

**TABUK CEMENT COMPANY**  
(A Saudi Joint Stock Company)

**CONDENSED INTERIM  
FINANCIAL STATEMENTS (UNAUDITED)**  
For the three-month periods ended 31 March 2025  
with  
**INDEPENDENT AUDITOR'S REVIEW REPORT**



## KPMG Professional Services Company

Zahran Business Center  
Prince Sultan Street  
P. O. Box 55078  
Jeddah 21534  
Kingdom of Saudi Arabia  
Commercial Registration No 4030290792

Headquarters in Riyadh

## شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية

مركز زهران للأعمال  
شارع الأمير سلطان  
ص. ب. 55078  
جده 21534  
المملكة العربية السعودية  
سجل تجاري رقم 4030290792

المركز الرئيسي في الرياض

# Independent Auditor's Report on Review of Condensed Interim

## Financial Statements

To Shareholders of Tabuk Cement Company  
(A Saudi Joint Stock Company)

### Introduction

We have reviewed the accompanying 31 March 2025 condensed interim financial statements of Tabuk Cement Company (the "Company"), which comprise:

- the condensed statement of financial position as at 31 March 2025;
- the condensed statement of profit or loss and other comprehensive income for the three-month period ended 31 March 2025;
- the condensed statement of changes in equity for the three-month period ended 31 March 2025;
- the condensed statement of cash flows for the three-month period ended 31 March 2025; and
- the notes to the condensed interim financial statements.

Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

### Scope of review

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

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 31 March 2025 condensed interim financial statements of Tabuk Cement Company are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.



# Independent Auditor's Report on Review of Condensed Interim Financial Statements (continued)

To Shareholders of Tabuk Cement Company  
A Saudi Joint Stock Company  
Tabuk – Kingdom of Saudi Arabia

## Other Matter

The interim condensed financial statements of the Company for the three-month period ended 31 March 2024 excluding the adjustment described in Note 19 to the interim condensed financial statements was reviewed by another auditor who expressed an unmodified conclusion on those condensed interim financial statements on 18 May 2024.

### KPMG Professional Services Company

Nasser Ahmed Al Shutairy  
License No. 454



Jeddah, 19 May 2025  
Corresponding to 21 Dhul Qadah 1446H

**TABUK CEMENT COMPANY**  
(A Saudi Joint Stock Company)




**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**

As at 31 March 2025

(Expressed in Saudi Arabian Riyals unless otherwise stated)

	Note	31 March 2025 (Unaudited)	31 December 2024 (Audited)
<b>Assets</b>			
Property, plant and equipment	6	868,022,595	878,082,209
Investment properties		72,279,440	72,279,440
Equity investment at Fair Value through Other Comprehensive Income (FVOCI)	7	169,961,000	169,961,000
Intangible assets		3,946,074	4,348,735
Right-of-use assets		4,128,463	4,587,213
Derivative financial instrument	8	1,947,775	2,700,767
<b>Non-current assets</b>		<b>1,120,285,347</b>	<b>1,131,959,364</b>
Inventories	9	246,368,640	243,054,082
Trade receivables		61,105,668	46,612,826
Prepayment and other debit balances		11,434,847	7,651,734
Cash and cash equivalents	10	59,025,569	82,549,364
<b>Current assets</b>		<b>377,934,724</b>	<b>379,868,006</b>
<b>Total assets</b>		<b>1,498,220,071</b>	<b>1,511,827,370</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	1	900,000,000	900,000,000
Statutory reserve		233,592,463	233,592,463
Other reserves		2,560,025	3,313,017
Retained earnings		55,872,549	65,329,156
<b>Total equity</b>		<b>1,192,025,037</b>	<b>1,202,234,636</b>
<b>Liabilities</b>			
Long-term loan	11	15,955,725	30,506,488
Lease liabilities		2,521,048	3,089,056
Employees' defined benefit obligations		20,348,134	19,923,690
<b>Non-current liabilities</b>		<b>38,824,907</b>	<b>53,519,234</b>
Current portion of long-term loan	11	62,566,499	63,470,883
Lease liabilities		1,872,128	1,754,572
Trade payables		18,233,131	25,211,548
Accruals and other credit balances		34,609,640	35,904,119
Dividends payable to shareholders'	12	142,620,554	120,133,922
Provision for zakat	13	7,468,175	9,598,456
<b>Current liabilities</b>		<b>267,370,127</b>	<b>256,073,500</b>
<b>Total liabilities</b>		<b>306,195,034</b>	<b>309,592,734</b>
<b>Total equity and liabilities</b>		<b>1,498,220,071</b>	<b>1,511,827,370</b>

