

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

Yamama Cement Company

Saudi Joint Stock Company

Interim Condensed Financial Statements (unaudited)

For the three months and nine-months periods ended September 30, 2024

And Independent Auditor's Review Report

(All amounts expressed in Saudi Riyal unless otherwise stated)

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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 September 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 nine-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:
18 Rabi Al-Thani 1446H
21 October 2024



YAMAMA Cement Company

Saudi Joint Stock Company

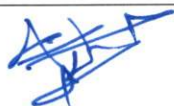
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2024

(All amounts expressed in Saudi Riyal unless otherwise stated)

	Note	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment, Net	3	4,763,431,562	4,857,498,764
Capital works in progress	4	653,746,086	231,197,287
Intangible assets	5	9,618,341	10,922,584
Right of use assets, Net	6	7,089,745	8,365,900
Investments in associates, Net	7	51,932,748	48,469,427
Financial assets at fair value through other comprehensive income	8	527,829,150	528,499,100
Total non-current assets		6,013,647,632	5,684,953,062
Current assets			
Trade receivables		172,045,861	131,084,392
Inventory		458,844,637	332,433,644
Prepayments and other debit balances		296,087,370	173,763,655
Due from related parties	9	399,690	342,948
Cash and cash equivalents		106,775,122	160,160,794
Total current assets		1,034,152,680	797,785,433
TOTAL ASSETS		7,047,800,312	6,482,738,495
EQUITY AND LIABILITIES			
EQUITY:			
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		1,308,984,608	1,213,900,105
Cumulative change in fair value of OCI items		186,915,859	187,585,810
Total Shareholders' Equity		4,827,721,002	4,733,306,450
Non-current liabilities			
Long term loans – non-current portion	10	1,218,860,306	907,666,667
Lease liabilities – non-current portion	6	4,950,974	5,114,317
Provision for land restoration cost		11,682,820	10,590,647
Employees defined benefit obligations		118,793,896	114,064,732
Total non-current liabilities		1,354,287,996	1,037,436,363
CURRENT LIABILITIES:			
Trade payable		247,569,997	152,724,176
Long Term Loans – current portion	10	467,523,809	407,666,667
Lease liabilities – current portion	6	1,921,188	3,410,135
Due to Related Parties	9	9,157,085	9,002,182
Dividends payable		75,567,816	73,125,999
Accrued expenses and other credit balances		49,388,803	49,830,766
Provision for Zakat		14,662,616	16,235,757
Total current liabilities		865,791,314	711,995,682
TOTAL LIABILITIES		2,220,079,310	1,749,432,045
Total Liabilities & Shareholder's Equity		7,047,800,312	6,482,738,495

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

FOR THE THREE MONTHS AND NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2024

(All amounts expressed in Saudi Riyal unless otherwise stated)

	Note	For the three-months period ended 30 September		For the nine-months period ended 30 September	
		2024	2023	2024	2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue		285,183,413	211,709,567	802,614,796	710,513,293
Cost of revenue		(161,371,998)	(174,115,309)	(431,530,819)	(455,524,767)
Gross profit		123,811,415	37,594,258	371,083,977	254,988,527
Expenses and charges:					
Selling and distribution expenses		(3,211,164)	(2,895,794)	(11,720,376)	(7,657,684)
General and administrative expenses		(16,669,936)	(13,899,080)	(51,080,665)	(42,051,668)
Total expenses and charges		(19,881,100)	(16,794,874)	(62,801,041)	(49,709,352)
Profit from main activities		103,930,315	20,799,384	308,282,936	205,279,175
Other (Expenses) / income:					
Finance Cost		(14,279,032)	(10,424,504)	(38,072,682)	(33,766,307)
Investment income		2,424,318	2,589,946	15,918,564	16,262,331
Gain from sale of property, plant and equipment	11	6,028,000	10,086,445	15,322,553	30,413,881
Other income		1,930,423	20,731,304	3,633,132	42,301,386
Profit for the period before zakat		100,034,024	43,782,575	305,084,503	260,490,465
Zakat expense		(2,100,000)	(3,000,000)	(7,500,000)	(9,000,000)
Net profit for the period		97,934,024	40,782,575	297,584,503	251,490,465
(Other comprehensive loss)/ Other comprehensive income:					
Gain / (loss) of change in fair value of financial assets at fair value through other comprehensive income		2,456,486	(357,306)	(669,951)	(535,961)
Other comprehensive income / (Other comprehensive loss)		2,456,486	(357,306)	(669,951)	(535,961)
Total comprehensive income for period		100,390,510	40,425,269	296,914,552	250,954,504
Earnings per share (SAR):	14				
Earnings per share		0.48	0.20	1.47	1.24

