



Building for a better future

CITY CEMENT COMPANY

(A SAUDI JOINT STOCK COMPANY)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025

AND INDEPENDENT AUDITOR'S REVIEW REPORT

FIRST QUARTER

2025

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THREE-MONTH PERIOD ENDED 31 MARCH 2025 (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"), and its subsidiaries (together the "Group") as at 31 March 2025 and the related condensed interim consolidated statements of profit or loss and other comprehensive income, 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 statements 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 statements based on our review.

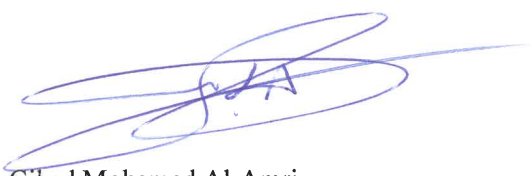
Scope Of Review

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: 7 Dhu al-Qi'dah 1446 (H)
Corresponding to: 5 May 2025 (G)



CITY CEMENT COMPANY
(A Saudi Joint Stock Company)

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

		Balance As at	
		31 March 2025	31 Dec 2024
	Notes	(Unaudited)	(Audited)
Assets			
Non-current assets			
Property, plant and equipment	5	1,170,129,629	1,190,962,122
Right of use assets	6	2,010,264	2,420,497
Investment in equity instruments at fair value through other comprehensive income	7	2,985,701	3,130,801
Investment in Joint Venture	8	3,596,697	3,607,539
Intangible assets		7,483,970	7,602,920
Total non-current assets		1,186,206,261	1,207,723,879
Current assets			
Inventory		154,448,683	156,419,480
Trade receivables		38,436,722	44,143,524
Financial investments at fair value through profit or loss	9	243,523,026	214,976,744
Prepayments and other receivables		24,292,307	13,193,235
Short term time deposit		276,000,000	216,000,000
Cash and cash equivalents		37,089,880	42,358,215
Total current assets		773,790,618	687,091,198
Total assets		1,959,996,879	1,894,815,077
Equity and Liabilities			
Equity			
Share capital	1	1,400,000,000	1,400,000,000
Other reserves		(583,442)	(438,342)
Retained earnings		447,107,586	395,568,374
Total equity		1,846,524,144	1,795,130,032
Liabilities			
Non-current liabilities			
Employees' end-of-service benefits		22,361,628	19,430,653
Provision for rehabilitation of areas subject to franchise license	10	7,620,243	7,544,794
Total non-current liabilities		29,981,871	26,975,447
Current liabilities			
Trade payables		36,847,124	29,739,991
Lease liabilities		1,706,607	1,695,396
Accrual and other payables		28,633,379	28,470,457
Provision for zakat		16,303,754	12,803,754
Total current liabilities		83,490,864	72,709,598
Total liabilities		113,472,735	99,685,045
Total equity and liabilities		1,959,996,879	1,894,815,077

Chief Financial and Administrative officer
Abdulaziz Bin Mohamed Alsuwaidan

CEO and Board Member
Majed Bin Abdulrahman Al-Osailan

Chairman
Bader Bin Omar Al-Abdullatif

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

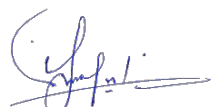
CITY CEMENT COMPANY


(A Saudi Joint Stock Company)


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

(In Saudi Riyals)

		For the three-month period ended 31 March	
	Notes	2025	2024
Revenues		149,265,918	119,826,100
Cost of revenues		(86,199,753)	(71,256,448)
Gross profit		63,066,165	48,569,652
General and administrative expenses		(10,652,356)	(7,368,249)
Selling and marketing expenses		(5,091,832)	(2,985,485)
Operating profit		47,321,977	38,215,918
Other income, net		4,927,725	4,515,405
Group's share in losses of joint venture	8	(10,842)	-
Gains of changes in fair value of financial investments through profit or loss	9	2,947,012	2,015,202
Finance cost		(86,660)	(94,586)
Provision for expected credit losses		(60,000)	(60,000)
profit for the period before zakat		55,039,212	44,591,939
Zakat expense		(3,500,000)	(3,000,000)
profit for the period		51,539,212	41,591,939
Items of other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Unrealized (Losses) of revaluation of investment in equity instruments at fair value through other comprehensive income	7	(145,100)	(239,972)
Total other comprehensive income for the period		(145,100)	(239,972)
Total Comprehensive Income for the Period		51,394,112	41,351,967
Earnings per share			
Basic and diluted earnings per share for the period	11	0.37	0.30


 Chief Financial and Administrative officer
 Abdulaziz Bin Mohamed Alsuwaidan


 CEO and Board Member
 Majed Bin Abdulrahman Al-Osailan


 Chairman
 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)

