

**YANBU CEMENT COMPANY  
(A SAUDI JOINT STOCK COMPANY)**

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (UNAUDITED) AND  
INDEPENDENT AUDITOR'S REVIEW REPORT  
FOR THE THREE-MONTH AND NINE-MONTH  
PERIODS ENDED 30 SEPTEMBER 2024**

YANBU CEMENT COMPANY (A SAUDI JOINT STOCK COMPANY)  
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) AND INDEPENDENT AUDITOR'S  
REVIEW REPORT  
For the three-month and nine-month periods ended 30 September 2024

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## INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE SHARHOLDERS OF  
YANBU CEMENT COMPANY  
(A SAUDI JOINT STOCK COMPANY)

### Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Yanbu Cement Company, a Saudi Joint Stock Company ("the Company" or "the Parent Company") and its subsidiary (collectively referred to as "the Group") which comprises the interim condensed consolidated statement of financial position as at 30 September 2024 and the related interim condensed consolidated statements of profit or loss and comprehensive income for the three-month and nine-month periods then ended and the related interim condensed consolidated statements of changes in equity and cash flows for the nine-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" (IAS 34) that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed 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 condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are 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.



Maher Al-Khatieb  
Certified Public Accountant  
License Number 514



Jeddah on 29 October 2024 (G)  
Corresponding to: 26 Rabi-ul-Thani 1446 (H)

**YANBU CEMENT COMPANY (A SAUDI JOINT STOCK COMPANY)**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

		For the three- month period ended 30 September 2024 SR	For the three- month period ended 30 September 2023 SR	For the nine- month period ended 30 September 2024 SR	For the nine- month period ended 30 September 2023 SR
	Note	Unaudited	Unaudited	Unaudited	Unaudited
Revenue	4	199,867,270	189,059,749	628,242,256	586,621,103
Cost of revenue		(145,557,045)	(152,792,386)	(425,598,562)	(424,462,990)
<b>GROSS PROFIT</b>		<b>54,310,225</b>	<b>36,267,363</b>	<b>202,643,694</b>	<b>162,158,113</b>
Selling and distribution expenses		(5,409,430)	(3,173,539)	(14,187,549)	(10,585,542)
General and administrative expenses		(16,234,130)	(10,611,527)	(43,558,818)	(33,686,882)
<b>PROFIT FROM OPERATIONS</b>		<b>32,666,665</b>	<b>22,482,297</b>	<b>144,897,327</b>	<b>117,885,689</b>
Loss on derivative instruments at fair value through profit or loss		(908,715)	(272,937)	(1,340,787)	(618,555)
Fair value gain from investment at fair value through profit or loss	9	311,951	-	1,926,599	-
Finance cost		(5,591,986)	(5,314,504)	(15,841,703)	(11,314,361)
Finance income		561,600	615,021	2,131,120	1,574,173
Other income		7,820,515	832,065	9,817,376	2,859,233
<b>PROFIT BEFORE ZAKAT</b>		<b>34,860,030</b>	<b>18,341,942</b>	<b>141,589,932</b>	<b>110,386,179</b>
Zakat	5	(3,764,773)	(2,799,879)	(12,422,497)	(8,557,700)
<b>NET PROFIT FOR THE PERIOD</b>		<b>31,095,257</b>	<b>15,542,063</b>	<b>129,167,435</b>	<b>101,828,479</b>
<b>EARNINGS PER SHARE</b>					
Basic and diluted earnings per share	14	<u>0.20</u>	<u>0.10</u>	<u>0.82</u>	<u>0.65</u>

The accompanying notes from 1 to 20 form an integral part of these unaudited interim condensed consolidated financial statements.

