

**YAMAMA CEMENT COMPANY  
SAUDI JOINT STOCK COMPANY  
INTERIM CONDENSED FINANCIAL STATEMENTS  
(UNAUDITED) AND  
INDEPENDENT AUDITOR'S REVIEW REPORT  
FOR THE THREE-MONTHS AND SIX-MONTHS  
PERIOD ENDED JUNE 30, 2024**

**Yamama Cement Company**  
**Saudi Joint Stock Company**  
**Interim Condensed Financial Statements (unaudited)**  
**For the three months and six-months periods ended June 30, 2024**  
**(EXPRESSED IN SAUDI RIYALS)**

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**Report on the Review of the Interim Condensed Financial Statements**

To the **Shareholders of YAMAMA Cement Company**  
(A Saudi Joint Stock Company)

**Introduction:**

We have reviewed the interim condensed financial statements of **YAMAMA Cement Company** (the Company), which comprise the interim condensed statement of financial position as at June 30, 2024, and the interim condensed statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the three-months and six-months period then ended, and notes to the interim condensed financial statements, including a summary of significant accounting policies and other explanatory information.

Company's management is responsible for the preparation and presentation for these interim condensed financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34"), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed 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", as endorsed in the Kingdom of Saudi Arabia. A review of interim condensed 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 in Auditing, as 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 financial statements are not prepared, in all material respects, in accordance with IAS 34 (Interim Financial Report), as endorsed in the Kingdom of Saudi Arabia.

**For Al-Kharashi Co.**



**Abdullah S. Al Msned**  
**License No. (456)**

Riyadh:  
2 Safar 1446H  
6 August 2024



YAMAMA Cement Company

Saudi Joint Stock Company

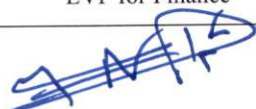
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AS AT JUNE 30, 2024

(EXPRESSED IN SAUDI RIYALS)

	Note	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment, Net	3	4,795,479,919	4,857,498,764
Projects under construction		378,270,148	231,197,287
Intangible assets	4	9,580,950	10,922,584
Right of use assets, Net	5	7,515,130	8,365,900
Investments in associates, Net	6	50,295,245	48,469,427
Financial assets at fair value through other comprehensive income	7	525,372,664	528,499,100
<b>Total non-current assets</b>		<b>5,766,514,056</b>	<b>5,684,953,062</b>
<b>Current assets</b>			
Trade receivables		152,102,347	131,084,392
Inventory		427,638,081	332,433,644
Prepayments and other debit balances		223,661,664	173,763,655
Due from related parties	8	399,690	342,948
Cash and cash equivalents		79,285,165	160,160,794
<b>Total current assets</b>		<b>883,086,947</b>	<b>797,785,433</b>
<b>TOTAL ASSETS</b>		<b>6,649,601,003</b>	<b>6,482,738,495</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY:</b>			
Share capital	1	2,025,000,000	2,025,000,000
Statutory reserve		726,883,763	726,883,763
Additional Reserve		579,936,772	579,936,772
Retained earnings		1,211,050,584	1,213,900,105
Accumulative change in fair value of OCI items		184,459,373	187,585,810
<b>Total Shareholders' Equity</b>		<b>4,727,330,492</b>	<b>4,733,306,450</b>
<b>Non-current liabilities</b>			
Long term loans – non-current portion	9	1,092,809,525	907,666,667
Lease liabilities – non-current portion	5	4,964,974	5,114,317
Provision for land restoration cost		10,614,659	10,590,647
Employees defined benefit obligations		116,814,506	114,064,732
<b>Total non-current liabilities</b>		<b>1,225,203,664</b>	<b>1,037,436,363</b>
<b>CURRENT LIABILITIES:</b>			
Trade payable		144,323,649	152,724,176
Long Term Loans – current portion	9	403,904,762	407,666,667
Lease liabilities – current portion	5	1,855,903	3,410,135
Due to Related Parties	8	3,590,036	9,002,182
Dividends payable		75,622,354	73,125,999
Accrued expenses and other credit balances		46,134,386	49,830,766
Provision for Zakat		21,635,757	16,235,757
<b>Total current liabilities</b>		<b>697,066,847</b>	<b>711,995,682</b>
<b>TOTAL LIABILITIES</b>		<b>1,922,270,511</b>	<b>1,749,432,045</b>
<b>Total Liabilities &amp; Shareholder's Equity</b>		<b>6,649,601,003</b>	<b>6,482,738,495</b>