These condensed interim financial statements were approved by the Board of Directors on 12 May 2025, corresponding to 14/11/1446, and are signed on behalf by:

  
Abdullah Almutairi  
CFO

  
Ali bin Mohamed Al-Qahtani  
CEO

  
Tareq bin Khalid AlAngari  
BOD Member


The accompanying notes from 1 to 21 form integral part of condensed interim financial statements.

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

For the three-month period ended 31 March 2025  
(Expressed in Saudi Arabian Riyals unless otherwise stated)

	Note	For the three-month period ended 31 March	
		2025 (Unaudited)	2024 (Unaudited) (Restated note 19)
Revenues		67,679,110	87,046,063
Cost of revenues		(47,178,813)	(62,173,532)
<b>Gross profit</b>		<b>20,500,297</b>	24,872,531
Selling and marketing expenses		(1,277,984)	(1,167,767)
General and administrative expenses		(7,668,314)	(6,981,550)
Impairment on trade receivables – allowance for expected credit losses		(397,801)	--
Other income	14	4,117,252	5,317,252
<b>Operating profit</b>		<b>15,273,450</b>	22,040,466
Finance cost		(669,834)	(1,265,009)
Murabaha income		132,500	--
Effect of financial liability cash flows adjustment		(412,574)	(715,495)
<b>Profit before Zakat</b>		<b>14,323,542</b>	20,059,962
Zakat	13	(1,280,149)	(1,863,883)
<b>Profit for the period</b>		<b>13,043,393</b>	18,196,079
<b>Other Comprehensive Income</b>			
<i>Items that will not be reclassified under profit or loss:</i>			
Movement in fair value of cash flow hedges		(752,992)	(945,405)
<b>Total Other Comprehensive Loss</b>		<b>(752,992)</b>	(945,405)
<b>Total Comprehensive Income for the period</b>		<b>12,290,401</b>	17,250,674
<b>Earnings per share:</b>			
Basic and diluted earnings per share	15	<b>0.145</b>	0.202

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**TABUK CEMENT COMPANY**

(A Saudi Joint Stock Company)

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**

For the three-month period ended 31 March 2025


(Expressed in Saudi Arabian Riyals unless otherwise stated)

	<u>Share capital</u>	<u>Statutory reserve</u>	<u>Other reserves</u>	<u>Retained earnings</u>	<u>Total Equity</u>
Balance at 1 January 2024 (audited)	900,000,000	233,592,463	124,942,869	32,911,003	1,291,446,335
Profit for the period (Restated note 19)	--	--	--	18,196,079	18,196,079
Other comprehensive loss	--	--	(945,405)	--	(945,405)
<b>Total comprehensive income for the period (Restated note 19)</b>	--	--	(945,405)	18,196,079	17,250,674
<b>Balance at 31 March 2024 (unaudited) (Restated note 19)</b>	<b>900,000,000</b>	<b>233,592,463</b>	<b>123,997,464</b>	<b>51,107,082</b>	<b>1,308,697,009</b>
<b>Balance at 1 January 2025 (audited)</b>	<b>900,000,000</b>	<b>233,592,463</b>	<b>3,313,017</b>	<b>65,329,156</b>	<b>1,202,234,636</b>
Profit for the period	--	--	--	13,043,393	13,043,393
Other comprehensive loss	--	--	(752,992)	--	(752,992)
<b>Total comprehensive income for the period</b>	--	--	(752,992)	13,043,393	12,290,401
Dividends (note 12)	--	--	--	(22,500,000)	(22,500,000)
<b>Balance at 31 March 2025 (unaudited)</b>	<b>900,000,000</b>	<b>233,592,463</b>	<b>2,560,025</b>	<b>55,872,549</b>	<b>1,192,025,037</b>

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**TABUK CEMENT COMPANY**  
(A Saudi Joint Stock Company)



**CONDENSED INTERIM STATEMENT OF CASH FLOWS**

For the three-month period ended 31 March 2025

(Expressed in Saudi Arabian Riyals unless otherwise stated)