**YANBU CEMENT COMPANY (A SAUDI JOINT STOCK COMPANY)**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

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	For the three- month period ended 30 September 2024 SR Unaudited	For the three- month period ended 30 September 2023 SR Unaudited	For the nine- month period ended 30 September 2024 SR Unaudited	For the nine- month period ended 30 September 2023 SR Unaudited
<b>NET PROFIT FOR THE PERIOD</b>	<b>31,095,257</b>	<b>15,542,063</b>	<b>129,167,435</b>	<b>101,828,479</b>
<b>Other comprehensive (loss) / income</b>				
<i>Items not to be reclassified to profit or loss in subsequent periods:</i>				
Re-measurement (loss) / gain on provision for employees' benefits	(5,799,142)	2,356,809	(5,799,142)	2,356,809
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>25,296,115</b>	<b>17,898,872</b>	<b>123,368,293</b>	<b>104,185,288</b>

The accompanying notes from 1 to 20 form an integral part of these unaudited interim condensed consolidated financial statements.

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**YANBU CEMENT COMPANY (A SAUDI JOINT STOCK COMPANY)**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

		30 September 2024 SR Unaudited	31 December 2023 SR Audited
	Note		
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	2,170,304,269	2,269,412,183
Intangible assets		581,016	1,104,590
Investment in associate		644,453	644,453
Other non-current assets		12,056,855	20,858,710
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,183,586,593</b>	<b>2,292,019,936</b>
<b>CURRENT ASSETS</b>			
Inventories	7	796,661,339	702,602,518
Trade receivables	8	173,620,469	164,017,760
Prepayments, advances and other receivables		49,241,189	47,341,449
Financial derivatives	17	1,481,268	2,822,055
Investments at fair value through profit or loss (FVTPL)	9	43,352,568	85,161,356
Cash and cash equivalents	10	96,846,506	73,586,556
<b>TOTAL CURRENT ASSETS</b>		<b>1,161,203,339</b>	<b>1,075,531,694</b>
<b>TOTAL ASSETS</b>		<b>3,344,789,932</b>	<b>3,367,551,630</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	1	1,575,000,000	1,575,000,000
Statutory reserve	12	787,500,000	787,500,000
Retained earnings		294,749,010	289,505,717
<b>TOTAL EQUITY</b>		<b>2,657,249,010</b>	<b>2,652,005,717</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Bank borrowings	11.1	42,500,000	62,750,000
Provision for employees' benefits		112,601,462	103,957,335
Lease liability		4,584,525	5,053,736
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>159,685,987</b>	<b>171,761,071</b>
<b>CURRENT LIABILITIES</b>			
Trade payables		31,123,527	20,642,692
Current portion of bank borrowings	11.1	27,331,042	28,636,661
Short term financing	11.2	300,862,088	320,887,477
Dividend payable		82,233,972	82,016,121
Accrued expenses and other current liabilities		73,154,736	77,625,784
Zakat payable	5	13,149,570	13,976,107
<b>TOTAL CURRENT LIABILITIES</b>		<b>527,854,935</b>	<b>543,784,842</b>
<b>TOTAL LIABILITIES</b>		<b>687,540,922</b>	<b>715,545,913</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,344,789,932</b>	<b>3,367,551,630</b>

The accompanying notes from 1 to 20 form an integral part of these unaudited interim condensed consolidated financial statements.

**YANBU CEMENT COMPANY (A SAUDI JOINT STOCK COMPANY)**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Share capital SR	Statutory reserve SR	Retained earnings SR	Total equity SR
<b>Balance as at 1 January 2024 (Audited)</b>	<b>1,575,000,000</b>	<b>787,500,000</b>	<b>289,505,717</b>	<b>2,652,005,717</b>
Net profit for the period	-	-	129,167,435	129,167,435
Other comprehensive loss for the period	-	-	(5,799,142)	(5,799,142)
<b>Total comprehensive income for the period</b>	-	-	<b>123,368,293</b>	<b>123,368,293</b>
Dividends (note 13)	-	-	(118,125,000)	(118,125,000)
<b>Balance as at 30 September 2024 (Unaudited)</b>	<b>1,575,000,000</b>	<b>787,500,000</b>	<b>294,749,010</b>	<b>2,657,249,010</b>

