

EASTERN PROVINCE CEMENT COMPANY
(A Saudi Joint Stock Company)

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS (UN-AUDITED) FOR
THE THREE-MONTH AND NINE-MONTH
PERIODS ENDED SEPTEMBER 30, 2025 AND
INDEPENDENT AUDITOR'S REVIEW REPORT**

EASTERN PROVINCE CEMENT COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025 AND THE
INDEPENDENT AUDITOR'S REVIEW REPORT

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

To the shareholders of
Eastern Province Cement Company
(A Saudi Joint Stock Company)

Introduction

We have reviewed the interim condensed consolidated financial position of Eastern Province Cement Company "A Saudi Joint Stock Company" ("the Company"), and its Subsidiary (together "the Group") as of September 30, 2025, and the related interim condensed consolidated statements of profit or loss and other comprehensive income for the three-month and nine-month periods then ended, and the interim condensed consolidated statements of changes in equity and cash flows for the nine-month period then ended, and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 – ("IAS 34") "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

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

Conclusion

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

For Dr. Mohammed Al-Amri & Co.

Ahmed Aljumah
Certified Public Accountant
Registration No.621



Dammam, on 14 Jumada Al-Awwal 1447 (H)
Corresponding to 05 November, 2025

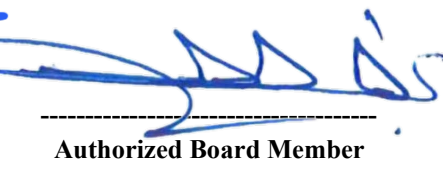
EASTERN PROVINCE CEMENT COMPANY
(A Saudi Joint Stock Company)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2025**

(ALL AMOUNTS IN THOUSANDS OF SAUDI RIYALS “ﷲ” UNLESS OTHERWISE STATED)

	<u>Notes</u>	<u>September 30, 2025 (Un-audited)</u>	<u>31, December 2024 (Audited)</u>
<u>ASSETS</u>			
Non- current assets			
Property, plant and equipment	3	1,244,466	895,517
Intangible assets		8,242	8,435
Investment properties		85,329	86,553
Right-of-use assets		4,044	5,711
Investments at FVTOCI	4	246,425	273,327
Investment in an associate	5	105,089	115,499
Prepayments and other assets-non- current portion	7	21,320	17,439
		<u>1,714,915</u>	<u>1,402,481</u>
Current Assets			
Inventories, net		520,846	533,447
Trade receivables and retentions receivables, net	6	416,016	404,753
Prepayments and other assets- current portion, net	7	115,103	67,022
Investment at fair value through profit or loss	8	136,382	202,018
Cash and cash equivalents	9	70,844	154,751
		<u>1,259,191</u>	<u>1,361,991</u>
TOTAL ASSETS		<u>2,974,106</u>	<u>2,764,472</u>
<u>EQUITY AND LIABILITIES</u>			
Equity			
Share Capital		860,000	860,000
Voluntary reserve		834,639	834,639
Retained earnings		691,036	667,541
Reserve of valuation of investments carried at FVTOCI		(82,220)	(55,318)
Actuarial reserve		(18,482)	(13,226)
		<u>2,284,973</u>	<u>2,293,636</u>
<u>LIABILITIES</u>			
Non- current liabilities			
Employees’ end of service benefits		111,988	99,767
Other provisions		37,438	36,804
Lease liabilities		2,778	3,579
		<u>152,204</u>	<u>140,150</u>
Current liabilities			
Trade payable and other liabilities	10	291,386	234,211
Due to related parties	11	337	769
Dividend’s payables		61,693	61,001
Lease liabilities		1,568	2,331
Short term loans	12	155,609	-
Provision for zakat	13	26,336	32,374
		<u>536,929</u>	<u>330,686</u>
Total liabilities		<u>689,133</u>	<u>470,836</u>
TOTAL EQUITY AND LIABILITIES		<u>2,974,106</u>	<u>2,764,472</u>





Finance Manager
Chief Executive Officer
Authorized Board Member

The accompanying notes from 1 to 22 considered as an integral part of these interim condensed consolidated financial statements

EASTERN PROVINCE CEMENT COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025
(ALL AMOUNTS IN THOUSANDS OF SAUDI RIYALS “ﷲ” UNLESS OTHERWISE STATED)

