

**YAMAMA CEMENT COMPANY
SAUDI JOINT STOCK COMPANY
INTERIM CONDENSED FINANCIAL
STATEMENTS (UNAUDITED) AND
INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE-MONTHS AND NINE-MONTHS
PERIOD ENDED SEPTEMBER 30, 2022**

Yamama Cement Company
Saudi Joint Stock Company
Interim Condensed Financial Statements (unaudited)
For the three month and nine-month periods ended September 30, 2022
(Amounts listed 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 September 30, 2022, 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.

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 consolidated financial statements is not prepared in all material respects, in accordance with the International Accounting Standard No. 34 (Interim Financial Report) as endorsed in the Kingdom of Saudi Arabia.

For Al-Kharashi Co.



Abdullah S. Al-Msnad
Certified Public Accountant
License No. (456)

Riyadh:

Rabi ul Awal 21, 1444H

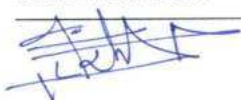
October 17, 2022G



Yamama Cement Company
Saudi Joint Stock Company
Statement of Financial Position (unaudited)
For the three month and nine-month periods ended September 30, 2022
(Amounts listed in Saudi Riyals)

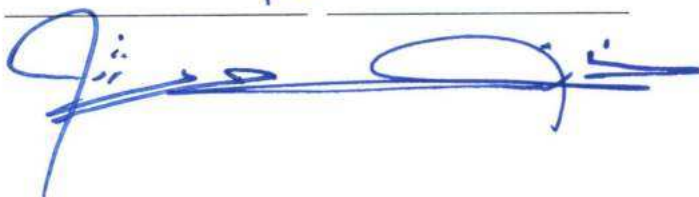
	Note	September 30, 2022 (unaudited)	December 31, 2021 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment, Net	(3)	319,399,139	334,945,385
Projects under construction		4,635,248,089	4,485,568,523
Intangible assets	(4)	8,298,175	10,245,902
Right to use assets, Net	(5)	5,782,171	2,724,594
Investments in associates, Net	(6)	47,102,896	37,292,877
Financial assets at fair value through other comprehensive income	(7)	515,359,880	519,022,277
Total non-current assets		5,531,190,350	5,389,799,558
Current assets			
Accounts receivables		162,237,072	121,174,783
Inventory		243,636,335	282,659,724
Prepayments and other debit balances		26,961,471	21,841,107
Due from related parties	(8)	1,036,690	890,782
Financial assets at fair value through profit or loss	(9)	173,536,076	32,346,497
Cash and cash equivalents		87,011,106	74,087,510
Total current assets		694,418,750	533,000,403
TOTAL ASSETS		6,225,609,100	5,922,799,961
EQUITY AND LIABILITIES			
EQUITY:			
Share capital		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		983,636,197	761,989,763
Accumulative change in fair value		189,446,590	193,108,987
Total Shareholders' Equity		4,504,903,322	4,286,919,285
Non-current liabilities			
Long term loans	(10)	840,333,333	1,178,190,091
Lease liabilities – non-current portion	(5)	4,174,002	1,414,019
Provision for land restoration subject to the franchise license		1,532,174	1,497,635
Provision for employees' defined benefit obligations		108,728,477	110,757,016
Total non-current liabilities		954,767,986	1,291,858,761
CURRENT LIABILITIES:			
Accounts payable		252,485,259	179,115,284
Long Term Loans – short portion	(10)	337,666,667	-
Lease liabilities – current portion	(5)	1,310,016	1,436,251
Due to Related Parties	(8)	4,140,000	1,842,300
Dividends payable		73,822,471	74,181,929
Accrued expenses and other credit balances		62,378,324	66,896,296
Provision for Zakat		34,135,055	20,549,855
Total current liabilities		765,937,792	344,021,915
TOTAL LIABILITIES		1,720,705,778	1,635,880,676
Total Liabilities & Shareholder's Equity		6,225,609,100	5,922,799,961

Finance and IT EVP



CEO

For 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 CHANGES IN SHAREHOLDERS' EQUITY (unaudited)
FOR THE NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2022
(Amounts listed in Saudi Riyals)

