NORTHERN REGION CEMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
AND INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2026

NORTHERN REGION CEMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2026

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

To the Shareholders of
Northern Region Cement Company
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Northern Region Cement Company (A Saudi Joint Stock Company) "the Company" and its subsidiaries (together "the Group") as at June 30, 2026 and the related interim condensed consolidated statements of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2026, and the interim condensed consolidated statements of changes in equity and cash flows for the six-month period then ended, and other explanatory notes. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard (34) "Interim Financial Reporting" (IAS 34) that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

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 "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia.

RSM Allied Accountants Professional Services

شركة ار اس ام المحاسبون المتحدون للاستشارات المهنية
س.ت: ٤٠٣٠٢٢٨٧٧٣
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Abdullah Bin Ahmed Al Faddaghi
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Riyadh, Saudi Arabia
28 Safar 1448H (corresponding to August 11, 2026)

RSM Allied accountants professional services, professional limited liability company registered in kingdom of Saudi Arabia. with paid-up capital of (1,100,000) SAR. (Previously known as Dr.Abdelgadir bannaga & partners Company). Allied Accountants member in RSM International network. RSM is the trading name used by the members of the RSM, each member of the RSM network is an independent accounting and consulting firm each of which practices in its own rights . The RSM network is not itself a separate legal entity in any jurisdiction. the RSM network is administered by RSM International limited, a company registered in England and Wales.

شركة ار اس ام المحاسبون المتحدون للإستشارات المهنية شركة ذات مسؤولية محدودة مهنية، مسجلة في المملكة العربية السعودية، برأس مال (١,١٠٠,٠٠٠) ريال سعودي مدفوع بالكامل والمسماة سابقا بـ "شركة الدكتور عبد القادر بانقا وشركاه المحاسبون المتحدون". وهي عضو في الشبكة العالمية RSM هي العلامة التجارية المستعملة بواسطة كل الأعضاء في مجموعة RSM كل من أعضاء المجموعة هو كيان قانوني مستقل في مجال المحاسبة والاستشارات. شبكة RSM العالمية تدار من قبل RSM العالمية المحدودة وهي شركة مسجلة في بريطانيا وويلز.

Northern Region Cement Company
(A Saudi Joint Stock Company)
Interim condensed consolidated Statement of financial position (unaudited)
As at June 30, 2026
(All amounts are in Saudi Riyals unless otherwise stated)

	Note	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Assets			
Non-current assets:			
Property, plant and equipment, net	6	**2,147,748,681**	2,216,731,719
Intangible assets, net	7	**674,780,803**	556,540,840
Right of use assets, net		**8,504,831**	9,341,002
Total non-current assets		**2,831,034,315**	2,782,613,561
Current assets:			
Inventory	8	**770,699,236**	750,431,666
Prepaid expenses and other debit balances, net		**68,551,914**	63,973,256
Trade receivables, net	9	**71,706,633**	58,890,968
Due from a related party	10-B	**374,828**	374,828
Notes receivable		**18,588,330**	21,216,642
Cash and cash equivalents		**35,486,255**	22,964,221
Total current assets		**965,407,196**	917,851,581
Total assets		**3,796,441,511**	3,700,465,142
Equity and liabilities			
Equity:			
Share capital		**1,800,000,000**	1,800,000,000
Reserve	13	**161,703,317**	161,703,317
Retained earnings		**342,663,259**	311,568,904
Remeasurement reserve of employees' defined benefits obligations		**(4,940,870)**	(4,940,870)
Foreign currency translation reserve		**(6,246,003)**	(6,209,021)
Total equity attributable to the shareholders of the parent company		**2,293,179,703**	2,262,122,330
Non-controlling interests		**1,961,026**	1,983,100
Total equity		**2,295,140,729**	2,264,105,430
Liabilities			
Non-current liabilities:			
Long-term borrowings - non-current portion	11	**350,967,030**	364,917,170
Lease liabilities - non-current portion		**4,560,783**	4,833,716
Employees defined benefit obligations		**30,079,416**	27,943,476
Zakat liability - non-current portion	12-A	**16,338,217**	21,006,279
Provision for site restoration		**5,204,394**	5,064,794
Total non-current liabilities		**407,149,840**	423,765,435
Current liabilities:			
Bank facilities – Murabahat	11	**622,222,178**	501,109,094
Long-term borrowings – current portion	11	**173,774,014**	195,195,682
Trade and notes payable		**232,907,691**	241,395,759
Accrued expenses and other credit balances		**33,725,634**	43,610,513
Lease liabilities - current portion		**1,281,627**	1,513,479
Due to a related party	10-C	**8,695,972**	8,695,972
Zakat liability - current portion	12-A	**9,336,124**	9,336,124
Zakat, income tax and national contribution provision	12-B	**12,207,702**	11,737,654
Total current liabilities		**1,094,150,942**	1,012,594,277
Total liabilities		**1,501,300,782**	1,436,359,712
Total equity and liabilities		**3,796,441,511**	3,700,465,142

Chief Financial Officer | Chief Executive Officer | Chairman

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

Northern Region Cement Company
(A Saudi Joint Stock Company)
Interim condensed consolidated statement of profit or loss and other comprehensive income (unaudited)
For the three-month and six-month period ended June 30, 2026
(All amounts are in Saudi Riyals unless otherwise stated)

