

SAUDI ADVANCED INDUSTRIES COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023
WITH INDEPENDENT AUDITOR'S REVIEW REPORT



SAUDI ADVANCED INDUSTRIES COMPANY
(A SAUDI JOINT STOCK COMPANY)
THE INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS AND INDEPENDENT
AUDITOR'S REVIEW REPORT
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023

Index	Page
1. Independent auditor's review report	-
2. Interim consolidated condensed Statement of financial position	2
3. Interim consolidated condensed Statement of profit or loss and other comprehensive income	3
4. Interim consolidated condensed Statement of changes in equity	4
5. Interim consolidated condensed Statement of cash flows	5
6. Notes to the Interim consolidated condensed financial statements	6 - 17



PKF

Ibrahim Ahmed Al-Bassam
& Co. Certified Public Accountants

**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONSOLIDATED CONDENSED
FINANCIAL STATEMENTS**

(1/1)

TO THE SHAREHOLDERS OF SAUDI ADVANCED INDUSTRIES COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTRODUCTION

We have reviewed the accompanying interim consolidated condensed statement of financial position of Saudi Advanced Industries Company (the "Company") - a Saudi Joint Stock Company - and its subsidiaries (together referred to as the "Group") as at 30 September 2023 and interim consolidated condensed statements of profit or loss and other comprehensive income for the three-month and nine-month periods then ended, and the interim consolidated condensed statements of changes in equity and cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim consolidated condensed financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is 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 Engagement 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", that is endorsed in the Kingdom of Saudi Arabia. A review of interim consolidated 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 on Auditing that are 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 consolidated condensed financial statements as at 30 September 2023 are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

For Al-Bassam & Co.

Ahmed A. Mohandis
Certified Public Accountant
License No. 477
Riyadh: 22 Rabi' Thani 1445H
Corresponding to: 6 November 2023G



RIYADH

Tel: +966 11 206 5444 | P.O. Box 98091
Fax: +966 11 206 5444 | Riyadh 11657

JEDDAH

Tel: +966 12 652 2091 | P.O. Box 1696-1
Fax: +966 12 652 2091 | Jeddah 21451

AL KHOBAR

Tel: +966 13 683 2376 | P.O. Box 4036
Fax: +966 13 683 2369 | Al Khobar 31962

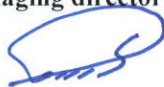
SAUDI ADVANCED INDUSTRIES COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONSOLIDATED CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023
(All amounts are in Saudi riyals unless otherwise mentioned)

	Note	30 September 2023 (unaudited)	31 December 2022 (unconsolidated) (audited)
ASSETS			
Non-current assets			
Property and equipment and intangible, net		1,105,407	399,686
Investments in associate companies	4	526,698,501	531,860,667
Financial assets at FVOCI	5	12,345,575	121,280,020
Financial assets at FVPL	6	199,705,033	199,705,033
Due from related parties	7	5,451,360	-
Other financial assets		1,266,891	1,758,169
Total non-current assets		746,572,767	855,003,575
Current assets			
Cash and cash equivalents		5,335,617	45,099,243
Financial assets at FVPL	6	317,861,714	8,409,164
Prepayments and other current assets		584,764	601,499
Total current assets		323,782,095	54,109,906
Total assets		1,070,354,862	909,113,481
EQUITY AND LIABILITIES			
Equity			
Share capital	8	600,000,000	500,000,000
Treasury shares	8	(27,182,693)	-
Statutory reserve	9	150,000,000	150,000,000
General reserve	10	34,331,892	34,331,892
Retained earnings		207,066,726	243,143,182
Actuarial reserve		(917,613)	(917,613)
Fair value reserve		(853,278)	(25,373,881)
Total equity		962,445,034	901,183,580
Liabilities			
Non-current liabilities			
Employees' end of service benefits	15	1,769,800	1,517,549
Total non-current liabilities		1,769,800	1,517,549
Current liabilities			
Accrued expenses and other current liabilities		3,121,513	4,187,212
Short-term loans	14	101,419,178	-
Zakat provision	12	1,599,337	2,225,140
Total current liabilities		106,140,028	6,412,352
Total liabilities		107,909,828	7,929,901
Total equity and liabilities		1,070,354,862	909,113,481

Muhannad Mustafa Al-Ashqar
Chief Financial Officer



Abdullah Suleiman Al-Juraish
Managing director



Abdullah Mohammed Al-Hu-
maidhi
Chairman of Board of Directors



SAUDI ADVANCED INDUSTRIES COMPANY

(A SAUDI JOINT STOCK COMPANY)

INTERIM CONSOLIDATED CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2023

(All amounts are in Saudi riyals unless otherwise mentioned)

