets which has been supported by the Group's expert lawyer and the Group's assessment that the expected sale proceeds from EIC's assets will be sufficient to settle the outstanding amounts owed to SIDF. The Group's management believes that the recorded liability to SIDF is remote and cannot be reliably estimated, hence they reversed the liability and treated it as a contingent liability.

8. INVENTORIES

	Note	**30 June 2026 (Unaudited)**	31 December 2025 (Audited)
Raw materials		**6,842,505**	8,483,463
Work in progress*		**32,786,420**	27,031,267
Finished products		**6,779,028**	9,533,605
Spare parts		**59,164,260**	62,794,091
Fuel and consumables		**11,218,974**	12,133,335
		116,791,187	119,975,761
Less: Provision for slow moving inventory	8.1	**(7,085,460)**	(7,085,460)
		109,705,727	112,890,301

*During the year 2025, the management identified significant differences in work-in-progress inventory balances during the year-end physical inventory count. Accordingly, management recognized an inventory loss of ⃁97.8 million arising from discrepancies between quantities recorded in the management's inventory records and quantities determined by management's expert report.

Management has initiated a detailed review and engaged an external consultant to investigate the matter, with preliminary findings indicating possible accumulations from prior periods and inconsistencies in certain inventory measurement and recording processes. As sufficient evidence was not available to determine the specific periods to which the differences relate, the full adjustment has been recognized during the year 2025 consolidated financial statements.

The investigation is still ongoing and may result in further accounting adjustments or disclosures in future years.

8.1 The movement on the provision for slow moving inventory during the period / year is as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Balance at the beginning of the period / year	**7,085,460**	6,507,585
Charge for the period / year	**-**	577,875
Balance at the end of the period / year	**7,085,460**	7,085,460

8.2 During the year 2025, an assessment for the net realizable value of inventory has been conducted by the management, which resulted in an impairment for finished products by an amount of ⃁577,875 which has been directly charged to cost of sales.

9. TRADE RECEIVABLES

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Receivable from a related party (note 18)	**15,432,947**	21,421,838
Trade receivables	**12,179,438**	12,209,451
	27,612,385	33,631,289
Less: Provision for expected credit losses	**(12,960,855)**	(13,614,519)
	14,651,530	20,016,770

The movement of provision for expected credit losses is as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Balance at the beginning of the period / year	**13,614,519**	12,530,232
(Reversal) / charged during the period / year	**(653,664)**	1,084,287
Balance at the end of the period / year	**12,960,855**	13,614,519

10. STATUTORY RESERVE

In accordance with the Group's By-laws and the provisions of the new Companies Law implemented in the Kingdom of Saudi Arabia in January 2023 and its implementing regulations, the Ordinary General Assembly may decide to establish other reserves to the extent that serves the Group's interests or ensures the distribution of fixed dividends, as far as possible, to shareholders. The said Assembly may also deduct amounts from net profits to achieve special purposes for the Group's employees.

In the extraordinary general assembly meeting held on 6 March 2025, the shareholders of the Group approved to transfer the statutory reserve amounted to ⃁62,947,016 to the retained earnings within the statement of changes in equity. This is in light of the amendments made to the Company's by-laws, which include the cancellation of the requirement to transfer to the statutory reserve. Accordingly, the statutory reserve has no balance as at 30 June 2026 and 31 December 2025.

