Building for a better future

CITY CEMENT COMPANY

(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

FOR THE THREE AND SIX-MONTH PERIOD ENDED 30 JUNE 2026

AND INDEPENDENT AUDITOR'S REVIEW REPORT

CITY CEMENT COMPANY
A Saudi Joint Stock Company

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Independent Auditor's Review Report on the Interim Condensed Consolidated Financial Information

To the Shareholders of
CITY CEMENT COMPANY
A Saudi Joint Stock Company
Riyadh, Kingdom of Saudi Arabia

Introduction

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

Scope of review

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

Conclusion

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

For Dr. Mohamed Al-Amri & Co.,

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

د. محمد العمري وشركاه - محاسبون قانونيون
س. ت : ١٠١٠٤٣٣٩٨٢
Riyadh
Certified Public Accountants
Dr. Mohamed Al-Amri & Co.

Date: 26 Safar 1448 (H)
Corresponding to: 9 August 2026 (G)

CITY CEMENT COMPANY
A Saudi Joint Stock Company
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(All amounts in ⃁ unless otherwise stated)

	Notes	Balance As at 30 June 2026 (Unaudited)	31 December 2025 (Audited)
Assets			
Non-current assets			
Property, plant and equipment	5	**1,163,370,290**	1,184,652,196
Right of use assets	6	**1,047,330**	2,064,538
Investment in equity instruments at fair value through other comprehensive income	7	**2,915,383**	2,659,785
Investments in Joint Venture	8	**3,121,464**	3,429,666
Intangible assets		**7,209,692**	7,133,319
Total non-current assets		**1,177,664,159**	1,199,939,504
Current assets			
Inventory		**150,418,547**	137,935,992
Trade receivables		**74,282,198**	42,613,823
Financial investments at fair value through profit or loss	9	**418,353,874**	394,563,647
Prepayments and other receivables		**16,517,933**	12,292,301
Due from related party		**9,449,539**	1,527,122
Short term time deposit		**46,000,000**	146,000,000
Cash and cash equivalents		**10,184,882**	13,777,135
Total current assets		**725,206,973**	748,710,020
Total assets		**1,902,871,132**	1,948,649,524
Equity and Liabilities			
Equity			
Share capital		**1,400,000,000**	1,400,000,000
Other reserves		**(36,457)**	(292,055)
Retained earnings		**407,506,824**	432,733,457
Total equity		**1,807,470,367**	1,832,441,402
Liabilities			
Non-current liabilities			
Employees' end-of-service benefits		**21,444,416**	20,501,342
Non-current portion of lease liability		**-**	561,382
Provision for rehabilitation of areas subject to franchise license	10	**7,997,489**	7,846,590
Total non-current liabilities		**29,441,905**	28,909,314
Current liabilities			
Trade payables		**36,133,792**	36,007,988
Current portion of lease liability		**1,175,562**	590,102
Accrual and other payables		**23,079,873**	35,530,287
Provision for zakat		**5,569,633**	15,170,431
Total current liabilities		**65,958,860**	87,298,808
Total liabilities		**95,400,765**	116,208,122
Total equity and liabilities		**1,902,871,132**	1,948,649,524

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CFAO	CEO and Board Member	Chairman
Abdulaziz Bin Mohamed Alsuwaidan	Majed Bin Abdulrahman Al-Osailan	Bader Bin Omar Al-Abdullatif

The accompanying notes from (1) to (21) form an integral part of these interim condensed consolidated financial statements

CITY CEMENT COMPANY
A Saudi Joint Stock Company
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
(All amounts in ⃁ unless otherwise stated)