	Share capital SR	Statutory reserve SR	Retained earnings SR	Total equity SR
Balances at 1 January 2023 (Audited)	1,575,000,000	787,500,000	406,190,104	2,768,690,104
Net profit for the period	-	-	101,828,479	101,828,479
Other comprehensive income for the period	-	-	2,356,809	2,356,809
Total comprehensive income for the period	-	-	104,185,288	104,185,288
Dividends (note 13)	-	-	(236,250,000)	(236,250,000)
<b>Balance as at 30 September 2023 (Unaudited)</b>	<b>1,575,000,000</b>	<b>787,500,000</b>	<b>274,125,392</b>	<b>2,636,625,392</b>

The accompanying notes from 1 to 20 form an integral part of these unaudited interim condensed consolidated financial statements.

**YANBU CEMENT COMPANY (A SAUDI JOINT STOCK COMPANY)**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

		For the nine-month period ended 30 September 2024 SR Unaudited	For the nine-month period ended 30 September 2023 SR Unaudited
	Note		
<b>OPERATING ACTIVITIES</b>			
Profit before zakat		141,589,932	110,386,179
<b>Adjustments to reconcile profit before zakat to net cash flows:</b>			
Depreciation of property, plant and equipment	6	122,930,111	125,150,058
Amortization of intangible assets		523,574	523,574
Finance cost		15,841,703	11,314,361
Loss on disposal of property, plant and equipment		-	23,206
Loss on derivative instruments at fair value through profit or loss		1,340,787	618,555
Fair value gain from investments at fair value through profit or loss	9	(1,926,599)	-
Provision against spare parts		3,827,752	3,905,181
Allowance for expected credit losses		3,626,078	350,000
Provision for employees' benefits		10,171,334	9,580,751
		<u>297,924,672</u>	<u>261,851,865</u>
<b>Working capital changes:</b>			
Inventories		(97,886,573)	(149,316,055)
Trade receivables		(13,228,787)	(7,539,288)
Prepayments, advances and other receivables		6,902,115	(11,347,682)
Trade payables		10,480,835	(9,336,078)
Accrued expenses and other current liabilities		(4,471,048)	(31,083,270)
		<u>199,721,214</u>	<u>53,229,492</u>
Zakat paid	5	(13,249,034)	(13,223,018)
Employees benefits paid		(7,326,349)	(3,972,312)
Finance cost paid		(15,660,914)	(11,119,230)
<b>Net cash generated from operating activities</b>		<u>163,484,917</u>	<u>24,914,932</u>
<b>INVESTING ACTIVITIES</b>			
Additions to property, plant and equipment	6	(23,822,197)	(23,512,347)
Short term murabaha deposit encashed		-	21,000,000
Additions to investments at fair value through profit or loss	9	(43,000,000)	-
Disposals of investments at fair value through profit or loss	9	86,735,387	-
<b>Net cash generated from / (used in) investing activities</b>		<u>19,913,190</u>	<u>(2,512,347)</u>
<b>FINANCING ACTIVITIES</b>			
Repayment of lease liability		(650,000)	(650,000)
Repayment of bank borrowings		(21,555,619)	(93,934,125)
Proceeds from bank borrowings		-	76,935,750
Repayment of short-term financing		(213,629,464)	(222,592,311)
Proceeds from short-term financing		193,604,075	439,705,844
Dividends paid		(117,907,149)	(235,283,635)
<b>Net cash used in financing activities</b>		<u>(160,138,157)</u>	<u>(35,818,477)</u>
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents at the beginning of the period	10	73,586,556	100,681,866
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	10	<u>96,846,506</u>	<u>87,265,974</u>

The accompanying notes from 1 to 20 form an integral part of these unaudited interim condensed consolidated financial statements.