	Note	For the three-months period ended		For the nine-months period ended	
		30 September 2023 (unaudited)	30 September 2022 (Unconsolidated) (unaudited)	30 September 2023 (unaudited)	30 September 2022 (Unconsolidated) (unaudited)
Revenue	16	46,030,271	25,966,928	124,970,826	91,494,247
Gross income		46,030,271	25,966,928	124,970,826	91,494,247
General and administrative expenses		(5,174,464)	(3,505,557)	(10,883,627)	(10,583,088)
Operating Income		40,855,807	22,461,371	114,087,199	80,911,159
Finance costs		(1,419,178)	(327,954)	(1,419,178)	(381,261)
Other income		3,000	16,166	5,700	19,013
Net income before zakat		39,439,629	22,149,583	112,673,721	80,548,911
Zakat		(500,000)	(50,000)	(1,500,000)	(189,484)
Net income for the period		38,939,629	22,099,583	111,173,721	80,359,427
Other comprehensive (income) / loss:					
Items that will not be subsequently reclassified to profit or loss:					
Share in comprehensive income of associates		752,419	-	-	-
Change in financial assets at FVOCI		(632,247)	(13,170,653)	7,270,426	(72,202,484)
Total comprehensive income for the period		39,059,801	8,928,930	118,444,147	8,156,943
Basic and diluted earnings per share					
Earnings per share of net profit for the period	17	0.66	0.37	1.88	1.36
Earnings per share of total comprehensive income for the period	17	0.66	0.15	2.00	0.14

Muhannad Mustafa Al-Ashqar
Chief Financial Officer



Abdullah Suleiman Al-Juraish
Managing director



Abdullah Mohammed Al-Humaidhi
Chairman of Board of Directors



SAUDI ADVANCED INDUSTRIES COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONSOLIDATED CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2023
(All amounts are in Saudi riyals unless otherwise mentioned)

	Note	Share capital	Treasury shares	Statutory reserve	General reserve	Retained earnings	Actuarial reserve	Fair value reserve	Total
For the nine-months period ended 30 September 2022									
Balance as at 31 December 2021 (unconsolidated) (audited)		500,000,000	-	150,000,000	34,331,892	185,114,021	(876,347)	69,366,807	937,936,373
Net income for the period		-	-	-	-	80,359,427	-	-	80,359,427
Other comprehensive loss		-	-	-	-	-	-	(72,202,484)	(72,202,484)
Total comprehensive income for the period		-	-	-	-	80,359,427	-	(72,202,484)	8,156,943
Dividends	11	-	-	-	-	(37,500,000)	-	-	(37,500,000)
Balance as at 30 September 2022 (unconsolidated) (unaudited)		500,000,000	-	150,000,000	34,331,892	227,973,448	(876,347)	(2,835,677)	908,593,316
For the nine-month period ended 30 September 2023									
Balance as at 31 December 2022 (audited)		500,000,000	-	150,000,000	34,331,892	243,143,182	(917,613)	(25,373,881)	901,183,580
Net income for the period		-	-	-	-	111,173,721	-	-	111,173,721
Share in comprehensive income of associates		-	-	-	-	-	-	-	-
Transfer of the fair value reserve on disposal of the investment		-	-	-	-	(17,250,177)	-	17,250,177	-
Other comprehensive income		-	-	-	-	-	-	7,270,426	7,270,426
Net comprehensive income for the period		-	-	-	-	93,923,544	-	24,520,603	118,444,147
Capital increase		100,000,000	-	-	-	(100,000,000)	-	-	-
Dividends	11	-	-	-	-	(30,000,000)	-	-	(30,000,000)
Treasury shares		-	(27,182,693)	-	-	-	-	-	(27,182,693)
Balance as at 30 September 2023		600,000,000	(27,182,693)	150,000,000	34,331,892	207,066,726	(917,613)	(853,278)	962,445,034

Muhannad Mustafa Al-Ashqar
Chief Financial Officer



Abdullah Suleiman Al-Juraisih
Managing director



Abdullah Mohammed Al-Humaidhi
Chairman of Board of Directors



The accompanying notes from 1 to 22 are an integral part of these interim consolidated condensed financial statements.

SAUDI ADVANCED INDUSTRIES COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS
FOR THE NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2023
(All amounts are in Saudi riyals unless otherwise mentioned)