	Note	For the three-month period ended		For the six-month period ended	
		June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
		(Unaudited)		(Unaudited)	
Sales, net		**248,371,743**	180,772,836	**424,215,652**	325,825,136
Cost of sales		**(191,098,177)**	(125,899,053)	**(321,751,691)**	(224,168,966)
Gross profit		**57,273,566**	54,873,783	**102,463,961**	101,656,170
Selling and distribution expenses		**(9,582,556)**	(12,588,127)	**(16,470,147)**	(22,933,486)
General and administrative expenses		**(9,443,320)**	(10,162,750)	**(19,438,382)**	(19,469,696)
Profit from operations		**38,247,690**	32,122,906	**66,555,432**	59,252,988
Finance costs		**(15,556,374)**	(14,534,783)	**(31,044,979)**	(28,724,720)
Other income, net		**1,013,863**	1,603,745	**3,144,794**	1,603,745
Profit before zakat, income tax and national contribution		**23,705,179**	19,191,868	**38,655,247**	32,132,013
Zakat expense	12-B	**(3,000,000)**	(4,500,000)	**(6,000,000)**	(9,000,000)
Income tax and national contribution expense of subsidiaries	12-B	**(1,272,205)**	(1,475,374)	**(1,532,128)**	(2,084,890)
Net profit for the period		**19,432,974**	13,216,494	**31,123,119**	21,047,123
Other comprehensive income					
Items that may later be reclassified to profit or loss:					
(Loss) gains from translation of financial statements in foreign currencies		**50,126**	(2,715,853)	**(37,028)**	2,036,890
Total other comprehensive (loss) income for the period		**50,126**	(2,715,853)	**(37,028)**	2,036,890
Total comprehensive income for the period		**19,483,100**	10,500,641	**31,086,091**	23,084,013
Net profit for the period attributable to:					
Shareholders of the parent company		**19,408,512**	13,187,843	**31,094,355**	21,007,325
Non-controlling interest		**24,462**	28,651	**28,764**	39,798
Net profit for the period		**19,432,974**	13,216,494	**31,123,119**	21,047,123
Total comprehensive income for the period attributable to:					
Shareholders of the parent company		**19,458,576**	10,475,346	**31,057,373**	23,041,697
Non-controlling interest		**24,524**	25,295	**28,718**	42,316
Total comprehensive income for the period		**19,483,100**	10,500,641	**31,086,091**	23,084,013
Earnings per share					
Basic and diluted earnings per share from net profit for the period	14	**0.11**	0.07	**0.17**	0.12

Chief Financial Officer	Chief Executive Officer	Chairman

The accompanying notes form an integral part of these Interim condensed consolidated financial information.

Northern Region Cement Company
(A Saudi Joint Stock Company)
Interim condensed consolidated Statement of Changes in equity (unaudited)
For the six-month period ended June 30, 2026
(All amounts are in Saudi Riyals unless otherwise stated)

	Equity attributable to the shareholders of the Parent Company							
	Share Capital	**Reserve**	**Retained Earnings**	**Remeasurement reserve of employees' defined benefits obligations**	**Foreign currency translation reserve**	**Total equity attributable to the shareholders of the parent company**	**Non-Controlling Interests**	**Total Equity**
Balance as at January 1, 2025 (Audited)	1,800,000,000	161,703,317	300,506,888	(4,357,219)	(5,639,265)	2,252,213,721	2,097,878	2,254,311,599
Net profit for the period	-	-	21,007,325	-	-	21,007,325	39,798	21,047,123
Other comprehensive income for the period	-	-	-	-	2,034,372	2,034,372	2,518	2,036,890
Total comprehensive income for the period	-	-	21,007,325	-	2,034,372	23,041,697	42,316	23,084,013
Dividends distributed to non-controlling interests (note 17)	-	-	-	-	-	-	(19,759)	(19,759)
Balance as at June 30, 2025 (Unaudited)	1,800,000,000	161,703,317	321,514,213	(4,357,219)	(3,604,893)	2,275,255,418	2,120,435	2,277,375,853
Balance as at January 1, 2026 (Audited)	1,800,000,000	161,703,317	311,568,904	(4,940,870)	(6,209,021)	2,262,122,330	1,983,100	2,264,105,430
Net profit for the period	-	-	**31,094,355**	-	-	**31,094,355**	**28,764**	**31,123,119**
Other comprehensive loss for the period	-	-	-	-	**(36,982)**	**(36,982)**	**(46)**	**(37,028)**
Total comprehensive income for the period	-	-	**31,094,355**	-	**(36,982)**	**31,057,373**	**28,718**	**31,086,091**
Dividends distributed to non-controlling interests (note 17)	-	-	-	-	-	-	**(50,792)**	**(50,792)**
Balance as at June 30, 2026 (Unaudited)	**1,800,000,000**	**161,703,317**	**342,663,259**	**(4,940,870)**	**(6,246,003)**	**2,293,179,703**	**1,961,026**	**2,295,140,729**

Chief Financial Officer

Chief Executive Officer

Chairman

The accompanying notes form an integral part of these Interim condensed consolidated financial information.

Northern Region Cement Company
(A Saudi Joint Stock Company)
Interim condensed consolidated Statement of cash flows (unaudited)
For the six-month period ended June 30, 2026
(All amounts are in Saudi Riyals unless otherwise stated)

	Note	For the six-month period ended	
		June 30, 2026	June 30, 2025
		(Unaudited)	
Cash flows from operating activities:			
Profit before zakat, income tax and national contribution		**38,655,247**	32,132,013
Adjustments to reconcile profit before zakat, income tax and national contribution to net cash flows generated from operating activities:			
Depreciation and amortization		**31,685,029**	25,998,354
Finance costs		**31,044,979**	28,724,720
Capital gains		**-**	(22,790)
Employees defined benefit obligation expenses		**2,277,091**	3,281,102
		103,662,346	90,113,399
Changes in working capital			
Trade and notes receivable, net		**(10,187,353)**	2,684,453
Inventory		**(20,267,570)**	(26,002,636)
Prepaid expenses and other debit balances		**(4,578,658)**	2,096,337
Trade and notes payable		**(8,488,068)**	59,547,375
Accrued expenses and other credit balances		**(9,884,879)**	(59,542,747)
Zakat liabilities		**(4,668,062)**	(10,941,812)
Cash flows generated from operating activities		**45,587,756**	57,954,369
Paid zakat, income tax and national contribution		**(7,062,080)**	(15,596,931)
Paid defined employee benefit obligations		**(141,152)**	(1,171,830)
Net cash flow generated from operating activities		**38,384,524**	41,185,608
Cash flows from investing activities:			
Additions to property, plant and equipment	6	**(66,757,656)**	(56,134,353)
Proceeds from Sale of Property, Plant and Equipment		**-**	22,790
Additions to intangible assets	7	**(13,348,127)**	(526,995)
Net cash flows used in investing activities		**(80,105,783)**	(56,638,558)
Cash flows from financing activities:			
Repayments of borrowings and bank facilities	11	**(265,799,214)**	(666,210,021)
Proceeds from borrowings and bank facilities	11	**351,540,490**	717,386,662
Finance costs paid		**(30,644,440)**	(31,346,055)
Dividends paid to non-controlling interests		**(50,792)**	(19,759)
Repayment of lease liabilities		**(765,723)**	(936,000)
Net cash flows generated from financing activities		**54,280,321**	18,874,827
Net change in cash and cash equivalents		**12,559,062**	3,421,877
Cash and cash equivalents at the beginning of the period		**22,964,221**	26,987,432
Effect of changes in exchange rates on translation of foreign currency financial statements		**(37,028)**	2,036,890
Cash and cash equivalents at the end of the period		**35,486,255**	32,446,199
Non-cash Transactions:			
Capitalized borrowing costs	11	**5,859,365**	5,004,645
Transferred from Projects Under Construction to Intangible Assets	7	**106,509,339**	254,160