	<u>Share capital</u>	<u>Statutory reserve</u>	<u>Other reserves</u>	<u>Retained earnings</u>	<u>Total equity</u>
For the Three-month period ended 31 March 2025					
Balance as at 1 January 2025 (Audited)	1,400,000,000	-	(438,342)	395,568,374	1,795,130,032
Net profit for the period	-	-	-	51,539,212	51,539,212
Items of other comprehensive income	-	-	(145,100)	-	(145,100)
Total comprehensive income for the period	-	-	(145,100)	51,539,212	51,394,112
Balance as at 31 March 2025 (Unaudited)	1,400,000,000	-	(583,442)	447,107,586	1,846,524,144

For the Three-month period ended 31 March 2024

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	-	-	-	(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

Chief Financial and Administrative officer
Abdulaziz Bin Mohamed Alsuwaidan

CEO and Board Member
Majed Bin Abdulrahman Al-Osailan

Chairman
Bader Bin Omar Al-Abdullatif

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

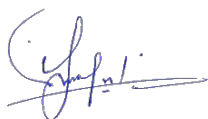
CITY CEMENT COMPANY

(A Saudi Joint Stock Company)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

(In Saudi Riyals)

	For the three-month period ended 31 March	
	2025	2024
Cash flows from Operating activities		
Net profit for the period before zakat	55,039,212	44,591,939
Adjustments:		
Depreciation	23,762,670	20,718,914
Gains of changes in fair value of financial investments through profit or loss	(2,947,012)	(2,015,202)
Provision for expected credit loss	60,000	60,000
Provision for obsolescence inventory	75,000	75,000
Employees' end-of-service benefits	3,167,468	604,131
Group's share in losses of joint venture	10,842	-
Finance cost	86,660	94,586
Decrease/(Increase) in inventory	1,895,797	(1,811,343)
Decrease/(Increase) in trade receivables	5,646,802	(12,769,542)
Increase in prepayments and other receivables	(11,099,072)	(10,234,417)
Increase in trade payables	7,107,133	1,730,879
Increase in accrual and other payables	162,922	13,964,215
Cash generated from operations	82,968,422	55,009,160
Employees' end-of-service benefits paid	(236,493)	(144,404)
Net cash flows from operating activities	82,731,929	54,864,756
Cash from investing activities		
Purchase of Financial Investments at fair value through profit or loss	(102,447,013)	(74,415,204)
Proceeds from the Sale of Financial Investments at fair value through profit or loss	76,847,743	74,031,758
Purchase of short-term time deposit	(60,000,000)	-
Purchase of property, plant and equipment and capital work in progress	(2,400,994)	(896,976)
Purchase of intangible assets	-	(103,500)
Net cash used in from investing activities	(88,000,264)	(1,383,922)
Financing activities		
Dividends paid	-	(56,000,000)
Net cash used in financing activities	-	(56,000,000)
Net change in cash and cash equivalents	(5,268,335)	(2,519,166)
Cash and cash equivalents at the beginning of the period	42,358,215	43,293,906
Cash and cash equivalents at the end of the period	37,089,880	40,774,740
Non-cash transactions in investing activities:		
Revaluation of investment in equity instruments at fair value through other comprehensive income	(145,100)	(239,972)



Chief Financial and Administrative officer
Abdulaziz Bin Mohamed Alsuwaidan



CEO and Board Member
Majed Bin Abdulrahman Al-Osailan



Chairman
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 2025 (UNAUDITED)**

(All amounts are in ﷲ 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.

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 continually 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 reductions 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 Company's activity

The Company's activity represented by 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.

CITY CEMENT COMPANY
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025 (UNAUDITED)**

(All amounts are in ﷲ unless otherwise stated)

1. The company, its subsidiary and activity (Continued)

1.4 Company's Capital

City Cement Company is a public joint stock Company listed in the Saudi capital market. Its share capital is ﷲ1,400,000,000 divided into 140,000,000 shares with a nominal value of 10 ﷲ.

Green Solutions for environmental services – (Subsidiary)

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 ﷲ, 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 ﷲ 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.

Nizak for Mining Company – (Subsidiary)

On October 6, 2024, the subsidiary company "Nizak for Mining" was established—a limited liability company wholly owned (100%) by City Cement Company—under Commercial Registration No. (1009112679). The subsidiary specializes in providing mining services.

