SAUDI ADVANCED INDUSTRIES COMPANY

(A SAUDI JOINT STOCK COMPANY)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

WITH INDEPENDENT AUDITOR'S REPORT

Independent Auditor Report

To the shareholders of Saudi Advance Industries Company
(Saudi Joint Stock Company)
Riyadh, Saudi Arabia
Report on the audit of the consolidated financial statements

OPINION

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Saudi Advanced Industries Company (the "Group") as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants (SOCPA).

We have audited the financial statements of the Group, which comprise of the following:

- The consolidated statement of financial position as at 31 December 2023
- The consolidated statement of profit or loss and other comprehensive income for the year then ended;
- The consolidated statement of changes in equity for the year then ended;
- The consolidated statement of cash flows for the year then ended, and;
- The notes to the consolidated financial statements, including a summary of material accounting policies.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent from the group in accordance with the professional code of con-duct and ethics that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor Report

To the shareholders of Saudi Advance Industries Company
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KEY AUDIT MATTERS (CONTINUED)

Key Audit Matters	How our audit addressed the key audit matter
Impairment assessment of equity- accounted investees (Masar Al-Numou Finance Co.)	
As of 31 December 2023, the Group has an investment in Masar Al-Numou Finance Group (formerly Deutsche Gulf Finance Company) in the amount of 271,927,562 Saudi riyals. In accordance with the International Accounting Standard "Impairment of assets" (IAS 36), an entity is required to perform impairment reviews for non-financial assets whenever there is an identified trigger for impairment. Based on such data, management carried out an impairment assessment in respect of each of these investments by determining a recoverable amount based on fair value less costs of disposals (Masar Al-Numou Finance Company) using discounted cash flow model, which utilized the most recent business plans prepared by their management. The outcome of this assessment as at 31 December 2023 did not result in any impairment loss to be recognized. We considered impairment testing of equity-accounted investees performed by management as a key audit matter since the assessment of the recoverable amount under the value in use and fair value less costs of disposals basis re-quire considerable judgment around use of estimates on the part of management. Refer to Note 4 for the accounting policies, Note 5 for the significant estimate significant judgements	We assessed management's impairment as-assessment of equity-accounted investees by performing the following procedures: • Assessed the methodology used by management to determine the recoverable value and compared it to that required by IAS 36; • Tested the reasonableness of the cash flow projections by comparison to historical results and underlying assumptions (revenue growth and EBITDA margin) supporting the growth in forecasted cash flows • Engaged our internal valuation experts to assist in the review of the valuation mod-els and use of certain assumptions including discount rates and long term growth rates; and We also reviewed the adequacy of the disclosures included in the notes to the accompanying consolidated financial statements

Independent Auditor Report

To the shareholders of Saudi Advance Industries Company
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Report on the audit of the consolidated financial statements

KEY AUDIT MATTERS (CONTINUED)

Valuation of financial assets at fair value through profit or loss which are not traded in an active market	
Financial assets at fair value through profit or loss include a portfolio of equity instruments. These instruments are measured at fair value and the changes in fair value are recognized in profit or loss. While the majority of the fair values of the company's investments were directly obtained from active markets as at 31 December 2023, the Group held non-traded investments in active markets an amount of SR 249,920,000. The fair value of these investments is determined through the application of valuation techniques which often involve the exercise of judgment by management and the use of assumptions and estimates. Estimation uncertainty exists for those not traded investments in an active market, and where the internal modelling techniques used: Significant un-observable valuation inputs (Level 3 investments). Estimation uncertainty is considered high for Level 3 investments. In the Group's accounting policies, management has described the key sources of estimation involved in determining the valuation of Level 3 investments. The valuation of the Group's investments held as fair value through profit or loss in the Level 3 category is considered a key audit matter given the degree of complexity involved in valuating these in-vestments and the significance of the judgments and estimates made by the management. Refer to the summary of significant accounting policies, note No. (4) and note (5) which explains the critical judgments and estimates for fair value measurement.	We reviewed the methodology and assessed the appropriateness of valuation models and inputs used by the management to value the financial assets at fair value through profit or loss through involving our valuation experts. We also tested the valuation of the investments which are not traded in an active market and held at fair value through profit or loss. As part of these audit procedures, we assessed key inputs used in the valuation, such as comparable entities data and liquidity discounts, by benchmarking them with external data to verify that there is no impairment of investments and the cost price adopted due to, the approach of com-parable entities data or discounted cash flows may result in a fair value that cannot be relied upon. We performed the following procedures: We obtained the management valuation and assessed the key inputs used in the valuation.; Involved our valuation experts to perform an independent valuation and use specific assumptions. We have assessed the adequacy of the related disclosures included in the financial statements

Independent Auditor Report

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Report on the audit of the consolidated financial statements

OTHER INFORMATION

Other information consists of the information included in the Group's 2023 annual report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information in its annual report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERN-ANCE FOR THE COSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the SOCPA and Regulations for Companies and the Company's By Laws and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e. the Board of Directors, are responsible for overseeing the Group financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE COSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 'Reasonable assurance' is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements .

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To the shareholders of Saudi Advance Industries Company
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AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE COSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As part of an audit in accordance with the International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also :

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group’s to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the consolidated financial information of entities or business activities within the group. To express an opinion on the financial statements. We are responsible for directing, supervising and implementing the group review process. We remain solely responsible for the audit opinion.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Independent Auditor Report

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AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE COSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, with relevant safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circum-stances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For Al-Bassam & Co.

البسام وشركاؤه
محاسبون قانونيون
رقم الترخيص ٥٢٠/١١/٣٢٣
C.R.1010385804
License 520/11/323
Al-Bassam & Co.
Certified Public Accountants

Ahmed Abdulmajeed Mohandis
Certified Public Accountant
License No. 477
Riyadh: 10 Ramadhan 1445 H
Corresponding to: 20March 2024

SAUDI ADVANCED INDUSTRIES COMPANY

(A SAUDI JOINT STOCK COMPANY)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

(All amounts are in Saudi riyals unless otherwise mentioned)

	Note	31 December 2023	31 December 2022
ASSETS			
Non-current assets			
Property and equipment and intangible, net	6	**1,053,750**	399,686
Investments in associate's companies	7	**524,603,558**	531,860,667
Financial assets at FVOCI	8	**12,107,513**	121,280,020
Financial assets at FVPL	9	**249,920,000**	199,705,033
Other financial assets		**1,032,109**	1,758,169
Total non-current assets		**788,716,930**	855,003,575
Current assets			
Cash and cash equivalents	11	**2,077,524**	45,099,243
Financial assets at fair value through profit or loss	9	**335,880,004**	8,409,164
Prepayments and other current assets	10	**219,800**	601,499
Total current assets		**338,177,328**	54,109,906
Total assets		**1,126,894,258**	909,113,481
EQUITY AND LIABILITIES			
Equity			
Share capital	12	**600,000,000**	500,000,000
Treasury shares	13	**(30,665,894)**	-
Statutory reserve	14	**150,000,000**	150,000,000
General reserve	15	**34,331,892**	34,331,892
Retained earnings		**244,122,757**	243,143,182
Actuarial reserve		**(1,053,768)**	(917,613)
Fair value reserve	8	**(1,326,121)**	(25,373,881)
Total equity		**995,408,866**	901,183,580
Liabilities			
Non-current liabilities			
Employees' end of service benefits	17-2	**1,916,067**	1,517,549
Total non-current liabilities		**1,916,067**	1,517,549
Current liabilities			
Accrued expenses and other current payables	18	**4,050,981**	4,187,212
Short term loans	19	**103,183,562**	-
Zakat provision	20	**10,088,223**	2,225,140
Due to related parties		**12,246,559**	-
Total current liabilities		**129,569,325**	6,412,352
Total liabilities		**131,485,392**	7,929,901
Total equity and liabilities		**1,126,894,258**	909,113,481

Muhannad Mustafa Al-Ashqar	**Abdullah Suliman AlJuraisl**	**Abdullah Mohammed AlHomaid**
Chief Financial Officer	**Managing Director**	**Chairman of Board of Directors**

The accompanying notes from 1 to 30 are an integral part of these financial statements.

