

**YAMAMA CEMENT COMPANY  
SAUDI JOINT STOCK COMPANY  
RIYADH - SAUDI ARABIA  
INTERIM CONDENSED FINANCIAL  
STATEMENTS AND  
INDEPENDENT AUDITOR'S REVIEW REPORT  
FOR THE THREE-MONTH PERIOD ENDED  
MARCH 31, 2022**

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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 accompanying interim condensed financial statements of **YAMAMA Cement Company** (the Company), which comprise the interim condensed statement of financial position as at March 31, 2022, and the interim condensed statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, and notes to the interim condensed financial statements, including a summary of significant accounting policies and other explanatory information.

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.

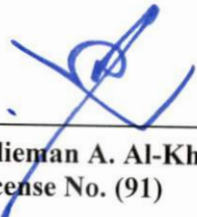
**Scope of review:**

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, as endorsed in the Kingdom of Saudi Arabia.

For Al-Kharashi Co.

  
Suliman A. Al-Kharashi  
License No. (91)



Riyadh:

Ramadan 17, 1443H

April 18, 2022G

YAMAMA Cement Company

Saudi Joint Stock Company

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION *(unaudited)*

AS AT MARCH 31, 2022

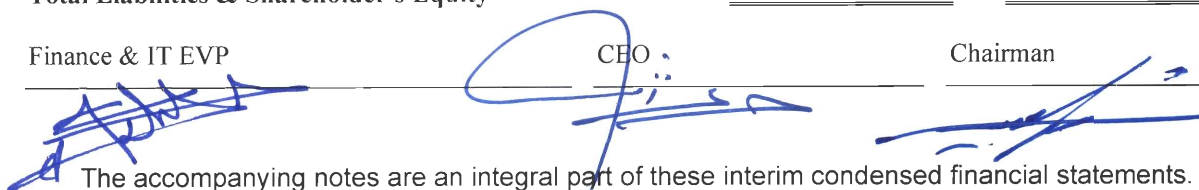
(EXPRESSED IN SAUDI RIYALS)

	Note	March 31, 2022 <i>(unaudited)</i>	December 31, 2021 <i>(audited)</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment, Net	(3)	345,706,912	334,945,385
Projects under construction		4,502,755,930	4,485,568,523
Intangible assets	(4)	9,659,326	10,245,902
Right to use assets, Net	(5)	2,384,019	2,724,594
Investments in associates, Net	(6)	39,313,467	37,292,877
Financial assets at fair value through other comprehensive income	(7)	519,468,911	519,022,277
<b>Total non-current assets</b>		<b>5,419,288,565</b>	<b>5,389,799,558</b>
<b>Current assets</b>			
Accounts receivables		142,618,690	121,174,783
Inventory		220,560,414	282,659,724
Prepayments and other debit balances		21,829,719	21,841,107
Due from related parties	(8)	920,890	890,782
Financial assets at fair value through profit or loss	(9)	52,492,354	32,346,497
Cash and cash equivalents		643,576,346	74,087,510
<b>Total current assets</b>		<b>1,081,998,413</b>	<b>533,000,403</b>
<b>TOTAL ASSETS</b>		<b>6,501,286,978</b>	<b>5,922,799,961</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		791,606,126	761,989,763
Accumulative change in fair value		193,555,621	193,108,987
<b>Total Shareholders' Equity</b>		<b>4,316,982,282</b>	<b>4,286,919,285</b>
<b>Non-current liabilities</b>			
Long term loans	(10)	1,178,000,000	1,178,190,091
Lease liabilities – non-current portion	(5)	-	1,414,019
Provision for land restoration subject to the franchise license		1,509,392	1,497,635
Provision for employees' defined benefit obligations		108,526,098	110,757,016
<b>Total non-current liabilities</b>		<b>1,288,035,490</b>	<b>1,291,858,761</b>
<b>CURRENT LIABILITIES:</b>			
Accounts payable		167,987,959	179,115,284
Long Term Loans – short portion	(10)	563,190,091	-
Lease liabilities – current portion	(5)	1,421,422	1,436,251
Due to Related Parties	(8)	3,277,500	1,842,300
Dividends payable		73,839,135	74,181,929
Accrued expenses and other credit balances		60,003,244	66,896,296
Provision for Zakat		26,549,855	20,549,855
<b>Total current liabilities</b>		<b>896,269,206</b>	<b>344,021,915</b>
<b>TOTAL LIABILITIES</b>		<b>2,184,304,696</b>	<b>1,635,880,676</b>
<b>Total Liabilities &amp; Shareholder's Equity</b>		<b>6,501,286,978</b>	<b>5,922,799,961</b>

