

**QATAR NATIONAL CEMENT COMPANY (Q.P.S.C.)
DOHA – QATAR**

**INTERIM CONDENSED FINANCIAL INFORMATION
AND INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE SIX-MONTH
PERIOD ENDED JUNE 30, 2025**

QATAR NATIONAL CEMENT COMPANY (Q.P.S.C.)

**INTERIM CONDENSED FINANCIAL INFORMATION AND INDEPENDENT AUDITOR'S REVIEW
REPORT**

For the six-month period ended June 30, 2025

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RN: 263/SM/FY2026

INDEPENDENT AUDITOR’S REVIEW REPORT

**The Board of Directors
Qatar National Cement Company (Q.P.S.C.)
Doha, Qatar**

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Qatar National Cement Company (Q.P.S.C.) (the “Company”) as at June 30, 2025, and the related statements of profit or loss, other comprehensive income, changes in equity and cash flows for the six month period then ended, and material accounting policy information and explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 Interim Financial Reporting (IAS 34). Our responsibility is to express a conclusion on this interim financial information 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”. A review of interim financial information 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 on Auditing 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 financial information for the period ended June 30, 2025 is not prepared, in all material respects, in accordance with IAS 34.

Emphasis of Matter

We draw attention to note 4(b) of the interim financial information, which describes that the license issued by the Government of Qatar to use the land, on which the quarries, plants and buildings are situated, expired in 2015. Our conclusion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REVIEW REPORT (CONTINUED)

Other Matter

The interim financial information of the Company for the six-month period ended June 30, 2024 and the annual financial statements for the year ended December 31, 2024 were reviewed and audited respectively by another auditor who expressed an unmodified conclusion and unmodified opinion on that information and those statements on August 11, 2024 and January 26, 2025 respectively.

**Doha, Qatar
July 21, 2025**

**For Deloitte & Touche
Qatar Branch**



**Midhat Salha
Partner**

License No. 257

QFMA Auditor License No. 120156



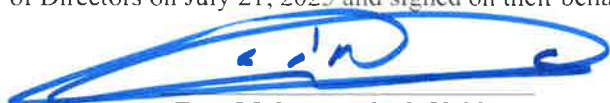
QATAR NATIONAL CEMENT COMPANY (Q.P.S.C.)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at June 30, 2025

	Note	June 30, 2025 (Reviewed) QR '000	December 31, 2024 (Audited) QR '000
ASSETS			
Non-current assets			
Property, plant and equipment and capital work in progress	4	1,524,019	1,515,543
Right-of-use assets		3,791	--
Investment properties	5	2,147	2,372
Intangible assets		4,937	6,203
Investments in associates	6	32,310	31,587
Financial assets at fair value through other comprehensive income	7	254,244	238,338
Total non-current assets		1,821,448	1,794,043
Current assets			
Inventories	8	544,772	626,024
Accounts and other receivables	9	195,322	217,111
Fixed deposits	10	519,435	494,112
Cash and bank balances	10	54,268	171,909
		1,313,797	1,509,156
Assets classified as held for sale - associate	6	1,150	--
Assets classified as held for sale - plant	4	720	720
Total current assets		1,315,667	1,509,876
Total assets		3,137,115	3,303,919
EQUITY AND LIABILITIES			
EQUITY			
Share capital	11	653,529	653,529
Legal reserve		326,764	326,764
Fair value reserve of financial assets	12	14,738	9,516
Fair value reserve of associates	13	7,970	6,496
Retained earnings		1,927,702	2,048,034
Total Equity		2,930,703	3,044,339
Non-current liabilities			
Lease liabilities		3,598	--
Employees' end of service benefits		13,640	13,694
Accounts and other payables - long term	14	14,587	43,260
Total non-current liabilities		31,825	56,954
Current liabilities			
Accounts and other payables - short term	14	174,587	202,626
Total liabilities		206,412	259,580
Total equity and liabilities		3,137,115	3,303,919

These interim condensed financial information were approved and authorized for issue on behalf of the Board of Directors on July 21, 2025 and signed on their behalf by:



Essa Mohammed Ali Kaldari
Chief Executive Officer



Khaled Sultan Al-Rabhan
Managing Director

This statement has been prepared by the Company and stamped by the Auditors for identification purposes only.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED FINANCIAL STATEMENTS



QATAR NATIONAL CEMENT COMPANY (Q.P.S.C.)
INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

	Note	For the six-month period ended June 30,	
		2025	2024
		(Reviewed)	(Reviewed)
		QR' 000	QR' 000
Continuing operations			
Revenue		187,636	197,597
Cost of sales		(146,396)	(133,311)
Gross profit		41,240	64,286
Other income	15	27,046	30,537
Selling and distribution expenses		(2,823)	(2,508)
General and administrative expenses		(10,556)	(10,756)
Share of results of investments in associates	6	587	777
Profit for the period from continuing operations		55,494	82,336
Discontinued operations			
(Loss)/profit for the period from discontinued operations	6	(188)	137
Profit for the period		55,306	82,473
Earnings per share			
Basic and diluted earnings per share:			
From continuing operations	16	0.08	0.13
From continuing and discontinued operations	16	0.08	0.13



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STATEMENTS

QATAR NATIONAL CEMENT COMPANY (Q.P.S.C.)**INTERIM CONDENSED STATEMENT OF OTHER COMPREHENSIVE INCOME****FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025**

	For the six-month period ended June 30,	
	2025	2024
	(Reviewed)	(Reviewed)
	QR' 000	QR' 000
Profit for the period	55,306	82,473
Other comprehensive income:		
<i>Items that will be reclassified subsequently to profit or loss:</i>		
Net changes in share of fair value reserve of associates	1,474	712
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Net changes in fair value reserve of financial assets	6,037	(16,894)
Other comprehensive income/(loss) for the period	7,511	(16,182)
Total comprehensive income for the period	62,817	66,291



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QATAR NATIONAL CEMENT COMPANY (Q.P.S.C.)**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY**

For the six-month period ended June 30, 2025

	Share Capital	Legal Reserve	Fair Value Reserve of Financial Assets	Fair Value Reserve of Associates	Retained earnings	Total equity
	QR' 000	QR' 000	QR' 000	QR' 000	QR' 000	QR' 000
Balance as at January 1, 2025 (Audited)	653,529	326,764	9,516	6,496	2,048,034	3,044,339
<i>Total comprehensive income for the period:</i>						
Net profit for the period	--	--	--	--	55,306	55,306
Other comprehensive income for the period	--	--	6,037	1,474	--	7,511
Total comprehensive income for the period	--	--	6,037	1,474	55,306	62,817
Cash dividends paid for 2024	--	--	--	--	(176,453)	(176,453)
Transfer to retained earnings for gain recognized on financial assets sold	--	--	(815)	--	815	--
Balance as at June 30, 2025 (Reviewed)	653,529	326,764	14,738	7,970	1,927,702	2,930,703



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QATAR NATIONAL CEMENT COMPANY (Q.P.S.C.)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

For the six-month period ended June 30, 2025

	Share Capital	Legal Reserve	Fair Value Reserve of Financial Assets	Fair Value Reserve of Associates	Retained earnings	Total Equity
	QR' 000	QR' 000	QR' 000	QR' 000	QR' 000	QR' 000
Balance as at January 1, 2024 (Audited)	653,529	326,764	13,210	7,163	2,089,732	3,090,398
<i>Total comprehensive income for the period:</i>						
Net profit for the period	--	--	--	--	82,473	82,473
Other comprehensive loss for the period	--	--	(16,894)	712	--	(16,182)
Total comprehensive income for the period	--	--	(16,894)	712	82,473	66,291
Cash dividends paid for 2023	--	--	--	--	(196,059)	(196,059)
Transfer to retained earnings for gain recognized on financial assets sold	--	--	2,958	--	(2,958)	--
Balance as at June 30, 2024 (Reviewed)	<u>653,529</u>	<u>326,764</u>	<u>(726)</u>	<u>7,875</u>	<u>1,973,188</u>	<u>2,960,630</u>



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THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED FINANCIAL STATEMENTS

QATAR NATIONAL CEMENT COMPANY (Q.P.S.C.)
INTERIM CONDENSED STATEMENT OF CASH FLOWS
For the six-month period ended June 30, 2025

