TABUK CEMENT COMPANY
(A Saudi Joint Stock Company)

FINANCIAL STATEMENTS
For the year ended 31 December 2024
with
INDEPENDENT AUDITOR'S 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 الأميرسلطان
ص. ب. 55078
جده 21534
المملكة العربية السعودية
سجل تجاري رقم 4030290792

المركز الرئيسي في الرياض

Independent Auditor's Report

To Shareholders of Tabuk Cement Company
A Saudi Joint Stock Company

Opinion

We have audited the financial statements of Tabuk Cement Company (a Saudi Joint Stock Company) ("the Company"), which comprise the statement of financial position as at 31 December 2024, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), that is endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Existence and valuation of inventory

With reference to note (4) regarding the use of judgments and estimates in respect of the impairment of inventories, as well as note (12) regarding disclosure of inventories.

How the matter was addressed in our audit	Key Audit Matter
Our audit procedures included, among others, based on our judgment, the following: - Attended the physical inventory count conducted by the Company. - Evaluated the design, implementation and tested the operating effectiveness of key control procedures related to the valuation of spare parts and quantities of in-progress inventory. - On a sample basis, tested the year-end inventory valuation and assessed the judgments and estimates used by management in determining the net realizable value (NRV). - Involved our specialists to assess the reasonableness of in-progress inventory piles measurements carried out by management during the physical count and recalculated the conversion of volumes into quantities. - Assessed the completeness and adequacy of the disclosures related to inventory for the year ended 31 December 2024.	As at 31 December 2024, the book value of the spare parts inventory amounted to SR 93.72 million, and the in-progress products inventory balance amounted to SR 101.23 million (mainly consisting of clinkers stored in the form of piles in yards built for this purpose) for the year ended 31 December 2024. The impairment evaluation requires judgment in assessing whether the carrying value of spare parts inventories is not higher than their net realizable value at year-end. Significant judgment is required in determining the net realizable value (NRV) provision for inventory, as it is based on the expected utilisation of the spares in the production process. Changes to these assumptions could result in a material change in the carrying value of inventory. The management estimates the quantities available at the end of the year by measuring the inventory piles and converting the measurements into unit volumes using the angle of repose and quantitative density. To do this, the management involves their expert and estimates the quantities using some methodological measurement calculations and apply density conversion methods applied to similar types of inventory that are used in the cement industry. Inventory was considered a key audit matter due to the significant judgment involved in estimating inventory balances, including the quantities of in-progress product inventory and the valuation of spare parts.

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies and Company's By-laws and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, the Board of Directors, are responsible for overseeing the Company's Financial Reporting Process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 'Reasonable assurance' is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained based up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report (continued)

To Shareholders of Tabuk Cement Company
A Saudi Joint Stock Company

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit of Tabuk Cement Company.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For KPMG Professional Services Company

Nasser Ahmed Alshutairy
License No. 454

Jeddah, 7 April 2025
Corresponding to 9 Shawwal 1446H

TABUK CEMENT COMPANY
(A Saudi Joint Stock Company)

STATEMENT OF FINANCIAL POSITION
As at 31 December 2024
(Saudi Riyal)

CR 3550012690 س.ت
TABUK CEMENT CO.
شركة اسمنت تبوك

	Note	**31 December 2024**	31 December 2023 (Restated note 34)
Assets			
Property plant and equipment	6	**878,082,209**	907,970,529
Investments properties	7	**72,279,440**	72,279,440
Equity investments at fair value through other comprehensive income (FVOCI)	8	**169,961,000**	287,111,819
Intangible assets	10	**4,348,735**	5,959,378
Right of use assets	11	**4,587,213**	6,422,212
Derivative financial instruments	9	**2,700,767**	7,179,800
Non-current assets		**1,131,959,364**	1,286,923,178
Inventories	12	**243,054,082**	282,355,709
Trade receivables	13	**46,612,826**	23,677,340
Prepayments and other debit balances	14	**7,651,734**	13,805,352
Cash and cash equivalents	15	**82,549,364**	36,894,267
Current assets		**379,868,006**	356,732,668
Total assets		**1,511,827,370**	1,643,655,846
Equity			
Share capital	1	**900,000,000**	900,000,000
Statutory reserve	16	**233,592,463**	233,592,463
Other reserves	16	**3,313,017**	124,942,869
Retained earnings		**65,329,156**	32,911,003
Total equity		**1,202,234,636**	1,291,446,335
Liabilities			
Long term loan	17	**30,506,488**	91,591,185
Lease liabilities	11	**3,089,056**	4,843,628
Employees' defined benefit obligations	18	**19,923,690**	17,377,129
Non-current liabilities		**53,519,234**	113,811,942
Current portion of long-term loan	17	**63,470,883**	63,470,883
Lease liabilities	11	**1,754,572**	1,725,597
Accruals and other credit balances	19	**35,904,119**	20,262,324
Trade payables		**25,211,548**	17,049,002
Dividends payable to shareholders'	20	**120,133,922**	119,691,529
Provision for zakat	21	**9,598,456**	16,198,234
Current liabilities		**256,073,500**	238,397,569
Total liabilities		**309,592,734**	352,209,511
Total equity and liabilities		**1,511,827,370**	1,643,655,846

The attached notes from 1 to 36 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 26/3/ 2025, corresponding to 26/9/ 1446H and were signed on their behalf by:

Abdullah Almutairi	Ali bin Mohamed Al-Qahtani	Tareq bin Khalid AlAngari
CFO	CEO	BOD Member

شركة اسمنت تبوك
CR 3550012690 س.ت
TABUK CEMENT CO.

TABUK CEMENT COMPANY
(A Saudi Joint Stock Company)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2024
(Saudi Riyal)

	Note	For the year ended 31 December 2024	2023 (Restated note 34)
Revenues	23	**343,363,336**	265,083,135
Cost of revenues	23	**(246,811,679)**	(211,928,173)
Gross profit		**96,551,657**	53,154,962
Selling and marketing expenses	25	**(4,524,744)**	(4,681,112)
General and administrative expenses	26	**(30,598,443)**	(26,677,736)
Impairment loss on trade receivables	13	**(876,173)**	--
Other income	24	**30,469,471**	11,997,714
Operating profit		**91,021,768**	33,793,828
Finance cost	27	**(4,156,525)**	(5,296,193)
Murabaha income		**901,404**	900,347
Effect of financial liability cash flows adjustment	17	**(2,386,187)**	(3,590,852)
Profit before Zakat		**85,380,460**	25,807,130
Zakat	21	**(5,817,932)**	(10,794,895)
Profit for the year		**79,562,528**	15,012,235
Other comprehensive income:			
Items that will not be reclassified under profit or loss:			
Unrealized loss on investments in equity instruments at FVOCI	8	**(117,150,819)**	(8,089,598)
Remeasurement of employees' defined benefit obligation	18	**(2,144,375)**	(120,733)
Items that are or may be reclassified subsequently to profit or loss:			
Movement in fair value on cash flow hedges		**(4,479,033)**	(3,966,726)
Other comprehensive loss for the year		**(123,774,227)**	(12,177,057)
Total comprehensive (loss) / income for the year		**(44,211,699)**	2,835,178
Earnings per share:			
Basic and diluted earnings per share	22	**0.884**	0.167

The attached notes from 1 to 36 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 26/3/ 2025, corresponding to 26/9/ 1446 H and were signed on their behalf by:

Abdullah Almutairi	Ali bin Mohamed Al-Qahtani	Tareq bin Khalid AlAngari
CFO	CEO	BOD Member

TABUK CEMENT COMPANY
(A Saudi Joint Stock Company)

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2024
(Saudi Riyals)

	Note	Share capital	Statutory reserve	Other reserves	Retained earnings	Total equity
Balance as at 1 January 2023		900,000,000	231,618,097	136,999,193	19,993,867	1,288,611,157
Total comprehensive income						
Profit for the year as previously reported	34	--	--	--	19,743,662	19,743,662
Impact of correct error	34	--	--	--	(4,731,427)	(4,731,427)
Profit for the year		--	--	--	15,012,235	15,012,235
Other comprehensive loss for the year		--	--	(12,056,324)	(120,733)	(12,177,057)
Total comprehensive income for the year		--	--	(12,056,324)	14,891,502	2,835,178
Other transactions						
Transferred to statutory reserve	16.1	--	1,974,366	--	(1,974,366)	--
Balance as at 31 December 2023		900,000,000	233,592,463	124,942,869	32,911,003	1,291,446,335
Balance as at January 1, 2024		**900,000,000**	**233,592,463**	**124,942,869**	**32,911,003**	**1,291,446,335**
Total comprehensive income						
Profit for the year		**--**	**--**	**--**	**79,562,528**	**79,562,528**
Other comprehensive loss for the year		**--**	**--**	**(121,629,852)**	**(2,144,375)**	**(123,774,227)**
Total comprehensive income for the year		**--**	**--**	**(121,629,852)**	**77,418,153**	**(44,211,699)**
Transactions with shareholders of the Company						
Dividend	20	**--**	**--**	**--**	**(45,000,000)**	**(45,000,000)**
Balance as at 31 December 2024		**900,000,000**	**233,592,463**	**3,313,017**	**65,329,156**	**1,202,234,636**

The attached notes from 1 to 36 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 26/3/ 2025, corresponding to 26/9/ 1446H and were signed on their behalf by:

Abdullah Almutairi	Ali bin Mohamed Al-Qahtani	Tareq bin Khalid AlAngari
CFO	CEO	BOD Member

