



AL JOUF CEMENT COMPANY

(Saudi Joint Stock Company)

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

AL JOUF CEMENT COMPANY
(SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2025

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

**To the Shareholders of
Aljouf 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 Aljouf Cement Company - A Saudi Joint Stock Company (the "Company") and its subsidiaries (together the "Group"), as of 30 September 2025, and the related interim condensed consolidated statement 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 months 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

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.

Conclusion

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.

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

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

Other Matter

The interim condensed consolidated financial information of the Group for the three-month and nine-month periods ended 30 September 2024 were reviewed by another auditor who expressed an unmodified conclusion on those interim condensed consolidated financial information on 11 Jumada Al-Awwal 1446H corresponding to 13 November 2024. In addition, the Group's consolidated financial statement for the year ended 31 December 2024 were audited by another auditor who issued unmodified opinion on those consolidated financial statements on 30 Shawwal 1446H corresponding to 28 April 2025. We have reviewed the adjustments mentioned in note 19 that were applied to restate the comparative figures presented of the interim condensed consolidated statements of profit or loss and other comprehensive income, the interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three-month and nine-month periods ended 30 September 2024.

RSM Allied Accountants Professional Services



Abdullah Bin Ahmed Al Faddaghi

License No, 706

Riyadh, Saudi Arabia

25 Jumada al Ula 1447 AH (corresponding to 16 November 2025)



AL JOUF CEMENT COMPANY
(SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2025 (UNAUDITED)
(ALL AMOUNTS IN ﷲ UNLESS OTHERWISE STATED)

	Note	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Assets			
Non-current assets			
Property, plant, and equipment	5	1,676,975,229	1,695,155,061
Intangible assets		3,879,953	4,062,347
Right-of-use assets		47,140	188,562
Investment in equity instruments at fair value through other comprehensive income	6	-	-
Total non-current assets		1,680,902,322	1,699,405,970
Current assets			
Inventories	7	227,499,301	267,321,283
Trade receivables	8	36,089,369	98,118,382
Prepayments and other receivables		12,562,098	17,565,719
Cash and cash equivalents		802,294	11,959,909
Total current assets		276,953,062	394,965,293
Total assets		1,957,855,384	2,094,371,263
Equity and Liabilities			
Equity			
Share capital	1	1,087,000,000	1,087,000,000
Statutory reserve	9	-	62,947,016
Changes in fair value in other comprehensive income	6	(46,000,000)	(46,000,000)
Retained earnings		11,811,968	12,600,195
Foreign currency translation reserve		(63,150)	(63,150)
Total equity		1,052,748,818	1,116,484,061
Liabilities			
Non-current liabilities			
Long-term banks facilities - non-current portion	10	381,791,471	403,832,361
Quarry exploitation fees - non-current portion	11	19,155,734	26,683,018
Employees' end-of-service benefits		11,306,827	10,553,319
Total non-current liabilities		412,254,032	441,068,698
Current liabilities			
Long-term banks facilities - current portion	10	155,970,015	163,134,153
Short term banks facilities	10	162,402,704	162,120,283
Trade and other payables	12	127,289,983	172,573,514
Quarry exploitation fees - current portion	11	14,933,179	10,128,741
Current portion of lease liability		-	205,160
Provision for zakat	13	32,256,653	28,656,653
Total current liabilities		492,852,534	536,818,504
Total liabilities		905,106,566	977,887,202
Total equity and liabilities		1,957,855,384	2,094,371,263

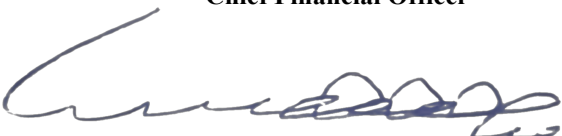
The accompanying notes 1 to 22 form an integral part of these interim condensed consolidated financial information.

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Chief Financial Officer

Chief Executive Officer

Board Member





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 NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2025 (UNAUDITED)

(ALL AMOUNTS IN ﷲ UNLESS OTHERWISE STATED)

	Note	For the three-months period ended 30 September		For the nine-months period ended 30 September	
		2025	2024 (Restated-note 19)	2025	2024 (Restated-note 19)
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Sales	15	54,541,708	57,774,315	192,269,540	181,338,451
Cost of sales		(57,781,304)	(53,548,220)	(190,302,543)	(157,312,506)
Gross (loss) / profit		(3,239,596)	4,226,095	1,966,997	24,025,945
Selling and marketing expenses		(1,581,888)	(1,533,910)	(4,714,382)	(4,065,216)
General and administrative expenses		(4,790,959)	(7,610,059)	(18,686,101)	(16,769,238)
Operating (loss) / income		(9,612,443)	(4,917,874)	(21,433,486)	3,191,491
Finance costs		(13,247,589)	(19,213,441)	(42,769,967)	(44,142,237)
Debt extinguishment		-	14,234,714	-	14,234,714
(Allowance) / reversal of allowance for expected credit losses		-	(1,100,000)	2,000,000	2,038,875
Other income		251,726	285,703	2,068,210	1,501,195
Net loss for the period before zakat		(22,608,306)	(10,710,898)	(60,135,243)	(23,175,962)
Zakat charge	13	(2,500,000)	(1,150,000)	(3,600,000)	(4,550,000)
Net loss for the period		(25,108,306)	(11,860,898)	(63,735,243)	(27,725,962)
Other comprehensive income:					
Items that will not be reclassified to profit or loss		-	-	-	-
Total comprehensive loss for the period		(25,108,306)	(11,860,898)	(63,735,243)	(27,725,962)
Loss per share					
Basic and diluted loss per share for the period - ﷲ / share	14	(0.23)	(0.11)	(0.59)	(0.26)

The accompanying notes 1 to 22 form an integral part of these interim condensed consolidated financial information.