EVP for Finance



CEO



Chairman



The accompanying notes are an integral part of these interim condensed financial statements (unaudited)

**YAMAMA Cement Company**

**Saudi Joint Stock Company**

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

**FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2024**

**(EXPRESSED IN SAUDI RIYALS)**

	Note	For the three-months period ended 30 June		For the six-months period ended 30 June	
		2024	2023	2024	2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue, Net		243,722,030	218,940,488	517,431,383	498,803,727
Cost of revenue		(133,355,058)	(135,382,443)	(270,158,821)	(281,409,458)
<b>Gross profit</b>		<b>110,366,972</b>	<b>83,558,045</b>	<b>247,272,562</b>	<b>217,394,269</b>
<b>Expenses and charges:</b>					
Selling and distribution expenses		(5,020,026)	(2,123,584)	(8,509,212)	(4,761,890)
General and administrative expenses		(18,538,446)	(14,046,572)	(34,410,729)	(28,152,588)
<b>Total expenses</b>		<b>(23,558,472)</b>	<b>(16,170,156)</b>	<b>(42,919,941)</b>	<b>(32,914,478)</b>
<b>Income from main activities</b>		<b>86,808,500</b>	<b>67,387,889</b>	<b>204,352,621</b>	<b>184,479,791</b>
<b>Other (expense) / income:</b>					
Finance Cost		(13,831,022)	(13,056,504)	(23,793,650)	(23,341,804)
Investment income		9,940,979	9,535,698	13,494,246	13,672,385
Gain from sale of property, plant and equipment	10	3,322,545	20,327,436	9,294,553	20,327,436
Other income		775,826	17,114,305	1,702,709	21,570,082
<b>Profit before zakat</b>		<b>87,016,828</b>	<b>101,308,824</b>	<b>205,050,479</b>	<b>216,707,890</b>
Provision for zakat		(2,400,000)	(3,000,000)	(5,400,000)	(6,000,000)
<b>Net profit for the period</b>		<b>84,616,828</b>	<b>98,308,824</b>	<b>199,650,479</b>	<b>210,707,890</b>
<b>Other comprehensive income / (Other comprehensive loss):</b>					
Gain/ (loss) of change in fair value of financial assets at fair value through other comprehensive income		(2,501,150)	357,307	(3,126,437)	(178,654)
<b>Other comprehensive income / (Other comprehensive loss)</b>		<b>(2,501,150)</b>	<b>357,307</b>	<b>(3,126,437)</b>	<b>(178,654)</b>
<b>Total comprehensive income for period</b>		<b>82,115,678</b>	<b>98,666,131</b>	<b>196,524,042</b>	<b>210,529,236</b>
<b>Earnings per share:</b>	15				
From net income for the period		0.42	0.49	0.99	1.04

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Chairman



The accompanying notes are an integral part of these interim condensed financial statements

YAMAMA Cement Company

Saudi Joint Stock Company

INTERIM CONDENSED STATEMENT OF CHANGE IN SHAREHOLDERS' EQUITY (UNAUDITED)

FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2024

(EXPRESSED IN SAUDI RIYALS)

