

CITY CEMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2024

AND INDEPENDENT AUDITOR'S REVIEW REPORT

CITY CEMENT COMPANY

A Saudi Joint Stock Company

**INDEX OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE
THREE-MONTH PERIOD ENDED 31 MARCH 2024 (UNAUDITED)**

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

To the Shareholders of
(CITY CEMENT COMPANY)
A Saudi Joint Stock Company

Riyadh - Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying condensed interim consolidated statement of financial position of City Cement Company (The "Company") a Saudi Joint Stock Company, and its subsidiary (together the "Group") as of 31 March 2024 and the related condensed interim consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and cash flows for the three-month period then ended including other explanatory notes. Management is responsible for the preparation and presentation of this condensed interim consolidated financial information in accordance with International Accounting Standard "Interim Financial Reporting"(IAS 34), that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this condensed interim consolidated financial information based on our review.

Scope Of Review

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

Conclusion

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

For Dr. Mohamed Al-Amri & Co.



Gihad Mohamed Al-Amri
Certified Public Accountant
Registration No. 362

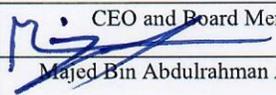
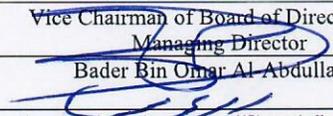


Date: 8 Dhu al-Qi'dah 1445 (H)
Corresponding to: 16 May 2024 (G)

CITY CEMENT COMPANY
(A Saudi Joint Stock Company)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(In Saudi Riyals)

	Notes	Balance As at	
		31 March 2024 (Unaudited)	31 Dec 2023 (Audited)
Assets			
Non-current assets			
Property, plant and equipment	5	1,221,263,962	1,240,681,556
Right of use assets	6	2,587,770	2,875,300
Investments in equity instruments at fair value through other comprehensive income - FVOCI	7	3,443,323	3,683,295
Investments in Joint Venture	8	1,971,000	1,971,000
Intangible assets		7,713,387	7,726,701
Total non-current assets		1,236,979,442	1,256,937,852
Current assets			
Inventory		181,961,008	180,224,665
Trade receivables		48,955,952	36,246,410
Investments in equity instruments at fair value through profit or loss - FVPL	9	134,756,858	132,358,210
Prepayments and other receivables		29,802,947	19,158,214
Short term time deposit		196,000,000	196,000,000
Cash and cash equivalents		40,774,740	43,293,906
Total current assets		632,251,505	607,281,405
Total assets		1,869,230,947	1,864,219,257
Equity and Liabilities			
Equity			
Share capital		1,400,000,000	1,400,000,000
Statutory reserve		211,199,871	211,199,871
Other reserves		(1,504,838)	(1,264,866)
Retained earnings		151,840,509	166,248,570
Total equity		1,761,535,542	1,776,183,575
Liabilities			
Non-current liabilities			
Employees' end-of-service benefits		19,886,799	19,427,072
Non-current portion of lease liabilities		1,213,772	1,213,772
Provision for rehabilitation of areas subject to franchise license	10	7,327,152	7,254,605
Total non-current liabilities		28,427,723	27,895,449
Current liabilities			
Trade payables		26,157,755	24,426,871
Current portion of lease liabilities		1,191,939	1,169,900
Accrual and other payables		36,800,822	22,475,721
Provision for zakat		15,117,166	12,067,741
Total current liabilities		79,267,682	60,140,233
Total liabilities		107,695,405	88,035,682
Total equity and liabilities		1,869,230,947	1,864,219,257

 Finance and information technology Director Al-Duwaziz Bin Mohamed Alsuwaidan	 CEO and Board Member Majed Bin Abdulrahman Al-Osailan	 Vice Chairman of Board of Directors and Managing Director Bader Bin Omar Al Abdullatif
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The accompanying notes from (1) to (18) form an integral part of these condensed interim consolidated financial statements

CITY CEMENT COMPANY

A Saudi Joint Stock Company

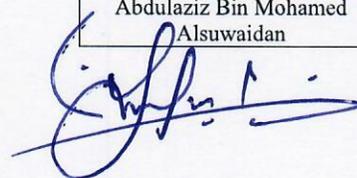
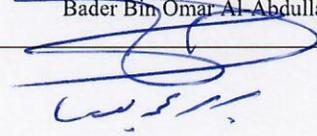
CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