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Chief Financial Officer

Chief Executive Officer

Board Member





AL JOUF CEMENT COMPANY
(SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2025 (UNAUDITED)
(ALL AMOUNTS IN ﷲ UNLESS OTHERWISE STATED)

	Share Capital	Statutory Reserve	Changes in Fair Value in Other Comprehensive Income	Retained Earnings	Foreign Currency Translation Reserve	Total Equity
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				(63,735,243)		(63,735,243)
Other comprehensive income items	-	-	-	-	-	-
Total comprehensive loss for the period				(63,735,243)		(63,735,243)
Transferred from statutory reserve	-	(62,947,016)	-	62,947,016	-	-
Balance as of 30 September 2025 (Unaudited)	1,087,000,000	-	(46,000,000)	11,811,968	(63,150)	1,052,748,818
Balance as of 1 January 2024 (before restatement)	1,087,000,000	62,947,016	(46,000,000)	116,965,893	(63,150)	1,220,849,759
Impact of restatement (note 19)	-	-	-	(76,374,909)	-	(76,374,909)
Balance as of 1 January 2024 (restated) (note 19)	1,087,000,000	62,947,016	(46,000,000)	40,590,984	(63,150)	1,144,474,850
Net loss for the period – Restated (note 19)	-	-	-	(27,725,962)	-	(27,725,962)
Other comprehensive income items	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(27,725,962)	-	(27,725,962)
Balance as of 30 September 2024 - restated (Unaudited)	1,087,000,000	62,947,016	(46,000,000)	12,865,022	(63,150)	1,116,748,888

The accompanying notes 1 to 22 form an integral part of these interim condensed consolidated financial information.

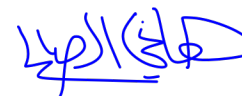
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Chief Financial Officer

Chief Executive Officer

Board Member





AL JOUF CEMENT COMPANY
(SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2025 (UNAUDITED)
(ALL AMOUNTS IN SAR UNLESS OTHERWISE STATED)

		For the nine-months period ended	
		30 September 2025	30 September 2024
	Notes	(Unaudited)	(Restated note 19) (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the period before Zakat		(60,135,243)	(23,175,962)
Adjustments for:			
Depreciation of property, plant and equipment	5	19,941,764	34,062,928
Reversal of expected credit losses	8	(2,000,000)	(2,038,875)
Depreciation of right-of-use assets		141,422	141,421
Amortization of intangible assets		282,394	282,394
Provision for legal claim		900,000	-
Provision for slow moving inventory	7	2,859,208	-
Reversal of provision for slow moving inventory	7	(2,309,539)	-
Modification gain on extinguishment of banks facilities		-	(14,234,714)
Finance costs		42,769,967	44,142,237
Provision for employees' end of service benefits		1,314,456	1,269,324
		3,764,429	40,448,753
Changes in:			
Inventories		39,272,313	(29,236,643)
Trade receivables		64,029,013	(96,451,872)
Prepayments and other receivables		5,003,621	(15,484,623)
Trade and other payables		(46,183,531)	23,829,006
Cash generated from / (used in) operations		65,885,845	(76,895,379)
Payment of quarry exploitation fees	11	(4,800,000)	(4,400,000)
Employees' end of service benefits paid		(560,948)	(359,250)
Zakat paid	13	-	(772,730)
Net cash generated from / (used in) operating activities		60,524,897	(82,427,359)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	5	(1,761,932)	(840,152)
Addition to intangible asset		(100,000)	-
Net cash used in investing activities		(1,861,932)	(840,152)
CASH FLOWS FROM FINANCING ACTIVITIES			
Banks facilities repayments	10	(39,781,538)	(227,170,869)
Receipt of banks facilities	10	4,028,553	307,860,454
Payment of lease liabilities		(209,474)	(209,000)
Finance costs paid	10	(33,858,121)	-
Net cash (used in) / generated from financing activities		(69,820,580)	80,480,585
Net decrease in cash and cash equivalents		(11,157,615)	(2,786,926)
Cash and cash equivalents at beginning of the period		11,959,909	11,507,655
Cash and cash equivalents at end of the period		802,294	8,720,729

The accompanying notes 1 to 22 form an integral part of these interim condensed consolidated financial information.

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Chief Financial Officer

Chief Executive Officer

Board Member





AL JOUF CEMENT COMPANY
(SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2025
(UNAUDITED)
(ALL AMOUNTS IN ﷲ UNLESS OTHERWISE STATED)

1. CORPORATE INFORMATION

Al Juf Cement Company (the “Company”) is a Saudi joint stock company, established under License No. 25 of the Ministry of Commerce and Industry dated 11 Muharram 1426 (corresponding to 20 February 2006) 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 May 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.
Al Juf Cement Company	Branch	Kingdom of Saudi Arabia	100%	Wholesale and retail trade.

The above subsidiaries and the branch has not started the operations as at 30 September 2025.

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 September 2025 comprised 108.7 million shares stated at ﷲ 10 per share (2024: 108.7 million shares at ﷲ 10 per share).