SAUDI ADVANCED INDUSTRIES COMPANY

(A SAUDI JOINT STOCK COMPANY)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

(All amounts are in Saudi riyals unless otherwise mentioned)

	Note	31 December 2023	31 December 2022
Net revenue	21	**153,218,303**	21,978,594
The company's share of the profits of associate companies		**26,936,503**	94,069,006
Gross income		**180,154,806**	116,047,600
General and administrative expenses	22	**(17,921,666)**	(13,342,558)
Operating Income		**162,233,140**	102,705,042
Finance costs		**(3,183,562)**	(381,262)
Other income		**16,367**	9,394
Net income before zakat		**159,065,945**	102,333,174
Zakat	20	**(10,266,756)**	(2,125,803)
Net income for the year		**148,799,189**	100,207,371
Other comprehensive income:			
Items that will not be subsequently reclassified to profit or loss:			
Net change in financial assets at FVOCI	8	**6,797,583**	(90,724,111)
Share of other comprehensive (loss) / income of investment in an associates companies	7	**(569,437)**	(4,638,481)
Actuarial losses	17-2	**(136,155)**	(41,266)
Total comprehensive income		**154,891,180**	4,803,513
Basic and diluted earnings per share			
Earnings per share from net income	23	**2.52**	**1.70**
Earnings per share of total comprehensive income for the period	23	**2.63**	**0.08**

Muhannad Mustafa Al-Ashqar	Abdullah Suliman AlJuraish	Abdullah Mohammed AlHomaidi
Chief Financial Officer	Managing Director	Chairman of Board of Directors

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 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
Balance as at 1 January		500,000,000	-	150,000,000	34,331,892	181,057,715	(876,347)	69,366,807	933,880,067
Net income for the year		-	-	-	-	100,207,371	-	-	100,207,371
Share of other comprehensive income of investment in associates companies	7	-	-	-	-	(4,638,481)	-	-	(4,638,481)
(Loss)/other comprehensive income	17	-	-	-	-	-	(41,266)	(90,724,111)	(90,765,377)
Total comprehensive income for the year		-	-	-	-	95,568,890	(41,266)	(90,724,111)	4,803,513
Transferred from fair value reserve as result of disposal assets at FVOCI		-	-	-	-	4,016,577	-	(4,016,577)	-
Dividends		-	-	-	-	(37,500,000)	-	-	(37,500,000)
Balance as at 31 December 2022		**500,000,000**	**-**	**150,000,000**	**34,331,892**	**243,143,182**	**(917,613)**	**(25,373,881)**	**901,183,580**
Net income for the year		-	-	-	-	**148,799,189**	-	-	**148,799,189**
Share of other comprehensive income of investment in associates companies	7	-	-	-	-	**(569,437)**	-	-	**(569,437)**
(Loss)/other comprehensive income	17	-	-	-	-	-	**(136,155)**	**6,797,583**	**6,661,428**
Total comprehensive income for the year		-	-	-	-	**148,229,752**	**(136,155)**	**6,797,583**	**154,891,180**
Transferred from fair value reserve as result of disposal assets at FVOCI		-	-	-	-	**(17,250,177)**	-	**17,250,177**	-
Capital increase		**100,000,000**	-	-	-	**(100,000,000)**	-	-	-
Treasury shares	13	-	**(30,665,894)**	-	-	-	-	-	**(30,665,894)**
Dividends	16	-	-	-	-	**(30,000,000)**	-	-	**(30,000,000)**
Balance as at 31 December 2023		**600,000,000**	**(30,665,894)**	**150,000,000**	**34,331,892**	**244,122,757**	**(1,053,768)**	**(1,326,121)**	**995,408,866**

Muhannad Mustafa Al-Ashqar	**Abdullah Suliman AlJuraish**	**Abdullah Mohammed AlHomaidi**
Chief Financial Officer	**Managing Director**	**Chairman of Board of Directors**

The accompanying notes from 1 to 30 are an integral part of these financial statements.

SAUDI ADVANCED INDUSTRIES COMPANY
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022
(All amounts are in Saudi riyals unless otherwise mentioned)

	Note	31 December 2023	31 December 2022
Cash flows from operating activities:			
Net Income for the year before zakat		**159,065,945**	102,333,174
Adjustments to reconcile net Income before zakat to net cash from operating activities:			
Depreciation of property and equipment and intangible	6	**196,162**	132,942
Provision for end of service benefits	17-2	**293,923**	294,854
Unrealized gain on financial assets at FVPL		**(98,096,144)**	(10,689,072)
Share of profit in an associate's companies	7	**(26,936,503)**	(94,069,006)
Financing costs		**3,183,562**	-
Capital gains		**(1,622)**	(2,118)
		37,705,323	(1,999,226)
Changes in working capital items			
Other Financial assets		**726,060**	218,456
Prepayments and other debt balances		**381,699**	(339,114)
Accrued expenses and payables		**(136,230)**	(543,196)
Cash generated from operating activities		**38,676,852**	(2,663,080)
Employees' end of service benefits paid	17-2	**(31,560)**	(1,194,187)
Zakat paid	21	**(2,403,673)**	(50,663)
Net cash from/(used in) operating activities		**36,241,619**	(3,907,930)
Cash flows from investing activities:			
Purchase of property and equipment	6	**(857,951)**	(171,029)
Receipts from the sale of property and equipment		**9,347**	5,597
Dividends from investments at the associates companies	7	**15,454,545**	32,836,364
Proceeds from the sale of investments in associated companies		**18,169,630**	-
Paid to purchase financial assets at FVOCI		**(1,025,900)**	(12,971,000)
Proceed from the sale of financial assets at FVOCI		**116,995,989**	51,762,159
Purchase of financial assets at FVPL		**(1,074,852,554)**	(10,659,691)
Proceeds from the sale of financial assets at FVPL		**795,262,891**	1,924,536
Net cash (used in)/from investing activities		**(130,844,003)**	62,726,936
Cash flows from financing activities:			
Proceeds from loans and facilities	12	**100,000,000**	25,000,000
Due to related parties		**12,246,559**	-
Purchase treasury shares		**(30,665,894)**	-
Repayment of loans and facilities	12	**-**	(25,000,000)
Dividends Paid	61	**(30,000,000)**	(37,500,000)
Net cash from/(used in) financing activities		**51,580,665**	(37,500,000)
Net change in cash and cash equivalents		**(43,021,719)**	21,319,006
Cash and cash equivalent at the beginning of the year		**45,099,243**	23,780,237
Cash and cash equivalents at the end of the year		**2,077,524**	45,099,243
Non-cash transactions	26		

Muhannad Mustafa Al-Ashqar	**Abdullah Suliman AlJuraish**	**Abdullah Mohammed AlHomaidi**
Chief Financial Officer	**Managing Director**	**Chairman of Board of Directors**

The accompanying notes from 1 to 30 are an integral part of these financial statements.

(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 consolidated financial statements include the accounts of Saudi Advanced Industries Company ("the Group") and the company it directly owns ("the Subsidiary"):

Subsidiary company	**Country of incorporation**	**Legal form**	**Actual ownership percentage (direct)**
United Permanent Growth Investment Company	Kingdom of Saudi Arabia	A limited liability company	**%100**

United permanent Growth Investment Company ("the Company") is a one-person limited liability company ,established in the Kingdom of Saudi Arabia under Commercial Registration No. 1010887301 issued by the city of Riyadh on 11/19/1444 AH (corresponding to 06/08/2023).
As a result, the Consolidated financial statements from January 1, 2023 to December 31, 2023 are the group's first consolidated financial statements.
The authorized capital amounted to 5,000,000 Saudi riyals, and the company's main activity is managing the Subsidiaries companies activities for holding companies.

2. BASIS OF PREPARATION

2-1 Statement of compliance

These Consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

2-2 Basis of consolidating

The consolidated financial statements include the financial statements of Saudi Advanced Industries Company and its subsidiary (the Group), as stated in Note No. (1).
The consolidated financial statements consist of the financial statements of the holding company and its subsidiary as of December 31, 2023. Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed to risks or has the right to receive 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:

2. BASIS OF PREPARATION (CONTINUED)

2.2 Basis of consolidating (CONTINUED)

• Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

• Exposure to risks or rights to variable returns from its participation in the investee company, and

• The ability to use its power over an investee to affect its returns. When the Group holds less than a majority of the voting or similar rights of an investee, the Group takes into account all relevant information and circumstances when assessing the extent of its power over an investee, including:

• The existing contractual arrangement with other vote holders in the investee company

• Rights arising from other contractual arrangements

• The Group's voting rights and potential voting rights

The Group reassesses the extent of its control over an investee if information and circumstances indicate that there are changes in 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. The 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 obtains control until the date the group ceases to control the subsidiary.