(In Saudi Riyals)

	Notes	For the three-month period ended 31 March	
		2024	2023
Revenue		119,826,100	108,248,052
Cost of revenues		(71,256,448)	(75,263,616)
Gross profit		48,569,652	32,984,436
Selling and marketing expenses		(2,985,485)	(1,500,910)
General and administrative expenses		(7,368,249)	(7,219,134)
Operating profit		38,215,918	24,264,392
Gain on changes in fair value investments in equity instruments	9	2,015,202	1,906,582
Other income, net		4,515,405	4,583,651
Finance cost		(94,586)	(104,988)
Provision for expected credit loss expense		(60,000)	(60,000)
Net profit for the period before zakat		44,591,939	30,589,637
Zakat expense		(3,000,000)	(3,000,000)
Net profit for the period		41,591,939	27,589,637
Items of other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
(Losses) on changes in fair value of investment in equity instruments	7	(239,972)	(20,294)
Total comprehensive income for the period		41,351,967	27,569,343
Earnings per share			
Basic and diluted earnings per share of net profit for the period	11	0,30	0,20

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Finance and information technology Director	CEO and Board Member	Vice Chairman of Board of Directors and Managing Director
Abdulaziz Bin Mohamed Alsuwaidan	Majed Bin Abdulrahman Al-Osailan	Bader Bin Omar Al-Abdullatif

The accompanying notes from (1) to (18) form an integral part of these condensed interim consolidated financial statements

CITY CEMENT COMPANY
A Saudi Joint Stock Company

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
(In Saudi Riyals)

For the three-month period ended 31 march 2024

Balance as at 1 January 2024 (Audited)

Net profit for the period
Items of other comprehensive income

Total comprehensive income for the period

Dividends (Note 17-1)

Balance as at 31 march 2024 (Unaudited)

For the three-month period ended 31 March 2022

Balance as at 1 January 2023 (Audited)

Net profit for the period
Items of other comprehensive income

Total comprehensive income for the period

Dividends (Note 17-2)

Balance as at 31 march 2023 (Unaudited)

	Share capital	Statutory reserve	Other reserves	Retained earnings	Total equity
Balance as at 1 January 2024 (Audited)	1,400,000,000	211,199,871	(1,264,866)	166,248,570	1,776,183,575
Net profit for the period	-	-	-	41,591,939	41,591,939
Items of other comprehensive income	-	-	(239,972)	-	(239,972)
Total comprehensive income for the period	-	-	(239,972)	41,591,939	41,351,967
Dividends (Note 17-1)	-	-	-	(56,000,000)	(56,000,000)
Balance as at 31 march 2024 (Unaudited)	1,400,000,000	211,199,871	(1,504,838)	151,840,509	1,761,535,542
Balance as at 1 January 2023 (Audited)	1,400,000,000	202,999,762	(2,359,859)	218,447,594	1,819,087,497
Net profit for the period	-	-	-	27,589,637	27,589,637
Items of other comprehensive income	-	-	(20,294)	-	(20,294)
Total comprehensive income for the period	-	-	(20,294)	27,589,637	27,569,343
Dividends (Note 17-2)	-	-	-	(70,000,000)	-
Balance as at 31 march 2023 (Unaudited)	1,400,000,000	202,999,762	(2,380,153)	176,037,231	1,776,656,840

Finance and information
technology Director

Abdulaziz Bin Mohamed
Alsuwaidan

CEO and Board Member

Majed Bin Abdulrahman Al-Osailan

Vice Chairman of Board of Directors and Managing Director

Bader Bin Omar Al-Abdullatif

The accompanying notes from (1) to (18) form an integral part of these condensed interim consolidated financial statements

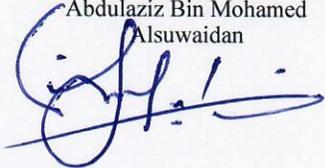
CITY CEMENT COMPANY
(A Saudi Joint Stock Company)
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
(In Saudi Riyals)