		For the six-month period ended June 30,	
	Notes	2025 (Reviewed) QR' 000	2024 (Reviewed) QR' 000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period from continued operations		55,494	82,336
(Loss)/profit for the period from discontinued operations		(188)	137
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment		14,484	55,844
Depreciation of investment properties		225	226
Depreciation of intangible assets		1,698	--
Amortisation of right-of-use assets		158	--
Provision for employees' end of service benefits		479	687
Share of results from associates	6	(399)	(914)
Finance costs		188	--
Dividend income		(9,904)	(10,528)
Interest income	15	(12,328)	(14,848)
Rental income	15	(3,419)	(3,883)
Cash flow generated from operating activities before changes in working capital		46,488	109,057
Changes in working capital			
Inventories		81,252	(81,133)
Accounts and other receivables		21,789	2,145
Accounts and other payables		(56,614)	(54,673)
Cash generated from operations		92,915	(24,604)
Payments of end of service benefits		(535)	(781)
Net cash generated from/(used in) operating activities		92,380	(25,385)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment and capital work in progress		(22,960)	(6,534)
Additions to intangible assets		(433)	--
Movement in fixed deposits		(25,323)	(25,738)
Additions to financial assets at fair value through other comprehensive income		(31,163)	(39,122)
Proceeds from disposals of financial assets at fair value through other comprehensive income		21,294	27,510
Capital reduction in investment in associate		--	10,549
Dividends income received		9,904	10,528
Interest income received		12,328	14,848
Rental income received		3,419	3,883
Net cash used in investing activities		(32,934)	(4,076)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid related to lease liability		(188)	--
Repayment of principal related to lease liability		(348)	--
Dividends paid		(176,551)	(196,059)
Net cash used in financing activities		(177,087)	(196,059)
Net change in cash and bank balances		(117,641)	(225,520)
Cash and bank balances at January 1		171,909	402,853
Cash and bank balances at June 30		54,268	177,333

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THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED FINANCIAL STATEMENTS

QATAR NATIONAL CEMENT COMPANY (Q.P.S.C.)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six- month period ended June 30, 2025

1. INCORPORATION AND ACTIVITIES

Qatar National Cement Company (Q.P.S.C.) (the “Company”) was incorporated in the State of Qatar as a Qatari Shareholding Company, under the Emiri Decree No. 7 of 1965 with Commercial Registration No. of 25. The Company’s head office is located in Doha, State of Qatar. The Company is a listed entity on the Qatar Stock Exchange.

The Company is primarily engaged in the production and sale of cement and washed sand at its plants located in Umm Bab and Al Rakiya in the State of Qatar. The sand plant is registered as a branch which is an integral part of these interim condensed financial information.

2. BASIS OF PREPARATION

The interim condensed financial information for the six-month period ended June 30, 2025 have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting (“IAS 34”).

The interim condensed financial information are presented in Qatari Riyals, which is the Company’s functional currency. All the financial information has been presented in these interim condensed financial information has been rounded off to nearest thousands (QR. ‘000) except where otherwise indicated.

The interim condensed financial information does not include all information and disclosures required in the annual financial statements and should be read in conjunction with the Company’s annual financial statements for the year ended December 31, 2024. In addition, results for the six-month period ended June 30, 2025 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2025.

Use of judgments and estimates

The preparation of the interim condensed financial information requires management to make judgments, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying the material accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Company’s annual financial statements for the year ended 31 December 2024 except for the changes highlighted below:

Discounting of lease payments

The lease payments are discounted using the Company’s incremental borrowing rate (“IBR”). Management has applied judgments and estimates to determine the IBR at the commencement of lease.

Recognition and measurement of provisions and contingencies

The Company’s plants, quarries and buildings including certain housings are constructed on land licensed from the State of Qatar via an Emiri Decree, where management takes necessary measures to address the same.