2. GOING CONCERN

The interim condensed consolidated financial information indicate that the Group's current liabilities exceeded its current assets, which led to a deficit in working capital amounted to ﷲ 215,899,472 as at 30 September 2025 (31 December 2024: ﷲ 141,853,211) and the Group has a net loss for the nine-months period ended 30 September 2025 amounting to ﷲ 63,735,243 (for the nine-months period ended 30 September 2024: ﷲ 27,725,962).

The Group management signed purchase agreement of 60 trucks on 13 June 2024 to help reduce the expected transportation cost compared to other carriers.

AL JOUF CEMENT COMPANY
(SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2025
(UNAUDITED)
(ALL AMOUNTS IN ﷲ UNLESS OTHERWISE STATED)

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 second quarter of 2026. An agreement was also signed with Engie to build a 22-megawatt solar power plant (operational contract) starting in the second quarter of 2026, with no capital costs for the Group. Such agreement will help the Group to reduce its 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 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.

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.

On 18 May 2025, the Group obtained initial approvals for revolving credit facilities from the Saudi Export-Import Bank, amounting to ﷲ 30,000,000 which will support the operating expenses of the products.

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.

In addition, the Board of Directors and management are actively engaged in strengthening the Group's financial position by pursuing banks facilities restructuring arrangements and rollover existing short term banks facilities through deferred sale agreements (note 10). 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 confidence in the financial position of the Group in the coming period, 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.

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 2024.

The results for the nine-months period ended 30 September 2025 are not necessarily indicative of the results that can be expected for the financial year ending 31 December 2025.

AL JOUF CEMENT COMPANY
(SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2025
(UNAUDITED)
(ALL AMOUNTS IN ﷲ UNLESS OTHERWISE STATED)

3. BASIS OF PREPARATION (CONTINUED)

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 on 30 September 2025 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. BASIS OF PREPARATION (CONTINUED)

3.3 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 except the change of depreciation method as stated below:

Change in depreciation method under IAS 16 and IAS 8

During the period, the management of the Group reviewed the estimated pattern of consumption of the future economic benefits of certain property, plant, and equipment (Machinery and equipment – related to production line). As a result, the Group changed depreciation method from the straight-line method to the units of production method. This change was made as part of the Group's periodic review of accounting estimates.

Management determined that the units of production method provides a more accurate reflection of the usage pattern and consumption of the economic benefits of the assets, given the production-based nature of their utilization.

As this change represents a change in accounting estimate, it has been applied prospectively, in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", with effect from 1 January 2025.

The depreciation expense for the current period, under the units of production method, amounted to ﷲ 8,230,440 compared to ﷲ 25,179,464 that would have been recorded under the straight-line method, this change has reduced the depreciation cost for the nine-months period ended 30 September 2025 by ﷲ 16,949,024.

The impact of the change has been recognized in the current period's cost of production and profit or loss only.

The other significant estimates made by management in applying the Group's accounting policies and key sources of estimation uncertainties were similar to those described in the last annual consolidated financial statements.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

4.1 New amended standards and interpretations

New standards and a set of amendments to standards have been issued and are effective from 1 January 2025. These standards do not have a material impact on the Group's interim condensed interim consolidated financial information as disclosed in annual consolidated financial statements.

4.2 Significant accounting policies

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 2024.

AL JOUF CEMENT COMPANY
(SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2025
(UNAUDITED)

(ALL AMOUNTS IN ₪ UNLESS OTHERWISE STATED)

5. PROPERTY, PLANT AND EQUIPMENT

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Cost:		
Balance at the beginning of the period / year	2,346,206,090	2,310,171,150
Additions during the period / year	1,761,932	36,415,634
Disposals during the period / year	-	(380,694)
Balance at the end of the period / year	2,347,968,022	2,346,206,090
Accumulated Depreciation:		
Balance at the beginning of the period / year	651,051,029	605,644,862
Charge for the period / year	19,941,764	45,783,391
Disposals during the period / year	-	(377,224)
Balance at the end of the period / year	670,992,793	651,051,029
Net book value for the period / year	1,676,975,229	1,695,155,061

All property, plant and equipment are pledged as guarantee against several loans (note 10).

The Group has changed the depreciation method for machinery and equipment from straight line method to unit of production method with effect from 1 January 2025. This change has reduced the impact of depreciation in the current financial information as disclosed in note 3.3.

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

	Ownership Percentage		30 September 2025 (Unaudited)	31 December 2024 (Audited)
	2025	2024		
Eastern Industrial Company (EIC) - Closed Saudi Joint Stock Co.(6-1)	10%	10%	46,000,000	46,000,000
Less: Fair value reserve for investment in Eastern Industrial Company (6-2)			(46,000,000)	(46,000,000)
			-	-

6.1 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.

6.2 In previous years, the Group had devalued its investment in EIC to zero through fair value through other comprehensive income in the equity due to the company incurring accumulated losses 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 Eastern Industrial Company since 2019.

6.3 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 amounted to ₪ 35,681,000, which the Group anticipates settling through the liquidation process.

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6. INVESTMENT IN EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

- 6.4 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.
- 6.5 The Group has commenced the liquidation process for EIC and has received confirmation of approval for a proportional payment of ﷲ 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.
- 6.6 Despite recording a liability of ﷲ 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 18). 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.