	30 September 2023 (unaudited)	30 September 2022 (unconsolidated) (unaudited)
Cash flows from operating activities:		
Net Income for the period before zakat	112,673,721	80,548,911
Adjustments to reconcile net Income before zakat to net cash flow from operating activities:		
Depreciation of property and equipment and intangible	125,298	101,341
Capital profits/(loss)	9,347	(2,749)
Provision for end of service benefits	287,090	880,209
Company's share of profit in associate companies	(30,000,996)	(80,213,290)
Realized gains from investments at FVTPL	(36,326,615)	-
Unrealized gains from investments at FVTPL	(11,883,289)	-
Finance costs	1,419,178	381,262
	<u>36,303,734</u>	<u>1,695,684</u>
Changes in working capital items		
Prepaid expenses and other current assets	16,735	(389,037)
Other financial assets	491,278	218,456
Accrued expenses and other current liabilities	(1,065,698)	(1,125,869)
Cost of finance transactions paid	-	(381,262)
Cash generated from operating activities	<u>35,746,049</u>	<u>17,972</u>
Employees' end of service benefits paid	(34,839)	(1,210,354)
Zakat paid	(2,125,803)	(50,663)
Net (cash generated)/used in operating activities	<u>33,585,407</u>	<u>(1,243,045)</u>
Cash flows from investing activities		
Paid to purchase property and equipment	(840,367)	(141,047)
Dividends from investments at the associate companies	15,454,545	32,836,364
Purchase of financial assets at FVTPL	(874,856,147)	-
Purchase of financial assets at FVOCI	(791,119)	(165,189)
Proceeds from the sale of property and equipment	-	5,498
Proceeds from the sale of investments in associates	19,708,617	-
Proceeds from the sale of financial assets at FVTPL	613,613,501	-
Proceed from the sale of financial assets at FVOCI	116,995,990	-
Net (cash used in)/generated from investing activities	<u>(110,714,980)</u>	<u>32,535,626</u>
Cash flows from financing activities		
Proceeds from loans and facilities	100,000,000	25,000,000
Payments from loans and facilities	-	(25,000,000)
Due from related parties	(5,451,360)	-
Purchase treasury shares	(27,182,693)	-
Dividends paid	(30,000,000)	(37,500,000)
Net cash (generated from)/used in financing activities	<u>37,365,947</u>	<u>(37,500,000)</u>
Net change in cash and cash equivalents	<u>(39,763,626)</u>	<u>(6,207,419)</u>
Cash and cash equivalent at the beginning of the period	45,099,243	23,780,237
Cash and cash equivalents at the end of the period	<u>5,335,617</u>	<u>17,572,818</u>
Non-monetary transactions		
Change in fair value reserve of financial assets	7,270,426	(72,202,483)
Transfer from fair value reserve of retained earnings due to selling investments at FVOCI	(17,250,177)	-

Muhannad Mustafa Al-Ashqar
Chief Financial Officer



Abdullah Suleiman Al-Jraish
Managing director



Abdullah Mohammed Al-Humaidhi
Chairman of Board of Directors



SAUDI ADVANCED INDUSTRIES COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2023
(All amounts are in Saudi riyals unless otherwise mentioned)

1. ORGANIZATION AND PRINCIPAL ACTIVITIES

Saudi Advanced Industries Company (“the Company”) is a Saudi joint-stock company registered in the Kingdom of Saudi Arabia with Commercial Registration No. 1010068321 issued in Riyadh on Jumada Al-Awwal 24, 1408H, corresponding to 13 January 1988G.

The principal activity of the Company in Management of subsidiaries of holding companies, Investing the funds of the subsidiaries of the holding companies.

The headquarters of the Company is located at the following address:

Riyadh / Al-Narjis district - Takhasusi Street with Othman bin Affan Road
P.O. Box 51743
Riyadh 11553
Saudi Arabia

The interim condensed consolidated financial statements include the accounts of Saudi Advanced Industries Company (“the Group”) and the company it directly owns (“the Subsidiary”):

Affiliated company	Incorporation country	Legal form	Actual ownership percentage (direct)
United permanent growth investment company	Kingdom of Saudi Arabia	Limited liability company	100%

United Permanent Growth Investment Company (the “Company”) is a one-person company with limited liability, incorporated in the Kingdom of Saudi Arabia under Commercial Registration No. 1010887301 issued in Riyadh on 19/11/1444H (corresponding to 08/06/2023).

As a result, the financial statements from 1 January 2023 to 30 September 2023 are the first consolidated financial statements for the group.

The authorized capital amounted to 5,000,000 Saudi riyals, and the main activity of the company is to manage the activities of holding companies.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The interim consolidated condensed financial statements for the nine-month period ended on 30 September 2023 were prepared in accordance with International Accounting Standard No. 34 (IAS), “Interim Financial Reporting” endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by Saudi Organization for Chartered and Professional Accountants (SOCPA).

The interim consolidated condensed financial statements do not include all the information and disclosures required to prepare the annual financial statements, and they must be read in conjunction with the annual financial statements of the company for the year ended 31 December 2022.

These interim consolidated condensed financial statements have been prepared on going concern basis and in accordance with the accrual accounting principle and the historical cost basis, except the financial assets that are measured at fair value and employee benefit liabilities carried in the present value of liabilities.

2. BASIS OF PREPARATION (CONTINUED)

2.2 Basis of Consolidation

The interim consolidated condensed financial statements include the financial statements of Saudi Advanced Industries Company and its subsidiary (the Group) as stated in Note No. (1).