	For the three-month period ended 31 March	
	2024	2023
Operating activities		
Net profit for the period before zakat	44,591,939	30,589,637
Adjustments:		
Depreciation	20,718,914	20,623,798
Gain on changes in fair value of investment in equity instruments	(2,015,202)	(1,906,582)
Provision for expected credit loss	60,000	60,000
Provision for obsolescence inventory	75,000	75,000
Employees' end-of-service benefits	604,131	606,382
Finance cost	94,586	104,988
Changes in:		
Inventory	(1,811,343)	8,148,366
Trade receivables	(12,769,542)	(9,676,767)
Prepayments and other receivables	(10,234,417)	(6,744,757)
Trade payables	1,730,879	7,165,997
Accrual and other payables	13,964,215	(15,883,029)
Cash from operation	55,009,160	33,163,033
Employees' end-of-service benefits paid	(144,404)	32,063,861
Net cash flows generated from operating activities	54,864,756	33,163,033
Investing activities		
Purchase of investment at FVTPL	(74,415,204)	(52,906,582)
Sale of investment in at FVTPL	74,031,758	121,906,584
Purchase of short-term time deposit	-	(25,000,000)
Purchase of property, plant and equipment and capital work in progress	(896,976)	(6,021,614)
Purchase of intangible assets	(103,500)	-
Net cash flows (Used in) / generated from investing activities	(1,383,922)	37,978,388
Financing activities		
Dividends	(56,000,000)	-
Net cash flows used in financing activities	(56,000,000)	-
Net change in cash and cash equivalents	(2,519,166)	70,042,249
Cash and cash equivalents at the beginning of the period	43,293,906	49,527,492
Cash and cash equivalents at the end of the period	40,774,740	119,569,741

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Finance and information
technology Director

Abdulaziz Bin Mohamed
Alsuwaidan



CEO and Board Member

Majed Bin Abdulrahman Al-Osailan



Vice Chairman of Board of Directors and
Managing Director

Bader Bin Omar Al-Abdullatif



The accompanying notes from (1) to (18) form an integral part of these condensed interim consolidated financial statements

CITY CEMENT COMPANY

A Saudi Joint Stock Company

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2024 (UNAUDITED)

(All amounts are in Saudi Riyals unless otherwise stated)

1. The company, its subsidiary and activity

1.1 Establishment of the Company

City Cement Company (the “Group”), is a Saudi joint stock company, established under Ministerial Resolution No. 804 and dated 12/5/1426 H (corresponding to: 18/6/2005 G) and registered in Riyadh under Commercial Registration No. 1010210441 dated 14/5/1426 H (corresponding to: 20/6/2005 G) and Industrial License No. 1163/ dated 3/6/1426 H (corresponding to:9/7/2005 G) and renewed with No. 590 dated 10/2/1438 H (corresponding to:10/11/2016 G). The Company operates under a material quarry license according to the mining regulations issued by Royal Decree No. 216 dated 28/7/1425 H (corresponding to: 12/9/2004 G) and its duration is thirty Hijra periods starting from the date of the license, and the Company has the right to request a similar period of renewal of this license subject to the approval of the Ministry of Industry and Mineral Resources.

The Company has the following branch:

Branch name	CR No.	Date	
		Hijri	Georgian
Branch of city cement company for contracting	1010356028	16-1-1434	29-11-2012

These condensed interim consolidated financial statements include the assets, liabilities and results of the work of its subsidiary, Green Solutions for environmental services.

Green Solutions for environmental services

On 27/7/1442 H (corresponding to 10/3/2021), the company’s board of directors approved the establishment of a 100% owned one-person limited liability company, headquartered in Riyadh, with a capital of 500,000 Saudi riyals, after obtaining the necessary approvals and licenses from the relevant authorities.

During the year 2021, the company announced the completion of the issuance of the articles of incorporation and commercial registration for its subsidiary company under Commercial Registration No. 1010664201.

The company's articles of incorporation were issued on 27 Shawwal 1442 H (corresponding to 8 June 2021).

The nature of the company's activity is as follows:

Collecting materials for recycling, transporting municipal waste, operating municipal waste dumping sites for disposal purposes, treating organic waste for the purpose of disposal, recycling and reusing municipal waste.

During the year 2023, City Cement Company, through its subsidiary, “Green Solutions Company for Environmental Services,” participated in establishing the Innovative Alternatives Company for Environmental Services, with a capital of 6,770,000 Saudi riyals and an ownership percentage of 29.4%, for the Green Solutions Company for Environmental Services, in partnership with “Tadweer Company for Environmental Services,” with an ownership percentage of 51%, owned by the Saudi Investment and Recycling Company (SIRC) and with Lichtenberg Middle East Environmental Services Company (Related Party) with an ownership percentage of 19.6%, which is 80% owned by Al-Abdullatif Holding Group and 20% by Lichtenberg Holding Company, so that the new company will produce alternative fuels from waste and market them locally and internationally.