	Share capital	Legal reserve	Additional Reserve	Retained Earnings	Change in accumulated fair value	Total
<b>Balance as at January 1, 2023 (Audited)</b>	2,025,000,000	726,883,763	579,936,772	1,112,256,998	207,187,020	4,651,264,553
Net profit for the period	-	-	-	210,707,890	-	210,707,890
Dividends - (Note 12)	-	-	-	(202,500,000)	-	(202,500,000)
Other comprehensive loss	-	-	-	-	(178,654)	(178,654)
<b>Balance as at June 30, 2023 (Unaudited)</b>	<b>2,025,000,000</b>	<b>726,883,763</b>	<b>579,936,772</b>	<b>1,120,464,888</b>	<b>207,008,366</b>	<b>4,659,293,789</b>
<b>Balance as at January 1, 2024 (Audited)</b>	2,025,000,000	726,883,763	579,936,772	1,213,900,105	187,585,810	4,733,306,450
Net profit for the period	-	-	-	199,650,479	-	199,650,479
Dividends - (Note 12)	-	-	-	(202,500,000)	-	(202,500,000)
Other comprehensive loss	-	-	-	-	(3,126,437)	(3,126,437)
<b>Balance as at June 30, 2024 (Unaudited)</b>	<b>2,025,000,000</b>	<b>726,883,763</b>	<b>579,936,772</b>	<b>1,211,050,584</b>	<b>184,459,373</b>	<b>4,727,330,492</b>

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The accompanying notes are an integral part of these interim condensed financial statements (unaudited)



**YAMAMA Cement Company**  
**Saudi Joint Stock Company**  
**INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2024**  
**(EXPRESSED IN SAUDI RIYALS)**

Note	For the six-months period ended	
	June 30, 2024 (Unaudited)	June 30, 2023 (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net profit before zakat	205,050,479	216,707,890
<b>Adjustments to reconcile net profit to net cash generated from/ (used in) operating activities:</b>		
Depreciation and Amortization	89,268,194	87,004,070
Provision for obsolescence of main spare parts	-	2,500,000
Employee defined benefit obligation expenses	4,700,201	3,923,618
Change in provision of land restorations cost	24,012	23,301
Gain from sale of property, plant and equipment	(9,294,553)	(20,327,436)
Realized gain from financial assets at fair value through other comprehensive income	3,126,437	(10,993,840)
Realized gain from financial assets at fair value through profit or loss	(11,668,429)	(2,424,549)
Gains from associate companies	(1,825,817)	(253,997)
<b>Changes in working capital</b>	<b>279,380,524</b>	<b>276,159,057</b>
Trade receivables	(21,017,955)	(128,514,182)
Inventories	(95,204,437)	(52,974,660)
Due from related parties	(56,742)	654,474
Prepayments and other debit balances	(49,898,003)	(4,897,980)
Trade payables	(8,400,527)	(181,019,965)
Due to related parties	(5,412,146)	413,400
Accrued expenses and other credit balances	(3,696,379)	(10,020,248)
Change in leasing obligations	(1,703,575)	61,603
Zakat Paid	-	(10,104,183)
Employee defined benefit obligations paid	(2,345,658)	(3,402,285)
<b>Net cash generated from/ (used in) operating activities:</b>	<b>91,645,102</b>	<b>(113,644,969)</b>
<b>INVESTING ACTIVITIES</b>		
Change in financial investments at fair value through profit or loss	-	225,000,000
Purchase of property, plant and equipment and intangible assets	(27,834,206)	(1,221,117)
Proceeds from property, plant and equipment	9,294,553	20,327,436
Purchase of main spare parts	23,693,353	(18,085,416)
Change in the right of use the asset	850,771	680,256
Project under construction	(168,444,502)	(73,835,361)
Proceeds from investment income	8,541,992	13,418,388
<b>Net cash (used in)/ generated from investing activities</b>	<b>(153,898,039)</b>	<b>166,284,186</b>
<b>FINANCING ACTIVITIES</b>		
long- term loans paid	(138,619,047)	(93,833,333)
long- term loans Proceeds	320,000,000	275,000,000
Dividends payable	(200,003,645)	(202,958,042)
<b>Net cash used in financing activities</b>	<b>(18,622,692)</b>	<b>(21,791,375)</b>
Change in cash and cash equivalents	(80,875,629)	30,847,842
Cash and cash equivalents at beginning of period	160,160,794	75,903,587
<b>Cash and cash equivalents at end of period</b>	<b>79,285,165</b>	<b>106,751,429</b>

The disclosure of non-cash activities in the Note (11).