	Notes	For the three-month period ended 30 June 2026	For the three-month period ended 30 June 2025	For the six-month period ended 30 June 2026	For the six-month period ended 30 June 2025
Sales		**105,652,492**	139,491,390	**225,560,762**	288,757,308
Cost of sales		**(82,746,559)**	(88,466,676)	**(163,659,684)**	(176,565,051)
Gross profit		**22,905,933**	51,024,714	**61,901,078**	112,192,257
Selling and marketing expenses		**(3,410,233)**	(4,147,362)	**(8,635,923)**	(9,312,465)
General and administrative expenses		**(8,528,431)**	(13,398,256)	**(16,413,136)**	(21,429,942)
Operating profit		**10,967,269**	33,479,096	**36,852,019**	81,449,850
Other income, net		**1,482,857**	5,509,739	**2,758,300**	9,788,686
Group's share in losses of joint venture	8	**(232,313)**	(9,166)	**(308,202)**	(20,008)
Gains of changes in fair value of financial investments through profit or loss	9	**5,533,865**	3,458,041	**11,790,226**	6,405,053
Finance cost		**(85,193)**	(92,775)	**(174,976)**	(179,435)
Provision for expected credit loss expense		**(60,000)**	(60,000)	**(120,000)**	(120,000)
Net profit for the period before zakat		**17,606,485**	42,284,935	**50,797,367**	97,324,146
Zakat expense		**(3,012,000)**	(5,903,656)	**(6,024,000)**	(9,403,656)
Net profit for the period		**14,594,485**	36,381,279	**44,773,367**	87,920,490
Items of other comprehensive income					
Items that will not be reclassified subsequently to profit or loss:					
(Loss)/Gain on changes in fair value of investment in equity instruments	7	**(142,868)**	(271,224)	**255,598**	(416,324)
Total comprehensive income for the period		**14,451,617**	36,110,055	**45,028,965**	87,504,166
Earnings per share					
Basic and diluted earnings per share of net profit for the period	11	**0.10**	0.26	**0.32**	0.63

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CFAO	CEO and Board Member	Chairman
Abdulaziz Bin Mohamed Alsuwaidan	Majed Bin Abdulrahman Al-Osailan	Bader Bin Omar Al-Abdullatif

The accompanying notes from (1) to (21) form an integral part of these interim condensed consolidated financial statements

CITY CEMENT COMPANY
A Saudi Joint Stock Company
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
(All amounts in ⃁ unless otherwise stated)

	Share capital	Reserve for revaluation of financial investments at fair value through OCI	Retained earnings	Total equity
For the six-month period ended 30 June 2026				
Balance as at 1 January 2026 (Audited)	**1,400,000,000**	**(292,055)**	**432,733,457**	**1,832,441,402**
Net profit for the period	**-**	**-**	**44,773,367**	**44,773,367**
Other comprehensive income	**-**	**255,598**	**-**	**255,598**
Total comprehensive income for the period	**-**	**255,598**	**44,773,367**	**45,028,965**
Dividends			**(70,000,000)**	**(70,000,000)**
Balance as at 30 June 2026 (Unaudited)	**1,400,000,000**	**(36,457)**	**407,506,824**	**1,807,470,367**
For the six-month period ended 30 June 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	-	-	87,920,490	87,920,490
Other comprehensive income	-	(416,324)	-	(416,324)
Total comprehensive income for the period	-	(416,324)	87,920,490	87,504,166
Balance as at 30 June2025 (Unaudited)	1,400,000,000	(854,666)	483,488,864	1,882,634,198

CFAO	CEO and Board Member	Chairman
Abdulaziz Bin Mohamed Alsuwaidan	Majed Bin Abdulrahman Al-Osailan	Bader Bin Omar Al-Abdullatif

The accompanying notes from (1) to (21) form an integral part of these interim condensed consolidated financial statements.

CITY CEMENT COMPANY
A Saudi Joint Stock Company
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
(All amounts in ⃁ unless otherwise stated)

	For the six-month period ended 30 June	
	2026	**2025**
Operating activities		
Net profit for the period before zakat	**50,797,367**	97,324,146
Adjustments:		
Depreciation	**37,356,763**	47,908,578
Loss from disposal of property, plant and equipment	**-**	221,132
Gain on changes fair value of financial investments through profit or loss	**(11,790,226)**	(6,405,053)
Provision for expected credit loss expense	**120,000**	120,000
Provision for obsolescence inventory expense	**2,074,998**	150,000
Employees' end-of-service benefits	**1,658,554**	4,316,315
Group's share in losses of joint venture	**308,202**	20,008
Finance cost	**174,976**	179,435
Changes in:		
Inventory	**(14,557,553)**	3,474,106
Trade receivables	**(31,788,375)**	1,791,793
Prepayments and other receivables	**(4,225,632)**	(4,564,415)
Due from related party	**(7,922,417)**	-
Trade payables	**125,804**	19,805,785
Accrual and other payables	**(12,450,413)**	(5,544,507)
Cash generated from operations	**9,882,048**	158,797,323
Zakat paid	**(15,624,798)**	(14,338,081)
Employees' end-of-service benefits paid	**(715,480)**	(316,108)
Net cash flows (used in)/generated from operating activities	**(6,458,230)**	144,143,134
Investing activities		
Purchase of Financial Investments at fair value through profit or loss	**(149,988,980)**	(174,905,053)
Proceeds from the Sale of Financial Investments at fair value through profit or loss	**137,988,979**	122,033,375
Sell/(Purchase) of short time deposit	**100,000,000**	(80,000,000)
Purchase of property, plant and equipment	**(14,824,807)**	(18,067,387)
Purchase of intangible assets	**(309,215)**	-
Net cash flows generated from/(used in) investing activities	**72,865,977**	(150,939,065)
Financing activities		
Dividends paid	**(70,000,000)**	-
Repayments of lease liability	**-**	(1,050,000)
Net cash flows used in financing activities	**(70,000,000)**	(1,050,000)
Net change in cash and cash equivalents	**(3,592,253)**	(7,845,931)
Cash and cash equivalents at the beginning of the period	**13,777,135**	42,358,215
Cash and cash equivalents at the end of the period	**10,184,882**	34,512,284