11. BANKS FACILITIES

The movement on banks facilities is as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Balance at the beginning of the period / year	**701,586,770**	729,086,797
Payments of the principal of the loan	**(8,036,172)**	(40,923,465)
Additions to the principal of the loan	**4,801,000**	3,923,978
Financing costs accrued during the period / year	**27,252,735**	55,650,732
Financing cost paid during the period / year	**(7,040,282)**	(46,151,272)
Balance at the end of the period / year	**718,564,051**	701,586,770

11. BANKS FACILITIES - CONTINUED

The sources of outstanding facilities were as follows:

	Note	**30 June 2026 (Unaudited)**	31 December 2025 (Audited)
Long-term banks facilities		**505,769,539**	515,261,693
Short-term banks facilities	11.6	**183,503,971**	161,038,263
Total banks facilities - local commercial banks		**689,273,510**	676,299,956
Saudi Industrial Development Fund facilities	11.3	**17,113,289**	17,972,489
Financing companies	11.4 & 11.6	**12,177,252**	7,314,325
		718,564,051	701,586,770

Banks facilities - local commercial banks:

	Note	**30 June 2026 (Unaudited)**	31 December 2025 (Audited)
Bank facilities – SAB Al Awwal Bank (long-term)	11.1	**144,139,685**	139,536,815
Bank facilities - Alinma Bank (long-term)	11.2	**257,907,786**	272,055,221
Bank facilities - Alinma Bank (short-term)	11.6	**132,608,680**	110,873,465
Bank facilities - Alrajhi Bank (long-term)	11.5	**103,722,068**	103,669,657
Bank facilities - Alrajhi Bank (short-term)	11.6	**50,895,291**	50,164,798
		689,273,510	676,299,956
Saudi Industrial Development Fund facilities	11.3	**17,113,289**	17,972,489
		706,386,799	694,272,445

The current and non-current portion of the banks facilities are presented as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Long-term banks facilities – non-current portion	**115,693,774**	126,264,389
Long term banks facilities – current portion	**407,189,054**	406,969,793
Short-term banks facilities	**195,681,223**	168,352,588
	718,564,051	701,586,770

The maturity schedule for discounted banks facilities as at 30 June 2026 is as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Less than one year	**602,870,277**	575,322,381
From one to two years	**23,168,963**	30,891,951
From two to three years	**30,891,951**	30,891,951
More than three years	**61,632,860**	64,480,487
	718,564,051	701,586,770

11. BANKS FACILITIES - CONTINUED

11.1 The Group has total facilities amounting to ⃁154,459,754 from SAB Al Awwal Bank, where the outstanding balance as at 30 June 2026 amounting to ⃁144,139,685 (31 December 2025: ⃁ 139,536,815). These facilities are secured by a promissory note signed by chairman for the full value of the facilities and a mortgage of a portion of the Group's assets. These facilities are repayable in quarterly instalments. The facilities were rescheduled during the third quarter of year 2024. The last instalment of these facilities (after rescheduling) is due in June 2031.

11.2 The Group has bank facilities amounting to ⃁746,115,000 from Alinma Bank, where the outstanding balance of which as of 30 June 2026, amounted to ⃁257,907,786 (31 December 2025: ⃁272,055,221), part of where repaid by Al Rajhi Bank. These facilities are secured by a promissory note signed by chairman and a second mortgage on the Group's property, plant and equipment (note 6). These facilities are repayable in quarterly instalments. The facilities were rescheduled during the third quarter of year 2024. The last instalment of these facilities (after rescheduling) is due in May 2031. On 16 February 2026, the Group entered into a reprofiling arrangement for its financing facilities, resulting in total approved facilities of ⃁ 392,855,556. As part of the reprofiling, ⃁ 130,300,000 of the total facilities was reclassified as short-term credit facilities.

11.3 The Group has a loan from the Saudi Industrial Development Fund (SIDF) with outstanding balance of ⃁ 17,113,289 as at 30 June 2026 (31 December 2025: ⃁17,972,489). This loan is secured by a mortgage on all properties, machinery and equipment that are being established in the concession area granted to the Group, located southeast of Turaif Governorate, where the Group's factory is located, with an area of 22.6 square kilo meters, along with the entire factory, its equipment, machinery and all its accessories (note 6), with a net book value of ⃁1,654,458,389 as at 30 June 2026 (31 December 2025: ⃁1,669,203,636). According to the agreement, the last instalment of this loan was due in 2017. On 14 April 2019, the Group obtained a schedule for the remaining dues instalments to SIDF amounting to ⃁87,500,000 divided on 11 instalments, with the last instalment amounting to ⃁61,500,000 to be paid in year 2020. During the third quarter of year 2024, the Group obtained a rescheduling of the remaining dues instalments to SIDF by an amount of ⃁52,700,000 divided into 10 monthly instalments. The last instalment of this loan is due in June 2025.