		For the three-month period ended		For the nine-month period ended	
		September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
	Note	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
Revenue, net	14	298,637	288,993	907,889	863,320
Cost of revenue		(240,376)	(209,307)	(659,461)	(596,212)
Gross profit		58,261	79,686	248,428	267,108
General and administration expenses		(16,988)	(14,897)	(46,120)	(46,445)
Sales and marketing expenses		(3,197)	(2,611)	(10,543)	(8,912)
Operating profit		38,076	62,178	191,765	211,751
Dividends and Murabaha Income		752	1,665	3,319	13,546
Impairment of investment in an associate	5	(3,565)	(13,820)	(12,777)	(23,464)
Share of profit/(loss) in an associate	5	1,552	(750)	2,367	(6,515)
Gains from revaluation of investments at fair value through profit or loss		2,363	8,513	3,004	8,118
Other income		10,394	4,572	16,629	12,584
Other expenses		(4,932)	(2,595)	(14,110)	(6,688)
Finance charges		(1,425)	(1,446)	(4,293)	(4,140)
(Losses)/gains from exchange of foreign currency		(4)	(63)	(229)	81
(Losses)/gains on disposal of property, plant and equipment		-	-	(685)	292
Profit before zakat		43,211	58,254	184,990	205,565
Zakat expenses	13	(7,550)	(7,550)	(23,895)	(20,476)
Net profit for the period		35,661	50,704	161,095	185,089
Other comprehensive income items:					
<i>Items that will not be reclassified to consolidated profit or loss:</i>					
Re-measurement of employees’ end of service benefits and loans		(605)	(2,993)	(5,256)	(2,476)
Unrealized (Loss)/gain from investments at FVTOCI		645	(4,867)	(26,902)	(1,166)
Other comprehensive (loss)/income for the period		40	(7,860)	(32,158)	(3,642)
Total comprehensive income		35,701	42,844	128,937	181,447
Basic and diluted Earnings per share-					
Earnings per share from profit for the period	16	0.41	0.59	1.87	2.15





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EASTERN PROVINCE CEMENT COMPANY

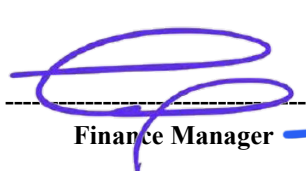
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2025

(ALL AMOUNTS IN THOUSANDS OF SAUDI RIYALS “ﷲ” UNLESS OTHERWISE STATED)

	Capital	Statutory reserve	Voluntary reserve	Retained earnings	Reserve of valuation of investments carried at FVTOCI	Actuarial Reserve	Total equity
Balance as at January 1, 2024 as previously reported	860,000	430,000	404,639	535,307	175,785	(15,722)	2,390,009
Adjustments (note 21)	-	-	-	8,575	(10,580)	-	(2,005)
Balance as at January 1, 2024 (restated)	860,000	430,000	404,639	543,882	165,205	(15,722)	2,388,004
Net profit for the period	-	-	-	185,089	-	-	185,089
Other comprehensive loss for the period	-	-	-	-	(1,166)	(2,476)	(3,642)
Total comprehensive income for the period	-	-	-	185,089	(1,166)	(2,476)	181,447
Realized profit from investments at FVTOCI	-	-	-	13,376	(13,376)	-	-
Transfer of statutory reserve to a voluntary reserve	-	(430,000)	430,000	-	-	-	-
Dividends	-	-	-	(137,600)	-	-	(137,600)
Balance as at September 30, 2024 (restated note 21) (unaudited)	860,000	-	834,639	604,747	150,663	(18,198)	2,431,851
Balance as at January 1, 2025 (audited)	860,000	-	834,639	667,541	(55,318)	(13,226)	2,293,636
Net profit for the period	-	-	-	161,095	-	-	161,095
Other comprehensive loss for the period	-	-	-	-	(26,902)	(5,256)	(32,158)
Total comprehensive income for the period	-	-	-	161,095	(26,902)	(5,256)	128,937
Dividends (note 19)	-	-	-	(137,600)	-	-	(137,600)
Balance as at September 30, 2025 (un-audited)	860,000	-	834,639	691,036	(82,220)	(18,482)	2,284,973





Finance Manager **Chief Executive Officer** **Authorized Board Member**

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EASTERN PROVINCE CEMENT COMPANY
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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2025
(ALL AMOUNTS IN THOUSANDS OF SAUDI RIYALS “ﷲ” UNLESS OTHERWISE STATED)