7. INVENTORIES

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Raw materials	9,537,380	7,760,536
Products under manufacture	145,141,533	194,344,895
Finished products	8,514,371	3,768,329
Spare parts	61,020,776	57,362,424
Fuel and consumables	10,342,495	10,592,684
	234,556,555	273,828,868
Less: Provision for slow moving inventory	(7,057,254)	(6,507,585)
	227,499,301	267,321,283

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

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Balance at the beginning of the period / year	6,507,585	6,507,585
Charge for the period / year	2,859,208	-
Reversal of provision for the period / year	(2,309,539)	-
Balance at the end of the period / year	7,057,254	6,507,585

- 7.2 During the nine-months period ended 30 September 2025, an assessment for the net realizable value of inventory has been conducted by the management, which resulted in an impairment for products under manufacture by an amount of ﷲ 2,859,208 which has been directly charged to cost of sales. Furthermore, management reversed provision by an amount of ﷲ 2,309,539 due to related inventories sold during the nine-months period ended 30 September 2025.

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8. TRADE RECEIVABLES

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Trade receivables	46,619,601	110,648,614
Provision for expected credit losses	(10,530,232)	(12,530,232)
	36,089,369	98,118,382

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

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Balance at the beginning of the period / year	12,530,232	10,399,107
(Reversal) /charged during the period / year	(2,000,000)	2,131,125
Balance at the end of the period / year	10,530,232	12,530,232

Trade receivables had been adjusted against the previously recorded accrued discounts by an amount of ₪ 60,351,738, resulting from the credit notes that have been issued to the customers for the year ended 31 December 2024. (note 12.2).

9. 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 of 30 September 2025 (December 31, 2024: ₪ 62,947,016).

10. BANKS FACILITIES

The movement on banks facilities is as follows:

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Balance at the beginning of the period / year	729,086,797	610,688,524
Payments of the principal of the loan	(39,781,538)	(120,795,739)
Additions to the principal of the loan	4,028,553	244,616,582
Debt extinguishment of banks facilities (note 10.7)	-	(14,234,714)
Financing costs accrued during the period / year	40,688,499	52,884,855
Financing cost paid	(33,858,121)	(44,072,711)
Balance at the end of the period / year	700,164,190	729,086,797

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10. BANKS FACILITIES (CONTINUED)

The sources of outstanding facilities were as follows:

	Note	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Long-term banks facilities		519,911,486	525,958,998
Short-term banks facilities	10.6	153,813,844	149,627,988
Total banks facilities - local commercial banks		673,725,330	675,586,986
Saudi Industrial Development Fund facilities	10.3	17,850,000	34,700,000
	10.4		
Financing companies	&		
	10.6	8,588,860	18,799,811
		<u>700,164,190</u>	<u>729,086,797</u>

Banks facilities - local commercial banks

	Note	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Bank facilities – SAB Al Awwal Bank (long-term)	10.1	141,969,480	143,059,418
Bank facilities - Alinma Bank (long-term)	10.2	276,972,372	279,857,523
Bank facilities - Alinma Bank (short-term)	10.6	103,493,301	98,338,903
Bank facilities - Alrajhi Bank (long-term)	10.5	100,969,634	103,042,057
Bank facilities - Alrajhi Bank (short-term)	10.6	50,320,543	51,289,085
		<u>673,725,330</u>	<u>675,586,986</u>

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

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Long-term banks facilities – non-current portion	381,791,471	403,832,361
Long term banks facilities – current portion	155,970,015	163,134,153
Short term banks facilities	162,402,704	162,120,283
	<u>700,164,190</u>	<u>729,086,797</u>

The maturity schedule for discounted banks facilities as at 30 September 2025 is as follows:

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Less than one year	318,372,719	325,254,436
From one to two years	69,044,730	60,426,134
From two to three years	66,918,963	77,677,665
More than three years	245,827,778	265,728,562
	<u>700,164,190</u>	<u>729,086,797</u>

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10. BANKS FACILITIES (CONTINUED)

10.1 The Group has total facilities amounting to ﷲ 154,459,754 from SAB Al Awwal Bank, where the outstanding balance as at 30 September 2025 amounting to ﷲ 141,969,480 (31 December 2024: ﷲ 143,059,418). These facilities are secured by a promissory note for the full value of the facilities and a mortgage of a portion of the Company'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. The outstanding balance of the SAB Al Awwal Bank loan before rescheduling amounted to ﷲ 154,459,754, however, due to discounting the rescheduled instalments according to the terms before the rescheduling and the present value of future cash flows on the date of rescheduling, a difference of ﷲ 14,853,730 was recognized as extinguishment modification gain at 31 December 2024 (note 10.7).

10.2 The Group has bank facilities amounting to ﷲ 746,115,000 from Alinma Bank, where the outstanding balance of which as of 30 September 2025, amounted to ﷲ 276,972,372 (31 December 2024: ﷲ 279,857,523), part of where repaid by Al Rajhi Bank. These facilities are secured by a promissory note and a second mortgage on the Group's property, plant and equipment (note 5). 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. The outstanding balance of the Alinma loan before the rescheduling split into two loans amounted to ﷲ 250,000,000 and ﷲ 28,250,000. However, due to the discounting of the rescheduled instalments according to the terms before the rescheduling and the present value of future cash flows at the date of rescheduling, differences amounting to ﷲ 1,262,838 and ﷲ 643,822 respectively, was recognized as extinguishment modification (loss) and gain respectively as at 31 December 2024 (note 10.7).

Due to the rescheduling agreements, the Group has a rescheduling fee amounting to ﷲ 2,087,124, and according to the requirements of the IFRS 9 "Financial Instruments" the rescheduling fee has been capitalized to the contractual cashflow and will be amortized over the agreement's terms.