EVP for Finance	CEO	Chairman
		

The accompanying notes are an integral part of these interim condensed financial statements (unaudited)

## **YAMAMA CEMENT COMPANY**

### **NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

**FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2024**

**(EXPRESSED IN SAUDI RIYALS)**

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## **1. THE COMPANY AND NATURE OF ITS BUSINESS:**

### **1.1 Establishment of Company**

YAMAMA Cement Company is a Saudi Joint Stock Company - formed by Royal Decree No. 15 dated 13/3/1381H – and registered in Riyadh city under Commercial Registration No. 1010001578 dated 18-4-1379H.

### **1.2 Nature of Company's Activity**

The nature of the company's activity is the production of ordinary Portland cement, salt-resistant cement, clinker cement and finishing cement with industrial license No. (2370) dated 22/09/1439 H.

### **1.3 Company's Capital**

YAMAMA Cement Company is a public joint stock company listed on the Saudi stock market. With a capital of SAR 2,025 million divided into 202,500,000 shares with a value of 10 riyals per share, it is wholly owned by individuals and public institutions.

## **2. BASIS OF PREPARATION:**

### **2.1 Statement of compliance**

The company's interim condensed financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” as endorsed in Kingdom of Saudi Arabia (KSA). The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company’s annual financial statements as at 31 December 2023. In addition, the results of operations for the period ended June 30, 2024 do not necessarily represent an indicator for the results of operations for year ending December 31, 2024.

### **2.2 Basis of measurement**

The interim condensed financial statements have been prepared using accrual basis of accounting, going concern concept and under the historical cost basis, except for financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss which are recognized at fair value through other comprehensive income (related to financial assets at fair value through other comprehensive income) and through profit or loss (related to financial assets at fair value through profit or loss), and investment in associate companies which is recognized by using equity method.

### **2.3 Functional and presentation currency**

The interim condensed financial statements have been prepared in Saudi Riyals, which is the functional and presentation currency for the company, all the numbers are rounded to the nearest Riyal, unless otherwise indicated.

### **2.4 Significant accounting policies**

The accounting policies applied in these interim condensed financial statements are the same as those applied in the Company’s annual financial statements as at and for the year ended December 31, 2023.



**YAMAMA CEMENT COMPANY****NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2024

(EXPRESSED IN SAUDI RIYALS)

**2. BASIS OF PREPARATION (CONTINUED):****2.5 Significant accounting estimates, judgements, and assumptions**

The preparation of Company's interim condensed financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liability affected in future periods. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The significant judgements made by management in applying the Company's accounting policies and key sources of estimates uncertainty were the same as those described in the financial statements for year ended 31 December 2023.

**3. PROPERTY, PLANT, AND EQUIPMENT:**

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Property, Plant, and Equipment (Note 3-1)	4,555,390,159	4,593,715,651
<b>ADD:</b>		
Spare Parts Machineries and Ovens	393,338,113	417,031,466
Impairment of Spare Parts Machinery and Ovens*	(153,248,353)	(153,248,353)
Spare Parts Machinery and Ovens Net	240,089,760	263,783,113
	<b>4,795,479,919</b>	<b>4,857,498,764</b>

\*Based on the decision of the Board of Directors to form an impairment provision of Spare Parts Machinery and Ovens per year, the movement of the provision was as follows:

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Balance at beginning of the period/year	153,248,353	149,163,350
Formed during the period/year	-	5,000,000
Utilized during the year	-	(914,997)
Balance at end of the period/year	<b>153,248,353</b>	<b>153,248,353</b>

**YAMAMA CEMENT COMPANY**
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**
**FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2024**
**(EXPRESSED IN SAUDI RIYALS)**
**3/1. PROPERTY, PLANT, AND EQUIPMENT (continued):**