Non-cash transactions from investing activities:

Addition to Right of Use	**-**	1,713,812

CFAO	CEO and Board Member	Chairman
Abdulaziz Bin Mohamed Alsuwaidan	Majed Bin Abdulrahman Al-Osailan	Bader Bin Omar Al-Abdullatif

The accompanying notes from (1) to (21) form an integral part of these interim condensed consolidated financial statements.

1. THE COMPANY, ITS SUBSIDIARY AND ACTIVITY

1.1 Establishment of the Company

City Cement Company ("The Company"), is a Saudi joint stock company, established under Ministerial Resolution No. 804 and dated 12/5/1426 (corresponding to: 18/6/2005) and registered in Riyadh under Commercial Registration No. 1010210441 dated 14/5/1426H (corresponding to: 20/6/2005G) and Industrial License No. 1163/ dated 3/6/1426H (corresponding to:9/7/2005G) and renewed with No. 590 dated 10/2/1438H (corresponding to:10/11/2016G). The Company operates under a material quarry license according to the mining regulations issued by Royal Decree No. 216 dated 28/7/1425H (corresponding to: 12/9/2004G) 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 branches:

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

These interim condensed consolidated financial statements include the assets, liabilities and results of operations of the Company's wholly owned subsidiaries, Green Solutions for Environmental Services and Nizak for Mining.

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 company's activity

The Company's activity is 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 share capital

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

1. THE COMPANY, ITS SUBSIDIARY AND ACTIVITY (continued)

1.4 Company’s share capital (continued)

Green Solutions for environmental services Company – (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 ⃁, 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 ⃁ 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, 2025, 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 interim condensed 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 interim condensed 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 June 30, 2026 are not necessarily indicative of the results that can be expected for the year ending December 31, 2026, Furthermore, they should be read in conjunction with the latest consolidated financial statements for the year ended 31 December 2025.

2. BASIS OF PREPARATION (continued)

2.2 Condensed Consolidated Interim Financial Statements Preparation

This interim condensed 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.

2.3 Functional and presentation currency

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

2.4 Significant accounting policies

The accounting policies applied to the Interim Condensed Consolidated financial statements are the same as those accounting policies applied for annual financial statements as of 31 December 2025.

The Group's financial risk management policies and objectives are consistent with those disclosed in financial statements as of 31 December 2025.

2.5 Basis of consolidation

The interim condensed consolidated financial statements include the financial statements of the Company and its subsidiary (Referred as "Group") as at 30 June 2026:

Name of Subsidiary	Legal statue	Ownership % as at 30 June 2026
Green Solutions for environmental services	One Person limited liability company	100%
Nizak for Mining 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.

2. BASIS OF PREPARATION (continued)

2.4 Basis of consolidation (continued)

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 New standards, amendments to standards, and interpretation

a) New Standards, Interpretations and Amendments Not Yet Effective

The following is a statement of the new standards and amendments to existing standards that are effective for annual periods beginning on or after 1 January 2027, with early adoption permitted; however, the Company has not adopted them in preparing these interim condensed financial statements.

IFRS	Summary	Effective date
IFRS 18	Presentation and Disclosures in Financial Statements	1 January 2027
IFRS 19	Disclosures – Subsidiaries without Public Accountability	1 January 2027
IAS 21	Translation into the presentation currency in a hyperinflationary economy	1 January 2027

The Company is currently assessing the impact of applying these standards. The Company does not expect that any standards issued by the Accounting Standards Board that are not yet effective will have a material impact.