11.4 During the year 2023, the Group obtained facilities from Sukuk Financial Company by an amount of ⃁ 10,000,000 to be paid on quarterly instalments. The last instalment of these facilities is due in September 2025 to support the Group's operational activities. The facility was fully settled as of 31 December 2025.

The Group also obtained another facility from Manafa Finance Company amounting to ⃁7,500,000 during 2023, to be paid on monthly instalments, the last installment is due in November 2025, which is renewable facility, to support the Group's operational activities. On 11 March 2026, facility was renewed with facility limit amounting to ⃁12,500,000.

During the second quarter of year 2024, the Group obtained another facility from Lendo Company by an amount of ⃁7,500,000 to be paid on monthly instalments starting after four months from the date of obtaining the facility, and the last installment is due in July 2025. Facility had been obtained to support operational activities. The facility was fully settled as of 31 December 2025.

11. BANKS FACILITIES - CONTINUED

11.5 During the third quarter of year 2024, the Group obtained long-term facilities from Al Rajhi Bank by an amount of ⃁100,000,000, for the purpose of repaying part of the existing loan of Alinma Bank. These facilities are secured by a promissory note signed by chairman and a mortgage of part of the Group's property, plant and equipment (note 6). These facilities are repayable in semi-annual instalments. The last instalment of these facilities is due in August 2032.

11.6 Short-term banks facilities

During the third quarter of year 2024, the Group obtained bank facilities from Alinma Bank, with a total limit of ⃁95,750,000. The total balance of the facility has been received during the year 2024. These facilities are subject to a commission according to the prevailing market prices. On 16 February 2026, the Group entered into a reprofiling arrangement for its financing facilities, resulting in total approved facilities of ⃁ 392,855,556. As part of the reprofiling, ⃁ 130,300,000 of the total facilities was reclassified as short-term credit facilities.

Short-term banks facilities also included credit facilities from Manafa Finance Company amounting to ⃁ 7,500,000 obtained during the year 2023, and credit facilities from Lendo Company amounting to ⃁ 7,500,000 obtained during the year 2024. These facilities are subject to commissions according to the prevailing interest rates in the market.

During the third quarter of year 2024, the Group obtained additional bank facility to support the Group's operational activities from Al Rajhi Bank, with a credit limit of ⃁ 50,000,000. This facility is subject to commission according to prevailing interest rates in the market.

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Alinma Bank	**132,608,680**	110,873,465
Al Rajhi Bank	**50,895,291**	50,164,798
Manafa Finance Company	**12,177,252**	6,908,595
Lendo Company	**-**	405,730
Short term credit facilities	**195,681,223**	168,352,588

11.7 Financial covenants

These bank facilities contain financial covenants, the breach of which may lead to renegotiation with the lenders. These covenants are monitored on a periodic basis by management. In the event of a breach or potential breach of these covenants, management ensures the compliance with these covenants. Some of these covenants are linked to financial ratios. The Group was unable to comply with financial covenant of Al Rajhi Bank and Alinma Bank, accordingly, an amount of ⃁100,000,000 and ⃁250,000,000 has been reclassified as long term banks facility-current portion.