	<u>Note</u>	<b>31 March 2025 (Unaudited)</b>	31 March 2024 (Unaudited) (Restated note 19)
<b>Cash flow from operating activities:</b>			
Profit for the period before Zakat		14,323,542	20,059,962
<b>Adjustments for:</b>			
Depreciation on property, plant and equipment	6	10,812,239	13,012,456
Amortization of intangible assets		402,661	402,661
Allowance for slow moving inventory items		72,595	51,181
Depreciation of right-of-use		458,750	458,750
Effect of financial liability cash flows adjustment		412,574	715,495
Murabaha Income		(132,500)	--
Finance cost		669,834	1,265,009
Provision for expected credit losses		397,801	
Employees' defined benefit obligations charge for the year		<u>1,171,153</u>	<u>1,097,265</u>
		<b>28,588,649</b>	<b>37,062,779</b>
<b>Changes in:</b>			
Trade receivables		(14,890,643)	(21,898,192)
Prepayments and other debit balances		(3,783,113)	(5,563,448)
Inventories		(3,387,153)	10,449,390
Trade payables		(6,978,417)	1,996,844
Accruals and other credit balances		(1,294,479)	370,409
Employees' defined benefit obligations - paid		(746,709)	(684,925)
<b>Cash (used in) / generated from operating activities</b>		<u>(2,491,865)</u>	<u>21,732,857</u>
Zakat Paid	13	(3,410,430)	--
<b>Net cash (used in) / generated from operating activities</b>		<u>(5,902,295)</u>	<u>21,732,857</u>
<b>Cash flows from investing activities:</b>			
Additions to property and equipment	6	(755,485)	(6,518,197)
Proceeds from disposal of property plant and equipment		2,860	--
Murabaha Income		132,500	--
<b>Net cash used in investing activities</b>		<u>(620,125)</u>	<u>(6,518,197)</u>
<b>Cash flows from financing activities:</b>			
Loans repayments		(15,867,721)	(15,867,722)
Payment of lease liabilities		(450,452)	(419,162)
Payment of lease liabilities interest		(75,658)	(106,948)
Finance cost paid		(594,176)	(1,160,376)
Dividends paid	12	(13,368)	--
<b>Net cash used in financing activities</b>		<u>(17,001,375)</u>	<u>(17,554,208)</u>
Net cash Decrease in cash and cash equivalents		(23,523,795)	(2,339,548)
Cash and cash equivalents beginning of the period	10	<u>82,549,364</u>	<u>36,894,267</u>
Cash and cash equivalents at the end of the period		<u>59,025,569</u>	<u>34,554,719</u>

**Significant non-cash information:**

Dividend's 22,500,000 --

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CEO

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BOD Member

The accompanying notes from 1 to 21 form integral part of condensed interim financial statements.

**TABUK CEMENT COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

For the three-months period ended 31 March 2025

(Expressed in Saudi Arabian Riyals unless otherwise stated)

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**1. GENERAL INFORMATION**

Tabuk Cement Company (the Company) is a Saudi joint stock company established under the regulations for companies in the Kingdom of Saudi Arabia issued by Royal Decree No, (M/6) dated 30 Jumada Thani 1405H (corresponding to 22 March 1985), The Company is registered in the city of Tabuk under Commercial Registration No, 3550012690 and the unified Number 7001365316 on 25 Safar 1415H (corresponding to 2 August 1994).

The Company's main activity is as follows:

1. Production of ordinary cement (Portland)
2. Production of salt-resistant cement
3. Production of agglomerated cement (clinker)

The Company operates under industrial license No, 42110217153 issued on 21 Safar 1445H (corresponding to 6 September 2023) which expires on 16 Rabi' Al-Thani 1450H (corresponding to 6 September 2028).

As at 31 March 2025, the authorized, subscribed and fully-paid-up share capital SR 900 million (31 December 2024: SR 900 million) divided into 90 million ordinary shares (31 December 2024: 90 million shares) of SR 10 each (31 December 2024: SR 10).