	September 30, 2025	September 30, 2024 (Restated note 21)
	(Un-audited)	(Un-audited)
<u>Cash flows from operating activities:</u>	184,990	205,565
Profit before zakat		
Adjustments for:		
Depreciation of property, plant and equipment and amortization of intangible assets	80,117	79,665
Losses /(gains) from disposal of property, plant and equipment	685	(292)
Dividends and Murabaha Income	(3,319)	(13,546)
Depreciation of investments property	1,224	1,223
Depreciation of right-of-use assets	1,667	1,536
Provision for slow moving inventory of spare parts	5,420	5,420
Finance charges	4,293	4,140
Impairment of investment in an associate	12,777	23,464
Share of (profit) / loss in an associate	(2,367)	6,515
Gain from revaluation of investments at fair value through profit or loss	(3,004)	(8,118)
Employees’ end of service benefits	6,367	6,033
	288,850	311,605
Changes in working capital:		
Trade receivables, retentions receivables, prepayments and other assets	(63,225)	(101,525)
Inventory	7,181	12,470
Trade payable and other payables	57,867	57,393
Due to related parties	(432)	(1,037)
Employees’ end of service benefits paid	(2,786)	(4,475)
Zakat paid	(29,933)	(28,071)
Finance charges paid	(183)	(252)
Net cash generated from operating activities	257,339	246,108
<u>Cash flows from investing activities</u>		
Additions to property, plant and equipment and intangible assets	(429,053)	(192,941)
Proceed from disposal of property, plant and equipment	28	327
Proceed from dividends income and interests on Murabaha	2,133	13,546
Dividends received from associate	-	7,106
Net movement in investment at fair value through profit or loss	68,640	1,657
Proceed from selling of investment at fair value through profit or loss	-	22,053
Net change in Murabaha deposits	1,186	125,000
Net cash used in investing activities	(357,066)	(23,252)
<u>Cash flows from financing activities</u>		
Dividends paid	(137,600)	(86,252)
Loans received	155,076	-
Repayment of lease liabilities	(1,656)	(1,610)
Net cash generated from / (used in) financing activities	15,820	(87,862)
Net change in cash and cash equivalents	(83,907)	134,994
Cash and cash equivalent at the beginning of the period	154,751	86,802
Cash and cash equivalent at the end of the period	70,844	221,796
<u>Non-cash transactions from investing activities:</u>		
Additions to right-of-use assets against lease liabilities	-	346
Additions to property, plant and equipment, and intangible assets through capital work in progress	(30,668)	23,332
Unrealized loss / (profit) of investment at FVTOCI	26,902	(1,166)





Finance Manager **Chief Executive Officer** **Authorized Board Member**

The accompanying notes from 1 to 22 considered as an integral part of these interim condensed consolidated financial statements

EASTERN PROVINCE CEMENT COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025 (ALL AMOUNTS IN THOUSANDS OF SAUDI RIYALS “ﷲ” UNLESS OTHERWISE STATED)

1. ORGANIZATION AND MAIN ACTIVITIES

Eastern Province Cement Company (“the Company”) or (“the Holding Company”) is a Saudi joint stock company established pursuant to the Royal Decree No. M/11 dated Rabi’ Al-Awwal 14, 1402 -H (corresponding to January 9, 1982) and Resolution of His Royal Highness the Minister of Commerce No. 939 dated Rabi’ Al-Thani 3, 1403 H (corresponding to January 17, 1983), and registered in Dammam under the Commercial Registration No. 2050013400 dated Jumada Al-Awwal 22, 1403 H (corresponding to March 7, 1983).

The Holding Company's head office is located in Dammam, Saudi Arabia.

The main activity of the Holding company is operating quarries, mining gypsum and anhydrite, and wholesale of cement and gypsum.

The Holding Company obtained by Royal Decree No. M/6 dated Rabi Al Thani 17, 1405 H (Corresponding to January 9, 1985 G) the mining franchise for exploitation of limestone and clay in Al-Khurasania area for a renewable period of thirty years. The Holding Company has completed the legal procedures to renew the Franchise license. Ministerial Decree No. Q/5334 dated Rajab 12, 1438 H has been issued to renew the Holding company's rights in utilizing the limestone and clay for its factory located in Al-Tawy site near to Al-Khurasania in Al-Jubail Governorate for thirty Hijri years starting from Rabi Al-Awwal 18, 1436H.

The Holding Company also obtained, pursuant to Ministerial Resolution No. Q/14 dated Safar 24, 1433 H (Corresponding to January 18, 2012), the mining franchise for the exploitation of limestone and clay in Al-Najabia valley at Al-Ahsa Governorate in the Eastern region valid till December 31, 2035.

The Group's interim condensed consolidated financial statements as at September 30, 2025 include the interim condensed financial statements of the Holding Company and its branch, its subsidiary and its branch:

Branch of the Holding Company:

Branch Commercial

<u>Registration No</u>	<u>Date</u>	<u>Place of issue</u>	<u>Commercial Name of Branch</u>
2055022383	16/06/1435- H	Al-Jubail	Eastern Province Cement Company Factory

The main activities of the branch are quarry operation, gypsum and anhydrite mining, and wholesale cement and gypsum trading. The holding company has a branch commercial registration in Jubail for the Eastern Province Cement Company Factory No. 2055022383 dated Jumada Al-Thani 16, 1435-H (corresponding to April 16, 2014) and its activity is represented in the manufacture of ordinary cement (Portland), the manufacture of salt-resistant cement, and the manufacture of compact cement (clinker) under the National Industrial License No. 1300.

The subsidiary

The Board of Directors of the Eastern Province Cement Company decided in its meeting held on December 11, 2018, to start the procedures for converting the branch of Prainsa Saudi Arabia for Precast, registered in the Commercial Register under No. 2051035184, into a limited liability company. The legal procedures for changing the legal structure of the branch were completed during the second quarter of 2023 with the same commercial register number.