12. QUARRY EXPLOITATION FEES

	Note	**30 June 2026 (Unaudited)**	31 December 2025 (Audited)
Balance as of 1 January		**34,683,016**	36,811,759
Finance cost of the period / year		**1,034,500**	2,671,257
		35,717,516	39,483,016
Paid during the period / year	12.1	**(3,000,000)**	(4,800,000)
Balance at the end of the period / year		**32,717,516**	34,683,016

The current and non-current portion of quarrying fees are presented as follows: -

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Quarry exploitation fees - non-current portion	**10,530,136**	16,539,778
Quarry exploitation fees - current portion	**22,187,380**	18,143,238
	32,717,516	34,683,016

12.1 On 27 Rabi' al-Awwal 1445H (corresponding to 12 October 2023), and in accordance with the arrangement signed between the Group and the Ministry of Industry and Mineral Resources, it has been agreed to reschedule the due balance of quarry exploitation fee to the Ministry of Industry and Mineral Resources as at 31 December 2022, amounting to ⃁48,915,768 where the first instalment will be due on 1 September, 2023, and the last instalment will be due on 1 March 2028. These instalments have been recognized at their discounted value. During the year ended 31 December 2025, the Group has submitted request to the Ministry of Industry and Mineral Resources to reschedule outstanding dues amounting to ⃁40,911,963 out of total outstanding dues amounting to ⃁ 73,427,731. As of the 30 June 2026, formal approval had not yet been received. However, existing classification of the outstanding dues between current and non-current liabilities has been considered based on the existing signed reschedule agreement.

13. TRADE AND OTHER PAYABLES

	Note	**30 June 2026 (Unaudited)**	31 December 2025 (Audited)
Trade creditors		**89,921,760**	88,408,673
Accrued expenses	13.1	**33,180,560**	26,132,582
Accrued salaries, wages and other benefits		**10,586,160**	7,112,519
Provision for rehabilitation of areas		**2,541,000**	2,541,000
Retention execution of works		**138,862**	138,863
Other payables		**-**	168,243
		136,368,342	124,501,880

13.1 Accrued expenses include provision against legal claims as of 30 June 2026 amounting to ⃁7,001,155 (31 December 2025: ⃁5,621,155).

14. ZAKAT PROVISION

14.1 Zakat movement

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

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Balance at the beginning of the period / year	**34,374,676**	28,656,653
Charged during the period / year	**1,500,000**	6,243,023
Paid during the period / year	**(1,522,500)**	(525,000)
Balance at the end of the period / year	**34,352,176**	34,374,676

14.2 Zakat assessment status

The Company and its subsidiaries submitted their consolidated zakat returns for the year ended 31 December 2025, and is yet to obtain the related zakat certificate. Currently, the Group has a zakat certificate valid until 30 April 2025.

The Company received partial zakat assessments from ZATCA for the years from 2014 to 2018, totaling additional zakat by ⃁34,300,000. The Company objected to those assessments before the General Secretariat of the Tax Committees (the "Committees").

For the years 2014 and 2015, the Committees cancelled ZATCA procedure for 2014 due to the statute of limitations and partially upheld the decision for 2015. ZATCA then filed an appeal, but the Court of Appeal upheld the Committees' decision for both 2014 and 2015, dismissing the ZATCA appeal. For the years 2016 to 2018, the Committees partially accepted the assessment for 2016 and 2017, while rejecting the objection for 2018. The Company appealed the decisions for those years, but the appeals were rejected, and the Adjudication Committee's decision was upheld. The Company had submitted requests for reconsideration for 2016 and 2017, but these requests were rejected. The Group agreed with ZATCA, and the amount was settled.

The Company received zakat assessments for the years 2019 and 2020 with additional zakat amounting to ⃁ 3,700,000. It was objected to by ZATCA and an advance payment was paid as a guarantee to complete the objection procedures. The objection was rejected by ZATCA and the objection was submitted to the Committees. The objection was rejected before the Committees. The Company appealed the Committees' decision, and a decision was issued to uphold the Committees' decision. The Company submitted an appeal on the Committees' decision, and the appeal was rejected. The Group agreed with ZATCA, and the case is considered finalized.