	<b>Land</b>	<b>Building, Construction</b>	<b>Plants &amp; Machinery of the Factory</b>	<b>Vehicles</b>	<b>Tools</b>	<b>Furniture &amp; Office Equipment</b>	<b>Total</b>
<b>Cost</b>							
<b>Balance at January 1,2024 (Audited)</b>	12,234,510	2,824,162,133	3,653,819,500	25,794,626	13,316,068	52,786,696	6,582,113,533
Additions during the period	-	5,673,036	20,058,065	-	594,320	1,039,693	27,365,114
Transferred from capital work in progress during the period	-	21,766,872			-	-	21,766,872
Disposals	-	-	(7,788,721)	(1,068,785)	-	-	(8,857,506)
<b>Balance at June 30,2024 (Unaudited)</b>	<b>12,234,510</b>	<b>2,851,602,041</b>	<b>3,666,088,844</b>	<b>24,725,841</b>	<b>13,910,388</b>	<b>53,826,389</b>	<b>6,622,388,013</b>
<b>Accumulated depreciation</b>							
<b>Balance at January 1,2024 (Audited)</b>	-	647,023,031	1,271,774,023	23,916,623	8,047,987	37,636,218	1,988,397,882
Depreciation for the period	-	41,741,866	42,260,380	412,439	361,833	2,680,950	87,457,468
Disposals	-	-	(7,788,710)	(1,068,786)	-	-	(8,857,496)
<b>Balance at June 30,2024 (Unaudited)</b>	<b>-</b>	<b>688,764,897</b>	<b>1,306,245,693</b>	<b>23,260,276</b>	<b>8,409,820</b>	<b>40,317,168</b>	<b>2,066,997,854</b>
<b>Net Book Value</b>							
<b>Balance at June 30,2024 (Unaudited)</b>	<b>12,234,510</b>	<b>2,162,837,144</b>	<b>2,359,843,151</b>	<b>1,465,565</b>	<b>5,500,568</b>	<b>13,509,221</b>	<b>4,555,390,159</b>
<b>Balance at December 31,2023 (Audited)</b>	<b>12,234,510</b>	<b>2,177,139,102</b>	<b>2,382,045,477</b>	<b>1,878,003</b>	<b>5,268,081</b>	<b>15,150,478</b>	<b>4,593,715,651</b>

**YAMAMA CEMENT COMPANY**
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**
**FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2024**
**(EXPRESSED IN SAUDI RIYALS)**
**4. INTANGIBLE ASSETS:**

Intangible assets represent value of licenses and computer programs as follows:

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
<b>Cost:</b>		
Balance at beginning of the period/year	20,089,328	14,561,514
Transferred from capital work in progress during the period/year	-	5,219,400
Additions during the period/year	469,092	308,414
Balance at end of the period/year	<b>20,558,420</b>	<b>20,089,328</b>
<b>Accumulated amortization:</b>		
Balance at beginning of the period/year	9,166,744	6,025,582
Amortized during the period/year	1,810,726	3,141,162
Balance at end of the period/year	<b>10,977,470</b>	<b>9,166,744</b>
<b>Net book value</b>	<b>9,580,950</b>	<b>10,922,584</b>

**5. Leasing contracts**

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
<b>Right of use assets</b>		
<b>Cost:</b>		
Balance at beginning of the period/year	15,056,123	10,889,598
Additions during the period/year	-	4,166,525
Balance at end of the period/year	<b>15,056,123</b>	<b>15,056,123</b>
<b>Accumulated depreciation:</b>		
Balance at beginning of the period/year	6,690,223	5,447,554
Depreciation during the period/year	850,770	1,242,669
Balance at end of the period/year	<b>7,540,993</b>	<b>6,690,223</b>
<b>Net book value</b>	<b>7,515,130</b>	<b>8,365,900</b>