On October 8, 2024, City Cement Company, through its subsidiary "Nizak for Mining," signed a partnership agreement with Next Generation SCM Company. This agreement aims to establish a company specialized in processing natural raw materials using environmentally friendly technologies for use in construction activities

2. Basis of preparation

2.1 Statement of Compliance

The condensed interim consolidated financial statements have 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"). The condensed interim consolidated financial statements do not include all the information and disclosures required for a complete set of annual consolidated financial statements. The results for the three-month period ending March 31, 2025 are not necessarily indicative of the results that can be expected for the year ending December 31, 2025. Furthermore, they should be read in conjunction with the latest consolidated financial statements for the year ended 31 December 2024

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025 (UNAUDITED)

(All amounts are in ﷲ unless otherwise stated)

2. Basis of preparation (Continued)

2.1 Condensed Interim Consolidated Financial Statements Preparation

This condensed interim consolidated financial statement has been prepared on the historical cost basis. Another basis is used if required by International Financial Reporting Standards (IFRS), and also in accordance with the accrual principle and the going concern concept.

2.2 Functional and presentation currency

These Condensed Interim consolidated financial statements are presented in Saudi Riyals “ﷲ”, which is the Group’s functional and presentational currency. The figures in these condensed interim consolidated financial statements have been rounded to the nearest Saudi Riyal.

2.3 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 2025:

Legal statuses	Legal statuses	Ownership percentage As at 31 March 2025
One Person limited liability company	One Person limited liability company	100%
One Person limited liability company	One Person 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 subsidiaries 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.

CITY CEMENT COMPANY
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025 (UNAUDITED)**

(All amounts are in ﷲ unless otherwise stated)

2. Basis of preparation (Continued)

2.3 Basis of consolidation (Continued)

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.

New standards, amendments to standards, and interpretation

The following are the new standards, interpretations, and amendments effective in the current period that had no impact on these condensed interim consolidated financial statements.

<u>IFRS</u>	<u>Summary</u>	<u>Effective date</u>
IAS 21	Amendment – Lack of Exchangeability	1 January 2025

3. 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 2024.

The Group's financial risk management policies and objectives are consistent with those disclosed in financial statements as of 31 December 2024.

4. 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 consolidated Financial Statements as of 31 December 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 2025 (UNAUDITED)**

(All amounts in ﷲ unless otherwise stated)

5. Property, plant and equipment

	Land	Machinery and equipment	Buildings and roads	Mobile equipment	Vehicles	Furniture and fixtures	Capital work in progress	Total
	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ
Cost:								
Balance as at 1 January 2024	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 during the year	-	26,803,288	831,472	510,707	131,821	880,695	9,958,050	39,116,033
Transferred from Capital work in progress	-	12,123,291	-	-	-	-	(12,123,291)	-
Balance as at 31 December 2024	3,600,000	1,639,675,603	615,270,087	131,104,428	13,150,871	18,364,508	8,637,273	2,429,802,770
Additions during the period	-	1,271,767	-	-	-	61,698	1,067,529	2,400,994
Balance as at 31 March 2025	3,600,000	1,640,947,370	615,270,087	131,104,428	13,150,871	18,426,206	9,704,802	2,432,203,764
Accumulated depreciation:								
Balance as at 1 January 2024	-	778,055,801	250,371,043	92,826,555	12,191,924	16,559,858	-	1,150,005,181
Depreciation of the year	-	64,687,836	18,084,808	5,139,532	266,725	656,566	-	88,835,467
Balance as at 31 December 2024	-	842,743,637	268,455,851	97,966,087	12,458,649	17,216,424	-	1,238,840,648
Depreciation of the period	-	17,157,576	4,507,874	1,293,766	60,969	213,302	-	23,233,487
Balance as at 31 March 2025	-	859,901,213	272,963,725	99,259,853	12,519,618	17,429,726	-	1,262,074,135
Net book value:								
As at 31 March 2025	3,600,000	781,046,157	342,306,362	31,844,575	631,253	996,480	9,704,802	1,170,129,629
As at 31 December 2024	3,600,000	796,931,966	346,814,236	33,138,341	692,222	1,148,084	8,637,273	1,190,962,122

CITY CEMENT COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025 (UNAUDITED)

(All amounts in ﷲ unless otherwise stated)

6. Right of use assets

	<u>Leased land</u>	<u>Leased building</u>	<u>Total</u>
	ﷲ	ﷲ	ﷲ
Cost:			
Balance as at 1 January 2024	-	5,750,599	5,750,599
Additions during the year	981,625	-	981,625
Balance as at 31 December 2024	981,625	5,750,599	6,732,224
Balance as at 31 March 2025	981,625	5,750,599	6,732,224
Accumulated depreciation:			
Balance as at 1 January 2024	-	2,875,299	2,875,299
Depreciation for the year	286,309	1,150,119	1,436,428
Balance as at 31 December 2024	286,309	4,025,418	4,311,727
Depreciation for the period	122,703	287,530	410,233
Balance as at 31 March 2025	409,012	4,312,948	4,721,960
Net book value:			
As at 31 March 2025	572,613	1,437,651	2,010,264
As at 31 December 2024	695,316	1,725,181	2,420,497