QATAR NATIONAL CEMENT COMPANY (Q.P.S.C.)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six- month period ended June 30, 2025

2. BASIS OF PREPARATION (CONTINUED)

Use of judgments and estimates (continued)

Classification of associates investment as held for sale

The Company entered into an agreement on April 29, 2025, to sell its shares in Qatar Quarries & Building Materials Co. However, as of the reporting date, the contract has not been signed by all respective parties. Accordingly, the Company has classified its investment in associate as an asset held for sale and presented separately in the interim condensed statement of financial position. Since the fair value of the asset exceeds the carrying amount no impairment losses have been recognised on classification as held for sale.

The interim condensed statement of profit or loss and the interim condensed statement of cash flow for the comparative period of the Company have been represented to disclose the discontinued operations of Qatar Quarries & Building Materials Co. from continuing operations.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies used in the preparation of these condensed interim financial information are consistent with those used in the preparation of the Company's annual financial statements for the year ended 31 December 2024, and the notes attached thereto, except for the adoption of certain new and revised standards, that became effective in the current period as set out below.

New and revised standards and interpretation issued and effective

Effective for annual periods beginning after January 1, 2025

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability

New and revised standards and interpretation issued but not yet effective

Effective for annual periods beginning after January 1, 2026

- Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments
- IFRS 18 : Presentation and Disclosures in Financial Statement
- IFRS 19 : Subsidiaries without Public Accountability: Disclosures

The Company has not adopted any of the forthcoming new or amended standards in preparing these condensed interim financial information. Management anticipates that these amendments to accounting standards will be adopted in the Company's condensed interim financial information as and when they are applicable and adoption of these amendments to accounting standards is not expected to have a material impact on the condensed interim financial information of the Company in the period of initial application.

QATAR NATIONAL CEMENT COMPANY (Q.P.S.C.)**NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION**

For the six- month period ended June 30, 2025

4. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS

	June 30, 2025 (Reviewed) QR' 000	December 31, 2024 (Audited) QR' 000
Cost		
Balance as at January 1,	4,310,548	4,305,560
Additions during the period/year	22,960	11,797
Transfers	--	(6,809)
Balance at end of the period/year	4,333,508	4,310,548
Accumulated Depreciation		
Balance as at January 1,	2,795,005	2,748,476
Charge for the period/year	14,484	46,529
Balance at end of the period/year	2,809,489	2,795,005
Net book value at end of the period/year	1,524,019	1,515,543

a) Changes in pattern of consumption of expected economic benefits of property plant and equipment

During the year 2024, the management has decided to cease clinker production as of June 1, 2024 due to a decline in demand for cement and related products and the availability of an adequate supply of clinker. Based on external consultant's outcome and considering numerous factors, reasonable assessments were made by the management to review and revise the consumption of future economic benefits from clinker and cement production units, along with its integral buildings, with effective from January 1, 2024.

Management has determined that unit of production method will accurately reflect the pattern of expected economic benefits. The management has arrived at per ton rate of depreciation by obtaining the remaining quantities of cement and clinker that can be produced on the current lines from an independent expert.

Depreciation Charge for the period/year is as follows;

	June 30, 2025 (Reviewed) QR' 000	December 31, 2024 (Audited) QR' 000
Straight-line method	13,044	27,051
Unit of production method	1,440	19,478
	14,484	46,529

- b) The Company's plants, quarries and buildings including certain housings are constructed on land licensed from the State of Qatar via an Emiri Decree, refer also to note 2. The license term for the land has been expired in 2015. In 2018, the Government has awarded the land to QatarEnergy hence, the Company is negotiating with them the lease agreement terms and conditions who has the concession rights for Dukhan area where the land is located. Based on the management's assessment, they have concluded that they still have occupancy rights to the land therefore these assets are not impaired.

QATAR NATIONAL CEMENT COMPANY (Q.P.S.C.)**NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION**

For the six- month period ended June 30, 2025

4. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS (CONTINUED)*c) Assets held for sale*

As of June 30, 2025, assets held for sale amounting to QR 719,551 represent the carrying value of property, plant, and equipment associated with Plant I. Effective from June 1, 2016 operations at Cement Plant I were discontinued. In 2023, management entered into a firm contract with a buyer to sell Plant I and its integrated inventories for QR 10 million.

In 2024, management had partially derecognised the assets of Plant I and has classified as asset held for sale and presented separately in the interim condensed statement of financial position.