## **1 CORPORATE INFORMATION**

Yanbu Cement Company (“the Company” or “the Parent Company”) - a Saudi Joint Stock Company has been established in the Kingdom of Saudi Arabia by the Royal Decree No. M/10 dated on 4 Rabi' I 1397H (corresponding to 22 February 1977) and it is registered in Yanbu city under Commercial Registration (CR) No. 4700000233 dated 21 Dhul-Qi'dah 1398H (corresponding to 24 October 1978). The Company's shares are listed in the stock exchange of the Kingdom of Saudi Arabia. These interim condensed consolidated financial statements comprise the Company and its subsidiary, Yanbu Saudi Kuwaiti Paper Products Company Limited (the “Subsidiary”) (together referred to as the “Group”).

The Parent Company's authorized and paid-up capital is divided into 157,500,000 shares of SR 10 each as at 30 September 2024 (31 December 2023: 157,500,000 shares of SR 10 each).

The Company is mainly engaged in manufacturing, producing and trading in cement and its related products as per industrial license No. 451110128256 issued on 5 Muharram 1445H (corresponding to 23 July 2023) and ending on 13 Rabi' I 1450H (corresponding to 4 August 2028). The Subsidiary is mainly engaged in manufacturing and wholesale trading in cement paper as per industrial license No. 431110118935 issued on 23 Sha'ban 1425H (corresponding to 7 October 2004) and ending on 26 Dhu'l-Hijjah 1448H (corresponding to 01 June 2027) and registered in Yanbu city under Commercial Registration (CR) No. 4700009036 dated on 17 Dhul-Qi'dah 1425H (corresponding to 29 December 2004).

The registered address of the Company is Yanbu Cement building located at Al Baghdadiyah Al Gharbiyah District, P. O. Box 5330, Jeddah 21422, Kingdom of Saudi Arabia. The Company has a branch in Jeddah with CR numbers 4030021367. The financial results of this branch are included in these interim condensed consolidated financial statements.

On 23 June 2024, the Company has signed a non-binding Memorandum of Understanding (the “MOU”) with Southern Province Cement Company to evaluate the feasibility of merging the two companies. A committee has been formed to supervise the process and implement the required steps.

### **Investment in associate**

During the year ended 31 December 2020, the Company has invested 49% interest in Knowledge Center for Cement Training Limited (the associate company), a mixed limited liability company registered in the Kingdom of Saudi Arabia and have a share capital of SR 500,000. The Company is established to conduct short term cement training programs. The remaining 51% shareholding is held by FLSmidth Company.

## **2 BASIS OF PREPARATION AND BASIS OF MEASUREMENT**

### **2.1 Statement of compliance**

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34, “Interim Financial Reporting” “IAS 34” that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and therefore should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023. In addition, results for the interim period ended 30 September 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

### **2.2 Basis of measurement**

These interim condensed consolidated financial statements have been prepared on a historical cost basis except for financial derivatives and investment that have been measured at fair value and for employee benefit liabilities, projected unit credit method is used. These interim condensed consolidated financial statements are presented in Saudi Riyals (“SR”), which is also the functional and presentation currency of the Company.

## **2 BASIS OF PREPARATION AND BASIS OF MEASUREMENT (Continued)**

### **2.3 Significant accounting judgments, estimates and assumptions**

The preparation of the Group's interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group's key sources of estimation uncertainty were the same as those described in the consolidated financial statements of the Group for the year ended 31 December 2023. The Group will continue to monitor the situation, and any changes required will be reflected in future reporting periods.

### **2.4 New standards, interpretations and amendments adopted by the Group**

The accounting policies used in the preparation of these interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2023, except for the following amendments which apply for the first time in 2024. However, these do not have a material effect on the Group's interim condensed consolidated financial statements.