10.3 The Group has a loan from the Saudi Industrial Development Fund (SIDF) with outstanding balance of ﷲ 17,850,000 as at 30 September 2025 (31 December 2024: ﷲ 34,700,000). 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 5), with a net book value of ﷲ 1,676,975,229 as at 30 September 2025 (31 December 2024: ﷲ 1,695,155,061). 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 ﷲ 87,500,000 divided into 11 monthly instalments, with the last instalment amounting to ﷲ 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 ﷲ 52,700,000 divided into 10 monthly instalments. The last instalment of this loan is due in June 2025. Therefore, no extinguishment modification gain or loss had been recognized.

10.4 During the year 2023, the Group obtained facilities from Sukuk Financial Company by an amount of ﷲ 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 30 September 2025.

The Group also obtained another facility from Manafa Finance Company amounting to ﷲ 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.

During the second quarter of year 2024, the Group obtained another facility from Lendo Company by an amount of ﷲ 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.

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10. BANKS FACILITIES (CONTINUED)

10.5 During the third quarter of year 2024, the Group obtained long-term facilities from Al Rajhi Bank by an amount of ﷲ 100,000,000 for the purpose of repaying part of the existing loan of Alinma Bank. These facilities are secured by a promissory note and a mortgage of part of the Group's property, plant and equipment (note 5). These facilities are repayable in semi-annual instalments. The last instalment of these facilities is due in August 2032.

10.6 Short-term banks facilities

During the third quarter of year 2024, the Group obtained bank facilities from Alinma Bank, with a total limit of ﷲ 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.

Short-term banks facilities also included credit facilities from Manafa Finance Company amounting to ﷲ 7,500,000 obtained during the year 2023, and credit facilities from Lendo Company amounting to ﷲ 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 ﷲ 50,000,000. This facility is subject to commission according to prevailing interest rates in the market.

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Alinma Bank	103,493,301	98,338,903
Al Rajhi Bank	50,320,543	51,289,085
Manafa Finance Company	6,901,933	6,855,600
Lendo Company	1,686,927	5,636,695
Short term credit facilities	162,402,704	162,120,283
Sukuk Financial Company	-	6,307,517
Total	162,402,704	168,427,800

10.7 Rescheduling of banks facilities

As a result of the rescheduling of the banks facilities referred to above, and as a result of the Group's management signing rescheduling agreements for banks facilities with all of Alinma Bank, SAB Al Awwal Bank and SIDF bank, which led to a change in the repayment terms as a result of extending the repayment period, as well as changing the commission rates as a result of renegotiation, the Group's management performed 10% corridor test for the commitment of banks facilities in accordance with the requirements of IFRS 9 "Financial Instruments", as a result of the change in the pattern of cash flows, and this test resulted in net extinguishment modification gain at 31 December 2024 amounting to ﷲ 14,234,714. This amount represents the difference between the present value of the banks facilities according to the terms before the rescheduling and the present value of future cash flows according to the terms of the banks facilities after modification, which are discounted at the original effective interest rate of the facility. Since the difference rate is less than 10%, the modification in the terms is not considered substantial and is not accounted for as a derecognition of the old facilities and the recognition of a new financial obligation. Accordingly, the present value of future cash flows under the terms of the modification was recognized using the original effective interest rate of those facilities, and the difference was recognized as a extinguishment modification gain for the year ended 31 December 2024.

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10. BANKS FACILITIES (CONTINUED)

10.7 Rescheduling of banks facilities (continued)

The extinguishment modification gains from banks facilities are as follows: -

	Balance before rescheduling	Balance after rescheduling	Extinguishment modification gain / (loss)
Bank facilities – SAB Al Awwal Bank	154,459,754	139,606,024	14,853,730
Bank facilities – Alinma Bank	278,250,000	278,869,016	(619,016)
Credit facilities – SIDF	54,700,000	54,700,000	-
	<u>487,409,754</u>	<u>473,175,040</u>	<u>14,234,714</u>

10.8 Financial covenants

These banks 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 compliance with these covenants. Some of these covenants are linked to financial ratios. The Group was unable to comply with financial covenants of Al Rajhi Bank, accordingly, an amount of ₪ 100,000,000 has been reclassified as current facility. Additionally, the Group was unable to comply with some financial covenants for other banks.

11. QUARRY EXPLOITATION FEES

	Note	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Balance as of 1 January		36,811,759	39,577,912
Paid during the period / year	11.1	(4,800,000)	(6,000,000)
		<u>32,011,759</u>	<u>33,577,912</u>
Finance cost of the period / year		2,077,154	3,233,847
Balance at the end of the period / year		<u>34,088,913</u>	<u>36,811,759</u>

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

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Quarry exploitation fees - non-current portion	19,155,734	26,683,018
Quarry exploitation fees – current portion	14,933,179	10,128,741
	<u>34,088,913</u>	<u>36,811,759</u>

11.1 On 27 Rabi' al-Awwal 1445, 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 fees to the Ministry of Industry and Mineral Resources as at 31 December 2022, amounting to ₪ 48,915,768 at interest free rates 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 nine-months period ended 30 September 2025, the Group has submitted request to the Ministry of Industry and Mineral Resources to reschedule outstanding dues amounting to ₪ 34,088,913. As of the 30 September 2025, formal approval had not yet been received. However, existing classification of the outstanding dues between current and non-current liabilities has been considered appropriate based on management's expectation, in line with industry practice.

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12. TRADE AND OTHER PAYABLES

	Note	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Trade creditors		87,935,016	85,059,005
Accrued expenses	12.1	26,034,994	15,473,010
Accrued salaries, wages and other benefits		9,905,124	9,009,898
Provision for rehabilitation of areas		2,541,000	2,541,000
Accrued discounts	12.2	-	60,351,738
Retention execution of works		138,863	138,863
Other payables		734,986	-
		127,289,983	172,573,514

12.1 Accrued expenses include provision against legal claims as of 30 September 2025 amounting to ﷲ 900,000 (31 December 2024: nil).