7. Investment in equity instruments at fair value through other comprehensive income:

Saudi Arabian Oil Group (Aramco) (a Saudi joint stock company)	<u>No. of Shares</u>	<u>As at 31 March 2025</u>	<u>As at 31 December 2024</u>
	ﷲ	ﷲ	ﷲ
Balance at the beginning of the period / year	111,615 Shares	3,130,801	3,683,295
Unrealized (Losses) of revaluation of investment by fair value		(145,100)	(552,494)
Total investment in shares		2,985,701	3,130,801

8. INVESTMENT IN JOINT VENTURE:

	<u>No. of Shares</u>	<u>Ownership percentage</u>	<u>As at 31 December 2024</u>	<u>Share in Business Results</u>	<u>As at 31 March 2025</u>
			ﷲ	ﷲ	ﷲ
Innovative Alternatives Company for Environmental Services	19,914 Shares	29.4%	3,607,539	(10,842)	3,596,697
Total investment in shares			3,607,539	(10,842)	3,596,697

CITY CEMENT COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025 (UNAUDITED)

(All amounts in ﷲ unless otherwise stated)

9. Financial investments at fair value through profit or loss:

	As at 31 March 2025	As at 31 December 2024
	ﷲ	ﷲ
Balance at the beginning of the period / year	214,976,744	132,358,210
Purchases during the period / year	102,447,013	220,900,000
Sales during the period / year	(76,847,743)	(147,016,556)
Gain on change in fair value	2,947,012	8,735,090
Balance at the end of the period / year	243,523,026	214,976,744

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 that subject to franchise license

The provision movement is as follow:

	As at 31 March 2025	As at 31 December 2024
	ﷲ	ﷲ
Balance at the beginning of the period / year	7,544,794	7,254,605
Effective interest during the period / year	75,449	290,189
Balance at the end of the period / year	7,620,243	7,544,794

11. Earnings per share

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

	For the three-month period ended 31 March	
	2025	2024
	ﷲ	ﷲ
Net profit for the period	51,539,212	41,591,939
	Share	Share
Number of shares	140,000,000	140,000,000
	SAR / Share	SAR / Share
Basic and diluted earnings per share from the net profit of the period	0.37	0.30

12. Financial facilities

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

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(All amounts in ﷲ unless otherwise stated)

13. Contingent liabilities

- The contingent liabilities against letters of guarantee are ﷲ 22,041,075 as at 31 March 2025.

14. Capital Commitments

- The Company has capital commitments related to the construction of a Green Cement Development Tower with a total cost of ﷲ 37,198,200, an amount of ﷲ 3,719,820 has been paid, and the remaining amount is ﷲ 33,478,380 as at 31 March 2025.

15. Segment reporting

Geographical area	For the three-month period ended 31 March			
	2025		2024	
	Cement sales	Revenue from environmental services	Cement sales	Revenue from environmental services
	ﷲ	ﷲ	ﷲ	ﷲ
Kingdom of Saudi Arabia	149,265,918	314,100	119,826,100	1,580,454
Total	149,265,918	314,100	119,826,100	1,580,454

16. 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	
		2025	2024
		ﷲ	ﷲ
Members of Board of the directors and Key Management Personnel	Salaries, wages, and equivalent and board remuneration and attendance allowances and Other Committees Salaries	2,586,189	1,509,366

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(All amounts in ﷲ unless otherwise stated)

17. 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.

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(All amounts in ﷲ unless otherwise stated)

17. Financial instruments and risk management

c) Liquidity risk

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.

As at 31 March 2025 (Unaudited)	Book value	Less than one year	From 1 year to 5 years	Total
	ﷲ	ﷲ	ﷲ	ﷲ
Lease liability	1,706,607	1,736,320	-	1,736,320
Trade payables	36,847,124	36,847,124	-	36,847,124
Accrual and other payables	28,633,379	28,633,379	-	28,633,379
	<u>67,187,110</u>	<u>67,216,823</u>	<u>-</u>	<u>67,216,823</u>
As at 31 December 2024 (Audited)	Book value	Less than one year	From 1 year to 5 years	Total
	ﷲ	ﷲ	ﷲ	ﷲ
Lease liability	1,695,396	1,736,320	-	1,736,320
Trade payables	29,739,991	29,739,991	-	29,739,991
Accrual and other payables	28,470,457	28,470,457	-	28,470,457
	<u>59,905,844</u>	<u>59,946,768</u>	<u>-</u>	<u>59,946,768</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.

18. Approval of the condensed interim consolidated Financial Statements

These condensed interim consolidated financial statements were approved by the Board of Directors on 3 Dhu al-Qi'dah 1446 (H) Corresponding to 1 May 2025(G).