Chief Financial Officer	Chief Executive Officer	Chairman

The accompanying notes are an integral part of these Interim condensed consolidated financial information

1- Company information:

A. Company incorporation

Northern Region Cement Company ("the Company") which is the parent company, is a Saudi joint stock company, It is registered in the city of Turaif, Kingdom of Saudi Arabia, under Commercial Registration No. 3451002618 dated 19 Safar 1427H (corresponding to 19 March 2006), with Unified Number 7001494108.

In 2006, Saudi Pan Kingdom Company for Trading, Industry and Contracting Ltd (SAPAC) obtained from Petroleum and Mineral Resources a raw materials quarry license to exploit limestone from the North Harrat Al-Hurra area in Arar Governorate, affiliated with the Northern Borders Region Emirate, pursuant to Ministerial Resolution No. 48/Q dated 6 Rajab 1427H (corresponding to 31 July 2006). The licensed area is 30 km² (thirty square kilometers). Based on this license, Northern Region Cement Company was established in 2006. Upon the request of Saudi Pan Kingdom Company for Trading, Industry and Contracting Ltd (SAPAC) the Petroleum and Mineral Resources issued Resolution No. Q/8213 dated 24 Ramadan 1435H (corresponding to 21 July 2014), approving the transfer of all quarry licenses and related permits from Saudi Pan Kingdom Company for Trading, Industry and Contracting Limited (SAPAC). to Northern Region Cement Company.

The Capital Market Authority issued Resolution No. 4/585 dated 23 Rabi' Al-Awwal 1434H (corresponding to 4 February 2013), approving the announcement of the Company's conversion from a Saudi closed joint-stock company to a Saudi joint-stock company. The Company subsequently offered 50% of its shares for public subscription to complete the remaining portion of its capital by offering 54 million shares with a total value of SAR 540 million. Accordingly, the Company's capital became SAR 1,800 million, divided into 180 million shares with a nominal value of SAR 10 per share.

B. Nature of the Company's activities

The Company's principal activities include the manufacturing of Ordinary Portland cement, manufacturing of white cement, manufacturing of Clinker, rock cutting using explosive materials, and retail sale of building materials, including (cement, concrete blocks, gypsum, cement tiles, and other related materials).

C. Fiscal year

The Company's fiscal year is twelve months in duration, commencing on January 1 and ending on December 31 of each calendar year.

D. Presentation and functional currency

The interim condensed consolidated financial information is prepared in Saudi Riyals, which is both the functional and presentation currency of the Company, all the numbers are rounded to the nearest Saudi Riyal (SAR), unless otherwise indicated.

2- Group information

The interim condensed consolidated financial information includes the financial information of the Company, and the financial information of all companies controlled by the Company, (its subsidiaries) (collectively, the "Group"), as follows:

			Percentage of ownership (%) As at			
			June 30, 2026		December 31, 2025	
Company Name	Country	Legal entity	Direct	Indirect	Direct	Indirect
Northern Cement Company (A)	Jordan	Public joint stock	**83.82**	**15.67**	83,89	15.56
Diyar Najd for Contracting and Trading Limited (B)	Emirates	Limited Liability Company	**100**	–	100	–
Sama Al-Yamama Limited (B)	Emirates	Limited Liability Company	**100**	–	100	–
North Gulf Cement and Building Materials Trading Company Limited (B)	Emirates	Limited Liability Company	**100**	–	100	–
Abr Al-Shamal Cement, Derivatives and Building Materials Company Limited (B)	Emirates	Limited Liability Company	**100**	–	100	–

(All amounts are in Saudi Riyals unless otherwise stated)

2- Group information (Continued):

Company Name	Country	Legal entity	Percentage of ownership (%) As at June 30, 2026 Direct	June 30, 2026 Indirect	December 31, 2025 Direct	December 31, 2025 Indirect
Al-Hazm Cement and Derivatives Trading Company Limited (B)	Emirates	Limited Liability Company	**100**	–	100	–
Umm Qasr Northern Cement Limited (C)	Emirates	Limited Liability Company	**100**	–	100	–
Umm Qasr Northern Cement Manufacturing Company (C)	Iraq	Limited Liability Company	–	**99.89**	–	99.89
Sarh Zamzam Investment and Industrial Projects Rehabilitation Company (D)	Jordan	Limited Liability Company	**100**	–	100	–
White Stars Mining Investments Company LLC (A)	Jordan	Limited Liability Company	–	**99.49**	–	99.45
Al-Fayhaa Cement Company for Cement Manufacturing and Industrial Projects Rehabilitation (A)	Jordan	Limited Liability Company	–	**99.49**	–	99.45
Northern Region Cement Company for Investment (E)	Saudi Arabia	Single-Owner Limited Liability Company	**100**	–	100	–
Northern Cement Company (F)	Egypt	Egyptian Joint-Stock Company	**100**	–	100	–

A. The interim condensed consolidated financial information of Northern Cement - The Hashemite Kingdom of Jordan ("Northern Cement Jordan") include the interim financial information of its 99.49% owned subsidiaries (White Stars Mining Investment Ltd and Al-Fiha Cement Company for Cement Manufacturing and Industrial Projects Rehabilitation). The subsidiary's activity includes clinker industry, grinding, cement industry and the implementation of industrial projects. During 2020, the Company's ownership in Northern Cement – Jordan was increased by acquiring shares through its subsidiaries, namely Diyar Najd for Contracting and trading limited and Sama Al-Yamamah limited, which are wholly owned by the Company.