TABUK CEMENT COMPANY
(A Saudi Joint Stock Company)

STATEMENT OF CASH FLOWS
For the year ended 31 December 2024
(Saudi Riyals)

	Notes	For the year ended 31 December 2024	2023
Cash flows from operating activities			
Profit before Zakat		**85,380,460**	25,807,130
Adjustments for:			
Depreciation on property, plant and equipment	6	**45,675,152**	59,105,321
Amortization of intangible assets	10	**1,610,643**	483,192
(Reversal) / allowance for slow moving inventory items	12	**(119,524)**	461,176
Depreciation of right-of-use	11	**1,834,999**	891,695
Effect of financial liability cash flows adjustment	17	**2,386,187**	3,590,852
Murabaha Income		**(901,404)**	(900,347)
Dividend on equity investments at fair value through other comprehensive income	8	**(5,080,463)**	(5,080,463)
Finance cost	27	**4,156,525**	5,296,193
Loss on disposal of property plant and equipment		**4,801**	--
Provision for expected credit losses	13	**876,173**	--
Employees' defined benefit obligations charge for the year	18	**2,550,322**	2,297,732
		138,373,871	91,952,481
Changes in:			
Trade receivables		**(23,811,659)**	(6,050,036)
Prepayments and other debit balances		**6,153,618**	(2,874,103)
Inventories		**39,421,151**	(16,052,700)
Trade payables		**8,162,546**	4,649,745
Accruals and other credit balances		**15,641,795**	2,579,845
Employees' defined benefit obligations - paid	18	**(2,148,136)**	(1,176,733)
Cash generated from operating activities		**181,793,186**	73,028,499
Zakat paid	21	**(12,417,710)**	(1,280,062)
Net Cash generated from operating activities		**169,375,476**	71,748,437
Cash flows from investing activities			
Additions to property and equipment	6	**(15,889,835)**	(16,203,341)
Additions to intangible assets	10	--	(1,568,522)
Dividend on equity investments at fair value through other comprehensive income	8	**5,080,463**	5,080,463
Murabaha Income		**901,404**	900,347
Proceeds from sale of property plant and equipment		**98,202**	--
Net cash used in investing activities		**(9,809,766)**	(11,791,053)
Cash flows from financing activities			
Repayment of short-term bank loans	17	**(63,470,884)**	(63,470,883)
Payment of lease liability		**(1,725,597)**	(569,312)
Finance cost paid for lease liability		**(378,842)**	(198,493)
Finance cost paid		**(3,777,683)**	(5,097,700)
Dividends paid	20	**(44,557,607)**	(680,420)
Net cash used in financing activities		**(113,910,613)**	(70,016,808)
Net increase / (decrease) in cash and cash equivalents		**45,655,097**	(10,059,424)
Cash and cash equivalents at beginning of the year		**36,894,267**	46,953,691
Cash and cash equivalents at end of the year		**82,549,364**	36,894,267
Significant non-cash information:			
Transfer from lease obligation to trade payable	11	--	(175,370)
Addition to right of use assets		--	7,313,907
Change in investment FVOCI reserves		**(117,150,819)**	(8,089,598)

The attached notes from 1 to 36 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 26/3/ 2025, corresponding to 26/9/ 1446H and were signed on their behalf by:

Abdullah Almutairi	Ali bin Mohamed Al-Qahtani	Tareq bin Khalid AlAngari
CFO	CEO	BOD Member

1. CORPORATE 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 on 25 Saffar 1415H (corresponding to 2 August 1994).

The main activity of the Company 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 December 2024, the authorized, subscribed and fully-paid-up share capital 900 million (31 December 2023: SR 900 million) divided into 90 million ordinary shares (31 December 2023: 90 million shares) of SR 10 each (31 December 2023: SR 10). The Company's shares are listed in the Capital Market Authority in the Kingdom of Saudi Arabia.

The registered address of the Company is:

TCC Building
Al-Dhabab area, north of Dhaba city
Beside Dhaba port, near Duba sea port
PO Box 122 Tabuk 71451
Kingdom of Saudi Arabia

2. BASIS OF PREPERATION

a) Statement of compliance

The accompanying financial statements have been prepared in accordance with the International Financial Reporting Standards endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization of Chartered and Professional Accountants (SOCPA) (hereafter referred to as "IFRS as endorsed in KSA"). Accounting policies applied by the Company are set out in note (5).

b) Basis of measurement

The accompanying financial statements have been prepared on the historical cost basis except for the following significant items included in the 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

2. BASIS OF PREPERATION (continued)

b) Basis of measurement (continued)

- 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.

3. PRESENTATION AND FUNCTIONAL CURRENCY

These financial statements have been presented in Saudi Arabian Riyals (SR) which is also the Company's presentation and functional currency. All financial information presented in SR have been rounded to the nearest Riyal, unless otherwise stated.

4. USE OF JUDGEMENTS AND ESTIMATES

In preparing these financial statements, management has made judgements and estimates about the future, including climate-related risks and opportunities, that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Company's risk management and climate-related commitments where appropriate. Revisions to estimates are recognised prospectively.

a) Provision for spare parts

The Company holds spare parts inventory for the machinery of its plant and these spare parts are held for no longer than one reporting period. Management estimate the appropriate level of provisioning for spare parts at the end of each reporting period based on management's expectations for future utilization in the process of production, disposal or sale plans for the spare parts.

b) Quantity of inventories

Inventories comprise of purchased raw materials (limestone, sand, gypsum and iron ore) and work in progress (mainly clinker which are stored in purpose built shed and stockpiles). Since the weighing of these inventories is not practicable, management assesses the quantities on hand at the year-end by obtaining measurements of the stockpiles and converting these measurements to unit of volumes by using the angle of repose and the bulk density. In doing so, management appoints an independent surveyor to estimate the quantities by using certain scientific systematic measurements calculations and applying the density conversion methods which are applied for similar stock in the cement industry.

4. USE OF JUDGEMENTS AND ESTIMATES (continued)

c) Fair value of assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the access is available at that date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are categorized into levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

- Level 2: Inputs other than quoted prices included level I that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: Inputs for assets and liabilities that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability falls into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest input level that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. As at 31 December 2024 and 31 December 2023, there are no transfers between levels.

The carrying values and fair values of financial assets and liabilities including their fair value hierarchy are disclosed. It doesn’t include information about fair value of financial assets and financial liabilities not measured at fair value if book value reasonably equals fair value in note (33).

d) Impairment of trade receivables

The Company’s management recognizes loss allowance for ECLs on financial assets measured at amortized cost. ECLs are a probability weighted estimate of credit losses. Company’s ECL computation uses historical trends and a forward-looking element to compute percentage allowance to be recorded as impairment loss on financial assets.

The assessment of the correlation between historically observed default rates, forecasted economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances of forecast economic conditions. The Company’s historical credit loss experience and forecast of economic conditions may also not be representative of customers’ actual default in the future.

4. USE OF JUDGEMENTS AND ESTIMATES (continued)

e) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories) to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or other CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

The impairment losses are recognised in the statement of profit or loss and other comprehensive income. They are collected first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

Impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been calculated, net of depreciation or amortisation, if no impairment loss had been recognised.

f) Land Concession Renewal

The company's facilities are located on land governed by a concession agreement set to expire in September 2027. While no official confirmation has been received from the authorities, management expects the agreement to be renewed based on several critical factors. The Company has the renewal option under the given lease arrangement, however, the renewal remains a Royal prerogative, introducing inherent uncertainty that requires careful financial assessment and disclosure. The Company has applied the judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy). The Company included the renewal period as part of the lease term for leases due to the significance of leased assets to its operations.

Management has further considered the following factors in assessing the reasonable certaninity for renewal of the given leased land:

- The company has fully complied with all concession conditions and operational requirements.
- The company's mining license remains valid until September 6, 2028, beyond the concession expiry date.
- The concession supports key operations, including the major strategic projects construction near the company site, making renewal commercially beneficial.
- Similar concessions in the region have been routinely renewed in comparable circumstances..

4. USE OF JUDGEMENTS AND ESTIMATES (continued)

g) Useful lives of property, plant and equipment

The Management determines the estimated useful lives of property, plant and equipment for calculating depreciation. This estimate is determined after considering expected usage physical wear and tear. Management reviews the residual value and useful lives annually and change in amortisation charges (if any) are adjusted in current and future periods.

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 8,326,434 reducing the depreciation value during the financial year ended 31 December 2024. The impact of this on the next five years is as follows;

	Estimated				
	2025	2026	2027	2028	2029
Decrease in depreciation expense	8,326,434	8,326,434	8,326,434	8,326,434	8,326,434

5. MATERIAL ACCOUNTING POLICIES

The Company has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise. In addition, the Company adopted Disclosure of Accounting Policies (Amendments to IAS 1) from 1 January 2023. The amendments require the disclosure of ‘material’ rather than ‘significant’ accounting policies. Although the amendments did not result in any changes to the accounting policy themselves, they impacted the accounting policy information disclosed in certain instances.

Revenues from contracts with customers

Revenue is recognized at the allocated price when the customers obtain control of the products that is when the goods are collected from the factory by the customer. Upon collection of goods by the customer from factory the Company consider that the performance obligation is satisfied.

This is defined as the point in time when control of the products has been transferred to the customer, the amount of revenue can be measured reliably, and collection is probable. The transfer of control to customers takes place according to trade agreement terms. Revenue represents the fair value of the consideration received or receivable for goods sold and trade discounts. Discounts are provided on a monthly basis based on the approved policy in line with the quantity purchased.