IFRS 18 "Presentation and Disclosure in Financial Statements"

The new standards and amendments to standards disclosed in the Group's annual consolidated financial statements remain unchanged.

IFRS 18 Presentation and Disclosure in Financial Statements will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The Group has not early adopted the new accounting standard in preparing these interim financial statements; however, earlier application is permitted.

The Group is in the process of assessing the estimated impact that the initial application of IFRS 18 will have on its consolidated financial statements.

a) Structure of the Statement of Profit or Loss

IFRS 18 requires entities to classify all income and expenses into categories in the statement of profit or loss – namely operating, investing, financing, zakat and discontinued operations. Classification of income and expenses depends on the main business activities of an entity. The Group is in the process of assessing the classification of income and expenses based on its main business activities.

The Group is still assessing the expected impact of adopting IFRS 18 on its consolidated financial statements. Based on the information currently available, the Group does not expect the adoption of IFRS 18 to affect net profit or net assets. The Group will be required to present two newly defined subtotals, which are 'operating profit' and 'profit before financing and zakat'. However, the operating profit subtotal may differ from the current operating profit subtotal presented by the Group. Based on the information currently available, the Group expects changes to the current structure of the statement of profit or loss to result from the following:

Certain income and expense items currently presented below operating profit may be reclassified between the operating, investing and financing categories based on the requirements of IFRS 18 and the Group's main business activities.

Finance costs are currently presented below operating profit. IFRS 18 provides specific guidance on income and expenses classified in the financing category, and the Group is assessing the impact of this guidance on the presentation of finance costs.

Gains or losses from financial investments measured at fair value through profit or loss are currently presented below operating profit. The Group is assessing whether such gains or losses should be classified in the investing category under IFRS 18.

The Group's share of results of joint venture and other income, net is currently presented below operating profit. The Group is assessing the classification of these items under IFRS 18 based on their nature.

b) Management-defined Performance Measures

Management-defined performance measures (MPMs) are subtotals of income and expenses used in public communications outside the consolidated financial statements that communicate to users' management's view of an aspect of the consolidated financial performance of the group as a whole. The Group will be required to disclose specific information about MPMs in a single note in the financial statements.

The Group is in process to determine which public communications should be considered when identifying MPMs. MPMs relate to the same reporting period as the consolidated financial statements. Therefore, MPMs disclosed by the Group following adoption of IFRS 18 will be determined based on public communications issued by the Group relating to the 2027 interim reporting period.

c) Principles of aggregation and disaggregation

IFRS 18 provides enhanced principles on how to group information in the consolidated financial statements (i.e. the primary financial statements and the notes). It also introduces guidance on labelling and describing items presented in the primary financial statements or disclosed in the notes.

The Group is assessing the grouping of items on the basis of similar and dissimilar characteristics. Based on this assessment, it will present line items in the primary consolidated financial statements that provide useful structured summaries and disclose additional material information in the notes.

The Group is also assessing line items currently labelled as 'other' and will use more informative labels.

d) Consequential amendments

IFRS 18 introduces consequential amendments to IAS 7, which require entities to use the newly defined operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The Group is assessing the impact of these amendments on the presentation of its statement of cash flows.

The consequential amendments also provide specific guidance on the classification of interest and dividend cash flows. The Group is assessing the impact of these requirements on the classification of such cash flows, where applicable.

3 New standards, amendments to standards, and interpretation ((continued)

b) New Standards, Interpretations and Amendments

The following are the new standards, interpretations and amendments to standards that are effective in the current year, but they have no impact on these interim condensed financial statements.

IFRS	Summary	Effective date
IFRS 9 and IFRS 7	Amendments regarding the classification and measurement of financial instruments	1 January 2026
Annual Improvements to IFRS Accounting Standards	Amendments/Annual improvements in IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7	1 January 2026

4 SIGNIFICANT JUDGEMENTS AND ESTIMATES

In preparing these interim condensed 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 2025.