<u>Name of subsidiary</u>	<u>Date of CR</u>	<u>Commercial activity</u>	<u>Effective percentage of ownership</u>
Prainsa Saudi Arabia for Precast Concrete	21/7/1428-H (August 3, 2007-G)	Production of Precast under industrial license #3031328 issued 03/03/1437-H	100%

On December 25, 2024, the Board of Directors of Eastern Province Cement Company decided to increase the subsidiary's capital from 55 million ﷲ to 145 million ﷲ and to initiate the necessary regulatory procedures. On January 16, 2025, the commercial register was amended to show the revised share capital amounted to 145 million ﷲ.

Branch of the subsidiary:

Branch Commercial

<u>Registration No*</u>	<u>Date</u>	<u>Place of issue</u>	<u>Commercial Name of Branch</u>
4042100240	02/12/1439-H	ASFAN	Factory of Prainsa Saudi Arabia for Precast Concrete

The main activities of the branch are the construction of precast buildings, concrete and steel buildings, light and heavy prefabricated buildings, infrastructure works, and import of all building materials and precast.

* During 2024, the holding company transferred ownership of the commercial registration of the Eastern Province Cement Company plant in Asfan to its subsidiary.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025**
(ALL AMOUNTS IN THOUSANDS OF SAUDI RIYALS “ﷲ” UNLESS OTHERWISE STATED)

2. BASIS OF PREPARATION

These interim condensed consolidated financial statements of the Group have been prepared in accordance with the requirements of International Accounting Standard (34) “Interim Financial Reporting” as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants, which should be read in conjunction with the Group’s latest annual consolidated financial statements for the year ended December 31, 2024 (“Latest Annual Consolidated Financial Statements”). These interim condensed consolidated financial statements do not include all the information required for a complete set of consolidated financial statements.

2.1 MATERIAL ACCOUNTING POLICIES

The Group has applied the same accounting policies and methods of calculation in its interim condensed consolidated financial statements as in its most recent annual consolidated financial statements, except for the following amendments which apply for the first time in 2025. However, not all of them are expected to impact the Group as they are either not relevant to the Group’s activities or require accounting that is consistent with the Group’s current accounting policies.

2.1.1 Standards and amendments issued, applied and effective in the current period

There are no new standards issued, however, there are amendments to the following standards, which are effective for the current period and do not have a material impact on the Group’s interim condensed consolidated financial statements.

Amendment of standard	Description	Effective for the year started on or after
IAS 21	Amendments-lack of exchangeability	1 January,2025

2.1.2 The impact of accounting standards to be applied in future periods

There are a number of standards and interpretations issued by the International Accounting Standards Board that are effective for annual periods beginning after December 31, 2025 (the date of the Group's next annual financial statements) that the Group has decided not to early adopt. The Group does not believe that these standards and interpretations will have a material impact on the financial statements once adopted.

3. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2025 (Un-audited)	December 31, 2024 (Audited)
Book values to:		
Operating fixed assets	632,197	670,092
Capital work in progress	612,269	225,425
	1,244,466	895,517

3.1 Operating fixed assets

	September 30, 2025 (Un-audited)	December 31, 2024 (Audited)
Net book value at the beginning of the period / year	670,092	707,842
Transfer from capital work in progress during the period / year	30,668	60,917
Additions during the period / year	12,074	9,266
Disposal during the period / year	(713)	(1,939)
Depreciation charge during the period / year	(79,924)	(105,994)
Net book value at the end of the period / year	632,197	670,092

EASTERN PROVINCE CEMENT COMPANY
(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025**
(ALL AMOUNTS IN THOUSANDS OF SAUDI RIYALS “ﷲ” UNLESS OTHERWISE STATED)

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

3.2 Capital works in progress

	September 30, 2025 (Un-audited)	December 31, 2024 (Audited)
As at the beginning of the period / year	225,425	25,214
Additions during the period / year	417,905	261,128
Adjustments during the period / year	(393)	-
Transfer to operating fixed assets during the period/year	(30,668)	(60,917)
As at the end of the period / year	612,269	225,425

Total additions to projects under construction during the period amounted to 417.9 million ﷲ. This amount includes advance payments amounting to 368 million ﷲ paid to Sinoma CDI, a Chinese company, during the period for work related to the Line 5 project.

4. INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME “FVTOCI”

The Group classified all equity investments listed below as investments at fair value through other comprehensive income, as these securities represent investments that the Group intends to hold for the long term for strategic purposes.

A. Investments at fair value through other comprehensive income consist of the following:

	Note	September 30, 2025 (Un-audited)		December 31, 2024 (Audited)	
		Number of shares	Value	Number of shares	Value
Industrialization and Energy Services Company	4-a-1	27,187	193,575	27,187	213,115
Saudi Arabian Oil Company (Aramco)	4-a-2	2,147	52,850	2,147	60,212
			246,425		273,327

4.A.1 Industrialization and Energy Services Company (a Saudi closed joint stock company), in which the Group owns 3.79% of the investee's shares. The Group's management determined the value of the investment in Industrialization and Energy Services Company based on a report from an independent valuer based on the investee's interim condensed consolidated financial statements as of December 31, 2024 (which represents the latest available financial information) at 7.12 ﷲ per share (December 31, 2024: 7.84 ﷲ per share). To determine the fair value, the Group used the Comparable Companies Method (“CCM”) under the market approach using an EBITDA multiple.