12.2 The Group had accrued discounts amounting to ﷲ 60,351,738 as at 31 December 2024 for various customers. During the period the Group has issued credit notes to those customers by the full amount and accordingly, the discount has been settled against the receivable balance.

13. ZAKAT PROVISION

13.1 Zakat movement

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

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Balance at the beginning of the period / year	28,656,653	24,129,383
Charged during the period / year	6,250,000	5,300,000
Prior year adjustments	(2,650,000)	-
Paid during the period / year	-	(772,730)
Balance at the end of the period / year	32,256,653	28,656,653

13.2 Zakat assessment status

The Parent Company and its subsidiaries submitted their zakat returns until the year ended 31 December 2024, and is yet to obtain the related zakat certificate. Currently, the Group has a zakat certificate valid until 30 April 2025.

The Parent Company received a partial zakat assessments from the Zakat, Tax, and Customs Authority ("ZATCA") for the years from 2014 to 2018, totaling additional zakat by ﷲ 34,300,000. The Company objected to those assessments before the General Secretariat of the Tax ("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. The ZATCA then filed an appeal, but the Court of Appeal upheld the Tax 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 case is considered finalized.

The Parent Company received a zakat assessments for the years 2019 and 2020 with additional zakat amounting to ﷲ 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 General Secretariat of the Tax Committees. The objection was rejected before the Tax Committees. The Company appealed the Committee's decision, and a decision was issued to uphold the Committee's decision.

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13. ZAKAT PROVISION (CONTINUED)

13.2 Zakat assessment status (continued)

The Company submitted an appeal on the Committee's decision, and the appeal was rejected. The Group agreed with ZATCA, and the case is considered finalized.

During the period 2025, the Parent Company received zakat assessments for the years 2021, 2022 and 2023 with additional zakat amounting to ﷲ 756,877, ﷲ 22,712 and ﷲ 1,025,107 respectively. The Company submitted objection regarding assessment for the year 2023 with ZATCA which is still under discussion. Management is confident that the outcome of the objection will be in favor of the Company.

The zakat return for the year 2024 are still not reviewed by ZATCA, as of 30 September 2025.

Subsequent to the period ended on 15 October 2025, the Group has submitted request to the ZATCA for installment plan and to settle its outstanding liabilities and the approval is still awaited.

The Group had maintained adequate provisions to cover these assessments.

14. LOSS PER SHARE

Basic loss per share was calculated by dividing the period's net loss 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 neither convertible securities nor derivative financial instruments to exercise.

	For the three-months period ended 30 September		For the nine-months period ended 30 September	
	2025	2024	2025	2024
	(Unaudited)	(Restated note 19) (Unaudited)	(Unaudited)	(Restated note 19) (Unaudited)
Net loss for the period	(25,108,306)	(11,860,898)	(63,735,243)	(27,725,962)
Weighted average number of shares	108,700,000	108,700,000	108,700,000	108,700,000
Basic and diluted loss per share based on net loss of the period	(0.23)	(0.11)	(0.59)	(0.26)

15. 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 in the city of Turaif, Kingdom of Saudi Arabia.

	For the three-months period ended 30 September		For the nine-months period ended 30 September	
	2025	2024	2025	2024
	(Unaudited)	(Restated note 19) (Unaudited)	(Unaudited)	(Restated note 19) (Unaudited)
Cement and clinker sales	54,541,708	57,774,315	192,269,540	181,338,451
Net sales	54,541,708	57,774,315	192,269,540	181,338,451

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15. NET SALES (CONTINUED)

	For the three-months period ended 30 September		For the nine-months period ended 30 September	
	2025 (Unaudited)	2024 (Restated note 19) (Unaudited)	2025 (Unaudited)	2024 (Restated note 19) (Unaudited)
Geographical information of net sales				
Sale revenues within the Kingdom of Saudi Arabia	45,947,402	57,183,750	171,463,414	161,965,665
Sales revenues from export outside the Kingdom of Saudi Arabia	8,594,306	590,565	20,806,126	19,372,786
	54,541,708	57,774,315	192,269,540	181,338,451
	For the three-months period ended 30 September		For the nine-months period ended 30 September	
	2025 (Unaudited)	2024 (Restated note 19) (Unaudited)	2025 (Unaudited)	2024 (Restated note 19) (Unaudited)
Type of products net sales				
Cement sales	47,283,698	57,288,068	172,941,846	161,965,665
Clinker sales	7,258,010	486,247	19,327,694	19,372,786
	54,541,708	57,774,315	192,269,540	181,338,451

All sales had been recognized at point in time and the Group is considered principal in all sale transactions.

Sales to two major customers amounted to 58% of total sales for the nine-months period ended 30 September 2025 and receivable balances as of 30 September 2025 amounting to ₪ 33,254,736 (three major customers amounted to 57% for the nine-months period ended 30 September 2024 and receivable balances as of 30 September 2024 amounting to ₪ 56,046,542). The rest of sales is derived from various customers whose individual share is less than 10% of net sales.

16. 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 15. Further, significant amount of liabilities of the Group are payable in Saudi Arabia.

17. TRANSACTIONS WITH RELATED PARTIES

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).

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17. TRANSACTIONS WITH RELATED PARTIES - (CONTINUED)

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. Chief Executive Officers are paid a fixed remuneration for their direct management duties and responsibilities.