	For the three-months period ended 30 September		For the nine-months period ended 30 September	
	2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Unaudited)
Revenue	253,373,883	170,669,067	684,236,662	553,504,056
Cost of revenue	(136,708,545)	(116,276,879)	(426,088,825)	(331,341,929)
Gross profit	116,665,338	54,392,188	258,147,837	222,162,127
Expenses and charges:				
Selling and distribution expenses	(7,638,860)	(1,882,648)	(20,084,614)	(8,813,123)
General and administrative expenses	(12,443,635)	(12,336,258)	(37,113,392)	(35,329,007)
Total expenses and charges	(20,082,495)	(14,218,906)	(57,198,006)	(44,142,130)
Profit from main activities	96,582,843	40,173,282	200,949,831	178,019,997
Other income:				
Investment income	7,774,101	3,779,552	13,724,065	6,724,617
Gain on sale of property, plant, and equipment	-	-	18,646,733	-
Miscellaneous income	977,492	1,518,437	8,325,805	2,278,641
Profit for the period before zakat	105,334,436	45,471,271	241,646,434	187,023,255
Provision for zakat	(4,000,000)	(5,500,000)	(20,000,000)	(14,500,000)
Net profit for the period	101,334,436	39,971,271	221,646,434	172,523,255
OTHER COMPREHENSIVE INCOME:				
(Losses)/gains on financial assets at fair value through other comprehensive income	4,377,011	3,037,110	(3,662,397)	198,813,914
Other comprehensive income	4,377,011	3,037,110	(3,662,397)	198,813,914
Total comprehensive income for period	105,711,447	43,008,381	217,984,037	371,337,169
Earnings per share:				
Earnings per share, from main activities	0.48	0.20	0.99	0.88
Earnings per share, from other income	0.04	0.03	0.20	0.04
Earnings per share, in riyals	0.50	0.20	1.09	0.85

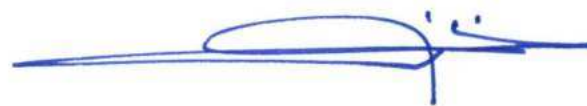
Finance and IT EVP



CEO



For Chairman



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

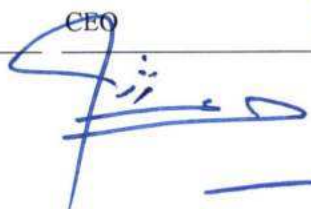
Yamama Cement Company
Saudi Joint Stock Company
INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (unaudited)
FOR THE NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2022
(Amounts listed in Saudi Riyals)

	Equity attributable to shareholders of the parent					Total
	Share capital	Legal reserve	Additional Reserve	Retained Earnings	Change in accumulated fair value	
Balance at January 1, 2021 (audited)	2,025,000,000	726,883,763	579,936,772	596,973,076	(1,473,882)	3,927,319,729
Adjustment for previous years	-	-	-	600,000	-	600,000
Net profit for the period	-	-	-	172,523,255	-	172,523,255
Other comprehensive income	-	-	-	-	198,813,914	198,813,914
Balance at September 30, 2021 (unaudited)	2,025,000,000	726,883,763	579,936,772	770,096,331	197,340,032	4,299,256,898
Balance at January 1, 2022 (audited)	2,025,000,000	726,883,763	579,936,772	761,989,763	193,108,987	4,286,919,285
Net profit for the period	-	-	-	221,646,434	-	221,646,434
Other comprehensive income	-	-	-	-	(3,662,397)	(3,662,397)
Balance at September 30, 2022 (unaudited)	2,025,000,000	726,883,763	579,936,772	983,636,197	189,446,590	4,504,903,322

Finance and IT EVP



CEO



For Chairman



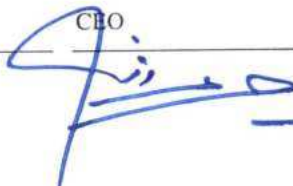
The accompanying notes are an integral part of these interim condensed financial statements.