The registered address of the Company is:

TCC Building  
Al-Dhabab area, north of Dhaba City  
Beside Dhaba Port, near Duba Sea Port  
P.O. Box 122, Tabuk 71451  
Kingdom of Saudi Arabia

**2. BASIS OF PREPERATION**

**a) Statement of compliance**

These condensed interim financial statements have been prepared in accordance with International Accounting standards "Interim Financial Reporting" (IAS 34) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA). These condensed interim financial statements do not include all the information and disclosure required in the annual financial statements. They should be read with the last annual financial statements of the Company as at 31 December 2024 ("Last Annual Financial Statements"). However, some accounting policies and explanatory notes have been included to explain the events and transactions that are important to understand the changes in the financial position and financial performance of the Company from the financial statements of the previous year.

In addition, the results for the three-month period ending 31 March 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025. Certain comparative figures have been reclassified to conform with the current presentation of the condensed interim financial statements, and this reclassification has no impact on the profit or equity.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

For the three-months period ended 31 March 2025

(Expressed in Saudi Arabian Riyals unless otherwise stated)

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**2. BASIS OF PREPERATION (continued)**

**b) Basis of measurement**

The condensed interim financial statements have been prepared on the historical cost basis except for the following significant items included in the condensed statement of financial position:

- Employee defined benefit obligations, which are measured at the present value of future obligations using the projected unit credit method using the accrual basis of accounting and the going concern concept,
- Investment in equity instruments is measured at fair value through other comprehensive income.
- The derivative financial instrument is measured at fair value through other comprehensive income.

**c) Functional and presentation currency**

These condensed interim financial statements are presented in Saudi Arabian Riyals (SR) which is the functional and presentation currency of the Company.

**3. USE OF JUDGEMENTS AND ESTIMATES**

The preparation of the condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and actual results may differ from these estimates,

The significant judgments made by management in applying the Company's accounting policies are consistent with those disclosed in the latest annual financial statements.

**4. MATERIAL ACCOUNTING POLICIES**

The accounting policies applied in the preparation of condensed interim financial statements are consistent with the accounting policies applied in the preparation of the Company's annual financial statements for the year ended 31 December 2024, except if mentioned otherwise.

**5. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS**

**5.1 New Standards, Amendment to Standards and Interpretations:**

The following amendments to existing standards and framework have been applied by the Company in preparation of these condensed interim financial statements. The adoption of the following standard did not have a material effect on the company's condensed interim financial statement.

<i><u>Standard / Interpretation</u></i>	<i><u>Description</u></i>	<i><u>Effective date</u></i>
IAS 21	Lack of exchangeability (amendments to IAS 21)	1 January 2025

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

For the three-months period ended 31 March 2025

(Expressed in Saudi Arabian Riyals unless otherwise stated)

**5. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS (continued)**

**5.2 Standards issued but not yet effective**

The standards, interpretations, and amendments issued, but not yet effective up to the date of issuance of the condensed interim financial statements, are disclosed below. The Company is currently assessing the implications on the Company's condensed interim financial statements on adoption. The Company intends to adopt these standards, where applicable, when they become effective.

<i><u>Standard / Interpretation</u></i>	<i><u>Description</u></i>	<i><u>Effective date</u></i>
IFRS 9 and IFRS 7 IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments Annual Improvements to IFRS Accounting Standards – Amendments to: <ul style="list-style-type: none"> <li>• IFRS 1 First-time Adoption of International Financial Reporting Standards;</li> <li>• IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;</li> <li>• IFRS 9 Financial Instruments;</li> <li>• IFRS 10 Consolidated Financial Statements; and</li> <li>• IAS 7 Statement of Cash flows</li> </ul>	1 January 2026
IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	1 January 2026
IFRS 18	Presentation and disclosure in financial statements	1 January 2027
IFRS 10 and IAS 28	Sale or contribution of assets between investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)	To be determined

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

For the three-months period ended 31 March 2025

(Expressed in Saudi Arabian Riyals unless otherwise stated)

**6. PROPERTY, PLANT AND EQUIPMENT**

Movement in property, plant and equipment is as follows:

	<b>31 March 2025 (Unaudited)</b>	31 March 2024 (Unaudited) (Restated note 19)	31 December 2024 (Audited)
<b>Cost</b>			
Beginning of the period / year	2,402,424,204	2,388,220,115	2,388,220,115
Additions during the period / year	755,485	6,518,197	15,889,835
Disposals during the period / year	(4,855)	--	(482,244)
Ending of the period / year	<u>2,403,174,834</u>	<u>2,394,738,312</u>	<u>2,403,627,706</u>
<b>Accumulated depreciation</b>			
Beginning of the period / year	1,524,341,995	1,480,249,586	1,480,249,586
Charge during the period / year	10,812,239	13,012,456	45,675,152
Disposals during the period / year	(1,995)	--	(379,241)
Ending of the period / year	<u>1,535,152,239</u>	<u>1,493,262,042</u>	<u>1,525,545,497</u>
<b>Net book value at the end of the period / year</b>	<u><u>868,022,595</u></u>	<u><u>901,476,270</u></u>	<u><u>878,082,209</u></u>

The buildings are built on land with a 30-year concession from the Ministry of Petroleum and Mineral Resources that expires on 4 September 2027. The lease is renewable for further similar periods. The Company is reasonably certain for the extension of the given period

The useful life of a portion of machinery and equipment has been amended from 25 years to 30 years, effective from 1 January 2024. The change in the depreciation method has been accounted for as a change in accounting estimate, and the remaining book value of that portion of machinery and equipment will be depreciated according to the new depreciation rates. The impact of this amendment amounted to SR 2,081,609 reducing the depreciation value during the financial period ended 31 March 2025. The impact of this on the next five years is as follows:

	<u>2026</u>	<u>2027</u>	Estimated <u>2028</u>	<u>2029</u>	<u>2030</u>
Decrease in depreciation expenses	8,326,434	8,326,434	8,326,434	8,326,434	8,326,434

**7. EQUITY INVESTMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)**

The equity investment at fair value through other comprehensive income (FVOCI) represents 2.36% shares in the Industrialization and Energy Services Company -TAQA (Saudi joint stock company), (31 December 2024: 2.36%).

The nature of this Company's business is power generation, and the investment was recorded at fair value through other comprehensive income, The investment is mortgaged against the loan granted to the Company (Note 11). The Industrialization and Energy Services Company – TAQA has not yet announce any dividends for the period ended 31March 2025 (for the year ended 31 December 2024: SR 5,080,463).

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

For the three-months period ended 31 March 2025

(Expressed in Saudi Arabian Riyals unless otherwise stated)

**8. DERIVATIVE FINANCIAL INSTRUMENT**

	<b>31 March <u>2025</u> (Unaudited)</b>	31 March <u>2024</u> (Unaudited)	31 December <u>2024</u> (Audited)
Balance as at beginning period / year	2,700,767	7,179,800	7,179,800
Changes in fair value of cash flow hedges in OCI	<u>(752,992)</u>	<u>(945,405)</u>	<u>(4,479,033)</u>
<b>Balance as at ending period / year</b>	<b><u>1,947,775</u></b>	<b><u>6,234,395</u></b>	<b><u>2,700,767</u></b>

On 11 November 2021, the Company entered into profit rate SWAP agreements (“Hedging Instrument”) with a local bank for its long-term loan to hedge against changes in SIBOR (“Hedging Item”), The Hedging Instrument and Hedging Item have similar significant terms such as reference rate, reset dates, payment dates, maturity dates and notional amount, and therefore the hedge ratio is 1:1.

This arrangement has been designated as a hedging instrument since inception and is subject to a forward-looking test of hedge effectiveness at each reporting date, as at the reporting date, the hedge effectiveness was assessed as 100% as all significant covenants were met throughout the year. (31 December 2024: As at the reporting date, the hedge effectiveness was assessed as 100% as all significant conditions were met throughout the year).

The details of the agreement are as follows:

<b>Effective date</b>	<b>Due date</b>	<b>Book value as at 31 March 2025</b>	Book value as at 31 March 2024	Book value as at 31 December 2024
3 January 2022	12 March 2026	79,338,604	142,809,488	95,206,323

**9. INVENTORIES**

Inventories comprise the following:

	<b>31 March <u>2025</u> (Unaudited)</b>	31 March <u>2024</u> (Unaudited)	31 December <u>2024</u> (Audited)
Production under processing	105,037,774	120,547,667	101,229,705
Spare parts	92,816,061	95,873,972	93,720,391
Raw materials	38,682,150	45,969,207	40,615,123
Finished goods	6,559,225	3,955,594	4,519,154
Goods in transit	4,587,257	6,920,633	4,210,940
	<u>247,682,466</u>	<u>273,267,073</u>	<u>244,295,313</u>
Less: impairment for slow moving inventory items	<u>(1,313,826)</u>	<u>(1,411,935)</u>	<u>(1,241,231)</u>
	<b><u>246,368,640</u></b>	<b><u>271,855,138</u></b>	<b><u>243,054,082</u></b>