The financial year of the company is twelve months from the beginning of January until the end of December of each year.

CITY CEMENT COMPANY

A Saudi Joint Stock Company

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2024 (UNAUDITED)

(All amounts are in Saudi Riyals unless otherwise stated)

1.2 Climate Change

The Group is subject to short-term and long-term climate change related risks, these risks are inherent part of operating a cement industry. The Group is continuously working to reduce environmental impact from the business, in part, due to inherent risks.

Rising fuel costs and the greenhouse gas emissions associated with fuel and electricity consumption have an impact not only on the environment but also on the Group's net financial profit. Climate change also leads to risks to cement production through reduction in fuel consumption, diseases, etc., that pose challenges for sustaining and increasing production levels.

The Group has developed a sustainability strategy, outlining how it will improve its energy performance through efficient energy consumption and generation from sustainable sources. The strategy focuses on electricity generation and fuel efficiency measures powered by alternative fuels.

1.3 The nature of the Company's activity

The Company's activities are the production of ordinary portland cement and sulphate resistant cement, the import and operation of radioactive devices of the Company's plants, processing waste, industrial, agricultural and municipal waste, and producing alternative fuels after obtaining the necessary licenses and specialized sub-contracts.

1.4 Company's capital

City Cement Company is a public joint stock Company listed in the Saudi capital market. Its share capital is SAR 1,400,000,000 divided into 140,000,000 shares with a nominal value of 10 Saudi Riyals.

1.5 Fiscal year

The Group's fiscal year is 12 months from the beginning of January until the end of December of each calendar year.

2. Basis of preparation

These condensed interim consolidated financial statements has been prepared in accordance with International Accounting Standard (34) "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncement as issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

This condensed interim consolidated financial statements has been prepared on the historical cost basis except for the following material items in the condensed consolidated statement of Financial Position:

- Investments in equity instruments at fair value through other comprehensive income which is measured at fair value.
- Investments in equity instruments at fair value through profit or loss which is measured at fair value.
- Employees' end-of-service benefits which is measured using the projected unit credit method.
- Provision for rehabilitation of areas subject to franchise license which is measured at present value.

These Condensed Interim consolidated financial statements are presented in Saudi Riyals "SAR", which is the Group's functional and presentational currency.

- The results for the three-month period ending March 31, 2024 are not necessarily indicative of the results that can be expected for the year ending December 31, 2024.

CITY CEMENT COMPANY

A Saudi Joint Stock Company

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2024 (UNAUDITED)

(All amounts are in Saudi Riyals unless otherwise stated)

2.1 Basis of consolidation

The condensed interim consolidated financial statements include the financial statements of the Company and its subsidiary (Referred as “Group”) as at 31 March 2024:

<u>Name of Subsidiary</u>	<u>Legal status</u>	<u>Ownership percentage As at 31 March 2023</u>
Green Solutions for environmental services	A single shareholder limited liability company	100%

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control to support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group’s voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (FVOCI) are attributed to the equity holders of the Group.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

3. Significant judgements and estimates

In preparing these condensed interim consolidated financial statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those described in the annual Financial Statements as of 31 December 2023.

CITY CEMENT COMPANY

A Saudi Joint Stock Company

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2024 (UNAUDITED)

(All amounts are in Saudi Riyals unless otherwise stated)

4. Significant accounting policies

The accounting policies applied to the condensed interim consolidated financial statements are the same as those accounting policies applied for annual financial statements as of 31 December 2023. The Group's financial risk management policies and objectives are consistent with those disclosed in financial statements as of 31 December 2023.

New standards, amendments to standards, and interpretation

There are no new standards issued, however, there are number of amendments to standards, which are effective from 1 January 2024 and has been explained in annual Financial Statements, but they do not have a material effect on the Group's condensed interim consolidated financial statements.