(a) Major Shareholders

Following are the major shareholders of the Group:

	Ownership Percentage	
	30 September 2025	31 December 2024
Suleiman bin Saleh Al-Muhailib and Sons Company	5.19%	5.09%
Rasana Fund	-	6.267%

(b) Transactions with related parties

Shareholder Name	Nature of the transactions	Volume of transactions for the period ended 30 September	
		2025	2024
Suleiman bin Saleh AlMuhailib and Sons Company	Sale of Cement (net)	85,936,440	61,577,970
	Selling and marketing expenses (inclusive VAT)	1,150,000	-

As at 30 September 2025, the Shareholder (Suleiman bin Saleh Al-Muhailib and Sons Company), has a receivable balance amounting to ₪ 34,275,060 (31 December 2024: ₪ 29,037,664). This balance is recorded under trade receivables (note 8).

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

Related parties	Nature of the transaction	For the period ended 30 September	
		2025 (Unaudited)	2024 (Unaudited)
Key Management	Salaries, wages, and other benefits	4,527,277	6,555,870
Board of Directors	Board remuneration and attendance allowances	5,141,748	5,912,253

18. 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 (6.3).

19. PRIOR YEAR RESTATEMENTS

The Group has adjusted some of the amounts and balances included in the consolidated financial statements for the prior year 2024, as the transactions related to those balances have not been properly accounted for, and accordingly, the adjustment was made in accordance with the requirements of International Accounting Standard No. (8) "Accounting Policies, Change in Accounting Estimates and Errors".

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19. PRIOR YEAR RESTATEMENTS - (CONTINUED)

The restatements and reclassifications applied in this interim condensed consolidated financial information are consistent with those disclosed in note 32 of the audited annual consolidated financial statements for the year ended 31 December 2024. Accordingly, there is no impact on the balances as of 31 December 2024.

The impact of these restatements and reclassifications on the condensed consolidated statement of financial position as of 1 January 2024 as follows:

	Before Restatement	Restatement	Reclassification	Restated Balances
Assets				
Non-current assets				
Property, plant, and equipment	1,703,207,455	-	1,318,833	1,704,526,288
Intangible assets	1,129,575	-	1,647,276	2,776,851
Right-of-use assets	377,124	-	-	377,124
Investment in equity instruments at fair value through other comprehensive income	-	-	-	-
Total non-current assets	1,704,714,154	-	2,966,109	1,707,680,263
Current assets				
Investments in equity instruments at fair value through profit or loss	-	-	-	-
Inventories	225,206,742	-	-	225,206,742
Trade receivables	105,740,470	(10,060,858)	-	95,679,612
Prepayments and other receivables	18,636,912	-	(2,966,109)	15,670,803
Cash and cash equivalents	11,507,655	-	-	11,507,655
Total current assets	361,091,779	(10,060,858)	(2,966,109)	348,064,812
Total assets	2,065,805,933	(10,060,858)	-	2,055,745,075
Equity and Liabilities				
Equity				
Share capital	1,087,000,000	-	-	1,087,000,000
Statutory reserve	62,947,016	-	-	62,947,016
Change in fair value reserve	(46,000,000)	-	-	(46,000,000)
Retained earnings	116,965,893	(76,374,909)	-	40,590,984
Foreign currency translation reserve	(63,150)	-	-	(63,150)
Total equity	1,220,849,759	(76,374,909)	-	1,144,474,850
Liabilities				
Non-current liabilities				
Long-term banks facilities – non-current portion	415,959,754	-	-	415,959,754
Quarry exploitation fees - non-current portion	36,011,759	-	-	36,011,759
Lease liability – non-current portion	188,562	-	-	188,562
Employees' end-of-service benefits	8,867,869	-	-	8,867,869
Total non-current liabilities	461,027,944	-	-	461,027,944
Current liabilities				
Long-term banks facilities – current portion	148,978,770	-	-	148,978,770
Short term banks facilities	45,750,000	-	-	45,750,000
Trade and other payables	125,618,212	66,314,051	-	191,932,263
Quarry exploitation fees - current portion	3,566,153	-	-	3,566,153
Current portion of lease liability	204,712	-	-	204,712
Provision against a loan guarantee	35,681,000	-	-	35,681,000
Provision for zakat	24,129,383	-	-	24,129,383
Total current liabilities	383,928,230	66,314,051	-	450,242,281
Total liabilities	844,956,174	66,314,051	-	911,270,225
Total equity and liabilities	2,065,805,933	(10,060,858)	-	2,055,745,075

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19. PRIOR YEAR RESTATEMENTS (CONTINUED)

The impact of these restatements on the condensed consolidated statement of profit or loss and other comprehensive income for the three-months period ended 30 September 2024 as follow:

		For the three-months period ended 30 September 2024		
	Notes	Before restatement	Restatement	Restated Balance
Sales	19.1	74,933,203	(17,158,888)	57,774,315
Cost of sales		(53,548,220)	-	(53,548,220)
Gross profit		21,384,983	(17,158,888)	4,226,095
Selling and marketing expenses		(1,533,910)	-	(1,533,910)
General and administrative expenses		(7,610,059)	-	(7,610,059)
Operating income / (loss)		12,241,014	(17,158,888)	(4,917,874)
Finance costs		(19,213,441)	-	(19,213,441)
Allowance for expected credit losses		(1,100,000)	-	(1,100,000)
Modification gain on extinguishment of banks facilities	19.2	18,974,201	(4,739,487)	14,234,714
Other income		285,703	-	285,703
Net income / (loss) for the period before Zakat		11,187,477	(21,898,375)	(10,710,898)
Zakat charge		(1,150,000)	-	(1,150,000)
Net income / (loss) for the period		10,037,477	(21,898,375)	(11,860,898)
Other comprehensive income:				
Items that will not be reclassified to profit or loss		-	-	-
Total comprehensive income / (loss) for the period		10,037,477	(21,898,375)	(11,860,898)
Earnings / (loss) per share				
Basic and diluted earnings / (loss) per share of net profit / (loss) for the period		0.09		(0.11)