The interim consolidated condensed financial statements consist of the financial statements of the holding company and its subsidiary as at 30 September 2023. Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed, or has a right, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee only when the Group has:

- Power over the investee (ie existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over an investee to affect its returns and when the Group holds less than a majority of the voting or similar rights of an investee, the Group considers all relevant information and circumstances when assessing the extent of its power over an investee, including:
 - The existing contractual arrangement with the other vote holders of the investee company
 - Rights arising from other contractual arrangements.
 - The Group's voting rights and potential voting rights.

The Group re-assesses the extent of its control over an investee if information and circumstances indicate that there are changes to one or more of the three factors of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary. Assets, liabilities, revenues and expenses related to the subsidiary that were acquired or sold during the year are included in the consolidated financial statements from the date the Group obtained control until the date the Group ceased to control the subsidiary.

Profit or loss and each component of consolidated comprehensive income are attributed to the shareholders of the parent of the Group and the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Adjustments are made when necessary to the financial statements of subsidiaries in order to bring the accounting policies in line with the accounting policies of the group. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to intra-group transactions are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control of a subsidiary, it:

- The assets (including goodwill) and liabilities of the subsidiary are eliminated.
- Excludes the carrying value of any non-controlling interests.
- Excludes accumulated foreign exchange differences recorded in equity.
- Verify the fair value of the consideration received.
- Works to verify the fair value of any investment held
- Checks for any surplus or deficit in the consolidated statement of profit or loss.
- Reclassifies the holding company's share of items previously recorded in comprehensive income to consolidated statement of profit or loss or retained earnings, as appropriate, and as necessary if the Group directly sells the related assets or liabilities

Use of estimates and assumptions

The preparation of the interim consolidated condensed financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

2. BASIS OF PREPARATION (CONTINUED)

2.2 Basis of Consolidation (continued)

Use of estimates and assumptions (continued)

In particular, information about significant matters regarding the estimation of uncertainty in the application of accounting policies that have a significant effect on the amounts recognized in the financial statements, as follows: The management reassesses the useful lives of tangible assets and intangible assets periodically depending on the general condition of these assets and management's expectations for their future useful lives.

Management assesses the recoverable amount of the financial assets to determine whether there is any impairment.

Estimates and assumptions applied are continually reviewed, and changes in accounting estimates are recognized in the period in which the estimates were changed and in future years affected by that change.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed in preparing the interim condensed consolidated financial statements are consistent with the policies followed in preparing the company's annual financial statements for the year ending December 31, 2022. The group has not applied any of the new and amended international financial reporting standards issued and not yet in effect.

Excluding treasury shares policy

Equity instruments for repurchased shares (treasury shares) are recognized for the purpose of retaining them to increase the value of the share price, and are deducted from equity and adjusted for any transaction costs and dividends, as well as gains and losses from the sale of these shares. No gains or losses are recognized in the consolidated statement of profit or loss when buying, selling, issuing or canceling the group's equity instruments. Any differences between the book value and the consideration in the event of reissuance are recognized in retained earnings.

4. INVESTMENTS AT ASSOCIATE COMPANIES

4.1 The following is a summary of the movement of investments in associates:

	30 September 2023	31 December 2022
	(unaudited)	(audited)
Balance at the beginning of the period / year	531,860,667	475,266,506
Company's share of corporate profits	30,000,996	94,069,006
Dividends of associate	(15,454,545)	(32,836,364)
Disposal of shares sold from associates	(19,708,617)	-
Impact of comprehensive income items of associates	-	(4,638,481)
Balance at the end of the period / year	526,698,501	531,860,667

4.2 Investments in associates amounted to the following:

Name	No.	Ownership	30 September 2023	31 December 2022
	of share	%	(unaudited)	(audited)
Masar Alnumou Finance Company (Deutsche Finance – previously)	18,181,818	31,62%	271,890,975	285,515,138
Obeikan Glass Company	8,891,935	37,05%	254,807,526	246,345,529
			526,698,501	531,860,667

SAUDI ADVANCED INDUSTRIES COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2023
(All amounts are in Saudi riyals unless otherwise mentioned)

4. INVESTMENTS AT ASSOCIATE COMPANIES (CONTINUED)

4.2 Investments in associates amounted to the following (CONTINUED):

Obeikan Glass Company shares were listed and began trading in Nomu - the parallel market, starting Monday, Rajab 6, 1443 AH, corresponding to February 7, 2022 AD, as a direct listing, at an indicative price of 68 riyals per share, noting that the total cost of the Saudi Advanced Industries Company's share in Obeikan Glass Company amounts to 118.6 million riyals. As of September 30, 2023, the fair value of the company's ownership stake in Obeikan Glass Company according to trading prices amounted to 672.2 million Saudi riyals.

The company sold 2.95% of the shares of Obeikan Glass Company, amounting to 708,065 shares, through a special deal that resulted in achieving net profits of 35.46 million Saudi riyals during the third quarter of the year 2023.