Profit or loss and each item of consolidated comprehensive income relate to the shareholders of the holding company of the group even if this results in a deficit balance in the non-controlling interest. When necessary, adjustments are made to the Consolidated financial statements of subsidiaries so that the accounting policies are consistent with the group's accounting policies. All intercompany assets and liabilities, equity, revenues, expenses and cash flows relating to transactions between group members are eliminated in their entirety upon 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 over a subsidiary, it:
• The carrying value of any non-controlling interests is excluded.

• Accumulated foreign currency translation differences recorded in equity are excluded.

• It works to verify the fair value of the consideration received.

• It works to verify the fair value of any retained investment

• It works to realize 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 the consolidated statement of profit or loss or retained earnings, when appropriate and when necessary if the group directly sells the related assets or liabilities.

2-3 Basis of measurement

These consolidated financial statements have been prepared in under the historical cost method, except in cases where international financial reporting standards require another basis for measurement as disclosed in the accounting policies in note No. (4) of the notes about the accompanying consolidated financial statements.

2-4 Functional and presentation currency

These consolidated financial statements are presented in Saudi Riyals, which is the group functional and presentation currency.

(All amounts are in Saudi riyals unless otherwise mentioned)

3. NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS

Amendments
A number of new amendments to standards, enlisted below, are effective this year but they do not have a material effect on the group consolidated Financial Statements, except for where referenced below.

New amendments to standards issued and applied effective in year 2023

Amendments to standard	Description	Effective for annual years beginning on or after	Summary of the amendment
IFRS 9 (Amendments to IFRS 4)	Extension of temporary exemption from application of IFRS 9 (IFRS 4 Amendments)	January 1, 2023	The amendment changes the fixed expiry date for the temporary exemption in IFRS 4 Insurance Contracts from applying IFRS 9 Financial Instrument, so that entities are required to apply IFRS 9 for annual periods beginning on or after 1 January 2023.
IFRS 17	Insurance contracts and their amendments	January 1, 2023	This is a new, comprehensive accounting standard for insurance contracts covering recognition, measurement, presentation and disclosure. When effective, IFRS 17 (together with its subsequent amendments) will replace IFRS 4 Insurance Contracts issued in 2005.
IAS 1 and IFRS Practice Statement 2	Disclosure of accounting policies	January 1, 2023	This amendment deals with helping entities determine the accounting policies that must be disclosed in their financial statements.
IAS 8	Amendment to the definition of accounting estimate	January 1, 2023	These amendments to the definition of accounting estimates help entities distinguish between accounting policies and accounting estimates.
IAS 12	Deferred tax relating to assets and liabilities arising from a single transaction	January 1, 2023	These amendments require companies to recognize deferred tax on transactions that, upon initial recognition, result in equal amounts of taxable and deductible temporary differences.
IAS 12	International tax reform (Pillar II model rules)	January 1, 2023	These amendments give companies a temporary exemption from deferred tax accounting arising from the Organization for Economic Co-operation and Development (OECD) international tax reform. The amendments also introduce specific disclosure requirements for affected companies.

3. NEW STANDARDS,AMENDMENTS TO STANDARDS AND INTERPRETATIONS (CONTIUED)

3.2 New standards, amendments and revised IFRS issued but not yet effective

The group has not applied the following new and revised IFRSs and amendments to IFRS that have been issued but are not yet effective.

Amendments to standard	Description	Effective for annual years beginning on or after	Summary of the amendment
IAS 1	Classification of Liabilities as Current or Non-current	January 1, 2024	The amendment has clarified what is meant by a right to defer settlement, that a right to defer must exist at the end of the reporting period, that classification is unaffected by the likelihood that an entity will exercise its deferral right and that only if an embedded derivative in a convertible liability is itself an equity instrument the terms of a liability would not impact its classification.
IFRS 16	Leases for sale and leaseback	January 1, 2024	These amendments incorporate the requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all of the lease payments are variable lease payments not based on an index or rate are more likely to be affected.
IAS 7 and IFRS 7	Supplier financing arrangements	January 1, 2024	These amendments require the addition of disclosure requirements to enhance the transparency of supplier financing arrangements, and “guidance signals” within existing disclosure requirements require entities to provide qualitative and quantitative information about supplier financing arrangements.
IAS 21	Difficulty converting	January 1, 2024	The amendments contain guidelines for determining when a currency is convertible and how to determine the exchange rate when it is not.

Management anticipates that these new standards interpretations and amendments will be adopted in the group consolidated financial statements as and when they are applicable and adoption of these interpretations and amendments may have no material impact on the consolidated financial statements of the group in the period of initial application.

4. MATERIAL ACCOUNTING POLICIES

4-1 Classification of assets and liabilities as current or non-current

The group assets and liabilities in the statement of consolidated financial position based on current/non-current classification. And asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle; or
- Held primarily for the purpose of trading; or
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.
A liability is current when:

- Expected to be settled in the normal operating cycle; or
- Held primarily for the purpose of trading; or
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The group classifies all other liabilities as non-current.
Tax assets and liabilities are classified as non-current assets and liabilities.

4-2 Financial instruments

The financial instrument represents contracts that give rise to financial assets of one entity and financial liabilities or equity instruments of another entity.

4-2-1 Financial assets

IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost (AC), fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVPL). The group classifies its financial assets generally based on the business model in which a financial asset is managed and its contractual cash flows.

(i) Financial assets at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

Business model assessment

The group assesses the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

(ii) Financial assets at fair value through OCI (FVOCI)

Debt Instruments

A debt instrument is measured at FVOCI only if it meets both of the following conditions and it is not designated as at FVPL

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and the interest on the principal amount outstanding.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)
4-2 Financial instruments (continued)

4-2-1 Financial assets (continued)

Equity instruments

On the initial recognition, for an equity investment that is not held for trading, the group may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

(iii) Financial assets at fair value through profit or loss (FVPL)

All other financial assets are classified as measured at FVPL.

In addition, on initial recognition, the group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVPL if doing so eliminates or Materially reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the group changes its business model for managing financial assets.

Financial assets that are held for trading, if any, and whose performance is evaluated on a fair value basis are measured at fair value through profit or loss (FVPL) because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Impairment of financial assets

IFRS 9 requires the Company to recognize an expected credit loss allowance for all loans and other financial receivables not held at fair value. The group does not have commercial receivables, and for other financial assets such as employees' receivables and balances with banks, it has low credit risk and therefore the effect of applying expected credit losses is not Material.

Derecognition

The Company derecognizes a financial asset (or part of the financial asset or part of a group of similar financial assets) when:

The contractual rights to receive cash flows from the financial asset has expired, or

The Group has transferred its rights to receive cash flows out of an asset or incurs an obligation to pay fully received cash flows without substantial delay to a third party under a "passage" agreement, or (a) the Group transfers all risks and benefits of the asset or (b) the Group fails to transfer or retaining all risks and rewards of the asset, but transfers control of the asset.

The Group evaluates on a prospective basis the lifetime expected credit losses associated with its financial assets carried at amortized cost.

When the Group transfers its rights to receive cash flows from an asset or enters into a passage arrangement, it evaluates whether, and to what extent, it has retained the risks and benefits associated with ownership and has not transferred or retained substantially all of the risks and benefits associated with the asset and has not transferred its control over the asset, The Group continues to recognize the transferred asset to the extent that the Group 's relationship with it continues. In that case, the Group continues to also recognize the liabilities related to the asset. The associated liability and the transferred asset are measured on a basis that reflects the rights and liabilities that the Group has retained.

The continuation of the relationship, which takes the form of a guarantee on the transferred asset, is measured by the original book value of the asset and the maximum amount that the group can be required to pay, whichever is less.

4-2-2 Financial liabilities

The Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the Effective Interest Rate (EIR).

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4-2 Financial instruments (continued)

Derecognition

A financial liability is derecognized when it is discharged, canceled, or expired. When an existing financial obligation is substituted for another from the same lender according to completely different terms or the conditions of the present obligation substantially, such replacement or amendment is treated as canceling a restriction of the original financial obligation with the recognition of the new obligation. The difference between the relevant carrying values is recorded in the Consolidated statement of comprehensive income.