EVP for Finance



CEO



Chairman

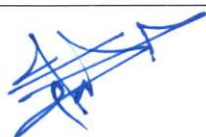


The accompanying notes are an integral part of these interim condensed financial statements (unaudited)

YAMAMA Cement Company
Saudi Joint Stock Company
INTERIM CONDENSED STATEMENT OF CHANGE IN SHAREHOLDER'S EQUITY
FOR THE THREE MONTHS AND NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2024
(All amounts expressed in Saudi Riyal unless otherwise stated)

	Share capital	Legal reserve	Additional Reserve	Retained Earnings	Change in accumulated fair value	Total
Balance as at January 1, 2023 (Audited)	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	-	-	-	251,490,465	-	251,490,465
Dividends (Note 13)	-	-	-	(202,500,000)	-	(202,500,000)
Other comprehensive loss	-	-	-	-	(535,961)	(535,961)
Balance as at September 30, 2023 (Unaudited)	2,025,000,000	726,883,763	579,936,772	1,161,247,463	206,651,059	4,699,719,057
Balance as at January 1, 2024 (Audited)	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	-	-	-	297,584,503	-	297,584,503
Dividends (Note 13)	-	-	-	(202,500,000)	-	(202,500,000)
Other comprehensive loss	-	-	-	-	(669,951)	(669,951)
Balance as at September 30, 2024 (Unaudited)	2,025,000,000	726,883,763	579,936,772	1,308,984,608	186,915,859	4,827,721,002

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 CASH FLOWS

FOR THE NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2024

(All amounts expressed in Saudi Riyal unless otherwise stated)

	For the nine-months period ended	
	September 30, 2024	September 30, 2023
	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net profit before zakat	305,084,503	260,490,465
Adjustments for non-cash items:		
Depreciation and Amortization	134,682,528	131,165,669
Provision for obsolescence of main spare parts	-	2,941,018
Employee defined benefit obligation expenses	6,876,339	5,908,233
Change in provision of land restorations cost	1,092,173	35,082
Gain from sale of property, plant and equipment	(15,322,553)	(30,413,881)
Realized gain from financial assets at fair value through other comprehensive income	(11,785,293)	(11,735,994)
Realized gain from financial assets at fair value through profit or loss	-	(2,424,549)
Gains from associate companies	(3,463,320)	(2,101,790)
Reversed Zakat Provision	-	(19,000,000)
Changes in working capital	417,164,377	334,864,253
Trade receivables	(40,961,469)	5,708,385
Inventories	(126,410,993)	(42,279,476)
Due from related parties	(56,742)	488,262
Prepayments and other debit balances	(122,323,715)	(171,471,453)
Trade payables	94,845,821	(181,360,784)
Due to related parties	154,903	2,321,112
Accrued expenses and other credit balances	(438,803)	(11,269,714)
Change in leasing obligations	(1,652,290)	(1,351,248)
Zakat Paid	(9,073,141)	(12,899,298)
Employee defined benefit obligations paid	(2,742,603)	(3,690,562)
Net cash flows generated from/ (used in) operating activities:	208,505,345	(80,940,523)
INVESTING ACTIVITIES		
Disposal of financial investments at fair value through profit or loss	-	225,000,000
Purchase of property, plant and equipment and intangible assets	(42,442,208)	(9,333,573)
Proceeds from property, plant and equipment	15,346,558	30,639,068
Purchase of main spare parts	24,873,992	(25,371,702)
Change in the right of use assets	1,276,155	1,020,384
Additions to capital works in progress	(443,720,243)	(133,130,931)
Proceeds from investment from financial assets at fair value through other comprehensive income and profit or loss	11,785,293	14,160,542
Net cash flows (used in)/ generated from investing activities	(432,880,453)	102,983,788
FINANCING ACTIVITIES		
long- term loans paid	(256,952,381)	(168,833,333)
long- term loans Proceeds	628,000,000	425,000,000
Dividends payable	(200,058,183)	(202,970,732)
Net cash flows generated from financing activities	170,989,436	53,195,935
Change in cash and cash equivalents	(53,385,672)	75,239,200
Cash and cash equivalents at beginning of period	160,160,794	75,903,587
Cash and cash equivalents at end of period	106,775,122	151,142,787