B. These subsidiaries are companies established in the United Arab Emirates for the purpose of owning stakes in North Cement Jordan.

C. During the first quarter of 2018, the Company acquired all shares of Umm Qasr Northern Cement Limited ("Umm Qasr – Emirates"), registered in the Jebel Ali area in Dubai, with a capital of AED 10,000, for an amount of SAR 6,064,527. Both of the following subsidiaries: (Umm Qasr – Emirates), (Northern Cement – Jordan), and (Sarh Zamzam – Jordan), own 70%, 20%, and 10%, respectively, of the equity of Umm Qasr Northern Cement Manufacturing Limited – Iraq, which holds the right to execute a contract for the rehabilitation, operation, and production-sharing of the Basra Cement Plant in the Republic of Iraq.

D. During the fourth quarter of the year ended December 31, 2023, the Company acquired 50% of Sarh Zamzam Investment and Industrial Projects Rehabilitation Company "Sarh Zamzam", registered in Amman with a capital of 100,000 Jordanian Dinars, for an amount of 1,125,000 Saudi Riyals. During the year ended 31 December 2024, Northern Cement Jordan, which owned 50% shares in Sarh Zamzam, transferred its interest to the Parent Company, making the Company the direct and sole owner of 100% of Sarh Zamzam's capital.

2- Group information (Continued):

D. The main objectives of Sarh Zamzam is management and development of industrial, administrative, and mining projects; investment in commercial and industrial projects and companies, including mining, cement, iron, and other companies; clinker production and grinding; and cement manufacturing.

E. The Parent Company owns 100% share of Northern Region Cement Investment Company in the Kingdom of Saudi Arabia, established for the purpose of investment-related activities. The share capital of Northern Region Cement Investment Company is SAR 100,000 and is fully owned by the Parent Company.

F. The Parent Company owns 100% share of Northern Region Cement Company in Arab Republic of Egypt, established for the purpose of establishing and operating a plant for the production of Ordinary Portland Cement, white cement, clinker, and all types of cement products. Its activities also include the sale of cement products and raw cement materials in all forms, general trading and distribution as permitted by law, public supplies, and export activities. The share capital of Northern Region Cement Company – Egypt amounts to 123,921 Saudi Riyals and is wholly owned by the parent company.

3- Basis of preparation of interim condensed consolidated financial information:

Applied Accounting Standards

This interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard No. 34: "Interim Financial Reporting," as endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants. This interim condensed consolidated financial information does not include all the information and disclosures required for a full set of consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), but selected accounting policies and explanatory notes have been included to explain significant events and transactions necessary to understand the changes in the financial position and performance of the group since year ended December 31, 2025. Accordingly, this interim condensed consolidated financial information should be read in conjunction with the group's consolidated financial statements for the year ended December 31, 2025. In addition, the results for the three-month and six-month period ended June 30, 2026, are not necessarily indicative of the results that may be expected for the year ending December 31, 2026.

Basis of measurement

The Interim condensed consolidated financial information are prepared in accordance with the principle of historical cost and using accrual basis of accounting and the going concern basis, except for the employee's defined benefits obligations, which is recognized at the present value of future obligation using one of the actuarial methods which is the projected unit credit method.

Going concern:

The Interim condensed consolidated financial information has been prepared on a going concern basis, which assumes that the Group will be able to manage liquidity to ensure, as far as possible, that it will have sufficient liquidity to meet its obligations as they fall due under both normal and abnormal conditions.

Significant Accounting Judgments and Estimates

The preparation of this interim condensed consolidated financial information requires management to use judgments and estimates that affect the application of accounting policies, and the amounts reported for assets, liabilities, revenues, and expenses. Actual results may differ from these estimates. The key areas of management's judgments in applying the Group's accounting policies and the key sources of estimates and uncertainties are similar to those disclosed in the consolidated financial statements for the previous year.

4- Material accounting policies:

Material accounting policies applied to these the Interim condensed consolidated financial information are the same as those applied to the consolidated financial statements for the fiscal year ended December 31, 2025.

4-1 New standards, interpretations, and amendments

There are new standards and number of amendments to standards which are effective from 1 January 2026 and have been explained in Group's annual Consolidated Financial Statements, but they do not have a material effect on the Group's Interim Condensed Consolidated Financial information for the period ended 30 June 2026.

(All amounts are in Saudi Riyals unless otherwise stated)

4- Material accounting policies (Continued):

4-1 New standards, interpretations, and amendments (Continued)

International Financial Reporting Standards	Summary	Effective Date
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
IFRS 10 and IAS 28	Amendments to the Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The effective date of these amendments has been deferred indefinitely.

The Group adopted amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures relating to the classification and measurement of financial instruments. The adoption of these amendments did not have a material impact on the Group's condensed consolidated interim financial statements for the period ended 30 June 2026.

IFRS 18, "Presentation and Disclosure in Financial Statements", will replace IAS 1, "Presentation of Financial Statements", and introduces new requirements intended to improve the comparability of the financial performance of similar entities and provide users with more relevant and transparent information. While IFRS 18 will not affect the recognition or measurement of items in the financial statements, it is expected to have a pervasive impact on presentation and disclosures, particularly the statement of profit or loss. The key requirements relate to the structure of the statement of profit or loss, including specified subtotals, enhanced requirements for grouping and disaggregation of information to provide more useful presentation of expenses in the statement of income, disclosures of management-defined performance measures in the notes to the financial statements, and improved principles for aggregation and disaggregation. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

IFRS 18 is effective for reporting periods beginning on or after 1 January 2027 and will be applied retrospectively. The Group is currently assessing the expected impact of the initial application of IFRS 18 on its financial statements. Based on the assessment carried out to date, the Group has identified the following areas where changes are expected.

A- Structure of the Statement of Profit or Loss

IFRS 18 requires entities to classify income and expenses into categories within the statement of profit or loss: operating, investing, financing, income taxes and discontinued operations. The classification of income and expenses is based on the entity's main activities. The Group has determined that it does not have a specified main activity of investing in assets or providing financing to customers. The Group's principal licensed activities are focused on the manufacture of ordinary Portland cement, the manufacture of white cement, the manufacture of clinker cement, rock cutting using explosives, and the retail sale of building materials through its subsidiaries, rather than investing in assets or providing financing to customers as a specified main activity.