Employee benefits

Defined employee benefit plans
The Company is required by law to pay end of service benefits (defined benefit plan) in accordance with the Saudi Labor Law. The benefit of the end of service benefit equals half the salary of the last month of each of the first five years of service, including the fractions of the year, in addition to the salary of the last month in full for each year of the remaining / subsequent service, including fractions of the year. The end of service benefit plan is unfunded.

5. MATERIAL ACCOUNTING POLICIES (continued)

Employee benefits (continued)

Evaluation methodology and key assumptions for the actuarial study
In compliance with the requirements of IAS 19 “Employee Benefits”, the end of service indemnity is determined by actuarial valuation using the projected unit credit actuarial cost method at the end of each financial year. The gain or loss arising from actuarial revaluation is recognized in the statement of comprehensive income for the period in which the revaluation occurred. Re-measurement recognized in comprehensive income is immediately reflected in retained earnings and is not included in profit or loss. The cost of the previous service (past cost) is calculated in profit or loss during the plan adjustment period. Interest is calculated by applying the discount rate at the beginning of the period to the specified employee benefit asset or liability.

The cost of the current service of the defined benefit plan is recognized in the statement of profit or loss and other comprehensive income under employee benefit expense to reflect the increase in the liability resulting from staff services for the current year and the cases of change, reduction or adjustment of benefits. Service costs for the previous years are directly are recognized in profit or loss and other comprehensive income.

Actuarial gains and losses arising from adjustments and changes in actuarial assumptions are charged in equity in the statement of other comprehensive income in the period in which they arise.

Defined benefit costs are classified as follows:
- cost of service (including current service costs, past service cost, as well as gains and losses resulting from the scaling up and reimbursement of staff benefits);
- interest cost, and
- remeasurement.

Short-term employee benefits
Liabilities are recognized and measured for benefits in respect of wages, salaries, annual leave and sick leave in the period in which they are rendered in the undiscounted amounts of the benefits expected to be paid for these services.

Retirement benefit costs
The Company contributes to the retirement benefits of employees in accordance with the regulations of the General Organization for Social Insurance and is calculated as a percentage of the employees' remuneration. Payments are treated to government-managed pension benefit plans as payments to specific contribution plans as the Company's liabilities against these plans are equivalent to those that arise in a defined contribution retirement plan. Payments to retirement benefit plans are charged as an expense when due.

Finance income and finance charges

Finance income comprise of Islamic Murabaha of invested money which are recognized in profit or loss. Interest income from Islamic Murabaha is recognised as it accrues under profit or loss, using the effective interest method.

Finance charges comprise interest expense on borrowings. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the statement of profit or loss using the effective interest rate method. The financing charges resulting from leasing operations are classified within the operating activities in the statement of cash flows.

5. MATERIAL ACCOUNTING POLICIES (continued)

Zakat

Zakat is provided for in accordance with the regulations of the Zakat, Tax and Customs Authority ("ZATCA") in Saudi Arabia. Zakat is provided for the period ratably and charged separately in the statement of profit or loss. Zakat liabilities, if any, related to prior years' assessments are accounted for in the period in which the final assessments are finalized.

The Company withholds taxes on transactions with non-resident parties and on dividends paid to foreign shareholders in accordance with Zakat, Tax and Customs Authority ("ZATCA") regulations in the Kingdom of Saudi Arabia.

Inventories

Inventories are measured at the lower of cost or net realizable value. Inventories cost is calculated using the weighted average method, which includes expenditure incurred in bringing inventories to their existing location and condition and in case of manufactured inventories and work in progress, inventories are charges with an appropriate share of production overheads based on normal operation capacity of the Company. Net realisable value is the estimated selling price in the Company's ordinary course of business, less the estimated costs of completion and selling.

Property, plant and equipment

Recognition and measurement
Property and equipment are recorded at cost less accumulated depreciation less impairment losses, if any.

Cost includes expenses that are directly attributable to the acquisition of the asset. For internally established assets, cost of asset includes materials and direct labor costs and other direct costs required to operate these assets in the location and purpose which they are acquired for.

If a significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses from disposal of an item of property tools and equipment are determined based on the deference between net proceeds from selling and book value of disposed items of property, plant and equipment and they are carried on in the statement of profit or loss and other comprehensive income at the same period at which the disposal takes place.

Subsequent costs

The cost of replacing part of the item of property, plant and equipment is recognized in the carrying amount of the item if the future economic benefits of the Company in that segment are probable and the cost can be measured reliably. Book value of the replaced item is disposed. The costs of the day-to-day servicing of property, plant and equipment are recognized in statement of profit or loss and other comprehensive income as incurred.

Major inspections and overhauls are identified and accounted for as a separate component if that component is used over more than one period. The carrying amount of such component is determined with reference to the current market price of such overhauls.

5. MATERIAL ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

Depreciation
Depreciation is an organized distribution of depreciable value of property, plant and equipment items (asset’s cost less asset’s residual value) along the asset's useful life.

Depreciation charge is recognized in the statement of profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated on the lower of lease period or the useful life. Unless there is a reasonable certainty that the asset’s ownership will be transferred to the Company by the end of the lease term. Freehold lands are not depreciated.

When the useful lives of items of property and equipment differ, they are accounted for as separate items.

The estimated useful lives of the items of properties, plant and equipment for the current year and the comparative periods are as follow:

Item	Years
Buildings and constructions	7-50
Plant and equipment	3-30
Furniture and office equipment	5-20
Vehicles and heavy equipment	4-8

The Company reviews depreciation methods, useful lives and residual value of property, plant and equipment at the end of each financial year and in case there are any differences, they are considered as change in accounting estimates (in the change year and the subsequent years).

Projects in progress

The cost of under construction projects are accounted on actual cost basis and presented under property, plant and equipment item till these projects are ready to use, then they are transferred under property, plant and equipment and its depreciation starts to be accounted in accordance with expected useful lives.

Intangible assets

Intangibles acquired separately are measured on initial recognition at cost. Cost of intangible assets acquired based on business combinations represents the fair value at the acquisition date. Following initial recognition, intangibles are carried at cost less any accumulated amortization and any accumulated impairment losses, if any. Intangible assets internally developed (except for capitalized development costs) are not capitalized and included as expenses in the statement of profit or loss at the date of their maturity.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

5. MATERIAL ACCOUNTING POLICIES (continued)

Intangible assets (continued)

The estimated useful lives of intangible asset are as follows:

Asset	Useful lives (Years)
Software licenses	4

Investment properties

Investment properties are non-current assets held either to earn rental income or for capital appreciation or for both, as well as those held for undetermined future as investment properties. Investment property is measured at cost less accumulated depreciation and impairment loss if any. investment properties are depreciated on a straight-line basis over the estimated useful life of the respective assets. No depreciation is charged on land and capital work-in-progress.

Investment property is derecognized either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the statement of profit or loss and other comprehensive income in the period of derecognition.

Expenses incurred for replacing component of investment properties items, which are accounted for separately are capitalized, and carrying value of replaced component is written off. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of the related investment properties. All other expenses are recognized in the statement of profit or loss and other comprehensive income when incurred.

The useful lives and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

Leases

a. Definition of a lease

The Company assesses whether a contract is or contains a lease. Under IFRS 16, an arrangement is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.

b. As a lessee

The lease liabilities have been measured at the present value of the remaining lease payments, less the Company's borrowing rate as at the date of the lease. The right-of-use asset is measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued rents. The Company has applied this approach to all leases.

The Company used the allowed exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of the lease term.

The lease liability is re-measured when there is a change in future lease payments.

5. MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments

Non-derivative financial instruments

a) Non-Derivative Financial Assets

The Company classifies its financial assets in the following measurement categories;

- those to be measured subsequently at fair value (either through Other Comprehensive Income ("OCI") or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). For Investments designated as FVOCI and for which management has an intention to sell such investments within a period of 12 months from the financial year end, are classified under current assets.

The Company initially recognises financial assets on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in the transferred financial asset that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount is presented in the Statement of Financial Position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company has the following non-derivative financial assets;

Financial Assets at Amortised Cost

Financial assets held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ("SPPI") are measured at amortised cost. A gain or loss on a debt investment subsequently measured at amortised cost and not part of a hedging relationship is recognised in the Statement of Profit or Loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

5. MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

a) Non-Derivative Financial Assets (continued)

Financial Assets at FVOCI

The Company has elected to recognise changes in the fair value of investments in equity shares in OCI. These changes are accumulated within the 'other reserve' classified under equity. The Company may transfer this amount from other reserve to retained earnings when the relevant shares are derecognised.

Dividends from such investments continue to be recognised in the Statement of Profit or Loss as other income when the Company's right to receive payments is established. Accumulated gains and losses on these financial assets are never recycled to the Statement of Profit or Loss.

b) Non-Derivative Financial Liabilities

Financial liabilities are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired. Financial assets and liabilities are offset and the net amount is presented in the Statement of Financial Position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

Non-derivative financial liabilities of the Company comprise of bank borrowings and trade and other payables.

Financial assets- subsequent measurement - profits or losses:

Financial assets at amortised cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses (see below). Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss is recognized in the statement of profit or loss.
FVOCI (Equity instruments)	These assets are subsequently measured at fair value. Dividends are recognized as revenues in the statement of profit or loss, unless these dividends represent recoverable amounts for part of the investment cost. Any other profits or losses are recognized in the statement of other comprehensive income and shall not be reclassified to the statement of profit or loss.
Financial assets at fair value through profit or loss.	These assets are subsequently measured at fair value. Net profit or losse, including any benefits or dividends are recognized in the statement of profits or loss.

5. MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

b) Non-Derivative Financial Liabilities (continued)

Reclassification

When an entity changes its business model for managing financial assets it shall reclassify allaffected financial assets in accordance with the above-mentioned classification requirements.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement offinancial position if there is a currently enforceable legal right to offset the recognised amounts andthere is an intention for the Company to settle on a net basis or to realise the assets and settle theliabilities simultaneously.

Derivative financial instruments and hedge accounting

The Company uses derivative financial instruments (“derivatives”) (“interest rate swaps”) to hedgeagainst risks related to interest rates and are recognized as cash flows hedges. Initially, thesederivatives are initially recognized at fair value at the date of signing the contract of the derivativeinstrument, and then remeasured at fair value. Derivatives are carried at books as assets when thefair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives not eligible for hedge accountingare directly recognized in the statement of profit or loss.

At the beginning of hedging process, the Company determines and documents the process that theCompany wants to apply the hedging accounting on, as well as the objectives of risk managementand hedging strategy. Documents include the hedging instrument definition and the item or processhedged for, it also include the risks’ nature and how would the entity evaluate effectiveness of hedgeinstrument against exposure to changes in the item’s cash flows and risks return. These hedges areexpected to be highly effective in decreasing changes in cash flows and are continually evaluated todetermine its effectiveness during periods of preparing financial statements.

Current portion of profit or loss arising from cash flows hedges, which matches hedging accountingrequirements are directly recognized in equity, while any non-current portion are directly recognizedin and the statement of profit or loss and other comprehensive income.

Amounts presented in equity are transferred to statement of profit or loss when transaction starts toimpact profit or loss, e.g., when hedging for an expense or revenue or when an expected selling takesplace. If the hedged item represents the cost of non-financial assets or non-financial liabilities, thenamounts registered in equity are transferred to original book value of non-financial assets or non-financial liabilities.

If hedge instrument has expired, disposed, terminated, used without being replaced or renewed (asa part of the hedge strategy), or in the case of hedge derecognition or if hedge instrument doesn’tmeet the hedge accounting requirements any more, then accumulated profit or loss previouslyrecognized in equity remains under a separate account in equity till the expected transaction takesplace or the fixed obligation from the foreign currencies is met. If expected transaction and fixedobligation are not expected to take place, then all amounts previously recognized in equity aretransferred to statement of profit or loss and other comprehensive income.

5. MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment

Impairment of financial assets

IFRS 9 requires an entity to follow an expected credit loss model for the impairment of financial assets.

Expected credit loss should be measured for financial assets measured at amortized cost or fair value through other comprehensive income, except for equity instruments investments.

Under IFRS 9, loss allowances are measured on either of the following methods;

- 12-month ECL. These are ECLs that result from possible default events within the 12 months after the reporting date.

- Lifetime expected credit loss. These are ECLs that result from all possible default events over the expected life of a financial instrument

Lifetime ECL measurement applies if the credit risk of a credit asset at the reporting date has increased significantly since initial recognition and 12-month ECL measurement applies if it has not. The Company can assume that credit risks on a financial instrument didn't significantly increase since the initial recognition; if the financial instrument is previously determined as low credit risk instrument at the date of report. However, lifetime expected credit loss measurement is always applied on trade receivables and assets of the contracts without the presence of a significant finance item, in which the Company can adopt this policy to trade receivables with a non-significant finance item.

The Company elected to evaluate trade receivables impairment using expected credit loss model.

The carrying amount of financial asset is reduced through the use of an allowance account and the amount of the loss is recognized in the profit or loss. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans, together with the associated allowance, are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, it is recognized in profit or loss in the period of recovery.

Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, are reviewed at each reporting date to determine whether there is indication of impairment. If any such indication exists the asset's recoverable amount is estimated.

5. MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment of non-financial assets (continued)

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to the recoverable amount. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. The value in use is based on a discounted cash flow (DCF) model, whereby the future expected cash flows discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

Impairment losses are recognized in the statement of profit or loss and other comprehensive income. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, if any, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An assessment is conducted at each reporting date to determine whether there is an evidence of impairment loss previously recorded or curtailed. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognised in the statement of profit or loss and other comprehensive income.

Non-financial assets other than goodwill, if any, that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortized cost using the effective interest rate method, less provision for impairment.

For trade receivables, which are reported net; such provisions are recorded in a separate allowance account with the loss being recognized within the statement of profit or loss and other comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less from the origination date, which are available to the Company without any restrictions and the statement of cash flows is prepared as per the indirect method.

5. MATERIAL ACCOUNTING POLICIES (continued)

Current / non-current classification

The Company classifies assets and liabilities in the statement of financial position based on current/non-current classification. Asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no right to defer the settlement of the liability for at least twelve months after the date of financial position.

The Company classifies all other liabilities as non-current.

Segment information

An operating segment is a company of assets and processes that jointly engage in the rendering of products or services subject to risks and rewards that differ from those of other business segments and which are measured in accordance with the reports used by the executive management.

A geographical segment is associated with the provision of products or services in a specific economic environment that is subject to risks and rewards that differ from those of segments of business in economic environments.

Climate Change

The Company is subject to short term and long term climate change related risks. These risks are an inherent part of operating in the cement industry. The Company continuously work to reduce the environmental footprint of the business, in part, due to inherent risks.

Greenhouse gas emissions associated with the consumption of clinker, fuel, and electricity impact not only the environment but also the Company's financial bottom line.

The Company has introduced, developed, and implemented a sustainable strategy to reduce CO2 emissions and its carbon footprint, ensuring all resources are used sustainably and environmentally friendly. As part of this strategy, the Company introduced "Pozzolana Cement" in 2000 and gradually increased its production and sales to 30% of total sales by 2024, which involves lower clinker consumption, thereby reducing CO2 emissions and the carbon footprint. Additionally, in 2024, the Company joined the "Competency Program for the Industrial Sector," which encourages companies to reduce fossil fuel consumption. Furthermore, the Company achieved the "Certified Environmental Management System ISO 14001" in 2024 as part of its sustainability and carbon footprint goals.

5. MATERIAL ACCOUNTING POLICIES (continued)

Earnings per share

The management determines basic earnings per share by dividing profit or loss attributable to ordinary equity holders (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the year. The weighted average number of ordinary shares outstanding during the year is the number of ordinary shares outstanding at the beginning of the year, adjusted by the number of ordinary shares bought back or issued during the year multiplied by a time-weighting factor. The time-weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in the year; a reasonable approximation of the weighted average is adequate in many circumstances.

Diluted earning per share amounts are calculated by dividing the profit attributable to equity shareholders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

New standards, interpretations and amendments

1) New Standards, Amendment to Standards and Interpretations:

The Company has applied the following standards and amendments, where applicable, for the first time for their annual reporting period commencing 1 January 2024.

1.1 Amendments to IFRS 16 – Leases on sale and leaseback:

These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

1.2 Amendments IAS 1 – Non-current liabilities with covenants and Classification of Liabilities as Current or Noncurrent Amendments

These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

1.3 Amendments to IAS 7 and IFRS 7 – Supplier finance arrangements

These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk.

The adoption of above amendments does not have any material impact on the Financial Statements during the year.

5. MATERIAL ACCOUNTING POLICIES (continued)

New standards, interpretations and amendments (continued)

2) Standards issued but not yet effective:

Following are the new standards and amendments to standards which are effective for annual periods beginning on or after 1 January 2025 and earlier application is permitted for certain new standards and amendments. However, the Company has not early adopted them in preparing these Financial Statements. The Company is currently evaluating the impact of the adoption of these standards on the Financial Statements.

2.1 Amendments to IAS 27 – Lack of exchangeability

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose.

2.2 Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments

These amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

2.3 IFRS 18, 'Presentation and Disclosure in Financial Statements

This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

6. PROPERTY, PLANT AND EQUIPMENT

a) Movement in property, plant and equipment for the year ended 31 December 2024 are as follows:

	Note	Buildings and constructions	Vehicles and heavy equipment	Plant and equipment	Furniture and office equipment	Projects in progress	Total
Cost:							
Balance at 1 January 2024		496,840,544	66,096,520	1,776,910,261	40,492,418	7,880,372	2,388,220,115
Additions		--	--	8,209,705	4,628,436	3,051,694	15,889,835
Transfer from project in progress		7,880,371	--	--	--	(7,880,371)	--
Disposal		--	(460,800)	--	(21,444)	--	(482,244)
Balance at 31 December 2024		**504,720,915**	**65,635,720**	**1,785,119,966**	**45,099,410**	**3,051,695**	**2,403,627,706**
Accumulated depreciation and impairment:							
Balance at 1 January 2024		271,742,581	65,150,285	1,108,818,876	34,537,844	--	1,480,249,586
Depreciation charged on the year	6-c	7,349,070	454,643	35,947,384	1,924,055	--	45,675,152
Disposal		--	(374,399)	--	(4,842)	--	(379,241)
Balance at 31 December 2024		**279,091,651**	**65,230,529**	**1,144,766,260**	**36,457,057**	--	**1,525,545,497**
Net book value:							
At 31 December 2024		**225,629,264**	**405,191**	**640,353,706**	**8,642,353**	**3,051,695**	**878,082,209**

6. PROPERTY, PLANT AND EQUIPMENT (continued)

b) Movement in property, plant and equipment for the year ended 31 December 2023 are as follows:

	Note	Buildings and constructions	Vehicles and heavy equipment	Plant and equipment	Furniture and office equipment	Projects in progress	Total
Cost:							
Balance 1 January 2023		491,846,195	65,866,119	1,769,922,003	37,875,086	7,543,415	2,373,052,818
Additions		--	230,401	6,821,615	2,338,036	6,813,289	16,203,341
Transfers		4,994,349		1,202,687	279,296	(6,476,332)	--
Disposal		--	--	(1,036,044)	--	--	(1,036,044)
Balance at 31 December 2023		496,840,544	66,096,520	1,776,910,261	40,492,418	7,880,372	2,388,220,115
Accumulated depreciation and impairment:							
Balance 1 January 2023		264,605,477	64,599,168	1,059,800,874	33,174,790	--	1,422,180,309
Depreciation charged on the year	6-c	7,137,104	551,117	50,054,046	1,363,054	--	59,105,321
Disposal for the year		--	--	(1,036,044)	--	--	(1,036,044)
Balance at 31 December 2023		271,742,581	65,150,285	1,108,818,876	34,537,844	--	1,480,249,586
Net book value:							
At 31 December 2023		225,097,963	946,235	668,091,385	5,954,574	7,880,372	907,970,529

6. PROPERTY, PLANT AND EQUIPMENT (continued)

c) The depreciation for the year has been allocated as follows:

	Note	**31 December 2024**	31 December 2023
Cost of revenue	23.b	**43,514,056**	57,530,132
General and administrative expenses	26	**1,986,753**	1,413,825
Selling and marketing expenses	25	**174,343**	161,364
		45,675,152	59,105,321

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

e) Project under progress includes the residential complex project.

f) 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 8,326,434 reducing the depreciation value during the financial year ended 31 December 2024. The impact of this on the next five years is as follows:

	Estimated				
	2025	**2026**	**2027**	**2028**	**2029**
Decrease in depreciation expenses	8,326,434	8,326,434	8,326,434	8,326,434	8,326,434

7. INVESTMENT PROPERTIES

The following is the analysis of the movement in the investment properties represented in the lands owned by the Company as at 31 December:

	31 December 2024	31 December 2023
Balance at the beginning and ending of the year	**72,279,440**	72,279,440

The fair value of real estate investments represented in lands owned by the Company amounted to SR 105 million as at 31 December 2024 (31 December 2023: SR 96,9 million). It has been determined based on the evaluation provided by Nojoum Al Salam Group, a certified independent real estate valuation expert (license number 1210000480). The fair value of the properties was determined based on the prevailing market prices for similar properties. These lands are held for a currently undetermined future use; therefore, they are classified as investment properties.

7. INVESTMENT PROPERTIES (continued)

7.1 Measurement of fair values

a) Fair value hierarchy

The fair value of investment property was determined by external, independent property valuers Nojoum Al Salam Group, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Group's investment property portfolio every year.

The fair value measurements for all of the investment properties have been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
For the valuation of the investment property, which consists of bare land, the comparison methodology under the market approach is utilized. This method involves determining the value of the property by comparing it to the market value of similar properties. The land price normally varies in the range of SAR 100 - 130 per sq. m in this vicinity. However, adaptation of SAR 114 per sq.m. is reasonable with extent, locality, accessibility.	The minimum value of the Property is at a 10% discount to the base values while the maximum value of the Property is at a 10% premium to the base values.	The estimated fair value would increase (decrease) if: • expected market rental • growth were higher (lower); • the occupancy rate were • higher (lower); • rent-free periods were shorter • (longer); or • the risk-adjusted discount rates were lower (higher).

8. EQUITY INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)

As of December 31, 2024, the Company owns: 16,934,875 shares (December 31, 2023: 16,934,875 shares), representing 2.36% of the total capital of the Manufacturing and Energy Services Company (a closed Saudi joint stock Company).

The nature of this Company's business is power generation, and the investment was recorded at fair value according to the market value method. The investment is pledged against the loan granted to the Company (Note 17).

8. EQUITY INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI) (continued)

	31 December 2024	31 December 2023
Balance at the beginning of year	**287,111,819**	295,201,417
Unrealized loss on investment revaluation at fair value through other comprehensive income	**(117,150,819)**	(8,089,598)
Balance at the ending year	**169,961,000**	287,111,819

During 2024 the Company has received dividend from Manufacturing and Energy Services Company for the year 2023, of which the Company's share amounted to 5,080,463 Saudi riyals, this distribution was collected on 13/06/2024.

9. DERIVATIVE FINANCIAL INSTRUMENT

	31 December 2024	31 December 2023
Balance as at beginning year	**7,179,800**	11,146,526
Changes in fair value of cash flow hedges in OCI	**(4,479,033)**	(3,966,726)
Balance as at the ending year	**2,700,767**	7,179,800

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 from inception and is subject to a forward-looking hedge effectiveness assessment at each reporting date. As at the reporting date, the hedge effectiveness was assessed as 100% (31 December 2023: 100%).

The details of the agreement are as follows;

Effective date	Due date	**Book value as at 31 December 2024**	Book value as at 31 December 2023
3 January 2022	12 March 2026	**95,206,323**	158,677,208

10. INTANGIBLE ASSETS

The balance of intangible assets represents the Oracle licenses and programs, and their statement is as follows:

	31 December 2024	31 December 2023
Cost		
Balance as at beginning year	**6,442,570**	6,542,934
Addition during the year	--	1,568,522
Disposal during the year	--	(1,668,886)
Balance as at the ending year	**6,442,570**	6,442,570
Accumulated amortization		
Balance as at beginning year	**483,192**	1,668,886
Amortization during the year	**1,610,643**	483,192
Disposal during the year	--	(1,668,886)
Balance as at the ending year	**2,093,835**	483,192
Net carrying amount	**4,348,735**	5,959,378

11. LEASES

a) The right to use leased cars for the Company is presented in the statement of financial position as follows:

	31 December 2024	31 December 2023
Balance at January 1	**6,422,212**	--
Additions during the year	--	7,313,907
Depreciation during the year	**(1,834,999)**	(891,695)
Balance at December 31	**4,587,213**	6,422,212

b) This pertains to the amount of leases recognized as lease liabilities under IFRS 16. The details and movement of these are as follows:

	31 December 2024	31 December 2023
Balance at beginning of the year	**6,569,225**	--
Additions during the year	--	7,313,907
Finance cost charged during the year	**378,842**	198,493
Transfer to trade payable	--	(175,370)
Paid during the year	**(2,104,439)**	(767,805)
Lease liability at the end of the year	**4,843,628**	6,569,225

	31 December 2024	31 December 2023
Current portion	**1,754,572**	1,725,597
Non-current portion	**3,089,056**	4,843,628
	4,843,628	6,569,225

11. LEASES (continued)

The financing charges charged to the statement of profit or loss and other comprehensive income amounted to SR 378,842 during the financial year ended 31 December 2024 (31 December 2023: SR 198,493).

Expenses related to short-term and low-value leases for the period ending 31 December 2024 amounted to SAR 81,000 (31 December 2023: SAR 815,048).

12. INVENTORIES

a) Inventories as at 31 December comprise the following:

	Note	**31 December 2024**	31 December 2023
Production under processing		**101,229,705**	131,038,647
Spare parts		**93,720,391**	92,193,231
Raw, filling and packaging materials		**40,615,123**	48,532,462
Finished goods		**4,519,154**	6,451,719
Goods in transit		**4,210,940**	5,500,405
		244,295,313	283,716,464
Less: Allowance for slow moving inventory items	12-b	**(1,241,231)**	(1,360,755)
		243,054,082	282,355,709

b) Movement on provision for slow moving inventory during the year as follows:

	31 December 2024	31 December 2023
Balance at the beginning of year	**1,360,755**	899,579
Provided during the year	**115,165**	461,176
Reversal during the year	**(234,689)**	--
Balance at the end of the year	**1,241,231**	1,360,755

13. TRADE RECEIVABLES

a) Trade receivables comprise the following:

	Note	**31 December 2024**	31 December 2023
Trade receivables		**47,861,442**	24,049,783
Allowance for expected credit losses (ECL)	13 (b)	**(1,248,616)**	(372,443)
		46,612,826	23,677,340

13. TRADE RECEIVABLES (continued)

b) The movement in ECL allowance is as following:

	31 December 2024	31 December 2023
Balance at the beginning of year	**372,443**	372,443
Provision during the year	**876,173**	--
Balance at the end of the year	**1,248,616**	372,443

c) Additional information related to the Company's exposure to credit and market risk is disclosed in note (31).

14. PREPAYMENTS AND OTHER DEBIT BALANCES

Prepayments and other receivables comprise of the following:

	31 December 2024	31 December 2023
Payments to suppliers	**1,046,113**	4,687,544
With holding tax receivable	**1,858,337**	1,858,337
Accrued rent revenue	**1,840,000**	4,117,252
Prepaid Insurance	**1,568,130**	1,647,995
Advance to Employees	**867,435**	914,040
Prepaid expenses	**471,719**	580,184
	7,651,734	13,805,352

15. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of the following:

	Note	**31 December 2024**	31 December 2023
Islamic Murabaha	15.1	**33,000,000**	10,665,498
Cash at banks - current accounts		**49,549,364**	26,228,769
		82,549,364	36,894,267

15.1 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.

16. RESERVES

16.1 Statutory reserve

The statutory reserve included in the financial statements as of 31 December 2024, and 31 December 2023, was required under the Company's previous by-laws. However, following amendments to the Company's by-laws during the year ended 31 December 2024, the requirement to set aside a statutory reserve has been removed.