4-2-3 Offset

Financial assets and financial liabilities are offset and the net amount reported in the Consolidated statement of financial position only when the Group currently has a legally enforceable right to offset the recognized amounts and its intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

4-3 Investment in associates companies

An associates companies is an entity in which the investing group has Material influence. The Material influence is the ability to participate in the financial and operating policy decisions of the investee, but it is not control or joint control over those policies.

Accounting for associates is accounted for using the equity method, under the equity method. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of profit or loss of the investee after the date of acquisition. The goodwill related to the associate is added to the carrying amount of the investment and it is not amortized or examined on an individual basis for impairment.

The income Consolidated statement reflects the group 's share of the associate's operating results. In the event that there is a change that has been recorded directly in the equity of the associate, then the group shall record its share of any changes and disclose them - as the case may be - in the Consolidated statement of other comprehensive income.

The Consolidated financial statements of the associate are prepared for the same period for which the Consolidated financial statements of the investing group are prepared. When necessary, adjustments are made to match the accounting policies with the accounting policies of the investing group .

When the group 's share in the associate's losses equals or exceeds its share in the same associate group , including any other unsecured receivables, the group does not recognize any additional losses, unless the group is legally or implicitly obligated to pay amounts on behalf of the associate. Dividends received or receivable from associates are recognized as a reduction in the carrying amount of the investments,

The group determines at each financial reporting date whether there is any objective evidence of impairment of the investment in the associate. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount adjacent in the Consolidated statement of profit or loss.

Upon loss of Material influence over the associate, the Group measures and recognizes any retained investment at its fair value. Any differences between the carrying amount of the associate upon loss of Material influence and the fair value of the retained investment and proceeds from disposal are recognized in the Consolidated statement of profit or loss.

4-4 Property and equipment

Property and equipment are recognized initially at the cost of acquisition, including any costs directly attributable to bringing the assets to a working condition for their intended use. These assets are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses if any.

When the major components of items of property and equipment have different useful lives, they are accounted for as separate items of property and equipment.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4-4 Property and equipment (Continued)

Depreciation is charged to the Consolidated statement of profit or loss and using the straight-line method to allocate the costs of the related assets less the residual values over the following estimated economic useful lives:

Category	Percentage
Cars	25%
Office furniture	15%
Office equipment	15%
Computers	33,3%
Improvements on leased buildings	15% or lease period which is less

Impairment

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets are written down to their recoverable amount being the higher of their fair value less costs to sell, and their value in use.

The cash-generating unit (CGU) at which the impairment assessment and testing are performed, is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Capital work-in-progress

Assets in the course of construction or development are capitalized in the capital work-in-progress ("CWIP") account. The asset under construction or development is transferred to the appropriate category in property and equipment or intangible assets (depending on the nature of the project), once the asset is in a location and/or condition necessary for it to be capable of operating in the manner intended by management. The cost of an item of capital work in progress comprises its purchase price, construction/development cost, and any other directly attributable to the construction or acquisition of an item of CWIP intended by management. Costs associated with testing the items of CWIP (prior to its being available for use) are capitalized net of proceeds from the sale of any product during the testing period. Capital work-in-progress is not depreciated or amortized.

The expenses of repair and maintenance are charged to the Consolidated statement of profit or loss. Repairs and maintenance expenses that increase the value of the assets or increase their useful life materially are capitalized.

The depreciation method, residual value estimates, and useful life estimates are reviewed annually.

Any item of property and equipment and any Material part initially recognized or derecognized upon disposal or when no future benefits are expected from its use or disposal. Any gain or loss arising from the derecognition of the asset (calculated as the difference between the net proceeds and the carrying amount of the asset) is included in the Consolidated statement of profit or loss when the asset is derecognized. The carrying amount of the asset is reduced immediately to its recoverable value in the event that the carrying amount of the asset exceeds its estimated recoverable value.

4-5 Cash and cash equivalents

For the purpose of the Consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and deposits held with the bank, with maturity of three months or less from the date of acquisition that are readily convertible to known amount of cash and subject to in Material risk of changes in value and are available for use by the group .

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4 -6 Share capital

Financial instruments issued by the Group are classified as equity only to the extent that they do not meet the definition of financial liability or financial asset. The Group 's ordinary shares and treasury shares are classified as equity instruments.

4-7 Employees benefits

4-7-1 Short term obligation

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that is expected to be settled wholly within 12 months after the end of the year in which the employees render the related service is recognized in respect of employees' services up to the end of the reporting year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations within accruals in the Consolidated statement of financial position.

4-7-2 Other obligations related to long-term employees benefits

The liability or asset is recognized in the statement of Consolidated financial position in respect of defined benefit. EOSB plan is the present value of the defined benefit obligation at the end of the reporting year. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

Defined benefit costs are categorized as follows:

Service cost

Service costs include current service cost and past service cost are recognized immediately in the Consolidated statement of profit or loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the Consolidated statement of profit or loss as past service costs.

Interest cost

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefits expense in the Consolidated statement of profit or loss.

Re-measurement gains or losses

Re-measurement gains or losses arising from experience adjustments and changes in actuarial assumptions are recognized in the year in which they occur, directly in other comprehensive income.

4-8 Provisions

A provision is recognized if, as a result of past events, it appears that the Group has a present legal or contractual obligation the amount of which can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are discounted using a current rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Provisions are reviewed at each Consolidated statement of financial position date and adjusted to reflect the current best estimate.

4-9 Contingent liabilities

Previous events whose existence will be confirmed only by the occurrence or absence of a single event all contingent liabilities arising from one or more of the uncertain future events that are not fully controlled by the group , or all of the current liabilities arising from previous events but not established for the following reasons:

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4-9 Contingent liabilities (continued)

(1) There is no possibility that an outflow of resources embedded in the economic benefits will be required to settle the obligation.

(2) It is not possible to measure the amount of the obligation with sufficient reliability, as all of them must be evaluated at the date of each Consolidated statement of financial position and disclosed on the company's financial statements are among the potential liabilities.

4-10 Revenue recognition

Step 1: Define the contract with the customer

A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets standards for each contract that must be fulfilled.

Step 2: Determine performance obligations

A performance obligation is a promise in a service contract to a customer.

Step 3: Determine the transaction price

The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for promised services to a client, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price

For a contract that contains more than one performance obligation, the Group allocates the transaction price to each performance obligation at an amount that shows the amount of consideration that the Group expects to be entitled in exchange for fulfilling each performance obligation.

Step 5: Recognize the revenue

The group recognizes revenue when (or when) it fulfils the performance obligation by transferring the promised service to the customer under the contract.

Share of net profit of associate

Share of net profit of associate is recognized using the equity method.

Dividend

Dividend income from investments at fair value is recognized when the group 's right to receive such dividends is established, and this right is generally when the approval of those responsible for making the decision to distribute the dividends is established.

4-11 Expenses

All expenses, including general and administrative expenses and other expenses, are recognized and included in the profit or loss in the fiscal year in which those expenses were realized.

4-12 Zakat

The Group is subject to Zakat in accordance with regulations of the zakat, tax and customs authority (ZTCA). Zakat is accrued and charged to income currently. Additional zakat liability, if any, related to prior years' a assessment arising from ZTCA are accounted for in the period in which the final assessment is finalized.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4-13 Basic and diluted earnings per share

Basic earnings / (loss) per share

Basic earnings per share are calculated by dividing:

- the profit / (loss) attributable to shareholders of the Group , excluding any costs of servicing equity other than ordinary shares; and
- by the weighted average number of ordinary shares outstanding during the financial period.

Diluted earnings / (loss) per share

Diluted earnings/ (loss) per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

4-14 Segment reporting

4-14-1 Operating segment

The operating sector is one of the components of the Group that carries out activities from which it may generate revenues and incur expenses for it, including revenues and expenses related to transactions with any of the Group 's other segments. All segment results are evaluated periodically by the operational
Decision maker for decision-making so that decisions are taken and the performance of the resources allocated to each segment is assessed and the financial information available separately
Segment results that are reported to the operating decision-maker include items that refer directly to the segment in addition to those that can be allocated on an appropriate basis.
The Group has five operating segments in the Kingdom of Saudi Arabia, (petrochemicals - glass industry industrial services "energy and service facilities" - financial services and investments "banks and financial services" - other segments). The segments reached the quantitative limits referred to in the operational segment standard in the International Financial Reporting Standard No. (8). Accordingly, reports on the operating segments were disclosed in the accompanying Consolidated financial statements.

