

## **LIMITED ASSURANCE REPORT ON THE SCHEDULE OF INFORMATION PREPARED BY ARABIAN CEMENT COMPANY MANAGEMENT IN CONNECTION WITH THE IMPLEMENTING REGULATION OF THE COMPANIES LAW FOR LISTED JOINT STOCK COMPANIES RELATING TO THE PROPOSED BUY-BACK OF SHARES TRANSACTION TO THE SHAREHOLDERS OF ARABIAN CEMENT COMPANY (A SAUDI JOINT STOCK COMPANY)**

### **Scope**

We have been engaged by Arabian Cement Company (a Saudi joint stock company) (the “Company”) to perform a ‘limited assurance engagement’, as defined by International Standards on Assurance Engagements, here after referred to as (“the engagement”), to report on whether anything has come to our attention that causes us to believe that the Schedule in relation to the proposed buy-back of shares transaction from it’s shareholders (the “Subject Matter”) which was prepared by the management of the Company as set out in the attached appendix, has not been reported and presented fairly, in all material respects, in accordance with the applicable criteria mentioned below.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Schedule, and accordingly, we do not express a conclusion on this information.

### **Criteria Applied by the Company**

In preparing the Subject Matter, the Company applied the below criteria (the “Criteria”). Such Criteria were specifically designed for the Schedule prepared by the management of the Company in relation to the proposed buy-back of shares transaction of the Company. As a result, the subject matter information may not be suitable for another purpose.

- Requirements stipulated in Paragraph 3 of Article 17 of the Implementing Regulation of the Companies’ Law for Listed Joint Stock Companies issued by the Board of the Capital Market Authority (“CMA”) pursuant to Resolution No. 8-127-2016 dated 16/1/1438H (corresponding to 17/10/2016G) based on the Companies’ Law issued by Royal Decree No. M/3 dated 28/1/1437H (corresponding to 10/3/2015G) as amended by the Resolution of the Board of the CMA No. 2-114-2024 dated 4/4/1446H (corresponding to 7/10/2024G) based on the Companies’ Law issued by Royal Decree No. M/132 dated 1/12/1443H (corresponding to 30/6/2022G).

### **Company’s Responsibilities**

The Company’s management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

### **Our Responsibilities**

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on evidence we have obtained.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* (“ISAE 3000 (Revised)”) that is endorsed in the Kingdom of Saudi Arabia, and the terms of reference for this engagement as agreed with the Company on 9 May 2025. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

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**Independence and Quality Management**

We have maintained our independence and confirm that we have met the requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia and have the required competencies and experience to conduct this assurance engagement.

Our firm also applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, that is endorsed in the Kingdom of Saudi Arabia, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Description of Procedures Performed**

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information and applying analytical and other appropriate procedures.

Our procedures comprised the following:

1. Compare the total assets, total liabilities and total contingent liabilities included in the Schedule as at 31 March 2025 to the Company's interim condensed consolidated financial statements and accounting records as at 31 March 2025.
2. Check the arithmetical accuracy of the net assets (which represents the balance after deducting the total liabilities and total contingent liabilities from total assets) included in the Schedule as at 31 March 2025 prior to and after deducting the balance of estimated cost of purchasing treasury shares.
3. Recalculate the estimated cost of purchasing treasury shares which was calculated based at the closing share price of the Company's shares in Tadawul on 30 April 2025 provided by the management and multiplied by the proposed number of shares to buy back.
4. Compare the working capital for the subsequent twelve months immediately following the date of completion the purchase treasury shares transaction (estimated to be completed by December 2025) included in the schedule within the working capital in the financial plan prepared by management for the year ending 31 December 2026.
5. Recalculate the balance of excess retained earnings mentioned in the schedule after deducting the balance of estimated cost of purchasing treasury shares from retained earnings as at 31 March 2025 as per the interim condensed consolidated financial statements.