CITY CEMENT COMPANY

A Saudi Joint Stock Company

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2024 (UNAUDITED)**

(All amounts in Saudi Riyals unless otherwise stated)

5. Property, plant and equipment

	<u>Land</u>	<u>Machinery and equipment</u>	<u>Buildings and roads</u>	<u>Mobile equipment</u>	<u>Vehicles</u>	<u>Furniture and fixtures</u>	<u>Capital work in progress</u>	<u>Total</u>
Cost:								
Balance as at 1 January 2023	3,600,000	1,596,698,981	612,789,029	129,690,559	12,359,808	17,143,748	10,207,745	2,382,489,870
Additions	-	4,050,043	1,467,979	903,162	659,242	340,065	5,762,793	13,183,284
Transferred to intangible assets	-	-	-	-	-	-	(2,047,250)	(2,047,250)
Transferred from Capital work in progress	-	-	181,607	-	-	-	(181,607)	-
Disposal	-	-	-	-	--	-	(2,047,250)	(2,047,250)
Balance as at 31 December 2023	3,600,000	1,600,749,024	614,438,615	130,593,721	13,019,050	17,483,813	10,802,514	2,390,686,737
Additions	-	22,734	106,300	10,707	-	-	757,235	896,976
Balance as at 31 March 2024	3,600,000	1,600,771,758	614,544,915	130,604,428	13,019,050	17,483,813	11,559,749	2,391,583,713
Accumulated depreciation:								
Balance as at 1 January 2023	-	720,919,090	232,418,450	87,571,093	11,956,480	16,258,344	-	1,069,123,457
Depreciation	-	57,136,711	17,952,593	5,255,462	235,444	301,514	-	80,881,724
Balance as at 31 December 2023	-	778,055,801	250,371,043	92,826,555	12,191,924	16,559,858	-	1,150,005,181
Depreciation	-	14,393,475	4,509,093	1,278,746	63,935	69,321	-	20,314,570
Balance as at 31 March 2024	-	792,449,276	254,880,136	94,105,301	12,255,859	16,629,179	-	1,170,319,751
Net book value:								
As at 31 March 2024	3,600,000	808,322,482	359,664,779	36,499,127	763,191	854,634	11,559,749	1,221,263,962
As at 31 December 2023	3,600,000	822,693,223	364,067,572	37,767,166	827,126	923,955	10,802,514	1,240,681,556

- The company uses quarries of raw materials leased from the Ministry of Industry and Mineral Resources under a license of raw materials query for a 30-year Hijri from 15/9/1426 H.

CITY CEMENT COMPANY

A Saudi Joint Stock Company

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2024 (UNAUDITED)**

(All amounts in Saudi Riyals unless otherwise stated)

6. Right of use assets

	<u>Leased land</u>	<u>Leased building</u>	<u>Total</u>
Cost:			
Balance as at 1 January 2023	1,372,201	5,750,599	7,122,800
Disposals during the year	(1,372,201)	-	(1,372,201)
Balance as at 31 December 2023	-	5,750,599	5,750,599
Balance as at 31 March 2024	-	5,750,599	5,750,599
Accumulated depreciation:			
Balance as at 1 January 2023	1,097,760	1,725,180	2,822,940
Depreciation	274,441	1,150,119	1,424,560
Disposals during the year	(1,372,201)	-	(1,372,201)
Balance as at 31 December 2023	-	2,875,299	2,875,299
Depreciation	-	287,530	287,530
Balance as at 31 March 2024	-	3,162,829	3,162,829
Net book value:			
As at 31 March 2024	-	2,587,770	2,587,770
As at 31 December 2023	-	2,875,300	2,875,300

CITY CEMENT COMPANY

A Saudi Joint Stock Company

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2024 (UNAUDITED)

(All amounts in Saudi Riyals unless otherwise stated)

7. Investments in equity instruments at fair value through other comprehensive income – FVOCI:

	<u>No. of Shares</u>	<u>As at 31 March 2024</u>	<u>As at 31 December 2023</u>
Saudi Arabian Oil Group (Aramco) (a Saudi joint stock company)	111,615 Shares	3,683,295	3,257,155
Balance at the beginning of the period / year		(239,972)	426,140
(Losses) / Gains on change of fair value during period / year		3,443,323	3,683,295
Total investment at the end of the period / Year			

On 3 December 2019, the Board of Directors approved the investment in Saudi Arabian Oil Company (Aramco) shares. The company subscribed in 92,245 shares with a total value of 2,951,840 SR. This is from the company's own sources and in accordance with its future cash flows and plans.