14. ZAKAT PROVISION - CONTINUED

14.2 Zakat assessment status - continued

During the year 2025, the Company received zakat assessments for the years 2021, 2022 and 2023, with additional zakat amounts of ⃁756,877, ⃁22,712 and ⃁ 1,025,107, respectively. The Company has accepted the assessments for the years 2021 and 2022 with ZATCA, and these cases are considered finalized. However, the Company has submitted an objection with ZATCA regarding the assessment for the year 2023, which is currently under review. Management is confident that the outcome of the objection will be in favour of the Company.

The zakat return for the year 2025 is still not reviewed by ZATCA, as of 30 June 2026.

On 15 October 2025, the Group has submitted request to the ZATCA for instalment plan and to settle its outstanding liabilities and the approval is still awaited.

The Group had maintained adequate provisions to cover these assessments.

15. BASIC AND DILUTED LOSS PER SHARE

Basic loss per share was calculated by dividing net loss for the period by the weighted average number of shares during the period. Diluted loss per share is same as basic loss per share as the Group has no potential ordinary shares in issue as at 30 June 2026 and 30 June 2025.

	For the six months period ended	
	2026 (Unaudited)	2025 (Unaudited)
Net loss for the period	**(45,984,834)**	(38,626,937)
Weighted average number of shares	**108,700,000**	108,700,000
Basic and diluted loss per share based on net loss of the period	**(0.42)**	(0.36)

16. NET SALES

The Group has one business segment, which is mainly represented in the production and sale of ordinary cement (Portland), salt-resistant cement, agglomerated cement (clinker) and pozzolanic cement. The Group factory is located in the city of Turaif, Kingdom of Saudi Arabia.

	For the three-months period ended		**For the six-months period ended**	
	2026 (Unaudited)	2025 (Unaudited)	**2026 (Unaudited)**	2025 (Unaudited)
Cement and clinker sales	**43,937,828**	69,229,619	**84,131,802**	137,727,832
Net sales	**43,937,828**	69,229,619	**84,131,802**	137,727,832

16. NET SALES - CONTINUED

	For the three-months period ended		For the six-months period ended	
	2026 (Unaudited)	2025 (Unaudited)	**2026 (Unaudited)**	2025 (Unaudited)
Geographical information of net revenue				
Sale revenues within the Kingdom of Saudi Arabia	**28,524,205**	57,394,004	**62,868,055**	125,523,397
Sales revenues from export outside the Kingdom of Saudi Arabia	**15,413,623**	11,835,615	**21,263,747**	12,204,435
	43,937,828	69,229,619	**84,131,802**	137,727,832

	For the three-months period ended		For the six-months period ended	
	2026 (Unaudited)	2025 (Unaudited)	**2026 (Unaudited)**	2025 (Unaudited)
Type of products				
Cement sales	**33,551,281**	57,394,004	**70,656,583**	125,665,532
Clinker sales	**10,386,547**	11,835,615	**13,475,219**	12,062,300
	43,937,828	69,229,619	**84,131,802**	137,727,832

Revenue has been recognized at a point in time and the Group is considered principal in all sale transactions.

Sales to three major customers amounted to 46% of total sales for the six-months period ended 30 June 2026 and receivable balances as of 30 June 2026 amounting to ⃁ 15,432,947 (sales to two major customers amounted to 59% for the six-months period ended 30 June 2025 and receivable balances as of 30 June 2025 amounting to ⃁ 33,855,899). The rest of sales is derived from various customers whose individual share is less than 10% of net sales.

17. SEGMENT 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 consolidated financial information was divided into business segment as stated in note 16. Further, significant amount of liabilities of the Group are payable in Saudi Arabia.

18. TRANSACTIONS WITH RELATED PARTIES

Related parties are subsidiaries, associates, joint ventures, shareholders who have representation on the Company's board of directors, their close relatives, members of the board of directors, partners of subsidiaries, members of the Group's senior management, and companies that they control, are under common control, or over which they have a significant influence.