The disclosure of non-cash transactions in the Note (12).

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 NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2024

(ALL AMOUNTS EXPRESSED IN SAUDI RIYAL UNLESS OTHERWISE STATED)

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 SAR10 per share.

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 September 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 for the nine-month period ending on September 30, 2024 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 NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2024

(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 2023.

3. PROPERTY, PLANT, AND EQUIPMENT:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Property, Plant, and Equipment (Note 3-1)	4,524,522,441	4,593,715,651
ADD:		
Spare Parts Machineries and Ovens	392,157,474	417,031,466
Impairment of Spare Parts Machinery and Ovens*	(153,248,353)	(153,248,353)
Spare Parts Machinery and Ovens Net	238,909,121	263,783,113
	4,763,431,562	4,857,498,764

*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:

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

YAMAMA CEMENT COMPANY

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2024

(ALL AMOUNTS EXPRESSED IN SAUDI RIYAL UNLESS OTHERWISE STATED)

3/1. PROPERTY, PLANT, AND EQUIPMENT (continued):

	Land	Building, Construction	Plants & Machinery of the Factory	Vehicles	Tools	Furniture & Office Equipment	Total
Cost							
Balance as at January 1,2024 (Audited)	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	-	8,191,811	30,131,577	-	985,175	1,702,512	41,011,075
Transferred from capital work in progress during the period	-	21,766,872			-	-	21,766,872
Disposals during the period (Note 11)	-	-	(7,812,719)	(1,068,782)	-	(36,163)	(8,917,664)
Balance as at September 30,2024 (Unaudited)	12,234,510	2,854,120,816	3,676,138,358	24,725,844	14,301,243	54,453,045	6,635,973,816
Accumulated depreciation							
Balance at January 1,2024 (Audited)	-	647,023,031	1,271,774,023	23,916,623	8,047,987	37,636,218	1,988,397,882
Depreciation for the period	-	62,882,700	63,871,594	612,038	531,479	4,049,341	131,947,152
Disposals during the period	-	-	(7,788,710)	(1,068,786)	-	(36,163)	(8,893,659)
Balance as at September 30,2024 (Unaudited)	-	709,905,731	1,327,856,907	23,459,875	8,579,466	41,649,396	2,111,451,375
Net Book Value							
Balance as at September 30,2024 (Unaudited)	12,234,510	2,144,215,085	2,348,281,451	1,265,969	5,721,777	12,803,649	4,524,522,441
Balance as at December 31,2023 (Audited)	12,234,510	2,177,139,102	2,382,045,477	1,878,003	5,268,081	15,150,478	4,593,715,651

YAMAMA CEMENT COMPANY
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2024
(ALL AMOUNTS EXPRESSED IN SAUDI RIYAL UNLESS OTHERWISE STATED)
4. CAPITAL WORKS IN PROGRESS:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Capital Works in progress (4/1)	651,968,078	229,620,766
IT projects	1,778,008	1,576,521
Balance at the end of the period/year	653,746,086	231,197,287

4/1 The capital work in progress as at September 30, 2024 includes an amount of SAR 633 million, Representing the transportation and construction of production line project (December 31, 2023: SAR 196 million).