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**Inherent limitation of procedures performed**

- The adequacy of working capital (actual and expected within twelve months) was determined based on Management's forecast of assets and liabilities based on expected maturity and other assumptions. The requirements mentioned in the Criteria that were followed by Management in preparing the Subject Matter do not define or determine what constitutes an adequate working capital. Our work will be limited to the procedures that will be performed as described in our report.
- The share price of the Company on the actual date of execution of the proposed buy-back of shares transaction may be substantially different from the share price used in arriving at the estimated purchase cost of the proposed buy-back of shares transaction in the Schedule as at the date prepared by the management and will be accompanied in our report. Further, the working capital following the proposed buy-back of shares transaction may also differ significantly from the calculation made by management and reflected in the Schedule.
- The interim condensed consolidated financial statements as of 31 March 2025 have been prepared in accordance with the liquidity arrangement, and working capital cannot be derived directly from the interim condensed statement of financial position. The realization of the working capital as projected in the Schedule may therefore differ depending on the result of the Company's operations and realization of projected assumptions for future periods.
- Our procedures are subject to inherent limitations and, accordingly, errors or irregularities may occur and not be detected.

**Conclusion**

Based on our procedures and evidence obtained, and subject to the inherent limitations as described above, we are not aware of any material modifications that need to be made to the Subject Matter as of 11 May 2025 and as stated in the attached Appendix, in order for it to be in accordance with the Criteria.

**Other Matter**

The attached Appendix is stamped by us for identification purposes.

**Restricted Use**

This report is intended solely for the information and use of the Company and the CMA, to assist the Company in fulfilling its reporting obligations to CMA in accordance with the Criteria and is not intended to be and should not be used by anyone other than those specified parties.

for Ernst & Young Professional Services



Ahmed Ibrahim Reda  
Certified Public Accountant  
License No. (356)



Jeddah: 13 Thul-Qi'dah 1446H  
11 May 2025G

**Arabian Cement Company**

**Management Report**

**All figures in SAR thousands**

**Working capital according to interim condensed consolidated financial statements as at 31 March 2025**

Current Assets (excluding cash and cash equivalents)  
Less: Current Liabilities (excluding bank loans and facilities)

**Actual  
31-March  
2025**

923,422

227,399

**696,023**

**Expected working capital during 12 months following date of shares buy-back completion**

811,796

**Expected completion date of shares buy-back transaction**

Month of December 2025

**Summary of Assets and Liabilities including Contingent Liabilities**

According to interim condensed consolidated financial statements as at 31 March 2025

Assets	Liabilities	Contingent Liabilities	Assets less Liabilities and Contingent Liabilities	Number of Shares	Estimated cost of shares	Net Assets
A	B	C	D=A-B-C	E	F	G = D-F
3,126,213	447,579	138,308	2,540,326	150,000	3,810	2,536,516

\* Share closing price at 30 April 2025 is used for calculating estimated shares buy-back cost

**Arabian Cement Company**

8605 King Abdul Aziz Road, Al Nahdah District  
Jeddah 23523-2113, Kingdom of Saudi Arabia  
Tel: +966 (12) 6949700. Fax: +966 (12) 6949703  
www.arabiancement.com.sa

**شركة الأسمنت العربية**

حي النهضة، طريق الملك عبدالعزيز ٨٦٠٥  
المملكة العربية السعودية، جدة ٢١١٣٣-٢٣٥٢٣  
هاتف: +٩٦٦ (١٢) ٦٩٤٩٧٠٠ ، فاكس: +٩٦٦ (١٢) ٦٩٤٩٧٠٣  
www.arabiancement.com.sa

**Retained Earnings surplus according to interim condensed consolidated financial statements as at 31 March 2025**

Retained Earnings

Less: Estimated cost of shares

**Retained Earnings surplus**

**Actual  
31-March  
2025**

684,878

3,810

**681,068**

**Chief Financial Officer**

**Mr. Moataz Mohamed Mortada**

**Chief Executive Officer**

**Dr. Badr Osama Johar**

شركة إرنست ويونغ للخدمات المهنية  
(مهنية ذات مسؤولية محدودة)

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