Finance & IT EVP

CEO

Chairman



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

YAMAMA Cement Company

Saudi Joint Stock Company

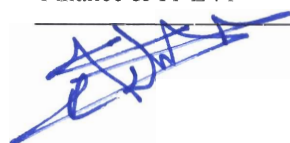
INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (unaudited)

FOR THE THREE MONTH-PERIOD ENDED MARCH 31, 2022

(EXPRESSED IN SAUDI RIYALS)

	<b>For the three-month period ended</b>	
	<b>Note</b>	<b>March 31, 2021</b>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Revenue	221,575,507	180,258,155
Cost of revenue	(180,840,148)	(108,434,880)
<b>Gross profit</b>	<b>40,735,359</b>	<b>71,823,275</b>
<b>Expenses and charges:</b>		
Selling and distribution expenses	(5,587,333)	(2,467,536)
General and administrative expenses	(11,836,552)	(11,955,509)
<b>Total expenses</b>	<b>(17,423,885)</b>	<b>(14,423,045)</b>
<b>Net profit from main activities</b>	<b>23,311,474</b>	<b>57,400,230</b>
<b>Other income:</b>		
Investment income	3,417,022	1,556,816
Gain on sale of property, plant and equipment	8,332,041	-
Miscellaneous income	555,826	413,739
<b>Net profit before zakat</b>	<b>35,616,363</b>	<b>59,370,785</b>
Provision for zakat	(6,000,000)	(4,500,000)
<b>Net profit for the period</b>	<b>29,616,363</b>	<b>54,870,785</b>
<b>OTHER COMPREHENSIVE INCOME:</b>		
(losses) / Gains on financial assets at fair value through other comprehensive income	446,634	187,335,426
<b>Other comprehensive income</b>	<b>446,634</b>	<b>187,335,426</b>
<b>Total comprehensive income for period</b>	<b>30,062,997</b>	<b>242,206,211</b>
<b>Earnings per share:</b>		
Earnings per share from main activities	0.12	0.28
Earnings per share from other activities	0.06	0.01
Earnings per share, in riyals	(14) 0.15	0.27


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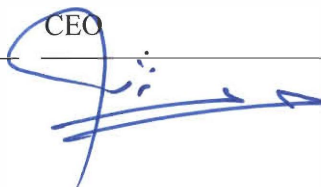
**YAMAMA Cement Company**  
**Saudi Joint Stock Company**  
**INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (unaudited)**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**  
**(EXPRESSED IN SAUDI RIYALS)**

	<u>Share capital</u>	<u>Legal reserve</u>	<u>Additional Reserve</u>	<u>Retained Earnings</u>	<u>Change in accumulated fair value</u>	<u>Total</u>
Balance at January 1, 2021 (audited)	2,025,000,000	726,883,763	579,936,772	554,701,276	(1,473,882)	3,885,047,929
Adjustment for previous years	-	-	-	600,000	-	600,000
Net profit for the period	-	-	-	54,870,785	-	54,870,785
Other comprehensive income	-	-	-	-	187,335,426	187,335,426
<b>Balance at March 31, 2021 (unaudited)</b>	<b>2,025,000,000</b>	<b>726,883,763</b>	<b>579,936,772</b>	<b>610,172,061</b>	<b>185,861,544</b>	<b>4,127,854,140</b>
<b>Balance at January 1, 2022 (audited)</b>	<b>2,025,000,000</b>	<b>726,883,763</b>	<b>579,936,772</b>	<b>761,989,763</b>	<b>193,108,987</b>	<b>4,286,919,285</b>
Net profit for the period	-	-	-	29,616,363	-	29,616,363
Other comprehensive income	-	-	-	-	446,634	446,634
<b>Balance at March 31, 2022 (unaudited)</b>	<b>2,025,000,000</b>	<b>726,883,763</b>	<b>579,936,772</b>	<b>791,606,126</b>	<b>193,555,621</b>	<b>4,316,982,282</b>

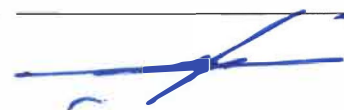
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The accompanying notes are an integral part of these interim condensed financial statements.