4-14-2 Geographical segment

A geographical segment is a group of assets, operations, or entities engaged in revenue-producing within activities of a particular economic environment that are subject to risks and returns different from those operating in other economic environments. All segments of the group are headquartered in the Kingdom of Saudi Arabia.

4-15 Cash dividends and non-cash dividends to shareholders

Dividends are recognized as liabilities when the distribution is authorized and the distribution is no longer at the decision of the Group . In accordance with the Companies Law in the Kingdom of Saudi Arabia, a distribution is authorized when it is approved by the shareholders. A corresponding amount is deducted directly from equity and recognized as a liability.

5. CRITICAL JUDGMENTS AND ESTIMATES

The preparation of Consolidated financial statements requires management to use estimates, judgments and assumptions that affect the application of policies and values of assets, liabilities, revenues and expenses, associated disclosures and disclosure of contingent liabilities. Estimates and assumptions are reviewed on an ongoing basis. Differences resulting from the revision of accounting estimates are included in the revision period and the future periods affected by them. Uncertainty about these assumptions and estimates could result in a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

5. CRITICAL JUDGMENTS AND ESTIMATES (CONTINUED)

5-1judgments

Going Concern

The Group 's management has made an assessment of Group 's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast Material doubt on Group 's ability to continue as a going concern.

2-5 Estimates and assumptions

Economic useful life's of property and equipment and intangible

The group periodically reviews the estimated useful lives and depreciation method to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

Estimation defined benefit obligations

The cost of the defined benefit obligation and the present value of the obligation is determined using actuarial valuations. In addition, a defined liability requires assumptions that must be made for future results which mainly include an increase in salaries and benefits, and the discount rate used to convert future cash flows to present value. Any changes in these assumptions will affect the carrying amount of the liability. All assumptions are reviewed at the end of each financial year.

Zakat provision

In estimating the current zakat due by the group , the management takes into account the applicable law and the decisions/rulings of the Zakat, Tax and Customs Authority on previous issues.

Impairment of non-financial assets

In assessing impairment, Management estimates the recoverable amount of each cash-generating asset or unit on the basis of expected future cash flows and uses the discount rate. Estimation uncertainty relates to assumptions about future operating results and the determination of an appropriate discount rate.
A provision for impairment of financial assets is established when there is objective evidence that the group will not be able to collect all amounts due in accordance with the original terms of the agreement. For
Material individual amounts, an assessment is made on an individual basis. Amounts that are not individually Material, but which are past due, are assessed collectively and a provision is made taking into account the length of time according to previous recovery rates.

Decrease in the value of investment in associated companies

As indicated in Note 3.4 of these consolidated financial statements, the Group estimates the recoverable amount of its investments to assess impairment. In calculating the recoverable amount of investment in associates, the Group applies its judgment in determining the recoverable amount. Based on the assessment, the Group concluded that there were no indicators of impairment at the end of the year

Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (when active market prices are not available). This includes making estimates and assumptions that are consistent with how market participants price the instrument. Management bases its assumption on observable lists as much as possible but this is not always available. In that case, management uses the best available information. The estimated fair values may differ from the actual prices that would be achieved in an arm's length transaction at the reporting date.

(All amounts are in Saudi riyals unless otherwise mentioned)

6. PROPERTY AND EQUIPMENT AND INTANGIBLE, NET

For the year ended 31 December 2023

	Cars	Office furniture	Office Equipment	Computers	Improvements on leased buildings	Total
Cost:						
Beginning of the year	**97,125**	**229,746**	**94,180**	**302,598**	**515,038**	**1,238,687**
Additions	**830,000**	**-**	**19,205**	**8,746**	**-**	**857,951**
Disposals	**-**	**-**	**-**	**(9,347)**	**-**	**(9,347)**
At the end of the year	**927,125**	**229,746**	**113,385**	**301,997**	**515,038**	**2,087,291**
Accumulated depreciation						
Beginning of the year	**97,124**	**141,943**	**69,906**	**180,591**	**349,437**	**839,001**
Charged for the year	**77,770**	**19,336**	**7,501**	**54,207**	**37,348**	**196,162**
Disposals	**-**	**-**	**-**	**(1,622)**	**-**	**(1,622)**
At the end of the year	**174,894**	**161,279**	**77,407**	**233,176**	**386,785**	**1,033,541**
Net book value as of December 31, 2023	**752,231**	**68,467**	**35,978**	**68,821**	**128,253**	**1,053,750**

For the year ended 31 December 2022

	Cars	Office furniture	Office equipment	Computers	Improvements on leased buildings	Total
Cost:						
Beginning of the year	97,125	191,138	110,471	208,597	508,023	1,115,354
Additions	-	38,609	4,543	120,862	7,015	171,029
Disposals	-	-	(20,833)	(26,862)	-	(47,695)
At the end of the year	97,125	229,747	94,181	302,597	515,038	1,238,688
Accumulated depreciation						
Beginning of the year	97,124	121,293	80,393	164,825	286,644	750,279
Charged for the year	-	20,651	9,622	39,875	62,794	132,942
Disposals	-	-	(20,109)	(24,110)	-	(44,219)
At the end of the year	97,124	141,944	69,906	180,590	349,438	839,002
Net book value as of December 31, 2022	1	87,803	24,275	122,007	165,600	399,686

(All amounts are in Saudi riyals unless otherwise mentioned)

7. INVESTMENTS AT THE ASSOCIATES COMPANIES

The following is the movement in associates for the year ended 31 December:

	31December 2023	31 December 2022
Balance at the beginning	**531,860,667**	475,266,506
Dividend	**(15,454,545)**	(32,836,364)
The share of results of associates	**26,936,503**	94,069,006
Exclusion of shares sold from associates	**(18,169,630)**	-
share in other comprehensive income	**(569,437)**	(4,638,481)
Balance at the end of the year	**524,603,558**	531,860,667

The following is a summary of the details of the equity method investees at December 31:

	31 December 2023			31 December 2022		
Name	**Ownership %**	**No. of share**	**amount**	**Ownership %**	**No. of share**	**amount**
Masar AlNumou finance Company	**31,62%**	**18,181,818**	**271,927,562**	31.62%	18,181,818	285,515,138
Obeikan Glass Company*	**37.05%**	**11,855,913**	**252,675,996**	40%	9,600,000	246,345,529
			524,603,558			531,860,667

*The ownership percentage in Obeikan Glass Company as of December 31, 2023 is divided into 34.56% for the Saudi Advanced Industries Company and 2.49% for the United permanent growth investment company.

The following is a summary of the financial information for investments using the equity method:

The financial information below represents the amounts disclosed in the Consolidated financial statements of equity-accounted investees prepared in accordance with IRFS.

31 December 2023	**Obeikan Glass Company**	**Masar AlNumou Finance Company (Deutsche Gulf Finance previously)**
Total assets	**730,116,796**	**2,281,884,996**
total liabilities	**102,556,767**	**1,576,732,609**
Equity	**627,560,029**	**705,152,387**
The combined share of the Saudi Advanced Industries Company	**232,510,991**	**222,969,185**
Book value	**252,675,996**	**271,927,561**
Revenue	**393,982,137**	**151,027,302**
Net Income	**67,664,553**	**5,904,392**
Other Comprehensive income	**(1,536,954)**	**-**
Total comprehensive income	**66,127,599**	**5,904,392**
Share of total comprehensive income	**24,500,096**	**1,866,969**

(All amounts are in Saudi riyals unless otherwise mentioned)

7. INVESTMENTS AT THE ASSOCIATES COMPANIES (CONTINUED)

31 December 2022	Obeikan Glass Company	Masar AlNumou Finance Company (Deutsche Gulf Finance previously)
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
Amendments to previous years	-	(4,056,306)
Share of total comprehensive income (after adjustments)	66,420,614	18,953,604

The shares of Obeikan Glass Company were listed and began trading in Nomu - the parallel market, as of Monday, Rajab 6, 1443 AH, corresponding to February 7, 2022, as a direct listing, as the share price on December 31, 2023 AD reached 55 riyals per share (68 riyals per share: 2022), noting that the total cost The Saudi Advanced Industries Company's share in Obeikan Glass Company amounts to 118.56 million riyals, on December 31, 2023 (2022: 128 million riyals). The fair value of the company's ownership stake in Obeikan Glass Company according to trading prices amounted to 652.07 million Saudi riyals (750.56 million Saudi riyals: 2022).