The Group's net profit or net assets will not change because of applying for IFRS 18. However, the Group will be required to present two new subtotals: "operating profit or loss" and "profit or loss before financing and tax." The new operating profit subtotal will differ from the operating profit subtotal currently presented by the Group. Based on the information currently available, the Group expects the following changes to the current structure of the statement of profit or loss:

• Interest income and expenses: Currently presented as finance income and finance costs in accordance with the Group's current accounting policy and included within the "net finance cost" subtotal. IFRS 18 provides specific guidance on income and expenses classified within the investing and financing categories. The Group will assess its interest-bearing bank deposits, borrowing arrangements and various lease liabilities based on these guidelines to determine the appropriate category for each.

• Finance costs related to end-of-service benefit obligations: Currently presented within finance costs in accordance with the Group's current accounting policy. As IFRS 18 requires these items to be classified within the financing category, the Group does not expect any reclassification of these amounts as a result of adopting IFRS 18.

4- Material accounting policies (Continued):

4-1 New standards, interpretations, and amendments (Continued)

A- Structure of the Statement of Profit or Loss (Continued)

• Foreign exchange gains and losses: Currently included within finance costs and presented as part of net finance costs. Under IFRS 18, they are required to be presented within the same category as the income and expenses arising from the items that gave rise to the foreign exchange differences. For example, where such differences arise from trade receivables or trade payables, they will be classified within the operating category.

• Gains and losses on financial derivatives: Currently presented as a separate line item above operating profit and will be classified based on the nature of the risks being managed and the related hedged item. The Group's existing derivatives comprise profit rate swap contracts entered into with local commercial banks to economically hedge the interest rate risk on variable-rate loans (hedge accounting is not applied). Accordingly, they are expected to be classified within the financing category.

• Share of profit or loss of associates: (currently nil) will be classified within the investing category when recognized.

• Zakat and income tax expense: Currently presented as a combined line item under "Zakat and tax" and will continue to be presented within a separate zakat and tax category under IFRS 18, consistent with the Group's current presentation. However, the Group will review the components of this line item (zakat, current tax and deferred tax) to ensure that they are separately identifiable and appropriately disclosed.

B- Management-defined Performance Measures

Management-defined performance measures are subtotals of income and expenses that are communicated publicly outside the financial statements and reflect management's view of an aspect of the entity's financial performance. The Group will be required to disclose specific information relating to management-defined performance measures in a single separate note to the financial statements.

The Group is currently identifying the public communications that should be considered when determining its management-defined performance measures. These measures relate to the same financial period covered by the financial statements. Accordingly, the management-defined performance measures that the Group will disclose following the adoption of IFRS 18 will be determined based on the Group's public communications relating to the first interim financial period in which IFRS 18 is applied in 2027.

C- Aggregation and Disaggregation Principles

IFRS 18 provides principles for how information with shared characteristics should be aggregated in the financial statements (i.e., the primary financial statements and the accompanying notes), as well as guidance on which items should be presented in the primary financial statements or disclosed in the notes.

The Group is currently assessing the items in the statement of profit or loss based on their similar and different characteristics. Accordingly, additional material information is expected to be disclosed in the accompanying notes to the financial statements. Management is also assessing items currently presented under descriptions such as "other" and "net", including "other operating income" and "finance costs", with the aim of using more specific and informative descriptions that are appropriate to the nature of each item.

D- Consequential Amendments

IFRS 18 is accompanied by consequential amendments to IAS 7 "Statement of Cash Flows", which require entities to use the new subtotal "operating profit" as the starting point when presenting cash flows from operating activities using the indirect method. The Group currently uses "profit before zakat and income tax" for the period/year as the starting point for reconciling to cash flows from operating activities. As a result of using the new starting point, certain reconciliation items currently presented will change.

The consequential amendments arising from IFRS 18 also introduce specific requirements for the classification of interest and dividend cash flows in the statement of cash flows. The Group currently classifies interest paid as operating activities. Upon adoption of IFRS 18, interest paid will be classified as financing activities. Interest income and dividends received, if any, will be classified as investing activities in accordance with the amended guidance.

(All amounts are in Saudi Riyals unless otherwise stated)

5- Segment information

The Group is managed as a single operating segment in the manufacture and production of cement of all kinds and the Group is operating in Saudi Arabia, The Hashemite Kingdom of Jordan, the Syrian Arab Republic and the Iraqi Republic. The following information represents the operating segment at the entity level:

	Kingdom of Saudi Arabia	The Hashemite Kingdom of Jordan	The Syrian Arab Republic *	The Iraqi Republic	Adjustments and eliminations	Total
As at June 30, 2026: (unaudited)						
Property, plant and equipment, net	**1,856,934,945**	**135,463,079**	**47,130,776**	**108,219,881**	**-**	**2,147,748,681**
Total assets	**3,733,916,769**	**485,800,330**	**62,154,795**	**352,875,937**	**(838,306,320)**	**3,796,441,511**
Total liabilities	**1,440,737,067**	**113,649,932**	**64,568,209**	**270,072,724**	**(387,727,150)**	**1,501,300,782**
As at December 31, 2025:(Audited)						
Property, plant and equipment, net	1,836,717,887	179,222,171	-	200,791,661	-	2,216,731,719
Total assets	3,645,573,156	504,214,693	48,977,059	313,271,974	(811,571,740)	3,700,465,142
Total liabilities	1,382,880,561	128,529,480	51,080,583	236,966,381	(363,097,293)	1,436,359,712
For the Six-month period ended June 30, 2026:(Unaudited)						
Sales, net	**275,071,171**	**122,166,971**	**9,189,450**	**66,034,230**	**(48,246,170)**	**424,215,652**
Depreciation and amortization	**26,804,629**	**3,589,530**	**-**	**1,290,870**	**-**	**31,685,029**
Finance cost	**31,044,979**	**-**	**-**	**-**	**-**	**31,044,979**
Net profit for the period	**20,532,224**	**4,366,136**	(309,889)	**6,534,648**	**-**	**31,123,119**
For the Six-month period ended June 30, 2025 (Unaudited)						
Sales, net	220,500,159	122,752,169	-	56,448,266	(73,875,458)	325,825,136
Depreciation and amortization	21,157,670	3,600,686	-	1,239,998	-	25,998,354
Finance cost	28,724,720	-	-	-	-	28,724,720
Net profit for the period	8,171,190	6,371,247	(194,074)	6,710,303	(11,543)	21,047,123

* Al-Fayhaa Cement Company (Jordan) holds a 99.996% ownership interest in Northern Cement Company (Syria).