**YAMAMA Cement Company**  
**Saudi Joint Stock Company**  
**INTERIM CONDENSED STATEMENT OF CASH FLOWS (unaudited)**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**  
**(EXPRESSED IN SAUDI RIYALS)**

	Note	For the three-month period ended	
		March 31, 2022 <i>(unaudited)</i>	March 31, 2021 <i>(unaudited)</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net profit before zakat		35,616,363	59,370,785
<b>Adjustments to reconcile net profit to net cash provided from operating activities:</b>			
Depreciation		2,039,140	1,924,282
Provision for obsolescence of spare parts	3	1,250,000	1,250,000
Provision for employees' defined benefit obligations		1,867,986	2,644,781
Gain from disposal of property, plant and equipment		(8,332,041)	-
Income from financial assets at fair value through other comprehensive income		(1,250,574)	(295,909)
Income from financial investment at fair value through profit or loss		(145,857)	(1,250,575)
Gain from associate companies		(2,020,590)	(10,332)
<b>Adjusted net income</b>		<b>29,024,427</b>	<b>63,633,032</b>
Accounts receivable		(21,443,907)	51,038,713
Inventories		62,099,310	55,497,962
Due from related parties		(30,108)	(86,078)
Prepayments and other debit balances		11,388	(493,678)
Accounts payable		(11,127,325)	17,012,973
Due to related parties		1,435,200	(600,495)
Accrued expenses and other credit balances		(6,893,052)	(5,641,893)
The change in leasing obligations		(1,428,848)	20,804
Change in provision of land restoration		11,757	10,932
Employees' termination benefits paid		(4,199,997)	(1,278,354)
<b>Net cash flows generated from operating activities</b>		<b>47,458,845</b>	<b>179,113,918</b>
<b>INVESTING ACTIVITIES</b>			
Change in financial investments at fair value through profit or loss		(20,000,000)	(134,993,750)
Purchase of property, plant and equipment		(114,694)	(1,139,448)
Proceeds from property, plant and equipment		8,332,041	-
Spare parts Stock		(13,349,397)	(2,045,216)
Change in the right to use the asset		340,575	(1,021,870)
Project under construction		(17,086,315)	(52,475,354)
Proceeds from investment income		1,250,575	1,250,575
<b>Net cash flows used in investing activities</b>		<b>(40,627,215)</b>	<b>(190,425,063)</b>
<b>FINANCING ACTIVITIES</b>			
long term loans		563,000,000	-
Dividends payable		(342,793)	(74,272)
Previous years adjustments		-	600,000
<b>Net cash flows generated from financing activities</b>		<b>562,657,207</b>	<b>525,728</b>
Increase / (Decrease) in cash and cash equivalents		569,488,837	(10,785,417)
Cash and cash equivalents at beginning of period		74,087,509	71,782,245
<b>Cash and cash equivalents at end of period</b>		<b>643,576,346</b>	<b>60,996,828</b>

**Non-cash transactions are disclosed in Note (11).**

Finance & IT EVP



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

## **YAMAMA CEMENT COMPANY**

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022

(ALL AMOUNTS EXPRESSED IN SAUDI RIYAL UNLESS OTHERWISE STATED)

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

#### **1.1 Establishment of Company**

Al-YAMAMA Saudi 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 2021. In addition, the results of operations for the period ended March 31, 2022 do not necessarily represent an indicator for the results of operations for year ending December 31, 2022.

#### **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, 2021. A number of amendments to IFRS’s are effective from January 1, 2022, but these amendments do not have a material effect on these interim condensed financial statements.



**YAMAMA CEMENT COMPANY**

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022

(ALL AMOUNTS EXPRESSED IN SAUDI RIYAL UNLESS OTHERWISE STATED)

**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 2021.

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

	<u>March 31, 2022</u> <i>(Unaudited)</i>	<u>December 31, 2021</u> <i>(Audited)</i>
Property, Plant, and Equipment	64,041,756	65,379,626
<b>ADD:</b>		
Spare Parts Machineries and Furnaces	360,078,506	346,729,109
Prov. for Spare Parts Machinery and Furnaces	<u>(78,413,350)</u>	<u>(77,163,350)</u>
Spare Parts Machinery and Furnaces Net	<u>281,665,156</u>	<u>269,565,759</u>
	<b><u>345,706,912</u></b>	<b><u>334,945,385</u></b>

Based on the decision of the Board of Directors to form a provision for the aging of Spare Parts for Kilns and Machineries in the amount of 5 million riyals per year, the movement of the provision was as follows:

	<u>March 31, 2022</u> <i>(Unaudited)</i>	<u>December 31, 2021</u> <i>(Audited)</i>
Balance at beginning of the period/year	77,163,350	72,163,350
Provided during the period/year	1,250,000	5,000,000
Paid during the period/year	-	-
Balance at end of the period/year	<b><u>78,413,350</u></b>	<b><u>77,163,350</u></b>

**YAMAMA CEMENT COMPANY**

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022

(ALL AMOUNTS EXPRESSED IN SAUDI RIYAL UNLESS OTHERWISE STATED)

**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>							
Balance at January 1,2022 (audited)	12,234,510	1,244,802,512	2,836,051,971	26,083,820	11,522,580	40,151,488	4,170,846,881
Additions	-	-	-	-	-	20,694	20,694
Adjustments	-	-	(96,010,389)	-	-	(117,884)	(96,128,273)
<b>Balance at March 31,2022 (unaudited)</b>	<b>12,234,510</b>	<b>1,244,802,512</b>	<b>2,740,041,582</b>	<b>26,083,820</b>	<b>11,522,580</b>	<b>40,054,298</b>	<b>4,074,739,302</b>
<b>Accumulated depreciation</b>							
Balance at January 1,2022 (audited)	-	1,206,722,804	2,832,645,037	24,495,380	9,310,456	32,293,578	4,105,467,255
Depreciation	-	338,966	181,719	134,679	105,180	598,020	1,358,564
	-	-	(96,010,389)	-	-	(117,884)	(96,128,273)
<b>Balance at March 31,2022 (unaudited)</b>	<b>-</b>	<b>1,207,061,770</b>	<b>2,736,816,367</b>	<b>24,630,059</b>	<b>9,415,636</b>	<b>32,773,714</b>	<b>4,010,697,546</b>
<b>Net Book Value</b>							
<b>Balance at March 31,2022 (unaudited)</b>	<b>12,234,510</b>	<b>37,740,742</b>	<b>3,225,215</b>	<b>1,453,761</b>	<b>2,106,944</b>	<b>7,280,584</b>	<b>64,041,756</b>
<b>Balance at December 31,2021 (audited)</b>	<b>12,234,510</b>	<b>38,079,708</b>	<b>3,406,934</b>	<b>1,588,440</b>	<b>2,212,124</b>	<b>7,857,910</b>	<b>65,379,626</b>

The Company's factory along with its building and related facilities are erected on land owned by the Company and It has not been evaluated at fair value at the date of the attached financial statements.

**YAMAMA CEMENT COMPANY**

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022

(ALL AMOUNTS EXPRESSED IN SAUDI RIYAL UNLESS OTHERWISE STATED)

**4. INTANGIBLE ASSETS:**

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

	March 31, 2022 <i>(Unaudited)</i>	December 31, 2021 <i>(Audited)</i>
<b>Cost:</b>		
Balance at beginning of the period/year	13,517,514	6,848,600
Transferred from capital work in progress during the period/year	-	6,668,914
Additions during the period/year	94,000	-
Balance at end of the period/year	<b>13,611,514</b>	13,517,514
<b>Accumulated amortization:</b>		
Balance at beginning of the period/year	3,271,612	1,123,852
Amortized during the period/year	680,576	2,147,760
Balance at end of the period/year	3,952,188	3,271,612
<b>Net book value</b>	<b>9,659,326</b>	<b>10,245,902</b>

**5. RIGHT TO USE ASSETS AND LEASE LIABILITIES**

	March 31, 2022 <i>(Unaudited)</i>	December 31, 2021 <i>(Audited)</i>
<b>Right to use assets</b>		
<b>Cost:</b>		
Balance at beginning of the period/year	6,811,637	5,449,192
Additions during the period/year	-	1,362,445
Balance at end of the period/year	<b>6,811,637</b>	<b>6,811,637</b>
<b>Accumulated depreciation:</b>		
Balance at beginning of the period/year	4,087,043	2,724,743
Depreciation during the period/year	340,575	1,362,300
Balance at end of the period/year	4,427,618	4,087,043
<b>Net book value</b>	<b>2,384,019</b>	<b>2,724,594</b>