4.A.2 The share price on September 30, 2025, was 24.62 ﷲ per share (on December 31, 2024, 28.05 ﷲ per share). The Group received during the period dividends from Saudi Arabian Oil Company (Aramco) amounting to 2.1 million ﷲ.

EASTERN PROVINCE CEMENT COMPANY
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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025**
(ALL AMOUNTS IN THOUSANDS OF SAUDI RIYALS “ﷲ” UNLESS OTHERWISE STATED)

5. INVESTMENT IN AN ASSOCIATE

The Group has a 31.58% investment in the Arab Yemen Cement Company (“the Associate”), a limited liability company registered in the Republic of Yemen. The Associate was established to carry out cement production activity and started production in 2009. The movement on the investment during the period / year is as follows:

	September 30, 2025 (Un-audited)	December 31, 2024 (Audited)
Opening balance	253,744	267,594
Dividends	-	(7,105)
Share in profits / (losses) of the associate during the period/year	2,367	(6,745)
	256,111	253,744
Less: impairment of the investment value	(151,022)	(138,245)
Closing balance	105,089	115,499

During the period ending September 30, 2025, the Company updated the study previously prepared by an independent consulting firm for the year ending December 31, 2024, regarding the possibility of an impairment in the value of the investment in the Arab Yemen Cement Company due to a decrease in the profits of the associate company, by calculating the expected future discounted cash flows and comparing them to the book value of the investee company. As a result of this study, an additional impairment in the value of the investment was recognized during the period in the amount of 12.8 million ﷲ (2024: 39.3 million ﷲ). The Group used the discounted cash flow method to determine the fair value as of September 30, 2025.

The movement in the provision for impairment of investment during the period/year is as follows:

	September 30, 2025 (Un-audited)	December 31, 2024 (Audited)
Opening balance	138,245	98,976
Impairment of investment in associate	12,777	39,269
Closing balance	151,022	138,245

The auditor’s report on the audited financial statements for the year ended December 31, 2024, of the associate company includes a going concern uncertainty due to the economic situation and ongoing security events in the Republic of Yemen.

6. TRADE RECEIVABLES AND RETENTIONS RECEIVABLES, NET

	September 30, 2025 (Un-audited)	December 31, 2024 (Audited)
Trade receivables	418,791	398,206
Less: provision for trade receivables	(39,714)	(39,714)
	379,077	358,492
Retention’s receivables	47,847	57,170
Less: provision for retentions receivables	(10,908)	(10,909)
	36,939	46,261
	416,016	404,753

EASTERN PROVINCE CEMENT COMPANY
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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025**
(ALL AMOUNTS IN THOUSANDS OF SAUDI RIYALS “ﷲ” UNLESS OTHERWISE STATED)

7. PREPAYMENTS AND OTHER ASSETS, NET

The prepayments and other assets balance, net, as of September 30, 2025, amounted to 136,423 thousand ﷲ (December 31, 2024: 67,022 thousand ﷲ), including amount of 49,787 thousand ﷲ as of September 30, 2025 (December 31, 2024: 33,792 thousand ﷲ), representing the contract assets balance, and amount of 26,218 thousand ﷲ as of September 30, 2025 (December 31, 2024: 21,308 thousand ﷲ), representing the employees’ receivables balance.

8. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

A. Investment at fair value through profit or loss consists of the following:

	September 30, 2025 (Un-audited)	December 31, 2024 (Audited)
Investments in investment funds	18,758	85,470
Investments in Discretionary Portfolios Management*	117,624	116,548
	136,382	202,018

* During the year ended December 31, 2022, the Group’s management entered into agreements for locally managed discretionary portfolios managed by an investment manager, which include investments in cash discretionary portfolios amounting to 215 thousand ﷲ as of September 30, 2025 (December 31, 2024: 250 thousand ﷲ).

B. Movement in investments as follows:

	September 30, 2025 (Un-audited)	December 31, 2024 (Audited)
Opening balance	202,018	110,580
Change in fair value	3,004	6,438
Disposals	(168,640)	(80,000)
Additions	100,000	165,000
Closing balance	136,382	202,018

9. CASH AND CASH EQUIVALENT

	September 30, 2025 (Un-audited)	December 31, 2024 (Audited)
Cash at banks	70,738	77,876
Cash on hand	106	-
Short term Murabaha deposits (*)	-	76,875
	70,844	154,751

* The Group invests a portion of its surplus cash in time deposits with a maturity of three months or less with financial institutions. The average annual commission rates on these deposits during the period were 3.88% (December 31, 2024: average annual commission rates were 4.69%).