6- Property, plant and equipment, net

Refer to Note 11 for information on the property, plant and equipment pledged as security by the Group.

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

	For the Six-month period ended	
	June 30, 2026	June 30, 2025
	(Unaudited)	(Unaudited)
Addition to the Property, plant and equipment	**72,617,021**	61,138,998
Depreciation	**29,231,355**	23,534,411

(All amounts are in Saudi Riyals unless otherwise stated)

7- Intangible assets, net

	Goodwill *	Right of use from plant rehabilitation**	IT Software***	Licenses	Total
Cost:					
Balance as at January 1, 2026 (Audited)	506,851,497	62,125,651	11,305,914	1,102,139	581,385,201
Additions during the period	-	**13,348,127**	-	-	**13,348,127**
Transferred from property, plant and equipment	-	**106,509,339**	-	-	**106,509,339**
Balance as at June 30, 2026 (Unaudited)	**506,851,497**	**181,983,117**	**11,305,914**	**1,102,139**	**701,242,667**
Accumulated amortization:					
Balance as at January 1, 2026 (Audited)	-	13,933,144	10,042,224	868,993	24,844,361
Charged for the period	-	**1,290,870**	**159,558**	**167,075**	**1,617,503**
Balance as at June 30, 2026 (Unaudited)	-	**15,224,014**	**10,201,782**	**1,036,068**	**26,461,864**
Net book value					
As at June 30, 2026 (Unaudited)	**506,851,497**	**166,759,103**	**1,104,132**	**66,071**	**674,780,803**
As at December 31, 2025 (Audited)	506,851,497	48,192,507	1,263,690	233,146	556,540,840

*** Goodwill:**

Goodwill resulted from the Group's acquisition of equity in Northern Cement Jordan during the third quarter of 2011. The management performs goodwill impairment testing at the end of each financial year to ensure there is no impairment loss. Management has concluded that no impairment loss was identified as of December 31, 2025. For the period ended June 30, 2026, the management of the Company believes that there are no indicators requiring the recognition of an impairment loss on goodwill since the latest impairment assessment performed as at December 31, 2025.

**** Plant rehabilitation:**

- The Company's subsidiary in Iraq "Um-Qasr Northern Cement Co. Ltd" has entered into an agreement with the General Cement Southern Company (one of the companies of the Ministry of Industry and Minerals in the Republic of Iraq) to rehabilitate and operate the Basra cement plant for 26 years from the end of the rehabilitation period, in exchange for cost-free quantities of cement produced for the Iraqi government. The cost of plant rehabilitation represents cost incurred by Um-Qasr Northern Cement Co. Ltd to rehabilitate the plant and make it ready for use and will be amortized over 26 years from the end of the rehabilitation period which was completed on September 1, 2018.
- The Company's subsidiary in Iraq "Um-Qasr Northern Cement Co. Ltd" has entered into an agreement with the General Cement Southern Company (one of the companies of the Ministry of Industry and Minerals in the Republic of Iraq) to rehabilitate and operate the Baghdad cement plant for 25 years from the end of the rehabilitation period, in exchange for cost-free quantities of cement produced for the Iraqi government. The cost of plant rehabilitation represents cost incurred by Um-Qasr Northern Cement Co. Ltd to rehabilitate the plant and make it ready for use and will be amortized over 25 years from the date of the actual handover of the plant by the Ministry of Industry and Minerals in the Republic of Iraq.
- During the period ended 30 June 2026, an amount of SAR 106,509,339 was transferred from "Capital work in progress" under property, plant and equipment to "Plant rehabilitation" under intangible assets on 1 April 2026. The nature of this addition relates to a cement plant in Baghdad, pursuant to a contractual addendum dated 26 March 2025, which includes the following terms: scope of work, work plan, plant supervision, operation of personnel, insurance, and the free share of production generated from the new plant.
- Management assessed whether the transferred costs met the recognition criteria for an intangible asset in accordance with paragraph (21) of IAS (38) and concluded that:
- (a) it is probable that future economic benefits will flow to the Group as a result of the right to operate the plant under the agreement; and
- (b) the cost of these works can be measured reliably based on the documented supporting documents and invoices for the actual rehabilitation costs incurred.

***** IT Software:**

Software Intangible assets are programs and payments for the development of these programs that are amortized over the estimated useful life of (4 years) .

(All amounts are in Saudi Riyals unless otherwise stated)

8- Inventory

	June 30, 2026	December 31, 2025
	(Unaudited)	(Audited)
Raw Materials	278,772,872	320,282,091
Finished Goods	222,057,620	179,862,757
Spare parts and consumables	187,010,908	180,333,135
Goods in transit	17,216,134	25,228,522
Inventory held by Other	41,528,812	16,468,042
Semi-finished Goods	12,234,963	16,924,417
Packing materials	13,892,431	13,347,206
Total	772,713,740	752,446,170
Less: provision for impairment	(2,014,504)	(2,014,504)
	770,699,236	750,431,666

9- Trade receivables, net

	June 30, 2026	December 31, 2025
	(Unaudited)	(Audited)
Trade receivables – Local	73,931,208	53,617,233
Trade receivables – Export	254,951	7,753,261
Total	74,186,159	61,370,494
Less: Allowance for expected credit losses	(2,479,526)	(2,479,526)
	71,706,633	58,890,968

10- Balances and transactions with related parties

Related parties include subsidiaries, associates, joint ventures, shareholders who have representations on the Company's Board of Directors and their close family members, members of the Board of Directors, partners in subsidiaries, members of the Group's senior management, and companies over which they exercise control, joint control, or significant influence.

Related party transactions are undertaken in the ordinary course of business and are approved in accordance with the Group's governance procedures.

Senior management executives comprises the Company's key executives. Compensation of senior management includes all compensation and benefits granted to them during the period.