**Leasing liabilities**

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Balance at beginning of the period/year	8,524,452	5,525,251
Adjustment on leasing contracts during the year	-	2,947,013
Interest charged during the period/year	101,425	52,188
Paid during the period/year	(1,805,000)	-
Balance at end of the period/year	<b>6,820,877</b>	<b>8,524,452</b>
The current portion of leasing liabilities	1,855,903	3,410,135
Non-current portion of leasing liabilities	4,964,974	5,114,317
	<b>6,820,877</b>	<b>8,524,452</b>

**YAMAMA CEMENT COMPANY****NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2024

(EXPRESSED IN SAUDI RIYALS)

**6. INVESTMENTS IN ASSOCIATE COMPANIES, NET:**

	Percentage equity %	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Saudi Yamani Cement Co.-Yamani Closed Joint Stock	20%	75,060,000	75,060,000
Less: Impairment of Investments		(75,060,000)	(75,060,000)
Net, Investment in Saudi Yamani co.		-	-
Cement Product Industry Co. Ltd.	33.33%	50,295,245	48,469,427
		<b>50,295,245</b>	<b>48,469,427</b>

**7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME:**

	Percentage equity %	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Industrialization & Energy Service Co. (Joint Stock Co.)	3.92%	473,838,019	473,838,019
Investments in real estate funds and sukuk		51,534,645	54,661,081
		<b>525,372,664</b>	<b>528,499,100</b>

**YAMAMA CEMENT COMPANY****NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2024

(ALL AMOUNTS EXPRESSED IN SAUDI RIYAL UNLESS OTHERWISE STATED)

**8. RELATED PARTIES:**

Dealing with related parties are in ordinary scope of work for the Company. Determining the value of those transactions by fair value.

	<b>Nature of relationship</b>	<b>June 30, 2024 (Unaudited)</b>	<b>December 31, 2023 (Audited)</b>
<b>Due from Related Parties:</b>			
Saudi Yamani Cement Co.-Yamani Closed Joint Stock	associate	399,690	342,948
		<b>399,690</b>	<b>342,948</b>
	<b>Nature of relationship</b>	<b>June 30, 2024 (Unaudited)</b>	<b>December 31, 2023 (Audited)</b>
<b>Due to Related Parties:</b>			
Arabian Shield Co-operative Insurance Co (Saudi Joint Stock)	Insurance	809,060	2,440,340
Sahl Al-Madar Trading Co. Ltd.	Development of logistics services	455,952	329,670
Obeikan digital solutions Co. Ltd	Procurement services	-	747,500
Cement Product Industry Co. Ltd.	development associate	2,325,024	5,484,672
		<b>3,590,036</b>	<b>9,002,182</b>

Significant period/year end balances arising from transactions with related parties are as follows:

<b>Name of related party</b>	<b>Type of Transactions</b>	<b>June 30, 2024 (Unaudited)</b>	<b>December 31, 2023 (Audited)</b>
Cement Product Industry Co. Ltd.	Purchasing Packing Paper Bags	12,751,862	27,968,184
Arabian Shield Co-operative Insurance Co. Saudi Joint Stock Co.	Insurance	9,574,869	14,031,508
Saudi Yamani Cement Co.-Yamani Closed Joint Stock	Payment on behalf	56,742	342,948
Mobile Telecommunication Company Saudi Arabia -Zain	Communication services	973,469	1,996,924
Obeikan digital solutions Co. Ltd	Procurement services	747,500	-
Sahl Al-Madar Trading Co. Ltd.	Development of logistics services	1,840,320	2,087,520



**YAMAMA CEMENT COMPANY****NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2024

(ALL AMOUNTS EXPRESSED IN SAUDI RIYAL UNLESS OTHERWISE STATED)

**8. RELATED PARTIES (CONTINUED):**

The Chairman of the Board of Directors of the Arabian Shield Cooperative Insurance Company is the Chairman of the Board of Directors of the company.

The Chairman of the Board of Directors of Zain is the Chairman of the Board of Directors of the company. Board member of Arabian Shield Co-operative Insurance Company is Vice Chairman of the Company's Board of Directors.