10. TRADE PAYABLES AND OTHER LIABILITIES

The balance of accounts payable and other liabilities as of September 30, 2025, amounted to 291,386 thousand ﷲ (December 31, 2024: 234,211 thousand ﷲ), including amount of 147,485 thousand ﷲ as of September 30, 2025 (December 31, 2024: 100,877 thousand ﷲ), representing the balance of trade payables, and an amount of 84,313 thousand ﷲ as of September 30, 2025 (December 31, 2024: 68,852 thousand ﷲ), representing the balance of accrued expenses.

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11. RELATED PARTIES’ TRANSACTIONS AND BALANCES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties consist of shareholders, directors and businesses in which the shareholders and the Board of directors, individually or collectively, have significant influence. The Group’s transactions with related parties are conducted on at arm’s length basis in the ordinary course of business and are to be approved by management.

The transactions represent amounts received by the Group from the account of the Arab Yemen Cement Company (an associate company) in a bank in the state of Oman until they are paid to the suppliers and creditors of the associate on its behalf, as the associate company faces difficulties in bank transfers to and from the Republic of Yemen.

Company	Relationship
Arab Yemen Cement Company	Associate
Al Dawaa Medical Services Company	Related party
Walaa Cooperative Insurance Company	Related party
Classic travel and tourism agency	Related party

Significant transactions with related parties during the period are as follows:

Related party	Nature of Transaction	For the nine-month period ended on September 30, 2025 (Un-audited)	For the nine-month period ended on September 30, 2024 (Un-audited)
Arab Yemen Cement Company	Payments to Yemeni Company suppliers	140	242
Al Dawaa medical services company	Rental revenue	2,469	2,219
Walaa Cooperative Insurance Company	services	667	795
Classic travel and tourism agency	Air tickets	313	-

A. The balances due to related parties are as follows:

	September 30, 2025 (Un-audited)	December 31, 2024 (Audited)
Walaa Cooperative Insurance Company	-	667
Arab Yemen Cement Company	337	102
	337	769

B. Remuneration of members of Board of Directors and key management personnel

	September 30, 2025 (Un-audited)		September 30, 2024 (Un-audited)	
	Members of Board of directors	Key management personnel	Members of Board of directors	Key management personnel
Board of directors’ remuneration	4,348	-	3,240	-
Salaries, wages and allowances	140	9,360	171	7,592
End of service expenses	-	1,023	-	1,087
	4,488	10,383	3,411	8,679

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12. CREDIT FACILITIES

During the period, the Company obtained short-term loans under two credit facility agreements signed with Banque Saudi Fransi in 2023 and the Saudi National Bank in 2024, with repayment periods ranging between two and three months, for the purpose of financing the Fifth production line project.

12.1 Under the agreement signed on October 10, 2023, between the Group and Banque Saudi Fransi, credit facilities (Tawarruq) amounting to 77.5 million ﷲ were obtained, bearing interest at the treasury cost rate plus a profit margin. As of September 30, 2025, the outstanding balance amounted to 77.8 million ﷲ, while the accrued interest totaled 278.8 thousand ﷲ, which has been capitalized to projects under construction.

12.2 Under the agreement signed on August 21, 2024, between the Group and The Saudi National Bank, credit facilities (Tawarruq) amounting to 77.5 million ﷲ were obtained, bearing interest at the treasury cost rate plus a profit margin. As of September 30, 2025, the outstanding balance amounted to 77.8 million ﷲ, with accrued interest of 254 thousand ﷲ, which has been capitalized to projects under construction.

13. PROVISION FOR ZAKAT

Movement of zakat provision

	September 30, 2025 (Un-audited)	December 31, 2024 (Audited)
Balance at the beginning of the period / year	32,374	32,154
Zakat charges during period / year	23,895	28,027
Paid during period / year	(29,366)	(28,071)
Adjustments during period / year	(567)	264
Balance at the end of the period / year	26,336	32,374

Zakat status

The Group submitted its Zakat returns for the years up to 2024 at the consolidated level to the Zakat, Tax and Customs Authority and obtained the required certificate. During 2024, the Group paid the Zakat accrued balance for the 2024 return at the amount of 29,366 thousand ﷲ.

The Company has completed its zakat assessments with the Zakat, Tax and Customs Authority (the Authority) up to 2022. During 2024, the assessments were made for 2021 and 2022, and the payments and settlements were made with the Authority also, on May 8, 2025, the group received the final assessments from the authority with a claim to pay an additional zakat amount of 567,641 ﷲ, for the year 2023.

14. REVENUES, NET

The Group’s revenue from contracts with customers during the period has been classified based on the timing of revenue recognition and based on the product’s type is as follows:

	September 30, 2025 (Un-audited)	September 30, 2024 (Un-audited) (Restated note 21)
<u>Timing of revenue recognition</u>		
At point in time	642,902	623,427
Over time	264,987	239,893
	907,889	863,320

15. SEGMENTAL REPORTING

The Group has separated the business segments into two main divisions for the purpose of preparing segment reports, which are as follows:

Segment	Business
Cement	Manufacturing and wholesale ordinary cement, salt-resistant cement and clinker cement.
Precast concrete	Manufacture of partitions, frames and prefabricated buildings from prefabricated concrete.