**TABUK CEMENT COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

For the three-months period ended 31 March 2025

(Expressed in Saudi Arabian Riyals unless otherwise stated)

**9. INVENTORIES (continued)**

Impairment for slow moving inventory items as follows:

	<b>31 March 2025 (Unaudited)</b>	31 March 2024 (Unaudited)	31 December 2024 (Audited)
Balance as at beginning period / year	1,241,231	1,360,755	1,360,755
Charge during the period / year	72,595	51,180	115,165
Reversal during the period / year	--	--	(234,689)
<b>Balance as at ending period / year</b>	<b>1,313,826</b>	<b>1,411,935</b>	<b>1,241,231</b>

**10. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprise the following:

	<u>Note</u>	<b>31 March 2025 (Unaudited)</b>	31 March 2024 (Unaudited)	31 December 2024 (Audited)
Cash at banks on current accounts		14,025,569	23,889,221	49,549,364
Islamic Murabaha	10.1	45,000,000	10,665,498	33,000,000
		<b>59,025,569</b>	<b>34,554,719</b>	<b>82,549,364</b>

- 10.1 Islamic Murabaha represents short-term Murabaha held with local commercial banks in Saudi Riyals and their original maturity period does not exceed three months from the date of the original investment. It generates a return according to prevailing short-term deposit rates.

**11. LONG-TERM LOAN**

The Company has bank loan with a local bank with a total amount of SR 78,522,224 as of 31 March 2025 (31 December 2024: SR 93,977,371). The loan agreement with the bank contains some covenants, which among other things, the leverage ratio shall not be more than 1:1 and the debt coverage ratio shall not be less than 1:3 based on the annual audited financial statements, and it also requires maintaining some financial ratios and indicators.

A breach of these covenants in the future may lead to renegotiation, The management monitors the covenants periodically, and in case of a breach that is expected to occur in the future, the management takes the necessary measures to ensure compliance.

The Company has fulfilled these covenants as of 31 March 2025.

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**11. LONG-TERM LOAN (continued)**

The loan is stated in the condensed statement of financial position as follows:

	<b>31 March 2025 (Unaudited)</b>	31 March 2024 (Unaudited)	31 December 2024 (Audited)
Current portion under current liabilities	<b>62,566,499</b>	63,470,883	63,470,883
Non-current portion under non-current liabilities	<b>15,955,725</b>	76,438,958	30,506,488
	<b><u>78,522,224</u></b>	<u>139,909,841</u>	<u>93,977,371</u>

The loan movement during the period / year is as follows:

	<b>31 March 2025 (Unaudited)</b>	31 March 2024 (Unaudited)	31 December 2024 (Audited)
Balance at the beginning of the period / year	<b>93,977,371</b>	155,062,068	155,062,068
Effect of financial liability cash flows adjustment	<b>412,574</b>	715,495	2,386,187
Repayments during the period/year	<b><u>(15,867,721)</u></b>	<u>(15,867,722)</u>	<u>(63,470,884)</u>
	<b><u>78,522,224</u></b>	<u>139,909,841</u>	<u>93,977,371</u>

During 2020, the Company's management rescheduled the loan and amended the terms of the contract. The Company performed a 10% test of the loan obligation in accordance with the requirements of IFRS 9 "Financial Instruments". This test resulted in a modification gain of SR 22,758,671. This amount represents the difference between the present value of the loan according to the terms before the amendment and the present value of future cash payments according to the terms of the renegotiated and modified loan amendment, which is discounted at the original effective interest rate of the loan. Since the difference is less than 10%, the modification in the terms is not considered material and is not accounted for as a release of the loan obligation and recognition of a new financial liability. Accordingly, the present value of future cash payments according to the terms of the amendment was recognized using the original effective interest rate of the loan, and the difference was recognized as a modification gain.

On 11 November 2021, the Company entered into profit rate swap agreements ("hedging instrument") with a local bank for its long-term loan to hedge against changes in SIBOR (Note 8).