16.2 Other reserves

	Note	**31 December 2024**	31 December 2023
Fair value reserve for an investment in equity instruments through other comprehensive income		**612,250**	117,763,069
Hedging reserve	9	**2,700,767**	7,179,800
		3,313,017	124,942,869

17. LONG-TERM LOAN

The Company has bank loan with a local bank with a total amount of SR 93,977,371 million as at 31 December 2024 (31 December 2023: SR 155,062,068). The loan agreement with the bank contains some covenants, which among other things, that 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 financial ratios which include that the company annual deposit with the bank shall not less than 70% of the company's annual revenue and capital expansion of more than SR 300 million annually except after the bank's approval.

A breach of these covenants in the future may lead to renegotiation, The management monitors the covenants periodically, and in case of the existence 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 at 31 December 2024. The Company excepts to comply with all the covenants within 12 months after the reporting date.

The loan has been presented in statement of financial position as follows:

	31 December 2024	31 December 2023
Current portion under current liabilities	**63,470,883**	63,470,883
Non-current portion under non-current liabilities	**30,506,488**	91,591,185
	93,977,371	155,062,068

The loan movement during the year is as follows:

	31 December 2024	31 December 2023
Balance at the beginning of year	**155,062,068**	214,942,099
Effect of financial liability cash flows adjustment	**2,386,187**	3,590,852
Payment	**(63,470,884)**	(63,470,883)
Balance as at the ending year	**93,977,371**	155,062,068

17. LONG-TERM LOAN (continued)

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 9).

The loan is secured by an investment in the Industrialization and Energy Services Company, (Note 8), 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.

18. EMPLOYEES' DEFINED BENEFIT OBLIGATIONS

The Company is required by law to pay end of service benefits (defined benefit plan) in accordance with the Saudi Labor Law. The benefit of the end of service benefit equals half the salary of the last month of each of the first five years of service, including the fractions of the year, in addition to the salary of the last month in full for each year of the remaining / subsequent service, including fractions of the year. The end of service benefit plan is unfunded.

An independent actuarial exercise has been conducted by the Company as of 31 December 2024 and 31 December 2023 to ensure the adequacy of the provision for employees end of service benefits in accordance with the rules stated under Saudi Arabian labor law by using the projected unit credit method as required under International Accounting Standards 19: Employee Benefits.

a) The valuation was prepared was prepared by an independent external actuarial (Lux Actuaries & Consultants) using the following key assumptions:

	31 December 2024	31 December 2023
Discount rate	**5.35%**	4.75%
Salary increase rate	**1%**	1%
Withdrawal rate		
From 18 – 25 years	**15%**	15%
From 26 – 35 years	**10%**	10%
From 36 – 45 years	**8%**	8%
From 46 – 55 years	**6%**	6%
From 56 – 58 years	**5%**	5%
From 59 – 60 years	**4%**	4%
Assumed Retirement Age	**60**	60

18. EMPLOYEES' DEFINED BENEFIT OBLIGATIONS (continued)

Risk Exposure:

The Company is exposed to a number of risks, the most significant of which are detailed below;

Inflation risk:

The majority of the plan's benefit obligations are linked to inflation and higher inflation will lead to higher liabilities.

Changes in bond yields;

Decrease in corporate bond yields will increase plan liabilities.

b) The movement in the employee benefit obligations is as follows:

	31 December 2024	31 December 2023
Present value of the obligation as at the beginning of the year	**17,377,129**	16,135,397
Components of cost charged on year in statement of profit or loss:		
Current service cost	**1,782,040**	1,542,749
Interest cost	**768,282**	754,983
Total expense charged to statement of profit or loss	**2,550,322**	2,297,732
Items within statement of other comprehensive income:		
Remeasurement of employees' defined benefit obligation	**2,144,375**	120,733
Actual benefits paid during the year	**(2,148,136)**	(1,176,733)
Present value of the obligation at the end of the year	**19,923,690**	17,377,129

18. EMPLOYEES' DEFINED BENEFIT OBLIGATIONS (continued)

c) Defined benefit liability sensitivity

		31 December 2024	31 December 2023
	Base		
Rate of change in salaries	Increase by 1%	**21,433,305**	18,796,119
	Decrease by 1%	**18,578,526**	16,121,261
	Base		
Discount rate	Increase by 1%	**18,645,461**	16,175,920
	Decrease by 1%	**21,378,352**	18,754,521
	Base		
Withdrawal Rate	Increase by 20%	**20,305,273**	17,657,474
	Decrease by 20%	**19,506,789**	17,066,772
Assumption of a statistical study of employees			
Membership data			
Number of employees		**410**	378
Total monthly salaries qualifying for end of service benefit		**3,506,751**	2,824,487
Average monthly salaries		**8,553**	7,472
Average age of employees (years)		**42.59**	42.33
Average years of past experience		**9.38**	10.2

The following undiscounted payments are expected to the defined benefit plan in future years:

	31 December 2024	31 December 2023
Within the next 12 months	**5,271,006**	3,715,648
Between 1 to 5 years	**7,982,181**	7,400,505
More than 5 years	**13,776,015**	9,939,809

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

19. ACCRUALS AND OTHER CREDIT BALANCES

Accruals and other credit balances are as follows:

	31 December 2024	31 December 2023
Employees' accruals and benefits	**9,403,034**	7,348,072
Retention payable	**5,024,688**	5,915,689
Accrued fees for the exploitation of raw materials	**3,013,800**	2,926,652
Value added tax	**2,766,706**	1,770,046
Accrued finance charges	**744,797**	1,088,327
Contract liabilities	**1,654,744**	888,650
Unearned Revenues	**12,351,756**	--
Others	**944,594**	324,888
	35,904,119	20,262,324

20. DIVIDENDS PAYABLE TO SHAREHOLDERS

The balance represents dividends for previous years that have not been paid to shareholders as follows:

	31 December 2024	31 December 2023
Balance at the beginning of year	**119,691,529**	120,371,949
Dividends distributed during the year	**45,000,000**	--
Dividend payments during the year	**(44,557,607)**	(680,420)
Balance as at the ending year	**120,133,922**	119,691,529

The Extraordinary General Assembly on 26 June 2024 approved the distribution of cash dividends to shareholders at the rate of SR 0.25 per share, with a total amount of SR 22,500,000 (30 September 2023: Null) (31 December 2023: Null)

On 6 November 2024 corresponding to 4 Jumada Al Awal 1446H, the Board of Directors approved cash dividends of SR 22,500,000 for the first half of the fiscal year 2024 at a value of SR 0.25 per share (31 December 2023: Null).

21. ZAKAT

a) Charge for the year

	31 December 2024	31 December 2023 (restated note 34)
Charge for the current year	**5,044,042**	6,063,468
Prior year charge	**773,890**	4,731,427
	5,817,932	10,794,895

21. ZAKAT (continued)

b) Provision for zakat

The movement in provision for zakat for the year ended 31 December is as follows:

	31 December 2024	31 December 2023 (restated note 34)
Balance at the beginning of year	**16,198,234**	6,683,401
Add: charge for the year	**5,817,932**	10,794,895
Less: Payments during the year	**(12,417,710)**	(1,280,062)
Balance at the end of the year	**9,598,456**	16,198,234

The breakdown of payments during the year is as follow	**31 December 2024**	31 December 2023
Zakat settlement payments during the year	**(6,063,475)**	(1,133,248)
The zakat charged for the previous years and paid during the year	**(6,354,235)**	(146,814)
Balance at the end of the year	**(12,417,710)**	(1,280,062)

c) Components of zakat base

The significant components of Zakat base for the year ended 31 December comprise of thefollowing:

	31 December 2024	31 December 2023
Additions		
Adjusted zakat net profit	**79,562,528**	28,566,038
Shareholders' equity at the beginning of the year	**1,319,055,541**	1,269,375,033
Provisions at beginning of the year	**15,321,337**	16,230,686
Debts and debts equivalents	**86,921,158**	167,871,870
Other reserves	**3,313,017**	125,983,517
Total additions	**1,424,611,053**	1,608,027,144
Deductions		
Net fixed assets and equivalent	**(878,082,208)**	(909,986,132)
Investments in a non-trading facility inside the Kingdom and are subject to levy of zakat	**(169,961,000)**	(287,111,819)
Other discounts	**(181,421,306)**	(174,838,658)
Total deductions	**(1,229,464,514)**	(1,371,936,609)
Zakat base	**195,146,539**	236,090,535
Zakat charge for the year	**5,044,042**	6,063,468

Zakat is calculated from the adjusted net profit at 2.5%, while the zakat base is calculated from the zakat base less the adjusted net profit at 2.58475% (during 2023, zakat is due at 2.56828% of the zakat base after deducting the adjusted net profit and 2.5% of the adjusted net profit.

21. ZAKAT (continued)

d) Zakat Status

The Company has Finalized its Zakat assessment with Zakat, Tax and Customs Authority in the Kingdom of Saudi Arabia up to the financial year ended 31 December 2023. The Company obtained a Zakat certificate valid until 30 April 2025.

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.

22. EARNINGS PER SHARE (EPS)

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.

	31 December 2024	31 December 2023
Profit for the year	**79,562,528**	15,012,235
Number of shares (weighted average)	**90,000,000**	90,000,000
Basic earnings per share (SR)	**0.884**	0.167

b) Diluted earnings per share

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 year there were no diluted shares, accordingly the diluted earnings per share was the same as the basic.