Related party transactions primarily involve salaries, allowances, and bonuses of key executives, and sales of cement to shareholders.

Key management personnel are those who exercise authority and responsibility for planning, directing, and controlling the Group's activities, directly or indirectly, including members of the Board of Directors (whether executive or otherwise).

Members of the Board of Directors are not paid any compensation for their role in managing the Group unless approved by the General Assembly. Board members are paid an attendance allowance for Board and Board committee meetings.

18. TRANSACTIONS WITH RELATED PARTIES - CONTINUED

(a) Major Shareholders

Following are the major shareholders of the Group:

	Ownership Percentage	
	30 June 2026	31 December 2025
Suleiman bin Saleh Al-Muhailib and Sons Company	**5.19%**	5.19%
Ali Suleiman Mohammed Al-Rashid	**5.75%**	-

(b) Transactions with related parties

		Volume of transactions for the period ended 30 June	
Shareholder Name	**Nature of the transactions**	**2026**	2025
Suleiman bin Saleh AlMuhailib and Sons Company	Sale of Cement (net)	**13,523,690**	76,263,272
	Selling and marketing expenses (inclusive VAT)	**-**	1,150,000

As at 30 June 2026, the Shareholder (Suleiman bin Saleh Al-Muhailib and Sons Company), has a receivable balance amounting to ⃁ 15,432,947 (31 December 2025: ⃁21,421,838). This balance is recorded under trade receivables (note 9).

(c) Details of the compensation and bonuses paid to non-executive directors and senior management staff:

		For the period ended 30 June	
Related parties	**Nature of the transaction**	**2026 (Unaudited)**	2025 (Unaudited)
Key Management Personnel	Salaries, wages, and other benefits	**2,358,807**	3,461,738
Board of Directors	Board remuneration and attendance allowances	**2,179,000**	3,975,498

19. CONTINGENCIES

The Group has a contingent liability of ⃁35,681,000 due to SIDF guarantee on behalf of Eastern Industrial Company. This liability has been considered contingent based on the circumstances stated in note (7.3).

20. RECLASSSIFICATION OF COMPARATIVE FIGURES

During the three-month and six-month periods ended 30 June 2025, salaries and related employee benefits have been reclassified from cost of revenue to general and administrative expenses and selling and marketing expenses based on the nature and function of the related employees.

Certain comparative figures for the six-month period ended 30 June 2025 have been reclassified in line with the presentation for the current six-months period ended 30 June 2026.

	Balance previously presented	Reclassification	Balance after reclassification
Cost of sales	**132,521,239**	**(7,399,302)**	**125,121,937**
General and administrative expenses	**13,895,142**	**5,781,189**	**19,676,331**
Selling and marketing expenses	**3,132,494**	**1,618,113**	**4,750,607**

Certain comparative figures for the three-months period ended 30 June 2025 have been reclassified in line with the presentation for the current three-months period ended 30 June 2026.

	Balance previously presented	Reclassification	Balance after reclassification
Cost of sales	**66,030,347**	**(3,465,896)**	**62,564,451**
General and administrative expenses	**8,720,453**	**2,904,766**	**11,625,219**
Selling and marketing expenses	**26,627**	**561,130**	**587,757**

21. SUPPLEMENTAL NON-CASH FINANCIAL INFORMATION

	For the six-months period ended	
	30 June 2026	30 June 2025
Accrued discounts have been settled against the trade Receivables	**-**	60,351,738
Addition to right-of-use assets	**570,326**	**-**
Addition to lease liability	**(570,326)**	**-**

22. SUBSEQUENT EVENTS

There are no significant subsequent events since the end of the period that would require disclosure or adjustment to this interim condensed consolidated financial information.

23. DATE OF APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The interim condensed consolidated financial information were approved by the Board of Directors on 28 Safar 1448H (corresponding to 11 August 2026).