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19. PRIOR YEAR RESTATEMENTS – (CONTINUED)

The impact of these restatements on the condensed consolidated statement of profit or loss and other comprehensive income for the nine-months period ended 30 September 2024 as follow:

		For the nine-months period ended 30 September 2024		
	Notes	Before restatement	Restatement	Restated Balance
Sales	19.1	234,939,186	(53,600,735)	181,338,451
Cost of sales		(157,312,506)	-	(157,312,506)
Gross profit		77,626,680	(53,600,735)	24,025,945
Selling and marketing expenses		(4,065,216)	-	(4,065,216)
General and administrative expenses		(16,769,238)	-	(16,769,238)
Operating income		56,792,226	(53,600,735)	3,191,491
Finance costs		(44,142,237)	-	(44,142,237)
Modification gain on extinguishment of banks facilities	19.2	18,974,201	(4,739,487)	14,234,714
Reversal of allowance for expected credit losses		2,038,875	-	2,038,875
Other income		1,501,195	-	1,501,195
Net income / (loss) for the period before Zakat		35,164,260	(58,340,222)	(23,175,962)
Zakat charge		(4,550,000)	-	(4,550,000)
Net income / (loss) for the period		30,614,260	(58,340,222)	(27,725,962)
Other comprehensive income:				
Items that will not be reclassified to profit or loss		-	-	-
Total comprehensive income / (loss) for the period		30,614,260	(58,340,222)	(27,725,962)
Earnings / (loss) per share				
Basic and diluted earnings / (loss) per share of net profit / (loss) for the period		0.28		(0.26)

The impact of these restatements on the consolidated statement of changes in equity as at 1 January 2024 as follow:

	Notes	1 January 2024
Retained Earnings before restatement		1,220,849,759
Impact of restatements	19.3 , 19.4 , 19.5 & 19.6	(76,374,909)
Retained Earnings after restatement		1,144,474,850

The impact of these restatements is summarized below:

19.1 The Group accrued discounts related to the full year of 2024 amounting to ₪ 55,217,465. The Group's management has allocated the impact of the adjustments for these accrued discounts for the three-month and nine-month periods ended 30 September 2024 which amounts to ₪ 17,158,888 and ₪ 53,600,735 respectively as shown in above interim condensed consolidated statement of profit or loss and other comprehensive income for the period ended 30 September 2024.

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19. PRIOR YEAR RESTATEMENTS – (CONTINUED)

- 19.2 The extinguishment modification gain on a rescheduling of banks facilities previously recognized as ﷲ 18,974,201 in the interim condensed consolidated financial information for the three-month and nine-month periods ended 30 September 2024 has been reassessed to ﷲ 14,234,714, in line with the final amount recognized in the audited consolidated financial statements for the year ended 31 December 2024 (refer note 10.7). Accordingly, the comparative figures have been restated, increasing net loss for the three-month and nine-month periods by ﷲ 4,739,487.
- 19.3 During the previous years, the management agreed with certain customers for compensation of price in the form of discounts due to downturn in the cement industry. The Group incorrectly continued to invoice the customers at original agreed prices without reflecting the agreed discounts. The impact of these transactions amounted to ﷲ 41,791,424.
- 19.4 During the previous years the management of the Group agreed with its suppliers for the delivery of export Clinker. The management did not accrue for the related transportation charges. The impact of these transactions amounted to ﷲ 25,834,913.
- 19.5 During the year 2020, the Group signed a contract with one of its customers, under which the prices were stated in the contract as inclusive of Value-Added Tax (VAT). However, due to errors in application of VAT accounting, the Group incorrectly issued its sales invoices by same price exclusive of VAT. The impact of this transaction amounted to ﷲ 6,065,495 inclusive of value-added tax.
- 19.6 During the year 2022, the Group entered into a revenue contract with one of its customers which included variable consideration in the form of incentives of free quantities contingent upon achievement of certain purchase targets. The Group's management had not fully account for this variable consideration based on the customer's achieved target in accordance with the requirements of IFRS 15. The impact on these transactions amounted to ﷲ 2,683,077.
- 19.7 The total cash flows from operating, investing and financing activities were not affected by these amendments and reclassifications. The effects of the adjustments to the statement of cash flows are primarily adjustments to the changes in working capital within cash flows from operating activities and therefore are not disclosed separately.
- 19.8 The restatements and reclassifications applied in the preparation of this interim condensed consolidated financial information are consistent with those disclosed in the annual consolidated financial statements for the year ended 31 December 2024. No further restatements have been made in this interim condensed consolidated financial information.

20. NON-CASH TRANSACTION

	For the nine-months period ended	
	30 September 2025	30 September 2024
Accrued discounts have been settled against the trade receivables	60,351,738	-

21. 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.

22. DATE OF APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The interim condensed consolidated financial information were approved by the Board of Directors on 15 Jumada al Ula 1447H (Corresponding to 6 November 2025).