During the period ending September 30, 2022, Masar Alnumou Finance Company (formerly Deutsche Finance), in which the Saudi Advanced Industries Company owns 31.62% of the capital, obtained initial approval from the Central Bank of Saudi Arabia to float the company on the main financial market. Note that this approval is conditional on the company obtaining a final non-objection from the Central Bank of Saudi Arabia and the necessary approvals from the relevant authorities.

30 September 2023 (unaudited)	Obeikan Glass Company	Masar Alnumou Finance Company
Total assets	689,849,057	2,281,884,996
Total liabilities	84,135,383	1,576,732,609
Equity	605,713,674	705,152,387
Shares of Saudi Advanced Industries Company	224,416,916	222,969,185
Book value	254,807,526	271,890,975
Revenue	309,973,320	151,027,302
Net Income	71,730,055	5,788,686
Other Comprehensive income	-	-
Share of total comprehensive income	28,170,613	1,830,383
31 December 2022 (audited)	Obeikan Glass Company	Masar Alnumou Finance Company
Total assets	684,048,242	2,337,787,031
Total liabilities	(148,183,576)	(1,589,548,330)
Equity	535,864,666	748,238,701
Shares of Saudi Advanced Industries Company	214,345,866	236,593,077
Book value	246,345,529	285,515,138
Revenue	256,195,414	222,133,744
Net income	177,647,740	72,770,114
Other Comprehensive income	(11,596,204)	-
Share of total comprehensive income (before adjustments)	66,420,614	23,009,910
previous years adjustments	-	(4,056,306)
Share of total comprehensive income (after adjustments)	66,420,614	18,953,604

SAUDI ADVANCED INDUSTRIES COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2023
(All amounts are in Saudi riyals unless otherwise mentioned)

5. FINANCIAL ASSETS AT FVOCI

Financial assets amounted to as follows:

30 September 2023 (unaudited)	Cost	Market value
Derayah Global Venture Capital Fund	526,780	488,274
Graphene Venture Fund	1,145,468	1,170,644
Hala Ventures Fund	1,299,375	1,403,479
Al Rajhi Financial Portfolio	10,227,230	9,283,178
AGC Obeikan Glass*	8,680,000	-
	21,878,853	12,345,575
31 December 2022 (audited)	Cost	Market value
Yanbu National Petrochemical (YANSAB)	70,980,000	83,200,000
Capital investment portfolio	64,814,272	35,663,729
Derayah Global Venture Capital Fund	226,940	227,302
Graphene Venture Fund	823,189	881,491
Hala Ventures Fund	1,129,500	1,307,498
AGC Obeikan Glass*	8,680,000	-
	146,653,901	121,280,020

The movement in FVOCI is as follows:

	30 September 2023 (unaudited)	31 December 2022 (audited)
Cost as at 1 January	155,333,901	190,108,486
Additions	791,119	12,971,000
Disposals during the period / year	(134,246,167)	(47,745,585)
	21,878,853	155,333,901
Fair value reserve as at 1 January	(25,373,881)	69,366,807
Change in fair value reserve	17,250,177	(90,724,111)
Transfer from fair value reserve as a result of disposal of assets at FVOCI	7,270,426	(4,016,577)
Fair value reserve as at end of the period / year	(853,278)	(25,373,881)
Impairment losses provisions*	(8,680,000)	(8,680,000)
Net carrying value	12,345,575	121,280,020

* During the year 2018, the Board of Directors decided that due to the losses of the Obeikan EGC Glass Company exceeding 100% of the capital, a provision for impairment losses was formed with the full amount of the investment within other comprehensive income, which was deducted from the general reserve.

6. FINANCIAL ASSETS AT FVTPL

30 September 2023	No. shares/unit	%	Cost	Market value
Industrialization and Energy Services Company (TAQA)	16,874,997	2.35	168,749,970	180,453,233
Arabian Industrial Fibers Company (Ibn Rushd)*	1,249,354	0.62	12,493,540	-
Alsalam Aerospace Industries Company	162,000	10	19,940,000	19,251,800
Capital investment portfolio	-	-	-	-
Alinma Capital portfolio	-	-	19,492,956	23,478,955
Al Rajhi Financial Portfolio	-	-	286,811,459	294,382,759
Total			507,487,925	517,566,747

SAUDI ADVANCED INDUSTRIES COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2023
(All amounts are in Saudi riyals unless otherwise mentioned)

6. FINANCIAL ASSETS AT FVTPL (CONTINUED)

31 December 2022	No. shares/unit	%	Cost	Market value
Industrialization and Energy Services Company (TAQA)	16,874,997	2.35	168,749,970	180,453,233
Arabian Industrial Fibers Company (Ibn Rushd) *	1,249,354	0.62	12,493,540	-
Alsalam Aerospace Industries Company	162,000	10	19,940,000	19,251,800
Almubark found	314,053	-	7,000,000	7,021,035
Capital investment portfolio	-	-	1,735,155	1,388,129
Total			209,918,665	208,114,197