Yamama Cement Company
Saudi Joint Stock Company
INTERIM CONDENSED STATEMENT OF CASH FLOWS (unaudited)
FOR THE NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2022
(Amounts listed in Saudi Riyals)

	For the nine-month period ended	
	September 30,2022	September 30, 2021
Note	(unaudited)	(unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net profit before zakat	241,646,434	187,023,255
Adjustments to reconcile net profit to net cash provided from operating activities:		
Depreciation/Amortization	6,142,761	6,184,661
Provision for obsolescence of machineries and furnaces spare parts	3 43,750,000	3,750,000
Provision for employees' defined benefit obligations	9,365,426	10,819,883
Gain on sale of property, plant, and equipment	(18,646,733)	-
Income from financial assets at fair value through other comprehensive income	(2,724,466)	(2,501,149)
Income from financial investment at fair value through profit or loss (Gain) / loss from associate companies	(1,189,580)	(1,524,136)
	(9,810,019)	(2,699,332)
Adjusted net income	268,533,823	201,053,182
Accounts receivable	(41,062,286)	86,143,792
Inventories	39,023,389	40,317,255
Due from related parties	(145,908)	(189,912)
Prepayments and other debit balances	(5,120,364)	1,992,269
Accounts payable	73,369,975	2,628,247
Due to related parties	2,297,700	(490,458)
Accrued expenses and other credit balances	(4,517,973)	(6,217,522)
Change in lease liabilities	2,633,748	62,414
Change in provision of land restoration	34,539	32,796
Zakat Paid	(6,414,800)	(13,685,872)
Employees' termination benefits paid	(12,024,115)	(3,526,659)
Net cash generated from operating activities	316,607,728	308,119,532
INVESTING ACTIVITIES		
Change in financial investments at fair value through profit or loss	(140,000,000)	(109,849,730)
Purchase of property, plant and equipment and intangible assets	(994,093)	(1,791,580)
Proceeds from sale of property, plant and equipment	18,646,733	-
Spare parts Stock	(31,404,696)	(12,553,847)
Change in the right to use the asset	(3,057,577)	(340,720)
Project under construction	(149,049,415)	(193,953,825)
Proceeds from investment income	2,724,466	2,501,149
Net cash from used in investing activities	(303,134,582)	(315,988,553)
FINANCING ACTIVITIES		
long- term loans paid	(190,091)	-
Dividends payable	(359,458)	(400,079)
Previous years adjustments	-	600,000
Net cash from financing activities	(549,549)	199,921
Increase in cash and cash equivalents	12,923,597	(7,669,100)
Cash and cash equivalents at beginning of period	74,087,510	71,782,245
Cash and cash equivalents at end of period	87,011,107	64,113,145

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

Finance and IT EVP


CEO


For Chairman


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

Yamama Cement Company

Saudi Joint Stock Company

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (unaudited)

FOR THE NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2022

(Amounts listed in Saudi Riyals)

1. THE COMPANY AND NATURE OF ITS BUSINESS:

1.1 Establishment of Company

Yamama Cement Company ("The 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 September 30, 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 for the period of nine-month ended on September 30, 2022 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 International Financial Reporting Standards (IFRS's) are effective from January 1, 2022, but these do not have a material effect on these interim condensed financial statements.

Yamama Cement Company

Saudi Joint Stock Company

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (unaudited)

FOR THE NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2022

(Amounts listed 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 2021.

3. PROPERTY, PLANT, AND EQUIPMENT:

	September 30, 2022	December 31, 2021
	<i>(Unaudited)</i>	<i>(Audited)</i>
Property, Plant, and Equipment	62,178,684	65,379,626
ADD:		
Spare Parts Machineries and Furnaces	378,133,805	346,729,109
Provision for Spare Parts Machinery and Furnaces *	(120,913,350)	(77,163,350)
Spare Parts Machinery and Furnaces Net	<u>257,220,456</u>	<u>269,565,759</u>
	<u>319,399,139</u>	<u>334,945,385</u>

* The movement of the provision for Spare Parts Machinery and Furnaces was as follows:

	September 30, 2022	December 31, 2021
	<i>(Unaudited)</i>	<i>(Audited)</i>
Balance at beginning of the period/year	77,163,350	72,163,350
Provided during the period/year	43,750,000	5,000,000
Paid during the period/year	-	-
Balance at end of the period/year	<u>120,913,350</u>	<u>77,163,350</u>