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15. SEGMENTAL REPORTING (CONTINUED)

As at September 30, 2025 (un-audited)	Cement	Precast concrete	Settlements of transactions and inter-segment balances	Total
Total assets	2,553,426	471,610	(50,930)	2,974,106
Total liabilities	525,492	214,571	(50,930)	689,133
<u>For the nine-month period ended on September 30, 2025 (un-audited)</u>				
Revenue, net	646,958	264,987	(4,056)	907,889
Net profit	129,717	31,378	-	161,095
As at December 31, 2024 (audited)	Cement	Precast concrete	Settlements of transactions and inter-segment balances	Total
Total assets	2,382,305	430,328	(48,161)	2,764,472
Total liabilities	225,066	293,931	(48,161)	470,836
<u>For the nine-month period ended on September 30, 2024 (un-audited) - (restated note 21)</u>				
Revenue, net	628,414	239,892	(4,986)	863,320
Net profit	160,055	25,034	-	185,089

The revenues generated as per geographical segments are as follows:

	September 30, 2025 (Un-audited)	September 30, 2024 (Un-audited) (Restated note 21)
K.S. A	906,122	834,270
Other countries	1,767	29,050
	907,889	863,320

16. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net income for the period attributable to ordinary shareholders of the Group by the weighted average number of outstanding ordinary shares during the period. The calculation of basic and diluted earnings per share is as follows:

	For the three-month period ended		For the nine-month period ended	
	September 30, 2025 (Un-audited)	September 30, 2024 (Un-audited) (Restated note 21)	September 30, 2025 (Un-audited)	September 30, 2024 (Un-audited) (Restated note 21)
Net profit of the period (in thousands of ﷲ)	35,661	50,704	161,095	185,089
Number of outstanding shares (in thousands of shares)	86,000	86,000	86,000	86,000
Earnings per share Basic and Diluted	0.41	0.59	1.87	2.15

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17. CAPITAL LIABILITIES

As of September 30, 2025, future capital projects approved by the Group’s management amounted to 445 million ﷲ, of which 360 million ﷲ includes the amount of the letter of credit issued to the company contracted to design, supply, construct and operate the new cement production line (as of December 31, 2024, amounting to 911.9 million ﷲ).

18. CONTINGENT LIABILITIES

As of September 30, 2025, the Group’s contingent liabilities against letters of credit and bank guarantees amounted to 617 million ﷲ, of which 360 million ﷲ was for the implementation, design, supply, construction and operation of a new cement production line (December 31, 2024: 840 million ﷲ).

19. DIVIDENDS

On March 25, 2025, the Company’s Board of Directors approved the distribution of cash dividends to shareholders amounting to 86 million ﷲ for the second half of 2024, at 1 ﷲ per share for the 86 million shares entitled to dividends.

On July 31, 2025, the company’s Board of Directors approved the distribution of cash dividends to shareholders amounting to 51.6 million ﷲ for the first half of 2025, at 0.60ﷲ per share for the 86 million shares entitled to dividends.

20. FAIR VALUE

For the purposes of financial reporting, the Group used the fair value hierarchy classified at levels 1, 2 and 3 based on the degree of observance of the inputs in the fair value measurement and the importance of these inputs in measuring the fair value in its entirety, as shown below:

Level 1: Quoted market prices in an active market for similar assets or liabilities that the Group can value at the measurement date.

Level 2: Inputs other than quoted prices in Level 1 that can be observed either directly (similar prices) or indirectly.

Level 3: Inputs for assets and liabilities that are not based on observable market information cannot be observed either directly or indirectly from the market.

Investments in quoted equity instruments in the Saudi market are valued according to the market closing price on the date of the interim condensed consolidated financial statements and those instruments have been classified under Level 1.

Investments in unquoted investment funds in the Saudi market are valued according to closing price provided by fund manager on the date of the interim condensed consolidated financial statements and those instruments have been classified under Level 2.

Investments in unquoted equity instruments are evaluated based on approved valuation methods that depend on income approach and market approach, and those instruments are classified under level 3.

	Book value	Fair value		
		Level 1	Level 2	Level 3
As at September 30, 2025 (un-audited)				
Investments at fair value through other comprehensive income	246,425	52,850	-	193,575
Investments at fair value through profit or loss	136,382	45,588	90,794	-
Total	382,807	98,438	90,794	193,575
As at December 31, 2024 (audited)				
Investments at fair value through other comprehensive income	273,327	60,212	-	213,115
Investments at fair value through profit or loss	202,018	39,671	162,347	-
Total	475,345	99,883	162,347	213,115

The valuation models used for the main investment classified under Level 3 (Industrialization and Energy Services Company) are based on the Comparable Companies Method within the Market Approach, using the EBITDA multiple. This method relies on information from comparable companies similar to the investee company, adjusted to reflect the impact of the investee company’s lack of marketability. The applied approach significantly depends on observable market inputs. No transfers were made between investments classified under Level 2 and those classified under Levels 1 or 3 during the period ended September 30, 2025.