10-A The significant transactions made with related parties during the period are as follows:

Related party	Nature of relation	Nature of the transaction	June 30, 2026	June 30, 2025
Transactions with senior management officers			(Unaudited)	(Unaudited)
	Board of Directors and its committees	Expenses and allowances of the Board of Directors and its committees	2,440,000	2,417,500
	Senior Executive	Salaries and compensation of senior management executives	4,940,028	3,483,991

10-B Due from a related party:

	June 30, 2026	December 31, 2025
	(Unaudited)	(Audited)
Pan Kingdom Investment Company	374,828	374,828

10-C Due to a related party

	June 30, 2026	December 31, 2025
	(Unaudited)	(Audited)
Saudi Pan Kingdom trading Company (SAPAC)	8,695,972	8,695,972

(All amounts are in Saudi Riyals unless otherwise stated)

11-Borrowings and bank facilities

The Group obtained borrowing and bank facilities from some local commercial banks and financial institutions. These borrowings and bank facilities are secured by all property, plant and equipment and promissory note issued by the Group's companies.

Below are the borrowing and bank facilities for the Group:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Bank Facilities – Murabahat *	622,222,178	501,109,094
Borrowings **		
Current portion of long-term loans	173,774,014	195,195,682
Non- Current portion of long-term loans	350,967,030	364,917,170
Total borrowings	524,741,044	560,112,852
Total borrowings and bank facilities	1,146,963,222	1,061,221,946

*** Bank facilities – Murabahat:**

The Group has obtained banking facilities in the form of Murabaha arrangements from several local commercial banks with a total value of SAR 622,2 million as at 30 June 2026 (31 December 2025: SAR 501.1 million). The Group bears financing costs at prevailing market rates based on the Saudi Interbank Offered rate plus a fixed profit margin. Management intends to roll over the facilities upon maturity. These facilities are secured by promissory notes.

**** Long-term borrowings:**

The Group obtained long-term loans from Saudi Industrial Development Fund ("Fund") and several local commercial banks. The outstanding balance amounted of SAR 524,7 million as at June 30, 2026 (December 31, 2025: SAR 560,1 million) and incurs financing costs at prevailing prices in the market based on Saudi Interbank Offered Rate (SAIBOR) plus fixed profit margin. The borrowings include certain financial covenants, and management regularly monitors these covenants. In the event of a breach, management takes the necessary measures to ensure compliance.

In accordance with the long-term loan agreement with the Fund, all property, plant, and equipment constructed or to be constructed on a plot of land with a total area of 30 km² — located in the Northern Free Zone in Arar Governorate and granted to the Company by virtue of a ministerial resolution transferring raw material Quarry License No. Q/8213 dated 21 July 2014 (corresponding 24 Ramadan 1435H) — have been mortgaged, along with all project assets, equipment, machinery, appurtenances, and related components or those acquired for the expansion of the white cement production line, and other guarantees include a promissory note for to loans from local commercial banks.

Finance costs on borrowing and bank facilities during the period as follows:

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)
Finance costs on borrowings and bank facilities charged to profit or loss	29,991,419	27,979,549
Finance cost capitalized on capital work on progress during the period	5,859,365	5,004,645
Total	35,850,784	32,984,194

The borrowing and bank facilities, movement during the period/ year is as follows:

	June 30, 2026 (Unaudited)	December 31,2025 (Audited)
Balance at the beginning of period / year	1,061,221,946	970,105,790
Proceeds during the period / year	351,540,490	568,333,324
Paid during the period / year	(265,799,214)	(477,217,168)
Balance at the end of the period \ year	1,146,963,222	1,061,221,946

The repayment of the borrowings and bank facilities is as follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Due within 2026	578,895,898	696,304,776
Due within 2027	282,353,820	130,128,460
Due within 2028	122,114,527	111,929,570
Due within 2029	84,114,528	73,929,570
Due within 2030	59,114,529	48,929,570
Due within 2031	10,184,960	-
Due within 2032	10,184,960	-
	1,146,963,222	1,061,221,946

(All amounts are in Saudi Riyals unless otherwise stated)

12-Zakat liability, and zakat, income tax provision and National Contribution:

12-A Zakat liability:

- The Zakat, Taxes, and Customs Authority (the "Authority") issued assessments for the years 2014 to 2019, requiring the Company to pay zakat differences totaling SAR 96,750,924. The Company submitted a settlement request to the Zakat and Tax Disputes Settlement Committee, resulting in Decision No. 1445/46 under Application No. 32322 dated August 10, 2023. This decision reduced the Authority's claim to SAR 58,350,777, which the Company subsequently approved through electronically documented approval from the Chamber of Commerce. The Company had already recorded the amount of these claims in prior years and is currently settling the Zakat liabilities in accordance with their due dates up to the year 2029, through an upfront payment of SAR 11,670,155 upon the assessment and the remaining balance in equal quarterly installments of SAR 2,334,031.

- An assessment was issued in 2020 regarding the Company's zakat differences, amounting to SAR 9,665,149. The Company initially objected to this assessment; however, its objection was rejected. The dispute was then escalated to the General Secretariat of Tax Committees, which issued a decision rejecting the Company's objection in full. Subsequently, the case was brought before the Appeals Committee, which had not issued a decision as of December 31, 2023. During the year ended 31 December 2024, a decision was issued rejecting the Company's objection. Accordingly, the amount payable relating to the aforementioned zakat differences was confirmed, and the Authority approved the settlement of the zakat differences amounting to SAR 9,665,149 for the year 2020 in instalments over one year. The Company had previously paid SAR 1,836,934 to the Authority during 2022 out of the total SAR 9,665,149. Accordingly, the Company recognized the remaining Zakat liability amounting to SAR 7,828,215 during the year ended 31 December 2024, which was fully settled during the year ended 31 December 2025. There are currently no Zakat obligations related to that year.

- During 2025, the Zakat, Tax and Customs Authority (ZATCA) examined the Company's zakat returns for the financial years 2021 to 2023. The final zakat assessment was issued with a total amount of SAR 233,030, which was fully settled during the year ended 31 December 2025. Accordingly, there are currently no outstanding zakat obligations relating to those years.