The loan is secured by an investment in the Industrialization and Energy Services Company, (Note 7), The loan includes financial covenants, The management monitors the fulfillment of commitments on a regular basis, and in the event of a breach expected to occur in the future, the necessary measures are taken to ensure compliance.

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**12. DIVIDENDS PAYABLE TO SHAREHOLDERS**

The movement on dividends payable to shareholders is as follows:

	<b>31 March 2025 (Unaudited)</b>	31 March 2024 (Unaudited)	31 December 2024 (Audited)
<b>Balance at 1 January</b>	<b>120,133,922</b>	119,691,529	119,691,529
Dividends distributed during the period / year	<b>22,500,000</b>	--	45,000,000
Dividend payments during the period / year	<b>(13,368)</b>	--	(44,557,607)
	<b><u>142,620,554</u></b>	<u>119,691,529</u>	<u>120,133,922</u>

On 26 March 2025, the Board of Directors approved cash dividends of SR 22,500,000 for the second half of the fiscal year 2024 at a value of SR 0.25 per share.

**13. ZAKAT**

**a) Charge for the period**

	<b>31 March 2025 (Unaudited)</b>	31 March 2024 (Unaudited)
Charge for the period	<b><u>1,280,149</u></b>	<u>1,863,883</u>
	<b><u>1,280,149</u></b>	<u>1,863,883</u>

**b) Provision for zakat**

The movement in Zakat payable represented as follows:

	<b>31 March 2025 (Unaudited)</b>	31 March 2024 (Unaudited)	31 December 2024 (Audited)
Balance at beginning of the period / year	<b>9,598,456</b>	16,198,234	16,198,234
Add: Charge of the period / year	<b>1,280,149</b>	1,863,883	5,817,932
Less: Payments during the period / year	<b>(3,410,430)</b>	--	(12,417,710)
Balance at end of the period/year	<b><u>7,468,175</u></b>	<u>18,062,117</u>	<u>9,598,456</u>

**c) Zakat status**

The Company has submitted its Zakat returns to the Zakat, Tax and Customs Authority in the Kingdom of Saudi Arabia for all years up to the financial year ended 31 December 2024, and had Zakat certificate valid till 30 April 2026.

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**13. ZAKAT (continued)**

**c) Zakat status (continued)**

As a result of 2023, final assessment with Zakat, Tax and Customs Authority, the Company has been informed SAR 173,867 of refund which will be set off with the Company account in future.

The Zakat, Tax and Customs Authority issued the Zakat assessments for the years 2019 to 2022 with a total Zakat difference of SR 13,124,512. The company's management has recorded the necessary zakat provisions to cover these differences.

**14. OTHER INCOME**

	<b>31 March 2025 (Unaudited)</b>	31 March 2024 (Unaudited)
Rental income	<u>4,117,252</u>	<u>5,317,252</u>
	<u>4,117,252</u>	<u>5,317,252</u>

**15. EARNING PER SHARE**

**a) Basic earnings per share**

The calculation of basic earnings per share has been based the distributable earnings attributable to shareholders of ordinary shares and the weighted average number of ordinary shares outstanding at the date of the financial statements.

	For the three-months period ended 31 March	
	<b>2025 (Unaudited)</b>	2024 (Unaudited)
Profit (loss) for the period	<b>13,043,393</b>	18,196,079
Number of shares (weighted average)	<b>90,000,000</b>	90,000,000
Basic earnings per share (SR)	<u><b>0.145</b></u>	<u>0.202</u>

**b) Diluted EPS**

The calculation of diluted earnings per share has been based on the profit distributable to shareholders on ordinary shares and weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, if any, During the period there were no diluted shares, accordingly the diluted earnings per share was the same as the basic.

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**16. CONTINGENT COMMITMENT**

Contingent commitment in letter of guarantees outstanding as of 31 March 2025 amounted to SR 18,016,620 (31 December 2024: SR 9,944,341).