- Supplier Finance Arrangements (Amendments to: IAS 7 Cash Flow Statements IFRS 7 Financial Instruments: Disclosure)
- Lease Liability in a Sale and Leaseback (Amendment to IFRS 16 Leases)
- Classification of Liabilities as Current or Non-current (including Classification of Liabilities as Current or Non-current - Deferral of Effective Date) (Amendment to IAS 1 Presentation of Financial Statements)
- Non-current Liabilities with Covenants (Amendment to IAS 1 Presentation of Financial Statements)
- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information
- IFRS S2 Climate-related Disclosures

#### **Impact of accounting standards not yet effective**

There are a number of standards and interpretations which have been issued by the International Accounting Standards Board that are effective for periods beginning on or after 1 January 2025 that the Group has decided not to adopt early. The Group does not believe these standards and interpretations will have a material impact on the consolidated financial statements once adopted.

## **3 SEGMENT INFORMATION**

The Group is engaged in one operating segment, i.e. manufacturing cement. Accordingly, the financial information was not divided into different geographic or business segments. The financial information of the Subsidiary is not significant to Group's interim condensed consolidated financial statements for segment information.

#### 4 REVENUE

The Group's revenue is described below:

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2024 SR	2023 SR	2024 SR	2023 SR
<i>Product type</i>	Unaudited	Unaudited	Unaudited	Unaudited
Bulk cement	114,668,425	79,061,054	381,094,688	280,580,102
Packed cement	54,432,380	57,788,455	162,370,682	173,728,886
Cement bags	6,039,550	12,112,542	22,915,277	30,730,266
Raw cement (clinker)	24,726,915	40,097,698	61,861,609	101,581,849
Total revenue (*)	199,867,270	189,059,749	628,242,256	586,621,103
<i>Geographical markets</i>				
Total revenue inside the Kingdom of Saudi Arabia	175,140,355	148,962,051	566,380,647	485,039,254
Total revenue outside the Kingdom of Saudi Arabia	24,726,915	40,097,698	61,861,609	101,581,849
Total revenue	199,867,270	189,059,749	628,242,256	586,621,103

(\*) The timing of the revenue recognition from the above goods is at a point in time.

#### 5 ZAKAT PAYABLE

The movement in zakat payable of the Group is as follows:

	30 September 2024 SR Unaudited	31 December 2023 SR Audited
Balance at beginning of the period / year	13,976,107	15,962,275
Charged during the period / year	12,422,497	11,236,850
Paid during the period / year	(13,249,034)	(13,223,018)
Balance at the end of the period / year	13,149,570	13,976,107

Zakat for the period ended 30 September 2024 is calculated based on the management's estimate, which may not represent an accurate indication about zakat for the year ending 31 December 2024.

#### Status of zakat assessments

##### Parent Company:

The Company has submitted its zakat returns to Zakat, Tax and Customs Authority ("ZATCA") up to the year ended 31 December 2023. The Company has also finalized its status until the year ended 31 December 2020.

During 2021, the Company received assessment orders from ZATCA for the years 2019 and 2020, claiming additional zakat of SR 23.61 million. The Company paid an amount of SR 11.75 million for the appeal to be accepted as per ZATCA regulations and filed its objection to the said assessments. Subsequently the claim was reduced to SR 13.48 million. On 2 January 2022, the Company filed an appeal with the Tax Committees for Resolution of Tax Violations and Disputes (TVDR) against ZATCA's revised assessment. On 16 November 2022, the Company raised its appeal to the Tax Violation and Dispute Appellate Committee ("TVDAC"). In November 2023, the TVDAC decided to support the Company for all the objectionable items, and a partial amendment was issued by TVDAC of SR 0.04 million which was duly paid and the zakat status has been finalized for the years 2019 and 2020.

##### Subsidiary:

The Subsidiary has submitted the zakat returns to ZATCA up to the year ended 31 December 2023. The Subsidiary has also finalized its status until the year ended 31 December 2020.