5 PROPERTY, PLANT AND EQUIPMENT

	Land	Machinery and equipment	Buildings and roads	Mobile equipment	Vehicles	Furniture and fixtures	Capital work in progress	Total
Cost:								
Balance as at 1 January 2025	**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 year	**-**	**10,418,870**	**-**	**4,005,521**	**-**	**411,741**	**69,437,147**	**84,273,279**
Transferred from Capital work in progress	**-**	**33,713,534**	**-**	**-**	**-**	**-**	**(33,713,534)**	**-**
Disposals during the year	**-**	**(1,368,397)**	**-**	**-**	**-**	**-**	**-**	**(1,368,397)**
Balance as at 31 December 2025	**3,600,000**	**1,682,439,610**	**615,270,087**	**135,109,949**	**13,150,871**	**18,776,249**	**44,360,886**	**2,512,707,652**
Additions during the period	-	**2,770,869**	**280,833**	**-**	**1,850,300**	**45,660**	**9,877,145**	**14,824,807**
Balance as at 30 June 2026	**3,600,000**	**1,685,210,479**	**615,550,920**	**135,109,949**	**15,001,171**	**18,821,909**	**54,238,031**	**2,527,532,459**
Accumulated depreciation:								
Balance as at 1 January 2025	-	842,743,637	268,455,851	97,966,087	12,458,649	17,216,424	-	1,238,840,648
Depreciation of the year	-	66,126,231	17,199,478	6,186,260	214,778	482,794	-	90,209,541
Disposals during the year	-	(994,733)	-	-	-	-	-	(994,733)
Balance as at 31 December 2025	-	907,875,135	285,655,329	104,152,347	12,673,427	17,699,218	-	1,328,055,456
Depreciation of the period	**-**	**25,907,931**	**6,548,864**	**3,295,875**	**209,091**	**144,952**	**-**	**36,106,713**
Balance as at 30 June 2026	**-**	**933,783,066**	**292,204,193**	**107,448,222**	**12,882,518**	**17,844,170**	**-**	**1,364,162,169**
Net book value:								
As at 30 June 2026	**3,600,000**	**751,427,413**	**323,346,727**	**27,661,727**	**2,118,653**	**977,739**	**54,238,031**	**1,163,370,290**
As at 31 December 2025	3,600,000	774,564,475	329,614,758	30,957,602	477,444	1,077,031	44,360,886	1,184,652,196

6 RIGHT OF USE ASSETS

	Leased land	Leased building	Total
Cost:			
Balance as at 1 January 2025	981,625	5,750,599	6,732,224
Additions during the year	1,713,812	-	1,713,812
Adjustments	(53,527)	(368,406)	(421,933)
Balance as at 31 December 2025	2,641,910	5,382,193	8,024,103
Balance as at 30 June 2026	**2,641,910**	**5,382,193**	**8,024,103**
Accumulated depreciation:			
Balance as at 1 January 2025	286,309	4,025,418	4,311,727
Depreciation for the year	892,888	1,076,439	1,969,327
Adjustments	(26,765)	(294,724)	(321,489)
Balance as at 31 December 2025	1,152,432	4,807,133	5,959,565
Depreciation for the period	442,148	575,060	1,017,208
Balance as at 30 June 2026	**1,594,580**	**5,382,193**	**6,976,773**
Net book value:			
As at 30 June 2026	**1,047,330**	**-**	**1,047,330**
As at 31 December 2025	1,489,478	575,060	2,064,538

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

Saudi Arabian Oil Company (Aramco) a Saudi Joint Stock Company	No of Shares	As at 30 June 2026	As at 31 December 2025
Balance at the beginning of the period / year	**111,615**	**2,659,785**	3,130,801
Gain/(loss) on change in fair value		**255,598**	(471,016)
Balance at the end of the period/year		**2,915,383**	2,659,785

8 INVESTMENTS IN JOINT VENTURE:

	No. of Shares	Ownership percentage	As at 31 December 2025	Share in Business Results	As at 30 June 2026
TerraFuel Company	19,914 Shares	29.4%	3,429,666	(308,202)	3,121,464
Total investment in shares			**3,429,666**	**(308,202)**	**3,121,464**

9 Financial investments at fair value through profit or loss

	As at 30 June 2026	As at 31 December 2025
Balance at the beginning of the period / year	**394,563,647**	214,976,744
Purchases during the period / year	**149,988,980**	333,500,000
Sales during the period / year	**(137,988,979)**	(167,144,913)
Gains on change in fair value	**11,790,226**	13,231,816
Balance at the end of the period / year	**418,353,874**	394,563,647

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

Movement the provision is as follow:

	As at 30 June 2026	As at 31 December 2025
Balance at the beginning of the period / year	**7,846,590**	7,544,794
Effective interest	**150,899**	301,796
Balance at the end of the period / year	**7,997,489**	7,846,590