**17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

Transactions with related parties principally represent transactions with BOD members and key management personnel, The transactions with related parties during the period ended 31 March 2025 and the period ended 31 March 2024 are as follows:

<b><u>Transactions with</u></b>	<b><u>Nature of the transaction</u></b>	<b>31 March 2025 (Unaudited)</b>	<b>31 March 2024 (Unaudited)</b>
Key management personnel	Salaries, wages, benefits, and equivalents	<u>390,000</u>	<u>971,250</u>
	End of service benefits	<u>31,170</u>	<u>30,608</u>
BOD members	Board of directors' remunerations	<u>640,509</u>	<u>518,682</u>

**18. SEGMENT REPORT**

A Segment is a distinguishable component of the Company that is engaged either in providing products or services (a business segment) or in providing products or services within a particular economic environment (a geographic segment), which is subject to risks and rewards that are different from those of other segments. The Company's Chief Operating Decision Maker (CODM) the Chief Executive Officer considers for management reporting and decision-making purposes, the activities of the Company are organized into one operating segment. The Company operates in the said reportable operating segment. Accordingly, the figures reported in the financial statements are related to the Company's only reportable segment.

**Major Customers**

Revenue from seven customers of the Company represented approximately 94.13% amounting to SR 63.70 million (31 March 2024: 87.82% amounting to SR 78.19 million) of the Company's total revenue.

**19. RESTATEMENT OF PRIOR PERIOD ERROR**

During three months period ended 31 March 2024, the useful life of a portion of the Company's machinery and equipment was revised from 25 years to 30 years. This change in depreciation was treated as a change in accounting estimate, and the remaining book value of the affected assets is now being depreciated using the revised rates. The impact of this amendment resulted in a reduction of depreciation expense by SAR 2,081,609 for the period ended 31 March 2024. However, this impact was not reflected in the Company's condensed interim financial statements for that period. Instead, the cumulative impact was recorded in the condensed interim financial statements for the period ended 30 June 2024.

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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

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**19. RESTATEMENT OF PRIOR PERIOD ERROR (continued)**

CONDENSED INTERIM STATEMENT  
OF FINANCIAL POSITION

	Previously reported	As at 31 March 2024	
		Adjustments	After adjustment
Property, plant and equipment	899,394,661	2,081,609	901,476,270
<b>Total non-current assets</b>	<b>1,276,540,494</b>	<b>2,081,609</b>	<b>1,278,622,103</b>
<b>Total assets</b>	<b>1,647,894,683</b>	<b>2,081,609</b>	<b>1,649,976,292</b>

CONDENSED INTERIM STATEMENT  
OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME

	Previously reported	For the three month period ended 31 March 2024	
		Adjustments	After adjustment
Cost of revenues	(64,255,141)	2,081,609	(62,173,532)
<b>Gross profit</b>	<b>22,790,922</b>	<b>2,081,609</b>	<b>24,872,531</b>
<b>Operating profit</b>	<b>19,958,857</b>	<b>2,081,609</b>	<b>22,040,466</b>
<b>Profit before Zakat</b>	<b>17,978,353</b>	<b>2,081,609</b>	<b>20,059,962</b>
<b>Profit for the period</b>	<b>16,114,470</b>	<b>2,081,609</b>	<b>18,196,079</b>
<b>Total comprehensive income for the period</b>	<b>15,169,065</b>	<b>2,081,609</b>	<b>17,250,674</b>

CONDENSED INTERIM STATEMENT  
OF CHANGES IN EQUITY

	Previously reported	For the three month period ended 31 March 2024	
		Adjustments	After adjustment
Retained earnings	49,025,473	2,081,609	51,107,082
<b>Total equity</b>	<b>1,306,615,400</b>	<b>2,081,609</b>	<b>1,308,697,009</b>

CONDENSED INTERIM STATEMENT  
OF CASH FLOWS

	Previously reported	For the three month period ended 31 March 2024	
		Adjustments	After adjustment
Profit for the period before Zakat	17,978,353	2,081,609	20,059,962
Depreciation on property, plant and equipment	15,094,065	(2,081,609)	13,012,456
<b>Cash generated from operating activities</b>	<b>21,732,857</b>	<b>--</b>	<b>21,732,857</b>

**20. SUBSEQUENT EVENTS**

There have been no significant events after the period end, up to and including the date when the Board of Directors approved these condensed interim financial statements that would necessitate any disclosures or adjustments.

**21. APPROVAL OF INTERIM CONDENSED FINANCIAL STATEMENTS**

The condensed interim financial statements were authorized for issue by the Board of Directors on 12 May 2025, corresponding to 14 Dhul Qadah 1446H.