## 5 ZAKAT PAYABLE (Continued)

### Status of zakat assessments (Continued)

#### Subsidiary (Continued):

The Subsidiary received an additional assessment from ZATCA for the year 2017 claiming an additional zakat liability of SR 0.20 million and accordingly filed objections against this assessment order with the TVDRC which were rejected on 16 March 2022. Management has filed the appeal against the decision to TVDAC on 13 April 2022. In 2 May 2024, the TVDAC decided to support the Company without any additional claim and the zakat status has been finalized for the year 2017.

On 8 August 2023, the subsidiary received a request for additional information for the year 2020 and a final assessment has been issued on 30 May 2024 claiming an additional zakat of SR 3,198 which was duly paid and the zakat status has been finalized for the year 2020.

## 6 PROPERTY, PLANT AND EQUIPMENT

	For the nine-month period ended 30 September	
	2024	2023
	SR	SR
	Unaudited	Unaudited
Depreciation	122,930,111	125,150,058
Additions to property, plant and equipment	23,822,197	23,512,347

The plants are situated on land leased from the Ministry of Industry and Mineral Resources, located at Ras Baridi in Yanbu, for 30 Hijri years commencing 4 Rabi' I 1398H (corresponding to 12 February 1978). The lease has been renewed for 30 years on 3 Rabi' I 1428H (corresponding to 22 March 2007). The lease is renewable for further similar years, as mentioned above, subject to the agreement of both parties.

## 7 INVENTORIES

	30 September 2024	31 December 2023
	SR	SR
	Unaudited	Audited
Spare parts	277,975,164	266,907,325
Less: Provision against spare parts	(107,664,121)	(103,836,370)
<b>Spare parts, net</b>	<b>170,311,043</b>	<b>163,070,955</b>
Finished goods	6,513,677	5,035,407
Work in process	559,220,598	489,869,021
Raw materials	29,203,819	27,519,411
Fuel	19,594,441	10,611,179
Packaging materials	5,811,503	2,384,888
Goods in transit (Fuel)	3,501,229	3,837,917
Goods in transit (Raw materials)	2,232,187	-
Other materials	272,842	273,740
	<b>626,350,296</b>	<b>539,531,563</b>
	<b>796,661,339</b>	<b>702,602,518</b>

As at 30 September 2024, provision against slow-moving spare parts amounted to SR 107.66 million (31 December 2023: SR 103.84 million).

## 8 TRADE RECEIVABLES

	30 September 2024	31 December 2023
	SR	SR
	Unaudited	Audited
Trade receivables	183,671,571	170,442,784
Allowance for expected credit losses	(10,051,102)	(6,425,024)
	<b>173,620,469</b>	<b>164,017,760</b>

Trade receivables are non-interest bearing and are generally on the term of 30 to 90 days.

**YANBU CEMENT COMPANY (A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**  
**For the nine-month period ended 30 September 2024**

**9 INVESTMENT AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)**

		30 September 2024 SR	31 December 2023 SR
	Note	Unaudited	Audited
Balance at beginning of the period / year		85,161,356	-
Additions during the period / year		43,000,000	85,000,000
Disposals during the period / year		(86,735,387)	-
Fair value gain	9.1	1,926,599	161,356
Balance at the end of the period / year		<u>43,352,568</u>	<u>85,161,356</u>

**9.1 Fair value gain on investment at FVTPL**

	30 September 2024 SR	31 December 2023 SR
	Unaudited	Audited
Unrealized gain	352,568	161,356
Realized gain	1,574,031	-
	<u>1,926,599</u>	<u>161,356</u>

**10 CASH AND CASH EQUIVALENTS**

	30 September 2024 SR	31 December 2023 SR
	Unaudited	Audited
Cash on hand	205,043	5,044
Bank balances	96,641,463	73,581,512
	<u>96,846,506</u>	<u>73,586,556</u>