Board member of Obeikan Digital Solutions Company He is Vice Chairman of the Company's Board of Directors.

Board member of Sahl Al-Madar Trading Company He is Vice Chairman of the Company's Board of Directors.

**9. LONG TERM LOANS:**

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Saudi Industrial Development Fund	380,000,000	465,000,000
Saudi National Bank	796,714,287	850,333,334
Al Rajhi Bank	200,000,000	-
Alinma Bank	120,000,000	-
	<b>1,496,714,287</b>	<b>1,315,333,334</b>
<b>divided into:</b>		
Short portion of long-term loans	403,904,762	407,666,667
Long term portion of long-term loans	1,092,809,525	907,666,667
	<b>1,496,714,287</b>	<b>1,315,333,334</b>

**Saudi Industrial Development Fund:**

On December 20, 2016, the Company received long-term financing which was in accordance with sharia laws of SAR 900 million from the Saudi Industrial Development Fund to finance the construction of a new Yamama cement plant in the Northern Halal area of Al-Kharj, Riyadh. With a guaranteed mortgage of the new plant assets and promissory bonds for the loan to be repaid on 12 semi-annual payments.

**Financial Covenants - Loan from Saudi Industrial Development Fund:**

The loan agreement from the Saudi Industrial Development Fund includes certain commitments. Under the terms of this agreement, the management monitors the pledges periodically.

**Saudi National Bank:**

The company renewed the agreement signed with the Saudi National Bank. It is an Islamic Murabaha agreement compatible with Islamic Sharia, in which the company obtains bank facilities (long and medium-term) in a total amount of 1,712,611,944 SAR, which is guaranteed by a promissory note.

**YAMAMA CEMENT COMPANY****NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2024

(ALL AMOUNTS EXPRESSED IN SAUDI RIYAL UNLESS OTHERWISE STATED)

**9. LONG TERM LOANS (CONTINUED):****Al Rajhi Bank:**

The company has bank facilities (medium and short-term) from Al Rajhi Bank for the purpose of financing working capital in a total amount of 300,000,000 SAR guaranteed by a promissory note.

**Alinma Bank:**

On March 27, 2024, the company signed an Islamic Murabaha agreement with Alinma Bank, compatible with Islamic Sharia, under which the company obtains bank facilities (long, medium, and short-term) in a total amount of 800,000,000 SAR guaranteed by the promissory note.

**Financial Covenants - Loan from commercial banks:**

The loan agreement includes certain commitments with the commercial banks. Under the terms of this agreement, the management monitors the pledges periodically.

**10. GAINS FROM SALE OF PROPERTY, PLANT AND EQUIPMENT:**

The gains from the sale of property, plant and equipment is represented in the profits resulting from the sale of some accessories of the old production lines during the first six months of the year 2024 (June 30, 2023: SAR 20.3 million) Which has been disposed in the book during the year 2022.

**11. NON-CASH ACTIVITIES:**

	June 30, 2024 (Unaudited)	June 30, 2023 (Unaudited)
Un-Realizable Gain from Investments through other comprehensive income	(3,126,437)	178,654
Transfer from capital work-in-progress to assets	21,766,872	52,996,446
Transfer from provision of employee liabilities to capital work-in-progress	332,860	332,860

**12. DIVIDENDS TO SHAREHOLDERS:**

A. On March 25, 2024, the Board of Directors' recommendation to distribute cash dividends in the amount of 202,500,000 Saudi riyals to shareholders for the financial year ending on December 31, 2023, was approved, at a rate of 1.00 riyals per share, which represents 10% of the nominal value of one share, provided that the dividend distribution had began on April 21, 2024.

B. On March 20, 2023, the Board of Directors' recommendation has been approved to distribute cash dividends in the amount of 202,500,000 Saudi riyals to shareholders for the year ended December 31, 2022, at 1.00 Saudi riyal per share, which represents 10% of the nominal value of one share, provided that the dividend distribution had began on April 9, 2023.