5. INTANGIBLE ASSETS:

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

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Cost:		
Balance as 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	1,431,133	308,414
Balance as at end of the period/year	21,520,461	20,089,328
Accumulated amortization:		
Balance as at beginning of the period/year	9,166,744	6,025,582
Amortized during the period/year	2,735,376	3,141,162
Balance as at end of the period/year	11,902,120	9,166,744
Net book value	9,618,341	10,922,584

6. LEASING CONTRACTS:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Right of use assets		
Cost:		
Balance as at beginning of the period/year	15,056,123	10,889,598
Additions during the period/year	-	4,166,525
Balance as at end of the period/year	15,056,123	15,056,123
Accumulated depreciation:		
Balance as at beginning of the period/year	6,690,223	5,447,554
Depreciation during the period/year	1,276,155	1,242,670
Balance as at end of the period/year	7,966,378	6,690,224
Net book value	7,089,745	8,365,900

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

FOR THE NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2024

(ALL AMOUNTS EXPRESSED IN SAUDI RIYAL UNLESS OTHERWISE STATED)

6. LEASING CONTRACTS (CONTINUED):**Leasing liabilities**

	September 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	152,710	52,188
Paid during the period/year	(1,805,000)	-
Balance at end of the period/year	6,872,162	8,524,452
The current portion of leasing liabilities	1,921,188	3,410,135
Non-current portion of leasing liabilities	4,950,974	5,114,317
	6,872,162	8,524,452

7. INVESTMENTS IN ASSOCIATE COMPANIES, NET:

	Percentage equity %	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Saudi Yamani Cement Co. (Yamani - Closed Joint Stock)	20%	75,060,000	75,060,000
Impairment provision for investment		(75,060,000)	(75,060,000)
Net, Investment in Saudi Yamani Cement Co. (Yamani - Closed Joint Stock)		-	-
Cement Product Industry Co. Ltd.	33.33%	51,932,748	48,469,427
		51,932,748	48,469,427

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME:

	Percentage equity %	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Industrialization & Energy Service Co. (Closed Joint Stock)	3.92%	473,838,019	473,838,019
Investments in public real estate funds and sukuk		53,991,131	54,661,081
		527,829,150	528,499,100

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

FOR THE NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2024

(ALL AMOUNTS EXPRESSED IN SAUDI RIYAL UNLESS OTHERWISE STATED)

9. RELATED PARTIES:

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

	Nature of relationship	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Due from Related Parties:			
Saudi Yamani Cement Co.-Yamani Closed Joint Stock	associate	399,690	342,948
		399,690	342,948
	Nature of relationship	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Due to Related Parties:			
Arabian Shield Co-operative Insurance Co (Saudi Joint Stock)	Insurance	3,536,683	2,440,340
Sahl Al-Madar Trading Co. Ltd.	Development of logistics services	549,068	329,670
Obeikan digital solutions Co. Ltd	Procurement services	-	747,500
Cement Product Industry Co. Ltd.	development Associate	5,071,334	5,484,672
		9,157,085	9,002,182

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

Name of related party	Type of Transactions	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Cement Product Industry Co. Ltd.	Purchasing Packing Paper Bags	16,529,155	27,968,184
Arabian Shield Co-operative Insurance Co. (Saudi Joint Stock)	Insurance	15,898,192	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	1,635,143	1,996,924
Obeikan digital solutions Co. Ltd	Procurement services	747,500	-
Sahl Al-Madar Trading Co. Ltd.	Development of logistics services	3,866,946	2,087,520

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

FOR THE NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2024

(ALL AMOUNTS EXPRESSED IN SAUDI RIYAL UNLESS OTHERWISE STATED)

9. 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.