5. INVESTMENT PROPERTIES

	June 30, 2025 (Reviewed) QR' 000	December 31, 2024 (Audited) QR' 000
Cost		
Balance as at January 1,	42,557	42,557
Balance at end of the period/year	42,557	42,557
Accumulated Depreciation		
Balance as at January 1,	40,185	39,732
Charge for the period/year	225	453
Balance at end of the period/year	40,410	40,185
Net book value at end of the period/year	2,147	2,372

- a) The interim condensed statement of profit or loss includes a sum of QR 2.98 million as rental income from investment properties for the six-month period ended June 30, 2025 (June 30, 2024: QR 3.18 million).
- b) Investment properties were appraised by an accredited independent appraiser at a fair value of QR 184.97 million as of December 31, 2023. Management is of the opinion that the fair value of the investment properties as of June 30, 2025 is not materially different from the valuation date. The appraiser is an industry specialist in valuing these types of investment properties. The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties on valuation date. In estimating the fair value of the properties, the highest and best use of the properties is their current use.
- c) Land on which the above properties located are integral part of the above investment properties.

QATAR NATIONAL CEMENT COMPANY (Q.P.S.C.)**NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION**

For the six- month period ended June 30, 2025

6. INVESTMENTS IN ASSOCIATES

The carrying amount of each equity-accounted investment is as follows:

	Share (%)	June 30, 2025 (Reviewed) QR '000	December 31, 2024 (Audited) QR '000
Qatar Saudi Gypsum Industries Co.	33.33	32,310	30,249
Qatar Quarries & Building Materials Co. *	20.00	1,150	1,338
		33,460	31,587

* During the period, investment in Qatar Quarries & Building Materials Co. was classified as held for sale and measured at the lower of carrying amount and fair value less costs to sell and ceases to be accounted for under the equity method. The carrying amount at the date of classification as held for sale is the 'frozen' equity method carrying amount, i.e. the amount at which the investment in associate was recognised under the equity method immediately prior to reclassification.

The balance at the end of the period have been presented in the interim condensed statement of financial position as follows:

	June 30, 2025 (Reviewed) QR.'000	December 31, 2024 (Audited) QR.'000
Investments in associates	32,310	31,587
Assets classified as held for sale	1,150	--
	33,460	31,587

The movement of carrying amount of equity-accounted investments is as follows:

	June 30, 2025 (Reviewed) QR '000	December 31, 2024 (Audited) QR '000
Balance as at January 1,	31,587	48,113
Share of results from associates from continuing operations	587	1,090
Share of results from associates from discontinued operations	(188)	--
Dividend received for the period/year	--	(2,500)
Net share of other comprehensive income/(loss)	1,474	(667)
Capital reduction	--	(14,449)
Balance at end of the period/year	33,460	31,587

The share of net assets of associates were derived based on the investees' latest available financial statements.

QATAR NATIONAL CEMENT COMPANY (Q.P.S.C.)**NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION**

For the six- month period ended June 30, 2025

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial assets at fair value through other comprehensive income-equity instruments comprise of investments in shares of listed entities on the Qatar Stock Exchange. The fair value of the quoted equity shares is determined by reference to published price quotations in Qatar Stock Exchange.

	June 30, 2025 (Reviewed) QR '000	December 31, 2024 (Audited) QR '000
Balance as at January 1,	238,338	229,911
Additions during the period/year	31,163	51,677
Disposals during the period/year	(21,294)	(38,085)
Net changes in fair value for the period/year	6,037	(5,165)
Balance at end of the period/year	254,244	238,338

8. INVENTORIES

	June 30, 2025 (Reviewed) QR '000	December 31, 2024 (Audited) QR '000
Work in progress	346,837	411,665
Spare parts	106,242	103,286
Raw materials	48,272	65,719
Finished goods	53,241	55,143
Fuel, oil and lubricants	702	861
Others	1,625	3,235
	556,919	639,909
Provision for obsolete and slow moving inventories	(15,755)	(15,755)
	541,164	624,154
Goods in transit	3,608	1,870
	544,772	626,024

- a) During the year 2024, the management has decided to stop producing clinker as of June 1, 2024 due to the decline in demand for cement and related products and the availability of an adequate supply of clinker.