**11 BANK BORROWINGS**

**11.1** The outstanding bank borrowings as at period / year end are as follows:

	30 September 2024 SR	31 December 2023 SR
	Unaudited	Audited
SAB loan (Note a and b)	69,831,042	91,386,661
Current portion	(27,331,042)	(28,636,661)
Non-current portion	<u>42,500,000</u>	<u>62,750,000</u>

- a) During 2022, the Parent Company entered into a bank facility agreement with SAB amounted SR 35 million to cover the acquisition of 40% of the remaining shares of the Subsidiary Company. The loan is subject to repayment of quarterly installments of SR 1.75 million each, starting from July 2023 until June 2028. The loan entails financing costs as per prevailing Saudi rates (SAIBOR) in addition to a fixed commission rate.
- b) During 2023, the Parent Company entered into a murabaha finance agreement with SAB amounted to SR 70 million. The loan is subject to repayment of quarterly installments of SR 5 million each, starting from September 2023 until February 2027. The loan entails financing costs as per prevailing Saudi rates (SAIBOR) in addition to a fixed commission rate.

## **11 BANK BORROWINGS (Continued)**

### **11.2 Short term financing**

The Parent Company has entered into non-conventional financing facilities agreements with various banks at SAIBOR plus agreed commission rate to meet its working capital requirements. The facilities availed during the period ended 30 September 2024 amounted to SR 715 million (31 December 2023: SR 715 million). As at 30 September 2024, the outstanding amounts of SR 300.86 million (31 December 2023: SR 320.89 million) was classified under current liabilities since these are due within 12 months from the reporting date i.e., 30 September 2024.

## **12 STATUTORY RESERVE**

In accordance with the Parent Company's By-laws, the Parent Company is required to transfer at least 10% of the net profit to the statutory reserve. The Parent Company may cease such transfers when the statutory reserve equals 25% of the share capital. The Parent Company has voluntarily decided to maintain the statutory reserves at 50% of the share capital.

## **13 DIVIDENDS**

- On 16 May 2024 (corresponding to 8 Dhu-Al Qa'dah 1445), the Board of Directors of the Parent Company decided to distribute cash dividends amounting to SR 118.13 million (SR 0.75 per share) for the first half of the year ending 31 December 2024 which represents 7.5% of the nominal value of shares.
- On 28 May 2023 (corresponding to 8 Dhu-Al Qa'dah 1444), the Board of Directors of the Parent Company decided to distribute cash dividends amounting to SR 236.25 million (SR 1.50 per share) for the first half of the year ended 31 December 2023 which represents 15% of the nominal value of shares.

## **14 EARNINGS PER SHARE**

Basic earnings per share (EPS) is calculated by dividing the net profit for the period by the weighted average number of ordinary shares which are 157.50 million shares. The table below reflects the details of the net profit for the period and the number of shares used in calculating basic and diluted earnings per share:

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2024 Unaudited	2023 Unaudited	2024 Unaudited	2023 Unaudited
Net profit for the period - SR	<b>31,095,257</b>	15,542,063	<b>129,167,435</b>	101,828,479
Weighted average number of outstanding ordinary shares	<b>157,500,000</b>	157,500,000	<b>157,500,000</b>	157,500,000
Basic and diluted earnings per share - SR	<b>0.20</b>	0.10	<b>0.82</b>	0.65

There has been no item of dilution affecting the weighted average number of ordinary shares.

## **15 CONTINGENCIES AND COMMITMENTS**

As at 30 September 2024, the contingencies against banks' letter of guarantees issued on behalf of the Group are amounted to SR 46.26 million (31 December 2023: SR 20.30 million).

As at 30 September 2024, the Group has letter of credits amounting to SR 0.86 million (31 December 2023: SR 2.99 million) issued from a bank in the Kingdom of Saudi Arabia.