10. LONG TERM LOANS:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Loans from local banks (a)	1,391,384,115	850,333,334
Loan from Saudi Industrial Development Fund (SIDF) (b)	295,000,000	465,000,000
	1,686,384,115	1,315,333,334
divided into:		
Short portion of long-term loans	467,523,809	407,666,667
Long term portion of long-term loans	1,218,860,306	907,666,667
	1,686,384,115	1,315,333,334

a) Loans from local banks

The company is has obtained Islamic facilities and long-term, med-term and short-term loans (Islamic Murabaha) from local banks to fund projects, refinance loans, working capital and to improve liquidity. These facilities are subject to commission rates based on Saudi Arabia Interbank Offered Rate "SIBOR" plus an agreed margin. The facilities are secured by corporate promissory notes.

b) Loan from Saudi Industrial Development Fund (SIDF)

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, and its' settlements began in September 2020.

11. 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 nine months of the year 2024 (September 30, 2023: SAR 30.4 million) Which has been disposed in the book during the year 2022.

12. NON-CASH TRANSACTIONS:

	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)
Un-Realized (gain) / loss from Investments through other comprehensive income	(669,951)	535,961
Transfer from capital work-in-progress to property, plant and equipment	21,766,872	54,817,813
Transfer from provision of employee liabilities to capital work-in-progress	595,428	506,119

YAMAMA CEMENT COMPANY

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13. 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 year ending 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.

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:

	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)
Net profit for the period attributable to Shareholders of the Company	297,584,503	251,490,465
Weighted average number of shares	202,500,000	202,500,000
Earnings per share for the period	1.47	1.24

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

15. FINANCIAL INSTRUMENTS – FAIR VALUE AND RISK MANAGEMENT:

A. Fair Value

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

The financial assets of the company include cash and cash equivalents, trade receivables, advances to suppliers, other receivables, and amounts due from related parties.

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

The fair value of financial instruments does not differ significantly from their carrying amounts unless stated otherwise.

B- Risk Management

The Company activities are subject to various financial risks and these risks include:

- 1) Credit Risk
- 2) Market Risk
- 3) Liquidity risk.

1) 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.

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

FOR THE NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2024

(ALL AMOUNTS EXPRESSED IN SAUDI RIYAL UNLESS OTHERWISE STATED)

15. FINANCIAL INSTRUMENTS – FAIR VALUE AND RISK MANAGEMENT (CONTINUED):**B- Risk Management (CONTINUED):****2) Market Risk**

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, such as foreign exchange rates, commission rates and goods prices, will affect the Company income or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency risk

Currency risks are the risks that make the value of a financial instrument susceptible to fluctuations due to changes in foreign exchange rates. The company's commercial transactions are primarily conducted in Saudi Riyals, US Dollars, and Euros.

the monetary assumptions in currencies other than the Saudi Riyal are not significant.

Managing fair value and cash flow commission rate risks

Fair value and cash flow commission rate risks are different exposures related to the effect of fluctuations in commission rates prevailing in the market on the financial position and cash flows of the Company. Commission rate risk to the Company arises mainly from short-term deposits and bank borrowings. The Company does not use hedging contracts, but management monitors changes in commission rates and believes that this risk is not significant.

As at the date of the financial position, the Company loans carried interest rates were as follows:

	Note	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Long-term loans	10	1,686,384,115	1,315,333,334

Price risk management

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its source, or factors affecting all instruments traded in the market.

3) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company approach to managing liquidity by monitoring on a regular basis that sufficient funds and banking and other credit facilities are available to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company reputation. The Company seeks continuously to comply with its legal obligations, including any, relating to its financing agreements.

Liquidity risk is managed by monitoring on a regular basis that sufficient funds and banking and other credit facilities are available to meet the Company future commitments.

The management monitors the rolling forecasts of liquidity and expected cash flows at the Company level. In addition, the liquidity management policy of the Company includes forecasting cash flows and considering the level of liquid assets necessary to meet them, monitoring liquidity rates in the financial position and debt financing plans.

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

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 Capital works in progress as at September 30, 2024, Amounted to SAR 757 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 September 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 21 October 2024, 18 Rabi Al-Thani 1446H.