- b) *Movement for provision for obsolete and slow moving inventories:*

	June 30, 2025 (Reviewed) QR '000	December 31, 2024 (Audited) QR '000
Balance as at January 1,	15,755	25,701
Reversal of provision	--	(9,946)
Balance at end of the period/year	15,755	15,755

QATAR NATIONAL CEMENT COMPANY (Q.P.S.C.)**NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION**

For the six- month period ended June 30, 2025

9. ACCOUNTS AND OTHER RECEIVABLES

	June 30, 2025 (Reviewed) QR ‘000	December 31, 2024 (Audited) QR ‘000
Accounts receivable	174,598	202,607
Less: provision for expected credit losses	<u>(5,687)</u>	<u>(5,687)</u>
	168,911	196,920
Advances to suppliers	6,558	8,047
Prepayments and other receivables	<u>19,853</u>	<u>12,144</u>
	<u>195,322</u>	<u>217,111</u>

Concentration: A sum of QR 39.3 million is receivable from two major customers which represents 22.5% of total accounts receivable as at June 30, 2025. (December 31, 2024: QR 42.9 million from two major customers, represents 29.35%).

Movement in provision for expected credit loss:

	June 30, 2025 (Reviewed) QR ‘000	December 31, 2024 (Audited) QR ‘000
Balance as at January 1,	5,687	5,214
Charge for the period/ year	<u>--</u>	<u>473</u>
Balance at end of the period/year	<u>5,687</u>	<u>5,687</u>

The average credit period on sales of goods is 90 days. No interest is charged on outstanding trade receivables. The company obtains bank guarantees from its customers. The company always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses (ECL) using the simplified approach.

10. CASH AND CASH EQUIVALENTS

	June 30, 2025 (Reviewed) QR ‘000	December 31, 2024 (Audited) QR ‘000
Cash on hand	128	28
Call and current accounts	22,240	28,460
Short term fixed deposits maturing within 90 days	<u>31,900</u>	<u>143,421</u>
	54,268	171,909
Short term fixed deposits (maturity over 90 days) *	<u>519,435</u>	<u>494,112</u>
	<u>573,703</u>	<u>666,021</u>

* The short term fixed deposits which are held at local banks for the period more than 90 days are not considered as cash and cash equivalents and subsequently measured as per IFRS 9.

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by Qatar Central Bank. None of the balances with banks at the end of reporting period are past due, and based on the historical default experience and the current credit ratings of the bank, the management of the Company has assessed that there is no significant impairment on these balances.

QATAR NATIONAL CEMENT COMPANY (Q.P.S.C.)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six- month period ended June 30, 2025

11. SHARE CAPITAL

	June 30, 2025 (Reviewed) QR '000	December 31, 2024 (Audited) QR '000
<i>Authorised, issued and fully paid up capital:</i>		
653,529,000 ordinary shares of QR 1 each	653,529	653,529

12. FAIR VALUE RESERVE OF FINANCIAL ASSETS

	June 30, 2025 (Reviewed) QR '000	December 31, 2024 (Audited) QR '000
Balance as at January 1,	9,516	13,211
Net changes in fair value for the period/year	6,037	(5,165)
De-recognition of fair value reserve upon disposals	(815)	1,470
Balance at end of the period/year	14,738	9,516

13. FAIR VALUE RESERVE OF ASSOCIATES

	June 30, 2025 (Reviewed) QR '000	December 31, 2024 (Audited) QR '000
Balance as at January 1,	6,496	7,163
Net changes in fair value for the period/year	1,474	(667)
Balance at end of the period/year	7,970	6,496

14. ACCOUNTS AND OTHER PAYABLES

	June 30, 2025 (Reviewed) QR '000	December 31, 2024 (Audited) QR '000
Accruals against energy suppliers (Note 14a)	52,364	86,797
Accounts payable	13,932	17,630
Accruals and provisions	10,282	9,862
Dividends payable	99,824	99,921
Advances from customers	8,587	8,236
Retentions payable	976	601
Amicable legal claims payable (Note14b)	--	6,897
Advance received against assets held for sale	--	2,470
Directors' remuneration payable	--	5,904
Provision for social and sports contribution fund	--	3,996
Other payables	3,209	3,572
	189,174	245,886
<i>Presented in the statement of financial position:</i>		
Non-current	14,587	43,260
Current	174,587	202,626
	189,174	245,886