**Lease liabilities**

	March 31, 2022 <i>(Unaudited)</i>	December 31, 2021 <i>(Audited)</i>
<b>Present value of lease liabilities</b>		
<b>Cost:</b>		
Balance at beginning of the period/year	2,850,270	2,767,050
Interest charged during the period/year	15,152	83,220
Payments made during the period/year	(1,444,000)	-
Balance at end of the period/year	<b>1,421,422</b>	<b>2,850,270</b>
Current portion of lease liabilities	1,421,422	1,436,251
Non-current portion of lease liabilities	-	1,414,019
	<b>1,421,422</b>	<b>2,850,270</b>

**YAMAMA CEMENT COMPANY**

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022

(ALL AMOUNTS EXPRESSED IN SAUDI RIYAL UNLESS OTHERWISE STATED)

**6. INVESTMENTS IN ASSOCIATE COMPANIES:**

	Percentage equity %	March 31, 2022 <i>(Unaudited)</i>	December 31, 2021 <i>(Audited)</i>
Saudi Yamani Cement Co.-Yamani Closed Joint Stock	20%	75,060,000	75,060,000
Less: Provision for Investments		<u>(75,060,000)</u>	<u>(75,060,000)</u>
Net, Investment in Saudi Yamani co.		-	-
Cement Product Industry Co. Ltd.	33.33%	<u>39,313,467</u>	<u>37,292,877</u>
<b>Total</b>		<b><u>39,313,467</u></b>	<b><u>37,292,877</u></b>

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

	Percentage equity %	March 31, 2022 <i>(Unaudited)</i>	December 31, 2021 <i>(Audited)</i>
<b>Investments in Securities:</b>			
Industrialization & Energy Service Co. (Joint Stock Co.)	5.63%	470,249,866	470,249,866
		<u>470,249,866</u>	<u>470,249,866</u>
<b>Investment in Real estate funds</b>			
Real estate funds		49,219,045	48,772,411
<b>Total</b>		<b><u>519,468,911</u></b>	<b><u>519,022,277</u></b>

**YAMAMA CEMENT COMPANY**

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022

(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.

	<u>Nature of relationship</u>	<u>March 31, 2022</u> <i>(Unaudited)</i>	<u>December 31, 2021</u> <i>(Audited)</i>
<b>Due from Related Parties:</b>			
Cement Co.-Yamani Joint Stock Co.- Private	associate	<u>920,890</u>	<u>890,782</u>
	<u>Nature of relationship</u>	<u>March 31, 2022</u> <i>(Unaudited)</i>	<u>December 31, 2021</u> <i>(Audited)</i>
<b>Due to Related Parties:</b>			
Cement Product Industry Co. Ltd.	associate	<u>3,277,500</u>	<u>1,842,300</u>

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

<u>Name of related party</u>	<u>Type of Transactions</u>	<u>March 31, 2022</u> <i>(Unaudited)</i>	<u>December 31, 2021</u> <i>(Audited)</i>
Cement Product Industry Co. Ltd.	Purchasing Packing Paper Bags	6,672,300	16,302,368
Arabian Shield Co-operative Insurance Co.	Insurance	3,195,618	13,545,982
Saudi Joint Stock Co. Cement Co.-Yamani Joint Stock Co.- Private	Services	30,108	252,444
Mobile Telecommunication Company Saudi Arabia -Zain-	Communication services	777,276	1,543,879

The Chairman of Board of Directors of the Arabian Shield Co-operative Insurance Company is a member of the Board of Directors of the company.

The Chairman of Zain is a member of the Board of Directors of the company.

Member of the Board of Directors of the Arab Shield Cooperative Insurance Company He is a member of the company's Board of Directors.

**YAMAMA CEMENT COMPANY**

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022

(ALL AMOUNTS EXPRESSED IN SAUDI RIYAL UNLESS OTHERWISE STATED)

**9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS/ INVESTMENTS:**

	March 31, 2022 <i>(Unaudited)</i>	December 31, 2021 <i>(Audited)</i>
Murabaha funds	<b>52,492,354</b>	<b>32,346,497</b>

**10. LONG TERM LOANS:**

	March 31, 2022 <i>(Unaudited)</i>	December 31, 2021 <i>(Audited)</i>
Saudi Industrial Development Fund	615,000,000	615,000,000
Al-Rajhi Bank	563,190,091	563,190,091
Saudi National Bank	563,000,000	-
	<b>1,741,190,091</b>	<b>1,178,190,091</b>
<b>divided into:</b>		
Short portion of long-term loans	563,190,091	-
Long term portion of long-term loans	1,178,000,000	1,178,190,091
	<b>1,741,190,091</b>	<b>1,178,190,091</b>

**Saudi Industrial Development Fund**

On December 30, 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 Al Yamama cement plant in the Northern Halal area of Al-Kharj, Riyadh. With a guarantee mortgage of the new plant assets. which are in addition to order bonds for the loan to be repaid on 12 semi-annual payments as of 2021. During the year ended December 31, 2021, the Company has settled an amount of SAR 155 million.