1 million shares of Obeikan Glass Company, owned by the SAIC, were transferred to the subsidiary company, Permanent Growth United Investment Company, with a book value of 25,661,028 Saudi riyals, and this process did not result in any profit.

The company's ownership stake in Obeikan shares was reduced as a result of the sale of 2.95% of the company's ownership, and the sale resulted in net profits of 37,000,709 Saudi riyals.

During the year ending December 31, 2022 , Masar Alnumou Finance Company (previously Deutsche Gulf Finance), in which the Saudi Advanced Industries Company owns 31.62% of the capital, obtained the initial approval of 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.

8. FINANCIAL ASSETS AT FVOCI

Financial assets amounted to as follows:

31 December 2023	Cost	Market value
Al Rajhi Financial Portfolio	**10,227,230**	**8,889,823**
Derayah Global Venture Capital Fund	**526,780**	**437,465**
Graphene Venture Fund	**1,145,468**	**1,046,776**
Hala Ventures Fund	**1,299,375**	**1,733,449**
AGC Obeikan Glass*	**8,680,000**	**-**
	21,878,853	**12,107,513**

(All amounts are in Saudi riyals unless otherwise mentioned)

8. FINANCIAL ASSETS AT FVOCI (CONTINUED)

31 December 2022	**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:

	31 December 2023	31 December 2022
Cost as at 1 January	**155,333,901**	190,108,486
Additions	**1,025,900**	12,971,000
Disposals during the year	**(134,246,166)**	(47,745,585)
	22,113,635	155,333,901
Fair value reserve as at 1 January	**(25,373,881)**	69,366,807
Change in fair value reserve	**6,797,583**	(90,724,111)
Transfer from fair value reserve as a result of disposal of assets at FVOCI	**17,250,176**	(4,016,577)
Fair value reserve as at 31 December	**(1,326,122)**	(25,373,881)
Impairment losses provisions	**(8,680,000)**	(8,680,000)
Net book value	**12,107,513**	121,280,020

* During the year 2018, the Board of Directors decided, and given that the company's losses exceeded 100% of the capital, to form a provision for impairment losses with the full amount of the investment within other comprehensive income, which was deducted from the general reserve.

9. FINANCIAL ASSETS AT FVPL

31 December 2023	**No. shares**	**%**	**cost**	**Market value**
Industrialization and Energy Services Company (TAQA)	**16,874,997**	**2.35**	**168,749,970**	**249,920,000**
Arabian Industrial Fibers Company (Ibn Rushd) *	**1,249,354**	**0.62**	**12,493,540**	**-**
Al Rajhi Financial Portfolio	**13,868,621**	**-**	**307,576,618**	**335,880,004**
Total			**488,820,128**	**585,800,004**

31 December 2022	**No. shares**	**%**	**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	19,251,799
Al Mubarak Trading Fund	314,053	-	7,000,000	7,021,036
Al Saif Stores Company for Development and Investment	13,797	0.039	1,586,655	1,248,629
Saudi Aramco Base Oils Company - Luperf	1,500	0.0009	148,500	139,500
Total			209,918,665	208,114,197

(All amounts are in Saudi riyals unless otherwise mentioned)

9. FINANCIAL ASSETS AT FVPL (CONTINUED)

	31 December 2023	31 December 2022
Financial assets at FVPL – non-current	**249,920,000**	199,705,033
Financial assets at FVPL – current	**335,880,004**	8,409,164
	585,800,004	208,114,197

	31 December 2023	31 December 2022
Cost as at 1 January	**208,114,197**	188,689,970
Additions	**1,074,852,554**	10,659,691
Disposals during the year**	**(801,267,598)**	(2,272,713)
Unrealized gains during the year	**98,096,144**	10,689,072
Realized gains during the year, net	**6,004,707**	348,177
Balance at the end of the year	**585,800,004**	208,114,197

*The shareholders decided in the extraordinary general assembly meeting of the Arab Industrial Fiber Company (Ibn Rushd) on December 31, 2017 to reduce the company's capital from 8.5 billion Saudi riyals to 2 billion Saudi riyals, as the company's share of this reduction amounted to 40.7 million Saudi riyals.

The investment amounts to 12,493,540 riyals as of December 31, 2023 (December 31, 2022: 12,493,540 Saudi riyals). In a previous period, the company recognized impairment losses on the entire investment value.

* * Agreement to sell the entire shares of the current partners in Al Salam Aviation Manufacturing Company, including the Saudi Advanced Industries Company's share of 10% of the company's capital, to the buyer (the Saudi Military Industries Company (SAMI), affiliated with the Public Investment Fund) according to a number of conditions, the most important of which is to bear The selling partners of a number of obligations, each according to its percentage of ownership, as the losses realized from the sale of the investment amounted to 36.9 million Saudi riyals.

10. PREPAYMENTS AND OTHER CURRENT ASSETS

	31 December 2023	31 December 2022
Prepaid expenses	**192,011**	277,111
Employees advances	**17,561**	65,490
Prepaid rents	**-**	200,264
Other	**10,228**	58,634
	219,800	601,499

11. CASH AND CASH EQUIVALENTS

	31 December 2023	31 December 2022
Cash at banks	**2,077,524**	45,099,243

The account balance consists of current balances with local banks that are not bearing interest.

12. CAPITAL

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

The extraordinary general assembly of the group was held on Rajab 3, 1444 AH, corresponding to January 25, 2023, and the capital increase and new articles of association were approved. Accordingly, as of December 31, 2023, the authorized capital amounted to 600 million Saudi riyals, divided into 60 million shares of 10 Saudi riyals each.

(All amounts are in Saudi riyals unless otherwise mentioned)

13. Treasury shares

During the year 2023, the group completed the purchase of 1,000,000 shares of its stock, valued at 30,665,894, in accordance with the decision of the extraordinary general assembly of shareholders on January 25,2023.

	31 December 2023	31 December 2022
Treasury shares as of January 1	**-**	-
Treasury shares were issued during the year	**30,665,894**	-
The effect of issued treasury shares	**-**	-
Treasury shares as of December 31	**30,665,894**	-

14. STATUTORY RESERVE

As of December 31, 2022, the group must transfer at least 10% of the net profit for the year to the statutory reserve until this reserve reaches 30% of the capital. This reserve is not distributable to shareholders.

During the year ending on December 31, 2023 AD, the group 's bylaws were amended and the group was not required to set aside 10% of the net profit for the year as a statutory reserve. Accordingly, the group 's management decided to stop forming a statutory reserve.

15. GENERAL RESERVE

This reserve was made based on the decision of the Ordinary General Assembly on 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 if it is established to face any investment or zakat losses, in accordance with what the Board deems in the interest of the group.

16. DIVIDENDS

On June 5, 2023, the General Assembly of Shareholders approved the Board of Directors' recommendation on March 27, 2023, to distribute cash dividends in the amount of (30) million riyals to shareholders for the financial year ending on December 31, 2022, at a rate of 5% of the nominal value of the share, at 0.5 riyals per share. This is for 60 million shares.

On May 31, 2022, the General Assembly of Shareholders approved the Board of Directors' recommendation on March 13, 2022, to distribute cash dividends in the amount of (37.5) million riyals to shareholders for the financial 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. This is for 50 million shares.

17. DEFINED EMPLOYEES' BENEFITS OBLIGATIONS

The system provides for post-service benefits for all employees who complete a qualifying period of service and are entitled to receive amounts stated under the Saudi Labor Law for each year/period of such service.

The annual allowance is based on actuarial valuation. The valuation was performed as of December 31, 2023 and December 31, 2022 using the projected unit credit method.