QATAR NATIONAL CEMENT COMPANY (Q.P.S.C.)**NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION**

For the six- month period ended June 30, 2025

14. ACCOUNTS AND OTHER PAYABLES (CONTINUED)

- a) The below dues are measured and accounted as per the terms of the contractual arrangements with the energy suppliers as follows:

	June 30, 2025 (Reviewed) QR '000	December 31, 2024 (Audited) QR '000
Qatar General Electricity & Water Corporation	52,364	86,233
QatarEnergy	--	564
	52,364	86,797

Take or pay charges payable to Qatar General Electricity & Water Corporation (Kahramaa)

- The company has signed Power Supply Agreements (for plants III, IV&V) for the use of electricity usage and differences between actual and minimum energy utilization as stipulated in the agreements.
- In 2021, amendments were made to secure concessions such as tariff reductions.
- Further in 2021, the company agreed to settle all outstanding take-or-pay charges amounting to QR 172.03 million from 2009 to 2020 in 6 equal annual instalments with effective from January 1, 2022.
- During 2023, a notification was received to waive off an amount of QR 14.08 million related to the above dues which will be adjusted in the final instalment.
- The contractual obligation of the company with Kahramaa are as follows:

	June 30, 2025 (Reviewed) QR '000	December 31, 2024 (Audited) QR '000
Take-or-pay claims from supplier	51,058	85,056
Utilization claims from supplier	1,306	1,177
	52,364	86,233

b) Amicable Legal Claims - Ministry of Environment and Climate Change

With reference to the lawsuit filed by the Ministry of Municipality and Environment of State of Qatar during 2017 against the company for extracting raw materials used in cement industry from outside the designated areas during the period from 2008 to 2011, the company entered into amicable decision with the respective party on March 31, 2021 which is subsequently sanctioned at the Court. In accordance with the outcome of the Court Verdict dated May 27, 2021 related to the above case, the company has agreed to settle a sum of QR 34.49 million in 5 equal annual instalments commencing from June 1, 2021.

QATAR NATIONAL CEMENT COMPANY (Q.P.S.C.)**NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION**

For the six- month period ended June 30, 2025

15. OTHER INCOME

	For the six-month period ended June 30,	
	2025	2024
	(Reviewed)	(Reviewed)
	QR '000	QR '000
Dividend income	9,904	10,528
Interest income	12,328	14,848
Rental income from investment properties	2,985	3,176
Rental income - others	434	707
Transportation income	1,090	732
Others	305	546
	27,046	30,537

16. BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share (EPS) are calculated by dividing the profit for the period attributable to equity holders of the parent by the weighted average number of shares outstanding during the period.

	For the six-month period ended June 30,	
	2025	2024
	(Reviewed)	(Reviewed)
Profit attributable to equity holders of the Company for basic and diluted earnings (QR '000)		
- Continuing operations	55,494	82,336
- Discontinued operations	(188)	137
	55,306	82,473
Weighted average number of shares outstanding during the period (thousand shares)	653,529	653,529
Basic and diluted earnings per share (QR per share)		
- From continuing operations	0.08	0.13
- From continuing and discontinued operations	0.08	0.13

There were no potentially dilutive shares outstanding at any time during the period and therefore the diluted earnings per share are equal to the basic earnings per share.

17. DIVIDENDS

During the period, cash dividends of QR 0.27 per share amounting to QR 176.45 million relating to 2024 were approved by the shareholders at the Annual General Assembly Meeting held on February 17, 2025 (June 30, 2024: QR 0.3 per share amounting to QR 196.06 million relating to 2023).

QATAR NATIONAL CEMENT COMPANY (Q.P.S.C.)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six- month period ended June 30, 2025

18. RELATED PARTY TRANSACTIONS

Transactions with Government of Qatar and its agencies

The various Government based entities together hold about 45.63% of the Company's share capital. In the normal course of business, the Company supplies its commodities to various Government and semi Government agencies and companies in the State of Qatar. The Company also avails of various services from Government and semi Government agencies and companies in the State of Qatar, in particular from Qatar Energy for natural gas and Kahramaa for power supply.