**Al-Rajhi Bank:**

On March 25, 2021, the Company has signed an Islamic Murabaha agreement with Al-Rajhi Bank in compliance with Islamic Sharia, according to which the Company obtains partial bank facilities in the amount of SAR 863 million, of which only the amount of SAR 563 million was utilized for the purpose of repaying the National Bank and Samba loan, which was fully paid on March 30, 2021, according to the following:

- These facilities are secured by promissory notes, provided that the loan is repaid in 6 semi-annual installments starting from March 2023.

Al Rajhi Bank loan was fully repaid on April 3, 2022, while maintaining the short-term facilities with Al-Rajhi Bank, which is used on demand, against promissory note guarantees.

**Saudi National Bank:**

On March 31, 2022, the company signed an Islamic Murabaha agreement with the Saudi National Bank in compliance with Islamic Sharia, according to which the company obtains partial bank facilities in the amount of SAR 1,842,500,000, of which only an amount of SAR 563 million was utilized for the purpose of repaying Al-Rajhi Bank loan, which was fully paid on April 3, 2022 (Note 19).

- These facilities are secured by promissory notes, provided that the loan is repaid in 6 semi-annual installments starting from March 2023.

**YAMAMA CEMENT COMPANY**

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022

(ALL AMOUNTS EXPRESSED IN SAUDI RIYAL UNLESS OTHERWISE STATED)

**11. NON-CASH TRANSACTIONS:**

	March 31, 2022	March 31, 2021
	<u>(Unaudited)</u>	<u>(Unaudited)</u>
Un-Realizable Gain from financial assets at fair value through other comprehensive income	-	187,335,426
Transfer from provision for employees' defined benefit obligations to capital work-in-progress	998,314	191,844

**12. 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.

**13. RISK MANAGEMENT:****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 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.

## YAMAMA CEMENT COMPANY

### NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022

(ALL AMOUNTS EXPRESSED IN SAUDI RIYAL UNLESS OTHERWISE STATED)

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#### 14. 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:

	March 31, 2022	March 31, 2021
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Net profit for the period attributable to Shareholders of the Company	29,616,363	54,870,785
Weighted average number of shares	202,500,000	202,500,000
Earnings per share for the period	0.15	0.27

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

#### 15. 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.

#### 16. 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.

#### 17. SIGNIFICANT EVENTS:

The outbreak of the new Corona virus (Covid-19) in early 2021 and spread worldwide, including the Kingdom of Saudi Arabia, caused the disruption of many companies and economic activities. The company's management believes that this pandemic has no material impact on the interim condensed statement of financial position as of March 31, 2022. Given the current uncertainty about the future, management will continue to assess the impact based on future developments.

#### 18. CONTINGUOUSION AND COMMITMENTS:

- A. The Company engages in commitments related to substantial capital expenditures, mainly in connection with the construction of the new YAMAMA plant. Existing capital expenditure commitments as of March 31, 2022: SAR **294** million (as of December 31, 2021: SAR 312 million).
- B. The potential liabilities are the value of the letters of guarantee issued to third parties by the Company, which amounted to SAR **58** million as of March 31, 2022, for third-party services (as of December 31, 2021: 59 million letters of guarantee).



**YAMAMA CEMENT COMPANY**

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022

(ALL AMOUNTS EXPRESSED IN SAUDI RIYAL UNLESS OTHERWISE STATED)

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**19. EVENTS AFTER REPORTING DATE:**

As disclosed in Note (10) “Long term loans”, on March 31, 2022, the company signed an Islamic Murabaha agreement with the Saudi National Bank in compliance with Islamic Sharia, according to which the company obtains partial bank facilities in the amount of SAR 1,842,500,000, of which only an amount of SAR 563 million was utilized for the purpose of repaying Al-Rajhi Bank loan, which was fully paid on April 3, 2022 (Note 10).

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

These interim condensed financial statements were approved by the Company's Board of Directors on April 18, 2022G, Ramadan 17, 1443H.