The actuarial assumptions relied upon in calculating employees' end-of-service benefits are as follows:

17-1 Major actuarial assumptions

	31 December 2023	31 December 2022
Discount rate	**4.70%**	%4.90
Salary increase rate (%annum)	**%8**	%8
Employees turnover rate (%annum)	**%15**	%15

(All amounts are in Saudi riyals unless otherwise mentioned)

17. DEFINED EMPLOYEES' BENEFITS OBLIGATIONS (CONTINUED)

17-2 Movement in the present value of defined benefits obligations

	31 December 2023	31 December 2022
Balance at the beginning of the year	**1,517,549**	2,375,616
Current service cost	**219,616**	249,749
Interest cost	**74,307**	45,105
	293,923	294,854
Paid during the year	**(31,560)**	(1,194,187)
Actuarial losses	**136,155**	41,266
	1,916,067	1,517,549

17-3 Sensitivity analysis on the present value of defined benefit obligation plans are as below:

		Balance after change	
Assumption	**Change in assumption**	**31 December 2023**	31 December 2022
Discount rate	+1%	**1,826,364**	1,468,770
	-1%	**2,014,724**	1,571,152
Salary increase rate	+1%	**2,010,644**	1,569,039
	-1%	**1,828,207**	1,469,685
Employees turnover rate	20+%	**1,860,440**	1,482,185
	20-%	**1,988,476**	1,563,821

The above sensitivity analysis is based on the change in one assumption while holding all other assumptions remain constant. In practice, this is unlikely to occur and changes in some assumptions may be correlated. When calculating the sensitivity of employees' end of service benefits to a Material actuarial assumption, the same method is (the present value of the employees' defined benefit obligation calculated on the basis of the projected unit credit method at the end of the reporting period) has been applied as when calculating the employees' end of service benefits recognized in the Consolidated statement of financial position.

18. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	31 December 2023	31 December 2022
Payments due to investment funds	**1,032,109**	1,758,169
Committees and BOD members fees and allowances (Note 23)	**1,555,084**	1,434,437
Accrued employees' salaries and benefits (Note23)	**592,883**	805,221
Accrued expenses	**99,927**	-
Other	**770,978**	189,385
	4,050,981	4,187,212

19. SHORT TERM LOANS

The following is the movement of credit facilities during the year:

	31 December 2023	31 December 2022
Balance at the beginning of the year	**-**	-
Additions during the year	**100,000,000**	-
Paid during the year	**-**	-
Total loan amount	**100,000,000**	-
Added: Interest accrued during the year	**3,183,562**	-
Net loan value	**103,183,562**	-

(All amounts are in Saudi riyals unless otherwise mentioned)

The group signed a Sharia-compliant Murabaha credit facility agreement with Al Rajhi Capital for a period of one year on July 18, 2023, with the aim of expanding the group's investments, at a value of 100 million Saudi riyals, with an interest rate of 7%.

20. ZAKAT PROVISION

A-Zakat status:

The group submitted its zakat returns to the Zakat, Tax and Customs Authority until the year ending on December 31, 2023, and the group obtained a certificate from the Zakat, Tax and Customs Authority valid until Shawwal 11, 1445 AH, corresponding to April 30, 2024.

During the year ending December 31, 2023, the Zakat, Tax and Customs Authority examined and assessed zakat for the years 2021 AD and 2022 . The group 's management submitted an appeal against the assessment to the Zakat, Tax and Customs Authority.

B-Zakat base:

	31 December 2023	31 December 2022
Net income before zakat	**159,065,945**	102,333,174
End of service provision	**293,923**	294,854
Zakat adjustments to net profit	**-**	(94,069,006)
Net adjusted profit (1)	**159,359,868**	8,559,022
Zakat base		
Capital	**500,000,000**	500,000,000
Reserves	**184,331,892**	184,331,892
Retained earnings	**213,143,182**	143,557,715
Accumulated provisions	**1,485,989**	1,181,429
Other additions	**159,359,868**	1,857,506
Total	**1,058,320,931**	839,487,564
Deduct:		
Property and equipment and intangible, net	**1,053,750**	399,686
Local investments	**774,523,559**	756,360,423
Other discounts	**30,665,894**	-
Total	**806,243,203**	756,760,109
Zakat base (B)	**252,077,727**	82,727,455
Zakat 2.5% (from net profit adjusted or zakat base which is higher)	**6,373,970**	2,125,803

C- Zakat provision

Zakat provision movement as follows:

	31 December 2023	31 December 2022
Balance beginning of the year	**2,225,140**	150,000
Charged during the year	**10,266,756**	2,125,803
Paid during the year	**(2,403,673)**	(50,663)
Balance end of the year	**10,088,223**	2,225,140

D- Zakat expense components

	For the year ending on December 31, 2023	For the year ending on December 31, 2022
Zakat for the year	**6,373,970**	2,125,803
Zakat's assesment is the result of previous years' examination	**3,892,786**	-
Total zakat expense	**10,266,756**	2,125,803

(All amounts are in Saudi riyals unless otherwise mentioned)

21. REVENUE

	For the year ending on December 31, 2023	For the year ending on December 31, 2022
Dividends	**12,116,743**	10,941,345
Proceeds from the sale of investments in associate companies	**37,000,709**	-
Realized gain from financial assets at FVPL	**6,004,707**	348,177
Unrealized gain from financial assets at FVPL	**98,096,144**	10,689,072
	153,218,303	21,978,594

22. GENERAL AND ADMINISTRATIVE EXPENSES

	For the year ending on December 31, 2023	For the year ending on December 31, 2022
Salaries and wages and equivalents	**9,823,265**	7,759,223
Board and key management remuneration - (Note 24)	**3,454,137**	2,140,145
Professional and consulting fees	**1,444,368**	997,747
Tadawul fees	**699,557**	541,959
Medical insurance	**681,715**	419,356
Rents	**300,191**	299,859
Portfolio management expenses	**660,370**	218,890
Cleaning and hospitality	**142,015**	84,043
Government expenses	**130,010**	67,873
Depreciation property and equipment and intangible (note 6)	**196,161**	132,942
Phone and mail	**41,542**	36,129
Maintenance and repairs	**21,551**	16,200
Water and electricity	**19,355**	15,113
Stationery and prints	**13,626**	8,105
Bank charges	**5,459**	7,201
Others	**288,344**	597,773
	17,921,666	13,342,558

23. BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted per share of operating income and net income are calculated by dividing operating income and net income by the weighted average number of common shares outstanding at the end of the year. The number of shares outstanding as of December 31, 2023 was 59 million shares (59 million shares: December 31, 2022).

24. TRANSACTIONS WITH RELATED PARTIES AND THEIR BALANCES

Related parties are the major shareholders and key 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 are executed according to mutually agreed terms and approved by the group 's management. Details of transactions and balances with related parties other than those shown elsewhere in the Consolidated financial statements are as follows:

24. TRANSACTIONS WITH RELATED PARTIES AND THEIR BALANCES (CONTINUED)

Related Parties	Nature of transaction	Transaction amount during the year		Balance (credit)	
		31 December 2023	31 December 2022	**31 December 2023**	31 December 2022
Al Salam Aviation Industry Company	Expenses on behalf	**17,697,919**	-	**(12,246,559)**	-
Board of Directors and sub-committees	Attendance bonuses and allowances	**3,454,137**	2,140,145	**371,664**	(1,434,437)
Key Management personal	Salaries and bonuses	**5,730,587**	5,959,303	**1,183,420**	(139,500)

25. SEGMENT INFORMATION

Segmental information relates to the group 's activities and business, which the group 's management relied on as a basis for preparing its financial information. In order to be compatible with internal reporting methods, transactions between sectors are carried out on the same terms as dealing with other parties.
Segment assets, liabilities and operating activities include items that relate directly to a particular segment and items that can be allocated to different segments on a reasonable basis. Items that cannot be distributed among sectors are classified under other sectors.
The following is a summary of the financial sector information in Saudi riyals as of December 31, 2023 and December 31, 2022, respectively, according to the nature of the activity:

31 December 2023

	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
Revenue	**2,500,000**	**62,070,243**	**37,579,557**	**78,005,006**	**16,367**	**180,171,173**
Net income \ (loss) for the year	**2,500,000**	**55,035,912**	**30,621,951**	**60,746,983**	**(105,657)**	**148,799,189**
Total assets	**-**	**252,675,998**	**249,920,000**	**619,915,078**	**4,383,182**	**1,126,894,258**
Total liabilities	**-**	**-**	**12,246,559**	**104,215,671**	**15,023,162**	**131,485,392**

(All amounts are in Saudi riyals unless otherwise mentioned)

25. SEGMENT INFORMATION (CONTINUED)

31 December 2022						
	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**
Revenue	9,808,419	71,059,096	11,015,063	24,165,022	9,394	116,056,994
Net income \ (loss) for the year	8,357,898	66,764,271	7,533,375	18,376,809	(824,982)	100,207,371
Total assets	83,200,000	246,345,529	199,705,033	332,004,322	47,858,597	909,113,481
Total liabilities	-	-	-	1,758,169	6,171,732	7,929,901

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.