23. REVENUES AND COST OF REVENUES

a) Revenues

The Company's revenue is derived from contracts with customers as follows:

	Year ended 31 December 2024	Year ended 31 December 2023
Sales inside KSA	**343,363,336**	255,633,924
Export sales	**--**	9,449,211
	343,363,336	265,083,135

23. REVENUES AND COST OF REVENUES (continued)

Any other classifications of revenues have not been disclosed since the Company is selling two types of products (cement and clinker) and no significant differences have appeared between the sale prices and production cost for different types of Cement, whether packed on non-packed. The selling is conducted at a certain point in time, not over time.

	Year ended 31 December 2024	Year ended 31 December 2023
Cement	**343,098,736**	264,846,615
Others	**264,600**	236,520
	343,363,336	265,083,135

The following table provides information about trade receivables and advance from customers.

	Year ended 31 December 2024	Year ended 31 December 2023
Trade receivable	**46,612,826**	23,677,340
Contract liabilities*	**1,654,744**	888,650

*Contract liabilities represent advance consideration received from customers for the products to be sold, for which revenue is recognized at point in time. This will be recognized as revenue when the Company deliver the products to the customers and their balances for advances are settled with the revenue made.

b) Cost of revenues

The cost of revenues mainly represents the cost of raw materials, salaries and wages, spare parts and depreciations.

	Year ended 31 December 2024	Year ended 31 December 2023
Salaries, wages and equivalents	**41,988,537**	38,103,214
Raw Materials	**81,805,548**	57,702,364
Packing materials	**5,599,656**	6,070,086
Consumption of spare parts	**31,603,917**	36,950,446
Depreciation expense	**43,514,056**	57,530,132
Depreciation on right of use assets	**1,344,064**	530,654
Others	**9,214,394**	12,012,372
Total operation cost	**215,070,172**	208,899,268
Change in inventories	**31,741,507**	3,028,905
	246,811,679	211,928,173

24. OTHER INCOME

The other income for the year ended 31 December comprises of as follows:

	Note	**Year ended 31 December 2024**	Year ended 31 December 2023
Rent income		**25,389,008**	6,917,251
Dividends on equity investments at fair value through comprehensive income	8	**5,080,463**	5,080,463
		30,469,471	11,997,714

25. SELLING AND MARKETING EXPENSES

Selling and markiting expenses for the year ended 31 December comprise the following:

	Note	**Year ended 31 December 2024**	Year ended 31 December 2023
Salaries, wages and equivalents		**3,764,920**	3,945,649
Depreciation	6	**174,343**	161,364
Depreciation on right of use assets		**92,679**	41,811
Others		**492,802**	532,288
		4,524,744	4,681,112

26. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses for the year ended 31 December comprise of the following:

	Note	**Year ended 31 December 2024**	Year ended 31 December 2023
Salaries, wages and equivalents		**15,191,299**	13,387,388
Consultancy fee		**1,154,384**	1,478,490
Directors' remunerations and allowances	29	**2,799,500**	2,359,000
Depreciation	6	**1,986,753**	1,413,825
Depreciation on right of use assets		**398,256**	319,230
Amortization of intangible assets	10	**1,610,643**	483,192
Audit fee		**520,000**	476,343
Donations and aids		**290,000**	290,000
Cleaning expenses		**680,656**	715,200
Rent expense		**81,000**	815,048
Postage and telephone charges		**1,448,424**	1,138,281
Subscription		**389,803**	102,920
Stationery and printing		**1,883,774**	1,539,801
Others		**2,163,951**	2,159,018
		30,598,443	26,677,736

27. FINANCE COST

Finance cost for the year ended 31 December comprise the following:

	Year ended 31 December 2024	Year ended 31 December 2023
Finance cost on loans	**3,777,683**	5,097,700
Finance cost on lease liabilities	**378,842**	198,493
	4,156,525	5,296,193

28. CONTINGENCIES AND CAPITAL COMMITMENTS

As at 31 December 2024, the contingent liabilities against outstanding letters of guarantee and letter of credits amounted to SR 9,944,341 (2023: SR 6,211,081).

29. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related party transactions mainly represent Salaries, allowances and bonuses of senior executives. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Directors and shareholders (whether executive or otherwise).

The salaries, wages and related costs benefits during the year ended 31 December include the following:

Transactions with	**Nature of transaction**	Note	**31 December 2024**	31 December 2023
Key Management Personnel	Salaries, wages and equivalents		**2,100,000**	2,115,000
Key Management Personnel	End-of-service benefits		**125,850**	63,206
			2,225,850	2,178,206
BOD members	BOD's remunerations and allowances	26	**2,799,500**	2,359,000

30. SEGMENT INFORMATION

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.

30. SEGMENT INFORMATION (continued)

30.1 Major Customers

Revenue from the top five customers of the Company represented approximately 82% amounting to SR 280.7 million (31 December 2023: 80% amounting to SR 203.4 million) of the Company's total revenue.

During the period three customers (2023 two customer) individually accounted for more than 10% of the Company's revenue. The related revenue figures for these major customers, the identity of which may very by period, were as follows;

	31 December 2024	31 December 2023
Variable rate instruments		
Customer A	**115,174,708**	95,410,322
Customer B	**82,878,320**	59,780,511
Customer C	**40,262,477**	--

31. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: Market risk (including currency risk, fair value and cash flow, interest rate risks and price risk), credit risk and liquidity risk.

The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Financial risk management framework
Risk management is carried out by senior management under policies approved by the Board of Directors. Senior management identifies, evaluates and hedges against financial risks in close co-operation with the Company's operating units. The most important types of risk are credit risk, currency risk and fair value and cash flow interest rate risks.

The Board of Directors has overall responsibility for establishment and oversight of the Company's risk management framework. The executive management team is responsible for developing and monitoring the Company's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors through the audit committee.

Risk management systems are reviewed regularly by the executive management team to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The risk committee oversees compliance by management with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

Financial instruments carried on the balance sheet include cash and cash equivalents, trade and other receivables, financial assets, borrowings, trade and other payables, other liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

31. FINANCIAL RISK MANAGEMENT (continued)

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk: Interest rate risk, currency risk and price risk.

Interest rate risk cost

The loans obtained by the Company are carried at variable interest rates based at prevailing market interest rates.

	31 December 2024	31 December 2023
Variable rate instruments		
Loans	**93,977,371**	155,062,068

The table below reflects the possible change of 100 basis points in interest rates at the reporting date on profit or loss assuming all other variables are remain constant.

	Profit / (loss) 2024		Profit / (loss) 2023	
	BPs decrease on interest rates **100 bp**	BPs increase on interest rates **100 bp**	BPs decrease on interest rates **100 bp**	BPs increase on interest rates **100 bp**
Loans	**939,774**	**(939,774)**	1,550,621	(1,550,621)

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to fluctuations in foreign exchange rates. The Company is not significantly exposed to fluctuations in foreign exchange rates during its normal course of business, as the Company's core transactions during the period were denominated in Saudi Riyals and US Dollars. Thus, there are no significant risks associated with transactions and balances denominated in US Dollars.

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from special commission rate risk (also referred to as interest rate risk or commission rate risk) or currency risk, whether those changes are caused by factors specific to the individual financial instruments or it's issuer, or factors affecting all similar financial instruments traded in the market.

The Company exposure to price risk arises from investments held by the Company and classified in the statement of financial position at fair value through other comprehensive income. The Company closely monitors price in order to manage price risk arising from equity investments at fair value through other comprehensive income.

The table below summarizes the impact of increases/decreases of the market price of the on the Company’s equity investments at fair value through other comprehensive income. The analysis is based on the assumption that the market price of the shares had increased or decreased by 0.5% with all other variables held constant, and that all the Company’s investment moved in line with the market price.

31. FINANCIAL RISK MANAGEMENT (continued)

Price risk (continued)

	Impact on Profit or Loss as at	
	31 December 2024	31 December 2023
Variable rate instruments		
Share price increase by 0.5%	**849,805**	1,435,559
Share price decrease by 0.5%	**(849,805)**	(1,435,559)

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Concentration risk arises when a number of counterparties engaged in similar business activities or activities in the same geographical region or have economic features that would cause them to fail their contractual obligations. To reduce exposure to credit risk, the Company has developed a formal approval process whereby credit limits are applied to its customers, which are based on comprehensive customer ratings and past repayment rates.

The management also continuously monitors the credit exposure related to its customers and makes provision against those balances considered doubtful of recovery. Standing balances of customers are continuously monitored. Cash and cash equivalents are placed with national banks with sound credit ratings. Trade and other receivables are basically due from customers in local markets and some balances are pledged against effective bank guarantees from local banks with sound credit ratings. Trade and other receivables are stated at their estimated realizable values.

The Management considers reasonable and supportive forward-looking information such as:

a) Actual or expected significant adverse changes in business.
b) Actual or expected significant changes in the operating results of the counterparty.
c) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations.
d) Significant increase in credit risk on other financial instruments of the same counterparty,
e) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

The Company's gross maximum exposure to credit risk is as follows:

	31 December 2024	31 December 2023
Financial assets		
Trade receivables	**47,861,442**	24,049,783
Bank Balances	**82,549,364**	36,894,267
	130,410,806	60,944,050

31. FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

	31 December 2024	31 December 2023
Financial assets		
Secured	**22,693,402**	21,458,631
	22,693,402	21,458,631

Customer credit risk is managed by management subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

The Company provides its goods to a large number of customers. The largest customers account 82% of outstanding trade receivables as at 31 December 2024 (2023: 80%). Further, trade receivable for all customers are guaranteed by letter of guarantee.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, service type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Loss rates are calculated using flow rate method based on the probability of a receivable progressing through successive stages of delinquency. Flow rates are calculated separately for exposures in different class of customers based on the common credit risk characteristics.