	30 September 2023	31 December 2022
Financial assets at FVPL – non-current	199,705,033	199,705,033
Financial assets at FVPL – current	317,861,714	8,409,164
	517,566,747	208,114,197

The movement in fair value through profit or loss is as follows:

	30 September 2023	31 December 2022
Balance at the beginning of the period /year	208,114,197	188,689,970
Additions during the period /year	874,856,147	10,659,691
Disposals during the period /year	(613,613,501)	(2,272,713)
Unrealized gains during the period /year	11,883,289	10,689,072
Realized gains during the period /year	36,326,615	348,177
Balance at the end of the period /year	517,566,747	208,114,197

*The shareholders decided in the extraordinary general assembly of the Arabian Industrial Fibers Company (Ibn Rushd) on 31 December 2017 to reduce the company's capital from 8.5 billion Saudi riyals to 2 billion Saudi riyals, as the share of the Advanced Industries Company from this reduction amounted to 40.7 million riyals. Saudi, so the investment will be 12,493,540 riyals as on 30 September 2022 (31 December 2022: 12,493,540 Saudi riyals). In the previous period, the Company has fully recognized impairment losses in the value of the investment.

7. TRANSACTIONS WITH RELATED PARTIES

Related parties represent the major shareholders and senior management personnel of the Group and the entities owned or managed by these entities, as well as the entities over which these entities exercise joint control or significant influence.

Transactions with related parties are executed during the normal business cycle on terms similar to those between other parties through contracts approved by the management.

The following is a statement of the most important transactions that took place during the period and a statement of the balances of the related parties at the end of the financial period:

1.7 Due from related parties:

Name	nature of relationship	Nature of the transaction	As at 30 September 2023 debtor / (Creditor)	As at 31 December 2022 debtor / (Creditor)
Al-salam aviation industry company	Partner in an associate company	Indebtedness	5,451,360	-

During the period ending on September 30, 2023, the Group provided a loan to Al-Salam Aviation Industry Company, in which the Group owns 10% of its capital, to support it in its operational business. This loan does not carry any financial burdens. The balances related to this financing have been included in the item due from related parties in the statement of financial position.

7. TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

Benefits, remuneration and compensation of members of the Board of Directors and senior executives

	For the three-month period ended		For the nine-month period ended	
	30 September 2023 (unaudited)	30 September 2022 (unaudited)	30 September 2023 (unaudited)	30 September 2022 (unaudited)
Committee members' fees and meeting expenses	73,000	885,167	1,065,000	1,783,167
Salaries and benefits of key management personnel	2,653,895	916,660	4,657,261	4,674,767
	2,726,895	1,801,827	5,722,261	6,457,934

*These amounts are included under accrued expenses and other current liabilities.

8. CAPITAL

The Board of Directors recommended at its meeting held on 21 Shawwal 1443H, corresponding to 25 May 2022 to the Extraordinary General Assembly to increase the capital by 20% by granting free shares through the capitalization of 100,000,000 Saudi riyals from the retained earnings, by granting one free share for every five shares owned by the shareholders.

The Company's extraordinary general assembly was held on 3 Rajab 1444H corresponding to 25 January 2023 and the capital increase and the new by-laws were approved. Accordingly, as at 30 September 2022, the authorized Share capital is SR 600 million, divided into 60 million shares of SR 10 for each.

872,257 shares of treasury shares were purchased in the three-month period ending September 30, 2023, in accordance with the decision of the extraordinary general meeting of shareholders on January 26, 2023.

9. STATUTORY RESERVE

According to the group's articles of association, the group must transfer 10% of net income annually to the statutory reserve until this reserve reaches 30% of the capital. The reserve has reached this limit and there is no need for further deductions. This reserve is not distributable.

10. GENERAL RESERVE

This reserve was formed based on the decision of the Ordinary General Assembly dated May 15, 2018, with the aim of facing future investment or zakat losses, and authorizing the Board of Directors to transfer from the general reserve once it is formed to meet any investment or zakat losses, according to what the Board deems to be in the interest of the group.

11. DIVIDENDS

On June 4, 2023, the General Assembly of Shareholders approved the recommendation of the Board of Directors on March 26, 2023 to distribute cash dividends in the amount of 30 million riyals to shareholders for the fiscal year ending on December 31, 2022, at 5% of the nominal value of the share, at 0.5 riyals per share. And for the number of 60 million shares.

On May 31, 2022, the General Assembly of Shareholders approved the recommendation of the Board of Directors on March 13, 2022 to distribute cash dividends in the amount of 37.5 million riyals to shareholders for the fiscal year ending on December 31, 2021, at a rate of 7.5% of the nominal value of the share, at 0.75 riyals per share and this is for 50 million shares.