On March 14, 2023, the Saudi Arabian Oil Company (Aramco), a Saudi joint stock company, announced the distribution of cash dividends for the fourth quarter of 2022 at the rate of 0.3326 riyals per share, which resulted in dividends of 169,193 SR, which are included in other income.

On May 8, 2023, the Extraordinary General Assembly of the Saudi Arabian Oil Company (Aramco), a Saudi joint stock company, announced its approval of the Board of Directors' recommendation to increase the company's capital by granting shareholders one (1) share for every ten (10) shares owned in the company, to reach The number of subscribed shares reached 111,615 shares.

8. INVESTMENTS IN JOINT VENTURE:

	<u>No. of Shares</u>	<u>As at 31 March 2024</u>	<u>As at 31 December 2023</u>
Innovative Alternatives Company for Environmental Services	19,914 Shares	1,971,000	1,971,000
Total investment in shares		1,971,000	1,971,000

During the period, City Cement Company, through its subsidiary, "Green Solutions Company for Environmental Services," participated in establishing the "Innovative Alternatives Company for Environmental Services", with a capital of 6,770,000 Saudi riyals and an ownership percentage of 29.4%, for the Green Solutions Company for Environmental Services, in partnership with "Tadweer Company for Environmental Services," with an ownership percentage of 51%, owned by the Saudi Investment and Recycling Company (SIRC) and with Lichtenberg Middle East Environmental Services Company (Related Party) with an ownership percentage of 19.6%, which is 80% owned by Al-Abdullatif Holding Group and 20% by Lichtenberg Holding Company, so that the new company will produce alternative fuels from waste and market them locally and internationally. Since the Innovative Alternatives Company have been recently established, the company has not yet operated and has not achieved any revenues or incurred any expenses.

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(All amounts in Saudi Riyals unless otherwise stated)

9. Investments in equity instruments at fair value through profit or loss – FVPL:

	<u>As at 31 March 2024</u>	<u>As at 31 December 2023</u>
Balance at the beginning of the period / year	132,358,210	179,902,861
Purchases during the period / year	74,415,204	147,200,000
Sales during the period / year	(74,031,758)	(201,000,000)
Gain on change in fair value period / year	2,015,202	6,255,349
Balance at the end of the period / year	<u>134,756,858</u>	<u>132,358,210</u>

The investments represent units in open local investment funds with an objective of providing a reasonable amount of income as well as liquidity from short-term investments in Saudi Riyals.

10. Provision for rehabilitation of areas subject to franchise license

The provision movement is as follow:

	<u>As at 31 March 2024</u>	<u>As at 31 December 2023</u>
Balance at the beginning of the period / year	7,254,605	6,975,577
Effective interest during the period / year	72,547	279,028
Balance at the end of the period / year	<u>7,327,152</u>	<u>7,254,605</u>

11. Earnings per share

Basic and diluted earnings per share is calculated by dividing the period's net profit by the number of shares during the period:

	For the three-month period ended 31 March	
	<u>2024</u>	<u>2023</u>
Net profit for the period	<u>41,591,939</u>	<u>27,589,637</u>
	<u>Share</u>	<u>Share</u>
Number of shares	<u>140,000,000</u>	<u>140,000,000</u>
	<u>SAR / Share</u>	<u>SAR / Share</u>
Basic and diluted earnings per share from the net profit of the period	<u>0,30</u>	<u>0.20</u>

12. Financial facilities

The Group has unused financial facilities from local banks amounted to SAR 90.6 million that is guaranteed by promissory note, the Group has not used until the date of the condensed interim consolidated financial statements, except for what is mentioned in Note 13, and there are no obligations as a result of not using these facilities.

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13. Contingent liabilities

- The contingent liabilities against letters of guarantee are SAR 14,358,758 as at 31 March 2024.
- The contingent liabilities against letters of credit amounted to SAR 3,272,263 at 31 March 2024.

14. Segment reporting

Geographical area	For the three-month period ended 31 March			
	2024		2023	
	Cement sales	Revenue from environmental services	Cement sales	Revenue from environmental services
Kingdom of Saudi Arabia	119,826,100	1,580,454	108,248,052	1,850,161
Total	<u>119,826,100</u>	<u>1,580,454</u>	<u>108,248,052</u>	<u>1,850,161</u>

15. Transactions with related parties

Transactions with related parties consist mainly of salaries, allowances and key executive personnel remuneration.