The table below shows the movement of the zakat liabilities as follow:

	June 30, 2026	December 31, 2025
	(Unaudited)	(Audited)
Balance at the beginning of the period / year	**30,342,403**	47,623,445
Charged during the period / year	-	233,030
Transferred to Zakat provision during the period / year	-	(1,904,197)
Paid during the period / year	**(4,668,062)**	(15,609,875)
Balance at the end of the period / year	**25,674,341**	30,342,403

Zakat liability has been presented in consolidated statement of financial position according to the maturity dates of the agreed installments as shown below:

	June 30, 2026	December 31, 2025
	(Unaudited)	(Audited)
Zakat liability - Non - Current Portion	**16,338,217**	21,006,279
Zakat liability - Current Portion	**9,336,124**	9,336,124
Total	**25,674,341**	30,342,403

12-B Zakat and income tax:

The details of zakat and income tax provision and national contribution are as follows:

	June 30, 2026	December 31, 2025
	(Unaudited)	(Audited)
Zakat provision *	**11,910,872**	10,303,888
Provision of Income tax and national contribution for a non-Gulf subsidiary**	**296,830**	1,433,766
Total	**12,207,702**	11,737,654

(All amounts are in Saudi Riyals unless otherwise stated)

12- Zakat, income tax provision and zakat liability (Continued):

12-B Zakat and income tax (Continued):

***Movement in the Zakat provision is as follows:**

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Balance at the beginning of the period / year	10,303,888	5,794,118
Charged for the period / year	6,000,000	14,766,970
Transferred from Zakat liability	-	1,904,197
Paid during the period / year	(4,393,016)	(12,161,397)
Balance at the end of the period / year	**11,910,872**	10,303,888

****The movement in the provision for income tax and national contribution is as follows:**

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Balance at the beginning of the period / year	1,433,766	2,585,064
Charged for the period / year	1,532,128	3,503,814
Paid during the period / year	(2,669,064)	(4,655,112)
Balance at the end of the period / year	**296,830**	1,433,766

12-C Status of zakat and income tax:

- The Parent Company submitted its Zakat, and income tax returns up to 2025, and paid the zakat due accordingly.
- The subsidiaries have filed their tax returns up to 2025 and have settled their tax liabilities accordingly.

13-Statutory Reserve:

The statutory reserve included in the consolidated financial information as at 30 June 2026 and 31 December 2025 was required under the Company's previous Articles of Association. However, following the amendments to the Articles of Association, the requirement to establish a statutory reserve has been abolished, except by a resolution of the Company's General Assembly. The balance of the statutory reserve may be transferred to retained earnings. Following the amendments to the Company's Articles of Association, the requirement to allocate amounts to the statutory reserve has been removed.

14- Earnings per share:

Basic and diluted earnings per share for the period ended June 30, 2026 are calculated by dividing the net profit attributable to shareholders of the Parent Company by the weighted-average number of ordinary shares outstanding during the period. was calculated based on the weighted average number of shares held during the period with a number of 180 million shares (June 30, 2025: 180 million shares). Diluted earnings per share is the same as the basic earnings per share as the Group has no convertible securities or potentially dilutive instruments.

	For the three-month period ended		For the six-month period ended	
	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)
Net profit for the period attributable to shareholders of the parent company	**19,408,512**	13,187,843	**31,094,355**	21,007,325
Weighted average number of outstanding shares during the period	**180,000,000**	180,000,000	**180,000,000**	180,000,000
Basic and diluted earnings per share from net profit for the period	**0.11**	0.07	**0.17**	0.12

15- Capital management:

In order to manage the Group's capital, the capital includes equity and all other equity reserves belonging to the Group's owners. The main purpose of managing the Group's capital is to maximize the value of shareholders' shares. The Group manages and adjusts its capital structure considering changes in economic conditions and financial commitment requirements. To maintaining or modifying the capital structure, the Group may adjust dividends amounts paid to shareholders, return capital to shareholders or issue new shares.

(All amounts are in Saudi Riyals unless otherwise stated)

15- Capital management (Continued):

The Group monitors capital using the leverage ratio, which represents net debt divided by total equity. The Group's net debt includes the group's liabilities such as borrowing and bank facilities; accounts payable, notes payable, accrued expenses and other credit balances; Zakat liability, Zakat provision and income tax; lease liabilities, less cash and cash equivalents.

The Group confirms that this definition reflects the nature of its financing instruments and is applied consistently from one financial period to another.

	June 30, 2026	December 31, 2025
	(Unaudited)	(Audited)
Borrowings and bank facilities	**1,146,963,222**	1,061,221,946
Leases liabilities	**5,842,410**	6,347,195
Less: Cash and cash equivalents	**(35,486,255)**	(22,964,221)
Net debt	**1,117,319,377**	1,044,604,920
Total equity	**2,295,140,729**	2,264,105,430
Leverage rate	**49%**	% 46

16- Contingent liabilities and capital commitment

The contingent liabilities and capital commitments on the Group are shown in the table below:

	June 30, 2026	December 31, 2025
	(Unaudited)	(Audited)
Letters of guarantee	**33,301,835**	23,301,835
Capital commitments	**13,963,159**	30,308,014
Legal Cases*	**9,684,293**	9,684,293
	56,949,287	63,294,142

* The amount represents a financial claim against the subsidiary, "Northern Cement Company Jordan." The court dismissed the case in 2024, and the plaintiffs appealed to the Court of Appeal. The case remains pending till date. Based on external legal counsel's assessment, management considers an outflow of economic resources to be possible but not probable. Accordingly, no provision has been recognized. The timing and outcome remain uncertain.

17- Dividends:

Dividends to Non-controlling Interests

During the period ended 30 June 2025, Northern Cement Jordan declared and paid dividends of SAR 19,759 to non-controlling interests, relating to the profits for the year 2024.

During the period ended 30 June 2026, Northern Cement Jordan declared and paid dividends of SAR 50,792 to non-controlling interests, relating to the profits for the year 2025.

18- Significant events

During the period, geopolitical developments in the Middle East did not have a material effect on the Group's operations, financial position or liquidity as at June 30, 2026. Management continues to monitor developments.

19- Subsequent events:

No material events occurred between June 30, 2026 and the date this interim condensed consolidated financial information was authorized for issue that require adjustment or additional disclosure.

20- Approval of the Interim condensed consolidated financial information

The accompanying interim condensed consolidated financial information was authorized for issue by the Company's Board of Directors on 23 Safar 1448H (corresponding to August 6, 2026).