26. NON-CASH TRANSACTION

	31 December 2023	31 December 2022
Change in fair value reserve for financial assets at FVOCI	**6,797,583**	(90,724,111)
Company portion from comprehensive income items for associates companies	**(569,437)**	(4,638,482)
Actuarial losses	**(136,155)**	41,266
Increase capital through retained earnings by granting free shares	**100,000,000**	-
Exclusion of property and equipment	**(1,622)**	(41,823)

27. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Group 's principal financial liabilities include accrued expenses and other current liabilities. The main financial assets of the group consist of investments in associates companies, investments at fair value through other comprehensive income, investments at fair value through profit and loss, cash with banks, and other current assets. The main financial risks arising from the group 's financial instruments are market risk (including currency risk) and credit risk. Management reviews and conforms to policies to manage these risks.

Market risk

It is the risk of fluctuation in a financial instrument due to changes in prices prevailing in the market, such as foreign exchange rates and interest rates, which affect the group 's income or the value of its financial instruments. Market risk management aims to manage and control exposure to market risk within acceptable limits while maximizing returns. The group does not have interest prices risk and market risk as follows:

27. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT(CONTINUED)

Market risk (Continued)

Currency risk

It is the risk that the value of a financial instrument may fluctuate due to changes in foreign exchange rates. The group ’s transactions are mainly conducted in Saudi riyals. Currency risk is managed regularly.

Share prices risk

The Group 's listed and unlisted investments are sensitive to price risks, arising from uncertainties about the fair values of investment securities. The group manages equity price risk through diversification of investments and setting limits for them. The following table shows a breakdown of exposure to equity shares and their impact on equity, along with the percentage change in equity prices.

31 December 2023

Item	Balance	Sensitivity	Net profit	Equity
Financial assets at FVOCI	**12,107,513**	**+1٪**	**-**	**+12,107,513**
		-1٪	**-**	**-12,107,513**
Financial assets at FVPL	**585,800,004**	**+1٪**	**+2,499,200**	**+585,800,004**
		-1٪	**-2,499,200**	**-585,800,004**

31 December 2022

Item	Balance	Sensitivity	Net profit	Equity
Financial assets at FVOCI	121,280,020	+1%	-	+1,212,800
		-1%	-	-1,212,800
Financial assets at FVPL	208,114,197	+1%	+1,997,050	+2,081,142
		-1%	-1,997,050	-2,081,142

Credit risk

It is the risk that one party will not be able to fulfill its obligations, causing financial losses to the other party. The group does not have a Material concentration of credit risk. The cash is deposited with local banks with good credit ratings. The group has policies in place to reduce its exposure to credit risk. The maximum exposure to credit risk at the reporting date is as follows:

	31 December 2023	31 December 2022
Cash and cash equivalents	**2,007,524**	45,099,243

-Cash at bank is held with banks with good credit rating of **BBB** and above.

Liquidity risk

It is the risk that the group will encounter difficulties in obtaining the necessary financing to meet obligations associated with financial instruments. Liquidity risk may arise when the inability to sell a financial asset quickly at a value close to its fair value. Liquidity risk is managed through regular monitoring of the adequacy of liquidity available to meet the group 's financial obligations. The group 's approach to managing liquidity is to ensure that it has sufficient liquidity to meet its liabilities when due, under normal and established conditions, without incurring unacceptable losses or risking damage to the group 's reputation.

The following table summarizes the group 's financial liabilities in the related maturity based on the remaining period at the balance sheet date and up to the contractual maturity date. The amounts shown in the table are the contractual undiscounted cash flows.

(All amounts are in Saudi riyals unless otherwise mentioned)

27. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT(CONTINUED)

Liquidity risk (Continued)

31 December 2023	**Carrying amount**	**Less than a year**	**More than 1 year**	**No specific date**
Accrued expenses and other	**4,050,981**	**4,050,981**	**-**	**-**
Employees end of services benefits	**1,916,067**	**-**	**-**	**1,916,067**
	5,967,048	**4,050,981**	**-**	**1,916,067**

31 December 2022	**Carrying amount**	**Less than a year**	**More than 1 year**	**No specific date**
Accrued expenses and other current liabilities	4,187,212	4,187,212	**-**	-
Employees end of services benefits	1,517,549	-	**-**	1,517,549
	5,704,761	4,187,212	**-**	1,517,549

Capital risk management

The Board of Directors' policy is to maintain an adequate and strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital employed and the level of dividends paid to common shareholders and monitors the capital base using the ratio of net debt to equity.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability 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:

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

The principal or the most advantageous market must be accessible to the Group .

The fair value of an asset or liability is measured using assumptions used by market parties when pricing the asset or liability on the assumption that market participants are working in their best economic interests.
The fair value measurement of a non-financial asset takes into account the ability of market parties to provide economic benefits by using the asset to achieve the best benefit from it or by selling it to another market party to use it in a manner that achieves the best benefit from it.

The group uses valuation methods commensurate with the circumstances and conditions and has sufficient data to measure fair value, maximizing the use of relevant observable data, and minimizing the use of unobservable data to the greatest extent.
All assets and liabilities whose fair values are measured or whose fair values are disclosed in the Consolidated financial statements are categorized within the scope of the fair value hierarchy set forth below based on the lowest level data that is essential to the fair value measurement as a whole:
Level 1: prices traded in active markets for the same assets or liabilities.
Level 2: other valuation techniques in which the minimum Material inputs are observable, directly or indirectly, to the fair value measurement.
Level 3: other valuation techniques in which the minimum Material inputs that are relevant to the fair value measurement are unobservable.
With regard to the assets and liabilities included in the Consolidated financial statements on a recurring basis, the group determines whether transfers have taken place between levels in the above hierarchy by reassessing the classification (based on the lowest level of data Material to the fair value measurement as a whole) at the end of each reporting period. Financial.

(All amounts are in Saudi riyals unless otherwise mentioned)

27. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT(CONTINUED)

Fair value measurement (Continued)

The group holds the following financial instruments at fair value in the balance sheet as follows:

31 December 2023	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at FVOCI	**8,889,823**	**-**	**3,217,690**	**12,107,513**
Financial assets at FVPL	**335,880,004**	**-**	**249,920,000**	**585,800,004**

31 December 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at FVOCI	118,863,729	-	2,416,291	121,280,020
Financial assets at FVPL	1,388,129	7,021,036	199,705,032	208,114,197

Level 2 fair value entries are based on quoted prices in an inactive market.

For unlisted assets but for which fair value has been disclosed, valuation of the investments has been performed using market approach based on Material unobservable inputs and is therefore included under Level 3 of the fair value hierarchy.

There were no transfers between the different levels of fair value during the year ending on December 31, 2023.

31 December 2023	**Fair value**	**Amortized cost**	**Total**
Cash and cash equivalents	**-**	**2,077,524**	**2,077,524**
Investment iv associate companies	**-**	**524,603,558**	**524,603,558**
Financial assets at FVPL	**585,800,004**	**-**	**585,800,004**
Financial assets at FVOCI	**12,107,513**	**-**	**12,107,513**
Other Financial assets	**-**	**1,032,109**	**1,032,109**
	597,907,517	**527,713,191**	**1,125,620,708**

31 December 2022	**Fair value**	**Amortized cost**	**Total**
Cash and cash equivalents	-	45,099,243	45,099,243
Investment in associate companies	-	531,860,667	531,860,667
Financial assets at FVPL	208,144,197	-	208,114,197
Financial assets at FVOCI	121,280,020	-	121,280,020
Other Financial assets	-	1,758,169	1,758,169
	329,424,217	578,718,079	908,112,296

All financial liabilities as of December 31, 2023 and December 31, 2022 are classified as financial liabilities and are measured at amortized cost.

28. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the classification used for the year ending on December 31, 2023

29. SUBSEQUENT EVENTS

On March 20, 2024, the Board of Directors recommended to the General Assembly the distribution of dividends to the company's shareholders for the fiscal year 2023, at the rate of 1 riyal per share, for a total amount of 59,000,000 riyals for 59,000,000 shares.

30. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements for the year ending December 31, 2023 were approved by the Board of Directors on 6 Ramadan 1445H , corresponding to 16 March 2024.