11 EARNINGS PER SHARE

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

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2026	2025	**2026**	2025
Net profit for the period	**14,594,485**	36,381,279	**44,773,367**	87,920,490
	No of Share	No of Share	**No of Share**	No of Share
Weighted average number of shares	**140,000,000**	140,000,000	**140,000,000**	140,000,000
	SAR / Share	SAR / Share	**SAR / Share**	SAR / Share
Basic and diluted earnings per share from the net profit of the period	0.10	0.26	**0.32**	0.63

12 FINANCIAL FACILITIES

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

13 CONTINGENT LIABILITIES

- The contingent liabilities against letters of guarantee are ⃁ 65,600,126 as at 30 June 2026.

14 Capital Commitments

- The company has capital commitments for assets under constructions at an amount of ⃁108,849,904 with amount of ⃁38,416,761 of the total cost has been paid, the remaining amount at ⃁70,433,143 represents the capital commitment as of 30 June 2026.

15 SEGMENT REPORTING

	For the Six-month period ended 2026		For the six-month period ended 2025	
Geographical area	**Cement sales**	**Revenue from environmental services**	Cement sales	Revenue from environmental services
Kingdom of Saudi Arabia	**225,560,762**	**1,011,616**	288,757,308	1,361,180
Total	**225,560,762**	**1,011,616**	288,757,308	1,361,180

16 RECLASSIFICATION OF COMPARATIVE FIGURES

Comparative figures in the statement of profit or loss have been reclassified to conform with the presentation of the current period.

17 TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties consist mainly of salaries, allowances and key management 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, Executives and Key Management Personnel.

17 TRANSACTIONS WITH RELATED PARTIES (continued)

		For the six-months period ended 30 June	
Related parties	**Nature of the transaction**	**2026**	2025
Members of Board of the directors and Key Management Personnel	Salaries, wages, and equivalent and board remuneration and committees' attendance allowances	7,516,595	8,243,867
Next Generation SCM	Financing	9,449,539	-

18 DIVIDENDS DISTRIBUTIONS

During the period, the Company distributed cash dividends amounting to SAR 70 million (SAR 0.50 per share) relating to the second half of 2025, following the Board of Directors' resolution dated 23 March 2026. The dividends were paid to eligible shareholders on 20 April 2026.

19 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 Group's interim condensed consolidated statement of financial position mainly comprise financial investments at fair value through profit or loss, investments in equity instruments at fair value through other comprehensive income, cash and cash equivalents, short-term time deposits, trade receivables, due from related parties, trade payables, accruals and other payables, and lease 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 interim condensed consolidated financial position and interim condensed 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 a currency that is not the Group's functional currency. The Group's exposure to foreign currency risk is primarily limited to transactions denominated in Euro. Transactions denominated in United States Dollars ("USD") are not considered to give rise to significant currency risk as the Saudi Riyal is pegged to the USD. The fluctuation in exchange rates against Euro is monitored on a continuous basis.

19 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

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 cash and cash equivalent, time deposits 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.

		Contractual maturities (undiscounted)		
As at 30 June 2026	**Carrying value**	**Less than one year**	**More than one year**	**Total**
Liabilities				
Lease liability	**1,175,562**	**1,200,000**	**-**	**1,200,000**
Trade payables	**36,133,792**	**36,133,792**	**-**	**36,133,792**
Accrual and other payables	**20,658,592**	**20,658,592**	**-**	**20,658,592**
	57,967,946	**57,992,384**	**-**	**57,992,384**
As at 31 December 2025				
Liabilities				
Lease liability	1,151,484	600,000	600,000	1,200,000
Trade payables	36,007,988	36,007,988	-	36,007,988
Accrual and other payables	29,911,201	29,911,201	-	29,911,201
	67,070,673	66,519,189	600,000	67,119,189

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.

20 SUBSEQUENT EVENTS

On 6 August 2026, the Board of Directors approved the distribution of interim cash dividends for the first half of 2026 amounting to SAR 56 million (SAR 0.40 per share). The dividends will be payable to shareholders of record on 13 August 2026 and will be distributed on 3 September 2026. As the dividends were approved after the reporting date, no liability has been recognized in these interim condensed consolidated financial statements.

21 APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved by the Audit Committee of the Group on Safar 23, 1448 (H) Corresponding to August 6, 2026 (G).