SAUDI ADVANCED INDUSTRIES COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2023
(All amounts are in Saudi riyals unless otherwise mentioned)

12. ZAKAT PROVISION

12.1 Zakat status

The company submitted its zakat declaration to the Zakat, Tax and Customs Authority for the year ending on December 31, 2022, and the company obtained a certificate from the Zakat, Tax and Customs Authority, valid until Shawwal 21, 1445H, corresponding to April 30, 2024.

12.2 The movement of the zakat provision

	30 September 2023 (unaudited)	31 December 2022 (audited)
Balance at the beginning of the period/year	2,225,140	150,000
Charged during the period/year	1,500,000	2,125,803
paid during the period/year	(2,125,803)	(50,663)
Balance at the end of the period/year	1,599,337	2,225,140

13. LONG TERM LOANS

The movement of long-term loans during the period/year is as follows:

	30 September 2023 (unaudited)	31 December 2022 (audited)
Balance at the beginning of the period/year	-	-
Additions during the period/year	-	25,000,000
Paid during the period/year	-	(25,000,000)
Total loan amount	-	-

The company signed a credit facilities agreement under the Islamic Tawarruq system with a local local bank on July 1, 2021, with the aim of covering the expansion of the company's investments, at a value of 50 million Saudi riyals. This is in exchange for mortgaging 2 million shares of Yanbu National Petrochemical Company (YANSAB) until December 31, 2021. The company did not use this agreement. On May 22, 2022, the company used 10 million Saudi riyals from the loan agreement during the year ending on December 31, 2022, and the full amount of financing was paid off, and it was terminated on November 30, 2022.

14. SHORT TERM LOANS

The movement of short-term loans during the period/year is as follows:

	30 September 2023 (unaudited)	31 December 2022 (audited)
Balance at the beginning of the period/year	-	-
Additions during the period/year	100,000,000	-
Paid during the period/year	-	-
Total loan value	100,000,000	-
Deduct: Deferred financing cost during the period/year	-	-
Added: Interest accrued during the period/year	1,419,178	-
Net loan value	101,419,178	-

The group signed a credit facility agreement compatible with the provisions of Islamic Sharia with a local local bank on July 18, 2023, with the aim of expanding the group's investments, at a value of 100 million Saudi riyals.

SAUDI ADVANCED INDUSTRIES COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2023
(All amounts are in Saudi riyals unless otherwise mentioned)

15. EMPLOYEES' END OF SERVICE BENEFITS

	30 September 2023 (unaudited)	31 December 2022 (audited)
Balance beginning of the period / year	1,517,549	2,375,616
Additions during the period / year	287,090	294,854
Paid during the period / year*	(34,839)	(1,194,187)
Actuarial losses	-	41,266
Balance end of the period / year	1,769,800	1,517,549

*Includes severance clearance during the year ended December 31, 2022, severance clearance of the resigning CEO.

16. REVENUE

	For the three-months period ended		For the nine-months period ended	
	30 September 2023 (unaudited)	30 September 2022 (unaudited)	30 September 2023 (unaudited)	30 September 2022 (unaudited)
Company's share of the profits of associate companies	8,065,097	25,966,928	30,000,996	80,213,290
Profits from the sale of associate companies	35,461,722	-	35,461,722	-
Dividends earned	2,469,549	-	11,298,204	10,941,345
Unrealized (loss)/ gains on financial assets at FVTPL	(13,634,486)	-	11,883,289	339,612
Profits from selling financial assets at FVTPL	13,668,389	-	36,326,615	-
	46,030,271	25,966,928	124,970,826	91,494,247

17. EARNINGS PER SHARE

Basic and diluted net profit for the period and total comprehensive income (loss) for the period from operating are calculated by dividing the net profit for the period and total comprehensive income/(loss) for the period by the weighted average number of common shares outstanding at the end of the period.

*The number of shares outstanding as of September 30, 2023 was 59.1 million shares (50 million shares: September 30, 2022).

There was no dilution item affecting the weighted average number of common shares.

18. MEASUREMENT OF FAIR VALUE

Fair value is the amount for which an asset could be exchanged, or a liability settled, in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- Through the principal market for the asset or liability, or
- Through the most advantageous market for the asset or liability in the absence of a principal market.

The main or most advantageous market must be accessible to the company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account the ability of a market participant to generate economic benefits by using the asset in its best advantage or by selling it to another market participant for its best use.

SAUDI ADVANCED INDUSTRIES COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2023
(All amounts are in Saudi riyals unless otherwise mentioned)

18. MEASUREMENT OF FAIR VALUE (CONTINUED)

The company uses valuation methods that are appropriate to the circumstances and conditions and has sufficient data to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair values are measured or fair values are disclosed in the financial statements are categorized within the fair value hierarchy shown below based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted prices in active markets for the same assets or liabilities.
- Level 2: other valuation techniques for which a minimum level of significant input is required, directly or indirectly, to measure the fair value.
- Level 3: Other valuation techniques for which a minimum input that is significant is not observable to the fair value measurement.