The ageing of trade receivables as at the reporting date is as follows:

	31 December 2024		31 December 2023	
Duration	**Balance SR**	**Impairment SR**	Balance SR	Impairment SR
Neither past due nor impaired	**24,696,636**	--	21,169,611	--
From 0 to 60 days	**8,493,933**	--	1,662,530	--
From 61 to 90 days	**7,032,906**	--	450,216	268,413
More than 90 days	**7,637,967**	**1,248,616**	767,426	104,030
	47,861,442	**1,248,616**	24,049,783	372,443

Loss rates are based on historical credit loss experience and are adjusted to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables.

31. FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available to meet the Company's future commitments.

The table below summarises the maturity profile of the Company's financial liabilities at the reporting date, based on contractual undiscounted repayment obligations. The contractual maturities of liabilities have been determined on the basis of the remaining period at the statement of financial position date to the contractual maturity date. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Company expects that most counter parties will not request repayment on the earliest date the Company could be required to pay and the table does not reflect the expected cash flows indicated by the Company's history.

		Undiscounted contractual cash flows		
31 December 2024	**Total Carrying amount**	**Less than 1 year**	**Above 1 year**	**Total contractual maturity**
Long term loan	**93,977,371**	**65,622,387**	**32,070,382**	**97,692,769**
Trade payables	**25,211,548**	**25,211,548**	**--**	**25,211,548**
Accruals and other credit balances	**33,137,413**	**33,137,413**	**--**	**33,137,413**
Lease liabilities	**4,843,628**	**2,104,440**	**3,156,660**	**5,261,100**
Dividends payable	**120,133,922**	**120,133,922**	**--**	**120,133,922**
	277,303,882	**246,209,710**	**35,227,042**	**281,436,752**

		Undiscounted contractual cash flows		
31 December 2023	Total Carrying amount	Less than 1 year	Over 1 year	Total contractual maturity
Long term loan	155,062,068	67,557,165	97,692,770	165,249,935
Trade payables	17,049,002	17,049,002	--	17,049,002
Accruals and other credit balances	18,492,278	18,492,278	--	18,492,278
Lease liabilities	6,569,225	2,104,440	5,261,100	7,365,540
Dividends payable	119,691,529	119,691,529	--	119,691,529
	316,864,102	224,894,414	102,953,870	327,848,284

- It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

32. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders. and to maintain a strong capital base to support the sustained development of its businesses.

The Company's adjusted net liabilities to equity ratio was as follows:

	31 December 2024	31 December 2023
Total liabilities	**309,592,734**	352,209,511
Less: Cash and cash equivalents	**(82,549,364)**	(36,894,267)
Net Liabilities	**227,043,370**	315,315,244
Total equity	**1,202,234,636**	1,291,446,335
Net liabilities to equity ratio	**0.19**	0.24

33. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the access is available at that date. The fair value of a liability reflects its non-performance risk.

The below table shows the carrying amounts and fair values of the financial assets and liabilities including their levels in the fair value hierarchy. It doesn't include information about fair value of financial assets and financial liabilities not measured at fair value if book value reasonably equals fair value.

	31 December 2024							
	Carrying amount				Fair value			
	Hedging instruments	Equity investments at FVOCI	Amortized cost	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Derivative Financial Instruments	2,700,767	--	--	2,700,767	--	2,700,767	--	2,700,767
Equity investments at Fair Value through Other Comprehensive Income (FVOCI)	--	169,961,000	--	169,961,000	--	--	169,961,000	169,961,000
	2,700,767	169,961,000	--	172,661,767	--	2,700,767	169,961,000	172,661,767
Financial assets not measured at fair value								
Trade receivables	--	--	47,861,442	47,861,442	--	--	--	--
Cash and cash equivalents	--	--	82,549,364	82,549,364	--	--	--	--
	--	--	130,410,806	130,410,806	--	--	--	--
Financial liabilities not measured at fair value								
Long term loan	--	--	93,977,371	93,977,371	--	--	--	--
Trade payables	--	--	25,211,548	25,211,548	--	--	--	--
Accruals and other credit balances	--	--	33,137,413	33,137,413	--	--	--	--
	--	--	152,326,332	152,326,332	--	--	--	--

33. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	31 December 2023							
	Carrying amount				Fair value			
	Hedging instruments	**Equity investments at FVOCI**	**Amortized cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value								
Derivative Financial Instruments	7,179,800	--	--	7,179,800	--	7,179,800	--	7,179,800
Equity investments at Fair Value through Other Comprehensive Income (FVOCI)	--	287,111,819	--	287,111,819	--	--	287,111,819	287,111,819
	7,179,800	287,111,819	--	294,291,619	--	7,179,800	287,111,819	294,291,619
Financial assets not measured at fair value								
Trade receivables	--	--	24,049,783	24,049,783	--	--	--	--
Cash and cash equivalents	--	--	36,894,267	36,894,267	--	--	--	--
	--	--	60,944,050	60,944,050	--	--	--	--
Financial liabilities not measured at fair value								
Long term loan	--	--	155,062,068	155,062,068	--	--	--	--
Trade payables	--	--	17,049,002	17,049,002	--	--	--	--
Accruals and other credit balances	--	--	18,492,278	18,492,278	--	--	--	--
	--	--	190,603,348	190,603,348	--	--	--	--

33. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

There were no transfers between fair value levels during the year ended 31 December 2024

Equity investments at FVOCI include investments in non-public equity instruments. The following table outlines the valuation techniques applied in measuring Level 3 fair values, along with the significant unobservable inputs used:

Type	Valuation Technique	Significant Unobservable Inputs
Equity Investments in Non-Public Companies	Market approach using Price-to-Book Value (P/BV)	Price to book value multiple Average Discount for lack of marketability 15.63%

Market approach valuation techniques

For unlisted equity investments classified as Level 3, the company applies the Market Approach using the Price-to-Book Value (P/BV) multiple. Valuation techniques falling under the Market Approach typically derive market multiples from a set of comparable assets. A market multiple expresses the value of a business or other asset relative to a financial, operating, or physical metric. For instance, a price-to-earnings (P/E) ratio expresses an entity's per-share value in relation to its earnings per share. The multiple is then applied to the corresponding metric of a comparable entity that shares similar characteristics but may differ in scale, subject to necessary adjustments to account for those differences. The independent valuer has determined the fair value based on the median P/BV multiple as of 31 December 2024, sourced from reliable financial databases. Average discount of 15.63% using valuation Advisors DLOM study method.

Valuation inputs and relationships to fair value (Significant unobservable inputs)

The following table summarizes the quantitative information about the significant unobservable inputs used in the fair value measurements of the equity accounted investment. The fair values are determined based on the discounted cash flows.

Description	Management range	Relation of unobservable inputs to fair value
P/BV Multiple	1.8x	Higher the multiple, higher the fair value
Weighted Average Discount rate	15.63%	Higher the discount rate lowers the fair value

The sensitivity analysis reflects how changes in the market multiples and discount assumptions could impact the fair value measurement of Level 3 equity investments.

34. RESTATEMENT OF PRIOR PERIOD ERRORS

During the month of March 2024 and before approving the Company’s financial statements as of 31 December 2023, the Zakat, Tax and Customs Authority completed its examination for the years from 2019 to 2022, which resulted in zakat differences amounting to SR 4,731,427. The Company recorded this erroneously by adjusting the opening balance of retained earnings as of 1 January 2023. The Company corrected the error by reversing the impact in retained earnings as of 1 January 2023, and the Company recognized the increasing difference as a change in the estimate arising in the fourth quarter of the fiscal year ending 31 December 2023.

34. RESTATEMENT OF PRIOR PERIOD ERRORS (continued)

STATEMENT OF FINANCIAL POSITION	For the year ended 31 December 2023		
	Previously reported	Adjustments	After adjustment
Provision for zakat	11,466,807	4,731,427	16,198,234
Current liabilities	233,666,142	4,731,427	238,397,569
Total liabilities	347,478,084	4,731,427	352,209,511
Total equity	1,296,177,762	(4,731,427)	1,291,446,335
Total equity and liabilities	1,643,655,846	--	1,643,655,846

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	For the year ended 31 December 2023		
	Previously reported	Adjustments	After adjustment
Zakat	(6,063,468)	(4,731,427)	(10,794,895)
Profit for the year	19,743,662	(4,731,427)	15,012,235
Total comprehensive income for the year	7,566,605	(4,731,427)	2,835,178

STATEMENT OF CHANGES IN EQUITY	For the year ended 31 December 2023		
	Previously reported	Adjustments	After adjustment
Retained earnings	37,642,430	(4,731,427)	32,911,003
Total equity	1,296,177,762	(4,731,427)	1,291,446,335

35. SUBSEQUENT EVENTS

In The Board of directors of the Company in their meeting held on March 26, 2025, approved the distribution of dividend at SR 0.25 per share, amounting to SR 22.5 million. The financial statements for the year ended December 31, 2024, do not include the effect of these appropriations which will be accounted for in the financial statements for the year ending December 31, 2025. Except for this, there have been no significant subsequent events since the year end up to and including the date of the approval of these financial statements by the Board of Directors that would require disclosures or adjustments in these financial statements.

36. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors on 26 March 2025, corresponding to 26 Ramadan 1446H.