Yamama Cement Company

Saudi Joint Stock Company

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (unaudited)

FOR THE NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2022

(Amounts listed in Saudi Riyals)

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

	Land	Building, Construction	Plants & Machinery of the Factory	Vehicles	Tools	Furniture & Office Equipment	Total
Cost							
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	-	-	-	415,604	-	484,489	900,093
Disposal	-	-	(278,461,780)	-	-	(549,990)	(279,011,770)
Balance at September 30,2022 (unaudited)	<u>12,234,510</u>	<u>1,244,802,512</u>	<u>2,557,590,191</u>	<u>26,499,424</u>	<u>11,522,580</u>	<u>40,085,987</u>	<u>3,892,735,204</u>
Accumulated depreciation							
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	-	1,016,899	509,756	447,328	315,541	1,811,510	4,101,034
Disposal	-	-	(278,461,780)	-	-	(549,989)	(279,011,769)
Balance at September 30,2022 (unaudited)	<u>-</u>	<u>1,207,739,703</u>	<u>2,554,693,013</u>	<u>24,942,708</u>	<u>9,625,997</u>	<u>33,555,099</u>	<u>3,830,556,520</u>
Net Book Value							
Balance at September 30,2022 (unaudited)	<u>12,234,510</u>	<u>37,062,809</u>	<u>2,897,178</u>	<u>1,556,716</u>	<u>1,896,583</u>	<u>6,530,888</u>	<u>62,178,684</u>
Balance at December 31,2021 (audited)	<u>12,234,510</u>	<u>38,079,708</u>	<u>3,406,934</u>	<u>1,588,440</u>	<u>2,212,124</u>	<u>7,857,910</u>	<u>65,379,626</u>

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 on the reporting date of these interim condensed financial statements.

Yamama Cement Company

Saudi Joint Stock Company

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (unaudited)

FOR THE NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2022

(Amounts listed in Saudi Riyals)

4. INTANGIBLE ASSETS:

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

	September 30, 2022	December 31, 2021
	<i>(Unaudited)</i>	<i>(Audited)</i>
Cost:		
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	13,611,514	13,517,514
Accumulated amortization:		
Balance at beginning of the period/year	3,271,612	1,123,852
Amortized during the period/year	2,041,727	2,147,760
Balance at end of the period/year	5,313,339	3,271,612
Net book value	8,298,175	10,245,902

5. RIGHT TO USE ASSETS AND LEASE LIABILITIES

	September 30, 2022	December 31, 2021
	<i>(Unaudited)</i>	<i>(Audited)</i>
Right to use assets		
Cost:		
Balance at beginning of the period/year	6,811,637	5,449,192
Amendments on lease contracts during the period/year	4,077,960	1,362,445
Balance at end of the period/year	10,889,597	6,811,637
Accumulated depreciation:		
Balance at beginning of the period/year	4,087,043	2,724,743
Depreciation during the period/year	1,020,383	1,362,300
Balance at end of the period/year	5,107,426	4,087,043
Net book value	5,782,171	2,724,594
Lease liabilities		
	September 30, 2022	December 31, 2021
	<i>(Unaudited)</i>	<i>(Audited)</i>
Present value of lease liabilities		
Cost:		
Balance at beginning of the period/year	2,850,270	2,767,050
Amendments on lease contracts during the period/year	3,952,284	-
Interest charged during the period/year	125,464	83,220
Payments made during the period/year	(1,444,000)	-
Balance at end of the period/year	5,484,018	2,850,270
The current portion of lease liabilities	1,310,016	1,436,251
Non-current portion of lease liabilities	4,174,002	1,414,019
	5,484,018	2,850,270

Yamama Cement Company

Saudi Joint Stock Company

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (unaudited)

FOR THE NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2022

(Amounts listed in Saudi Riyals)

6. INVESTMENTS IN ASSOCIATE COMPANIES:

	Percentage equity %	September 30, 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%	-	-
		47,102,896	37,292,877
Total		<u>47,102,896</u>	<u>37,292,877</u>