Key management personnel are those who exercise authority and responsibility in directly or indirectly planning, directing and monitoring the Group's activities, including the members of board and senior management employees.

Members of the Board of Directors do not receive any remuneration for their role in managing the Group unless approved by the General Assembly. Members of the Board of Directors receive an attendance allowance for Board and Board Committee meetings. Executive Directors receive fixed remuneration as a result of their direct duties and responsibilities.

The following table illustrates details of remuneration and compensation paid to Directors and Key Management Personnel:

Related parties	Nature of the transaction	For the three month period ended 31 March	
		2024	2023
Members of Board of the directors and Key Management Personnel	Salaries, wages, and equivalent and board remuneration and attendance allowances and Other Committees Salaries	1,509,366	1,450,497

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16. Financial instruments and risk management

The Group's activities expose it to a variety of financial risks, market risk, credit risk, and liquidity risk.

Financial instruments in the Condensed Interim consolidated financial position include investments at fair value through profit or loss and other comprehensive income, cash and cash equivalents, other assets, account receivable, and other liabilities.

a) Market risk

Market price risk is the risk that value of a financial instrument will fluctuate as a result of changes in market prices, such as, commission rates, commodity prices and foreign currency exchange rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Commission rate risk

Commission rate risk is the exposure associated with the effect of fluctuations in the prevailing commission rates on the Group's condensed interim consolidated financial position and consolidated cash flows.

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in currency that is not the Group's currency. The Group exposure to foreign currency risk is primarily limited to transactions in United State Dollars ("USD") and Euro. The fluctuation in exchange rates against USD and EUR are monitored on a continuous basis.

b) Credit risk

Credit risk is the risk that one party to financial instruments will fail to discharge an obligation and cause the other party to incur a financial loss. The Group is exposed to credit risk on its bank balances and trade receivables.

The Group manages credit risk relating to trade receivables in accordance with the specified policies and procedures. The Group limits credit risk relating to trade receivables by setting credit limits for each customer and continuously monitoring outstanding trade receivables.

c) Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from the inability to sell a financial asset quickly at an amount close to its fair value.

Following are the contractual maturities at the end of the reporting period of financial liabilities. The amounts are grossed and undiscounted and include estimated interest payments.

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(All amounts in Saudi Riyals unless otherwise stated)

<u>As at 31 March 2024</u>	<u>Book value</u>	<u>Less than one year</u>	<u>From 1 year to 5 years</u>	<u>Total</u>
Lease liability	2,427,750	1,169,598	1,258,152	2,427,750
Trade payables	26,157,755	26,157,755	-	26,157,755
Accrual and other payables	36,800,822	36,800,822	-	36,800,822
	<u>65,386,327</u>	<u>64,128,175</u>	<u>1,258,152</u>	<u>65,386,327</u>

<u>As at 31 December 2023</u>	<u>Book value</u>	<u>Less than one year</u>	<u>From 1 year to 5 years</u>	<u>Total</u>
Lease liability	2,492,377	1,212,186	1,280,191	2,492,377
Trade payables	24,426,871	24,426,871	-	24,426,871
Accrual and other payables	22,475,721	22,475,721	-	22,475,721
	<u>49,394,969</u>	<u>48,114,778</u>	<u>1,280,191</u>	<u>49,394,969</u>

Liquidity risk is managed by monitoring on a regular basis that sufficient funds and banking and other credit facilities are available to meet the Group's future commitments. The Group's terms of sales require amounts to be paid either on a cash on delivery or on a term's basis.

17. Dividends

17.1 - On February 25, 2024, and based on a mandate from the Ordinary General Assembly, the Board of Directors decided to distribute cash dividends to shareholders for the second half of 2023 at the rate of 0.40 SR per share, with a value of 56,000,000 SR, at a rate of 5% of the group's capital.

17.2 - On 16 March 2023 and based on a mandate from the Ordinary General Assembly, The Board of Directors distribute dividends to shareholders for the second half of 2022 for 0.50 SR per share at a value of 70,000,000 SR, at 5% of Group's share capital, However, to date, the actual dividend has not been distributed to shareholders, the actual distribution for shareholders at 4 April 2023.

18. Approval of the condensed interim consolidated Financial Statements

These condensed interim consolidated financial statements were approved by the Board of Directors of the Group on 5 Dhu al-Qi'dah 1445(H) Corresponding to 13 May 2024(G).