The rental income includes a sum of QR.2.5 million for the six-month period ended June 30, 2025 (June 30, 2024: QR 2.5 million) from the Government of Qatar.

Transactions with key management personnel

Key management personnel comprise the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Company.

During the six-month period ended June 30, 2025, the Company has paid a sum of QR. 6.6 million (June 30, 2024: QR.8.9 million) to the members of the Board of Directors on account of remuneration, and salaries, retirement and other benefits incurred (paid and provided) to key members of management amounted to QR. 3.29 million (June 30, 2024: QR 2.94 million) .

19. COMMITMENTS AND CONTINGENCIES

	June 30, 2025 (Reviewed) QR '000	December 31, 2024 (Audited) QR '000
Capital commitments	43,357	8,495
Letters of credit	1,005	55
Payment guarantees	1,165	1,165

20. SEGMENT INFORMATION

The company is organized into two major business segments, which comprises the manufacturing and sale of cement and sand and other by-products. In addition to sale of cement and sand, the company's other activities are classified as "Others" for segmentation purposes. Geographically, the company's entire business operations are concentrated in State of Qatar. The chief operating decision makers evaluate the operating results of the business units separately for the purpose of making decisions about resource allocation and performance assessment. The company has elected to disclose only the results of operating segments in their interim condensed financial information as management does not maintain and capture segment-wise information about assets and liabilities as it is not required for decision making purposes.

QATAR NATIONAL CEMENT COMPANY (Q.P.S.C.)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six- month period ended June 30, 2025

20. SEGMENT INFORMATION (CONTINUED)

Operating results of each reportable segment are as follows:

For the six-month period ended June 30, 2025

	Cement	Sand	Others	Total
	QR. '000	QR. '000	QR. '000	QR. '000
<i><u>Continued operations</u></i>				
Revenue (at a point in time)	140,013	43,455	4,168	187,636
Cost of sales	(111,636)	(32,591)	(2,169)	(146,396)
Gross profit	28,377	10,864	1,999	41,240
Other income	--	--	27,046	27,046
Selling and distribution expenses	(1,987)	(785)	(51)	(2,823)
General and administrative expenses	(7,877)	(2,445)	(234)	(10,556)
Share of results of investments in associates	--	--	587	587
Profit for the period from continuing operations	18,513	7,634	29,347	55,494
<i><u>Discontinued operations</u></i>				
Loss for the period from discontinued operations	--	--	(188)	(188)
Profit for the period	18,513	7,634	29,159	55,306

For the six-month period ended June 30, 2024

	Cement	Sand	Others	Total
	QR. '000	QR. '000	QR. '000	QR. '000
<i><u>Continued operations</u></i>				
Revenue (at a point in time)	152,591	40,739	4,267	197,597
Cost of sales	(100,282)	(30,555)	(2,474)	(133,311)
Gross profit	52,309	10,184	1,793	64,286
Other income	--	--	30,537	30,537
Selling and distribution expenses	(1,995)	(464)	(49)	(2,508)
General and administrative expenses	(8,306)	(2,218)	(232)	(10,756)
Share of results of investments in associates	--	--	777	777
Profit for the period from continuing operations	42,008	7,502	32,826	82,336
<i><u>Discontinued operations</u></i>				
Profit for the period from discontinued operations	--	--	137	137
Profit for the period	42,008	7,502	32,963	82,473

QATAR NATIONAL CEMENT COMPANY (Q.P.S.C.)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six- month period ended June 30, 2025

21. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended December 31, 2024.

22. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company uses the following hierarchy for determining the fair value of financial instruments by valuation technique:

Level 1: Quoted prices (unadjusted) prices in active markets for identical assets or liabilities that the Company can access at the measurement date;

Level 2: Inputs other than quoted prices included within level 1 that are observable for the assets of liability, either directly or indirectly; and

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

All the financial assets and liabilities are considered as level 1 fair value investments and there is no change in the fair value hierarchy from December 31, 2024.