## 16 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represents major shareholders, Board of Directors, the Group's key management personnel and enterprises managed or significantly influenced by those parties. The following are the details of major-related parties' transactions during the three-month and nine-month periods ended 30 September 2024:

### Allowances and compensation of the Board of Directors and senior executives

The Group's senior management includes key management personnel and executives, Board of Directors, having authorities and responsibilities for planning, directing and controlling the activities of the Group.

Board of Directors and Committees' compensation charged and accrued during the nine-month period ended 30 September 2024 amounting to SR 2.84 million (30 September 2023: SR 2.84 million).

Key management personnel compensation comprised the following:

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2024	2023	2024	2023
	SR	SR	SR	SR
	Unaudited	Unaudited	Unaudited	Unaudited
Short term employee benefits	2,301,314	1,990,374	6,903,942	5,929,122
Post-employment benefits	133,970	117,553	401,910	350,670
	<u>2,435,284</u>	<u>2,107,927</u>	<u>7,305,852</u>	<u>6,279,792</u>

The Group entered into transaction with its associate under mutually agreed terms and conditions:

	Amount of transaction			
	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2024	2023	2024	2023
	SR	SR	SR	SR
	Unaudited	Unaudited	Unaudited	Unaudited
Knowledge Centre for Cement Training Limited - (the "associate") (Nature of transaction)				
Training cost charged by associate	-	172,500	301,875	263,063
Paid on behalf of the associate	<u>292,351</u>	<u>37,042</u>	<u>726,961</u>	<u>422,583</u>

	30 September 2024	31 December 2023
	SR	SR
	Unaudited	Audited
Knowledge Centre for Cement Training - associate Balances		
Due from related party*	<u>429,568</u>	<u>714,946</u>

\* The due from related party balance is included in prepayments, advances and other receivables.

## 17 FAIR VALUE MEASUREMENT

All assets and liabilities for which fair value is measured or disclosed in the interim condensed consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

## 17 FAIR VALUE MEASUREMENT (Continued)

Set out below is a comparison, by class, of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Assets measured at fair value	Date of valuation	Total SR	Fair value measurement using		
			Quoted prices in active markets (Level 1) SR	Significant observable inputs (Level 2) SR	Significant unobservable inputs (Level 3) SR
Financial derivatives	30 September 2024 (Unaudited)	1,481,268	-	-	1,481,268
Investment at FVTPL	30 September 2024 (Unaudited)	43,352,568	-	35,352,568	8,000,000
Financial derivatives	31 December 2023 (Audited)	2,822,055	-	-	2,822,055
Investment at FVTPL	31 December 2023 (Audited)	85,161,356	-	85,161,356	-

### Financial derivatives

The Group enters into derivative financial instrument principally with financial institutions having investment-grade credit ratings. Derivatives valued using valuation techniques with observable market inputs is interest rate swaps. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations.

### Investments at FVTPL

The underlying investments of the mutual funds are purchased from the local market and the unit price of the fund is dependent on the movements in the market prices of these instruments. The fund manager limits market risk by monitoring the developments in the relevant markets for these instruments.

As at 30 September 2024 and 31 December 2023, the fair values of the Group's other financial instruments are estimated to approximate their carrying values.

During the nine-month period ended 30 September 2024 and year ended 31 December 2023, there were no movements between the levels.

## 18 EVENTS AFTER THE REPORTING PERIOD

Management believes that there are no significant subsequent events that either require disclosure or adjustments to the accompanying interim condensed consolidated financial statements.

## 19 COMPARATIVE FIGURES

Below comparative figures have been reclassified in order to conform with the presentation for the current period. Such reclassification has been made by the Group to improve the quality of information presented.

- Provision against spare parts for the three-month and nine-month periods ended 30 September 2023 amounted to SR 2.35 million and SR 3.91 million respectively previously included in 'other expenses' is now included in "cost of revenue".

## 20 APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements of the Group were approved by the Board of Directors on 20 Rabi-ul-Thani 1446H (corresponding to 23 October 2024).