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

	Percentage equity %	September 30, 2022 <i>(Unaudited)</i>	December 31, 2021 <i>(Audited)</i>
Investments in Securities:			
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>
Investment in Real estate funds			
Real estate funds		45,110,014	48,772,411
Total		<u>515,359,880</u>	<u>519,022,277</u>

Yamama Cement Company

Saudi Joint Stock Company

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (unaudited)

FOR THE NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2022

(Amounts listed in Saudi Riyals)

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>September 30, 2022</u> <i>(Unaudited)</i>	<u>December 31, 2021</u> <i>(Audited)</i>
Due from Related Parties:			
Cement Co.-Yamani Joint Stock Co.- Private	associate	<u>1,036,690</u>	<u>890,782</u>
	<u>Nature of relationship</u>	<u>September 30, 2022</u> <i>(Unaudited)</i>	<u>December 31, 2021</u> <i>(Audited)</i>
Due to Related Parties:			
Cement Product Industry Co. Ltd.	associate	<u>4,140,000</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>September 30, 2022</u> <i>(Unaudited)</i>	<u>December 31, 2021</u> <i>(Audited)</i>
Cement Product Industry Co. Ltd.	Purchasing Packing Paper Bags	20,092,800	16,302,368
Arabian Shield Co-operative Insurance Co.	Insurance	12,935,683	13,545,982
Saudi Joint Stock Co.			
Cement Co.-Yamani Joint Stock Co.- Private	Payment on behalf	145,908	252,444
Mobile Telecommunication Company Saudi Arabia -Zain-	Communication services	1,642,215	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
Saudi Joint Stock Company
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9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS/ INVESTMENTS:

	September 30, 2022	December 31, 2021
	<i>(Unaudited)</i>	<i>(Audited)</i>
Murabaha funds	<u>173,536,076</u>	<u>32,346,497</u>

10. LONG TERM LOANS:

	September 30, 2022	December 31, 2021
	<i>(Unaudited)</i>	<i>(Audited)</i>
Saudi Industrial Development Fund	615,000,000	615,000,000
Al-Rajhi Bank	-	563,190,091
Saudi National Bank	563,000,000	-
	<u>1,178,000,000</u>	<u>1,178,190,091</u>
divided into:		
Short portion of long-term loans	337,666,667	-
Long term portion of long-term loans	840,333,333	1,178,190,091
	<u>1,178,000,000</u>	<u>1,178,190,091</u>

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.

Al-Rajhi Bank:

The Company has an Islamic Murabaha agreement with Al-Rajhi Bank for the purpose of obtaining short-term facilities, which is used on demand with the guarantee of promissory notes.

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.

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

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11. NON-CASH ACTIVITIES:

	September 30, 2022 (Unaudited)	September 30, 2021 (Unaudited)
Un-Realizable Gain from Investments	-	198,813,914
Transfer from provision of employee liabilities to capital work-in-progress	630,151	679,294
Transfer from projects under construction to Intangible assets	-	6,668,914

12. FAIR VALUE OF FINANCIAL INSTRUMENTS:

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 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 60 days from the date of sale.

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.

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, 2022	September 30, 2021
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Net profit for the period attributable to Shareholders of the Company	221,646,434	172,523,255
Weighted average number of shares	202,500,000	202,500,000
Earnings per share for the period	1.09	0.85

- 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. MAIN EVENTS:

The outbreak of the new Corona virus (Covid-19) in early 2020 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 September 30, 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 September 30, 2022: SAR 243 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 33.4 million as of September 30, 2022, for third-party services (as of December 31, 2021: 59 million letters of guarantee).

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19. EVENTS AFTER THE REPORTING DATE:

On October 13, 2022, official announcement was made on Tadawul website about the completion of construction works for entire new factory project, which is represented in projects under construction account balance in the statement of financial position, and commercial operation will start on November 1, 2022.

20. APPROVAL THE INTERIM CONDENSED FINACIAL STATEMENTS:

These interim condensed financial statements were approved by the Company's Board of Directors on October 17, 2022, corresponding to Rabi ul Awal 21, 1444H.