Fair value of financial instruments stated at amortized cost

Management believes that the carrying amounts of financial assets and liabilities stated at amortized cost in the interim condensed consolidated financial statements approximates their fair values.

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21. COMPERATIVE FIGURES

During the current period, the Group identified a number of errors shown below, which were corrected in accordance with the requirements of International Accounting Standard (8) “Accounting Policies, Changes in Accounting Estimates and Errors”, adopted in the Kingdom of Saudi Arabia. Correcting the aforementioned errors led to retrospective adjustments to the comparative figures as of September 30, 2024.

The following tables summarize the impact of these amendments on the statement of changes in equity as of January 01, 2024 and September 30, 2024, as well as the statement of profit or loss and other comprehensive income and the statement of cash flows for the nine-month period ended September 30, 2024:

Items of the statement of profit or loss and other comprehensive income

For the nine-month period ended September 30, 2024	Note	As previously reported	Amendments	Restated balance
Revenue -net	B	864,614	(1,294)	863,320
Cost of revenue	C	(606,612)	10,400	(596,212)
Gross profit		258,002	9,106	267,108
Profits from revaluation of investments at fair value through profit or loss	A	1,657	6,461	8,118
Profit before zakat		189,998	15,567	205,565
Net profit for the period		169,522	15,567	185,089
Unrealized losses on investments at fair value through other comprehensive income	A	5,295	(6,461)	(1,166)
Other comprehensive loss for the period		2,819	(6,461)	(3,642)
Total comprehensive income		172,341	9,106	181,447
Earnings per share of net profit for the period		1.97	0.18	2.15

For the three-month period ended September 30, 2024	Note	As previously Reported	Amendments	Restated balance
Revenue-net	B	279,722	9,271	288,993
Cost of revenue	C	(201,550)	(7,757)	(209,307)
Gross profit		78,172	1,514	79,686
Gain from revaluation of investments at fair value through profit or loss	A	477	8,036	8,513
Profit before zakat		48,704	9,550	58,254
Net profit for the period		41,154	9,550	50,704
Unrealized gain from investments at fair value through other comprehensive income	A	3,169	(8,036)	(4,867)
Other comprehensive income for the period		176	(8,036)	(7,860)
Total comprehensive income		41,330	1,514	42,844
Earnings per share of net profit for the period		0.48	0.11	0.59

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21- COMPERATIVE FIGURES (CONTINUED)

Items of statement of changes in equity

As at January 01, 2024	Note	As previously Reported	Amendments	Restated
Retained earnings	A, B, C	535,307	8,575	543,882
Reserve of valuation of investments at fair value through other comprehensive income	A	175,785	(10,580)	165,205
Total equity		2,390,009	(2,005)	2,388,004

Items of statement of cash flows

For nine-month period ended September 30, 2024	Note	As previously Reported	Amendments	Restated balance
Net profit before zakat	A, B, C	189,998	15,567	205,565
Profits from revaluation of investments at fair value through profit and loss	A	(1,657)	(6,461)	(8,118)
Trade receivables, retentions receivable, prepayments and other assets	B, C	(13,780)	(87,745)	(101,525)
Inventory	C	15,218	(2,748)	12,470
Trade payables and other liabilities	B	(23,994)	81,387	57,393
Net cash generated from operating activities		246,108	-	246,108

- A.** In previous years, the Group classified investments in Discretionary Portfolio Management as investments at fair value through other comprehensive income. However, after assessing the nature of these investments and their compliance with the requirements of International Financial Reporting Standard 9 "Financial Instruments" and International Accounting Standard 32 "Financial Instruments: Presentation", it was determined that they do not meet the criteria for classification as investments at fair value through other comprehensive income. Accordingly, the Group amended the classification of these investments to be presented as investments at fair value through profit or loss (FVTPL). In addition, the Group adjusted the previously recognized revaluation gains recorded under other comprehensive income to be presented within profit or loss. Accordingly, the Group decided to amend the comparative figures for the nine-month period ended September 30, 2024.
- B.** The Group reviewed its revenue recognition policy for contracts with customers in the precast concrete segment. This review included an assessment of compliance with the requirements of IFRS 15 "Revenue from Contracts with Customers". As a result, it was determined that revenue measurement had been incorrectly applied, particularly in relation to identifying performance obligations and allocating the transaction price to each performance obligation. Accordingly, the Group recalculated revenue by properly identifying performance obligations and allocating the transaction price to each obligation accurately. As a result, the Group recognized contract assets and contract liabilities arising from this adjustment. Based on this, the Group decided to adjust the comparative figures for the nine-month period ended September 30, 2024.
- C.** As a result of the revenue adjustment, the group also adjusted the cost of goods sold and inventory, in addition to adjusting the deferred contract costs related to the contracts for which revenue was recalculated. Accordingly, the group decided to adjust the comparative figures for the nine-month period ended September 30, 2024.

22. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved by the Group's Board of Directors on 02 November, 2025.