**13. FAIR VALUE OF FINANCIAL TOOLS:**

Fair value is the amount received when an asset is sold or paid to transfer a liability in an organized transaction between market participants on the date of measurement. The company's financial instruments consist of financial assets and financial liabilities.

The company's financial assets consist of cash and its equivalents, trade receivables, advance payments to suppliers, other debit balances and due from related parties.

Financial liabilities consist of trade payables, due to related parties and other credit balances.

The fair value of financial instruments is not significantly different from their book value, unless otherwise indicated.

**YAMAMA CEMENT COMPANY****NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2024

(ALL AMOUNTS EXPRESSED IN SAUDI RIYAL UNLESS OTHERWISE STATED)

**14. RISK MANAGMENT:****Credit risk**

Credit risk represents one party's inability to meet its obligations, resulting in the other party incurring financial loss. The Company is committed to managing customer-related credit risk by setting credit limits for each customer and monitoring existing debits.

**Special commission price risk**

Special commission price risk relates to the risks resulting from the fluctuation of the value of a financial instrument as a result of the change in the prevailing commission rates in the market, and the company is subject to the risk of special commission rates on its assets associated with special commissions such as Murabaha deposits and credit facilities.

**Liquidity risk**

Liquidity risks represent the company's difficulties in providing funds to meet financial instrument obligations. Liquidity risk results from the inability to sell a financial asset quickly at an amount equivalent to its fair value. The Company manages liquidity risks by maintaining cash balances with banks and ensuring that adequate facilities can be obtained, if necessary, to continuously cover its short-term obligations.

The terms of collection include the collection of the value of the sales within a period of 30 to 60 days from the date of sale and that the purchases are paid within a period of 30 to 60 days from the date of purchase.

**Currency risk**

Currency risk resulting from the fluctuating value of financial instruments is the result of changes in foreign exchange rates. The company is subject to fluctuations in foreign exchange rates during its normal business cycle. The company did not conduct any significant transactions in currencies other than the Saudi riyal, US dollar and euro during the period.

**15. EARNINGS PER SHARE:**

Earnings per share for the period is calculated by dividing net profit for the period by the weighted average of the number of shares during the period which is as follows:

	June 30, 2024 (Unaudited)	June 30, 2023 (Unaudited)
Net profit for the period attributable to Shareholders of the Company	199,650,479	210,707,890
Weighted average number of shares	202,500,000	202,500,000
Earnings per share for the period	<b>0.99</b>	<b>1.04</b>

- During the period, there were no dilutive shares, so the diluted earnings per share does not differ from the basic earnings per share.

**YAMAMA CEMENT COMPANY****NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS****FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2024****(ALL AMOUNTS EXPRESSED IN SAUDI RIYAL UNLESS OTHERWISE STATED)**

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**16. GEOGRAPHICAL DISTRIBUTION:**

All of the company's assets and liabilities are located in Saudi Arabia except for investments in The Yemen-Saudi Cement Company, which is headquartered in Yemen.

**17. SEGMENT INFORMATION:**

The company's main business is one product locally and therefore does not report on the operating sectors in multiple products or geographical areas.

**18. CONTINGENCIES AND COMMITMENTS:**

A. The Company engages in commitments related to Project under implementation as of June 30, 2024, Amounted to SAR 887 million (as at December 31, 2023: SAR 517.4 million).

B. The potential liabilities are the value of the letters of guarantee issued to third parties by the Company, which amounted to SAR 76 million as of June 30, 2024, for third-party services (as at December 31, 2023: 57 million).

**19. SUBSEQUENT EVENTS:**

There have been no significant subsequent events since the end of the financial period that require disclosure or adjustment in the financial statements, except for what has already been disclosed in the accompanying financial statements.

**20. APPROVAL THE INTERIM CONDENSED FINACIAL STATEMENTS:**

These interim condensed financial statements were approved by the Company's Board of Directors on 5 August 2024, 1 Safar 1446H.