For assets and liabilities that are included in the consolidated financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the above hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each period of preparing the consolidated financial statements.

The Company holds the following financial instruments at fair value in the consolidated statement of financial position:

30 September 2023 (unaudited)	Level 1 SAR	Level 2 SAR	Level 3 SAR	Total
Financial assets through other comprehensive income	3,062,397	-	9,283,178	12,345,575
Financial assets through profit or loss	317,861,714	-	199,705,033	517,566,747
December 31, 2022 (audited)				
Financial assets through other comprehensive income	118,863,729	-	2,416,291	121,280,020
Financial assets through profit or loss	1,388,129	7,021,035	199,705,033	208,114,197

19. SEGMENT INFORMATION

Segment information relates to the activities and business of the company, which the company's management has relied on as a basis for preparing its financial information, for its compatibility with internal reporting methods. Transactions between segments are carried out on the same terms as dealing with other parties.

Segment's assets, liabilities, and operating activities include items directly related to a specific segment and items that can be distributed among the different sectors on a reasonable basis. Items that cannot be allocated between segments are classified under other segments.

The following is a summary of the financial segment information in Saudi riyals as on 30 September 2023, and 30 September 2022, respectively, according to the nature of the activity:

SAUDI ADVANCED INDUSTRIES COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2023
(All amounts are in Saudi riyals unless otherwise mentioned)

19. **SEGMENT INFORMATION (CONTINUED)**

	Petrochemical segment	Glass industry segment (Industrial investment)	Industrial Services segment (Energy and utilities)	Financial services and investments segment (banks and financial services)	Other segments	Total
Revenues						
For the nine- month period ending 30 September 2023	2,500,000	63,632,335	5,062,499	53,775,992	5,700	124,976,526
For the three-month period ending 30 September 2023	-	42,014,495	-	4,015,776	3,000	46,033,271
Net profit / (loss) for the period						
For the nine-month period ending 30 September 2023	2,500,000	60,346,454	2,416,896	45,995,272	(84,901)	111,173,721
For the three-month period ending 30 September 2023	-	40,325,790	(1,359,648)	17,049	(43,562)	38,939,629
Total Assets						
As at 30 September 2023	-	254,807,526	205,156,393	603,365,155	7,025,788	1,070,354,862
Total Liabilities						
As at 30 September 2023	-	-	-	101,266,891	6,642,937	107,909,828
	Petrochemical segment	Glass industry segment (Industrial investment)	Industrial Services segment (Energy and utilities)	Financial services and investments segment (banks and financial services)	Other segments	Total
Revenues						
For the nine-month period ending 30 September 2022	9,808,419	61,771,894	-	19,913,934	19,013	91,513,260
For the three-month period ending 30 September 2022	-	20,307,652	-	5,659,276	16,166	25,983,094
Net profit / (loss) for the period						
For the nine-month period ending 30 September 2022	7,962,197	58,824,107	(2,301,304)	16,082,584	(208,157)	80,359,427
For the three-month period ending 30 September 2022	(642,812)	19,281,300	(801,262)	4,325,287	(62,930)	22,099,583
Total Assets						
As at 30 September 2022	151,376,600	241,696,809	188,689,970	314,142,497	18,626,272	914,532,148
Total Liabilities						
As at 30 September 2022	-	-	-	1,758,169	4,180,663	5,938,832

19. SEGMENT INFORMATION (CONTINUED)

The petrochemical sector represents the company's investment in Yanbu National Petrochemical (YANSAB) and the Arabian Industrial Fibers Company (Ibn Rushd), and the glass industry segment represents the company's investment in Obeikan Glass Company and AGC Obeikan Glass Company, and the Industrial Services segment represents the company's investment in the Industrialization and Energy Services Company And Alsalam Aerospace Industries Company, the services, and financial investments sector represent the company's investment in Deutsche Gulf Finance, and other financial investments and the other segments are represented in the remaining assets.

20. SIGNIFICANT EVENTS

On September 9, 2022, the decision of the Securities Disputes Appeals Committee was issued in the class action lawsuit filed by an investor against a number of former officials of Etihad Etisalat Company (Mobily). The initial decision was issued obligating the defendants to pay 8,097,728 Saudi riyals to the group. After that, the decision of the appeals committees in securities disputes was issued, including support for the initial decision.

21. SUBSEQUENT EVENTS

In the opinion of management, there were no significant subsequent events after September 30, 2023 until the date of approval of the interim condensed consolidated financial statements that could have a material impact on the interim condensed consolidated financial statements as of September 30, 2023.

22. APPROVAL OF THE INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements have been approved for the period ending September 30, 2023, on 18 Rabi-Al-Thani1445H, corresponding to 02 November 2023.