

**NAJRAN CEMENT COMPANY**  
(A Saudi Joint Stock Company)

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (UNAUDITED)**

**FOR THE THREE-MONTH PERIOD  
ENDED 31 MARCH 2023 AND  
INDEPENDENT AUDITOR'S REVIEW REPORT**

**NAJРАН CEMENT COMPANY**  
(A Saudi Joint Stock Company)  
**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**  
**For the three-month period ended 31 March 2023**  
**And independent auditor's review report**

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

To the Shareholders of  
Najran Cement Company (A Saudi Joint Stock Company)  
Najran, Kingdom of Saudi Arabia

### Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Najran Cement Company, a Saudi Joint Stock Company ("the Company") and its Subsidiary (collectively referred to as "the Group") as at 31 March 2023, and the related interim condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-month period then ended and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

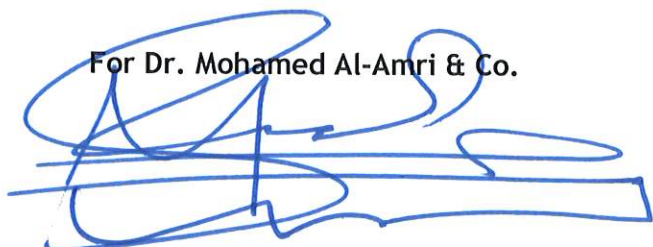
### Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", that is endorsed in the Kingdom of Saudi Arabia. A review of interim financial statements consists of making inquiries, primarily to the persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

For Dr. Mohamed Al-Amri & Co.



Maher Al-Khatieb  
Certified Public Accountant  
License Number 514



18 May 2023(G)  
28 Shawal 1444(H)

**NAJRAN CEMENT COMPANY**  
(A Saudi Joint Stock Company)  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
As at 31 March 2023

		31 March 2023 SR '000 (Unaudited)	31 December 2022 SR '000 (Audited)
	Note		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		1,945,342	1,936,487
Intangible assets		4,113	4,113
<b>Total non-current assets</b>		<b>1,949,455</b>	<b>1,940,600</b>
<b>Current assets</b>			
Store, spare parts and loose tools	7	157,191	158,548
Stock in trade	8	213,483	207,008
Trade receivables	9	24,607	28,673
Prepayments and other receivables		72,552	49,529
Cash and cash equivalents		70,190	39,314
<b>Total current assets</b>		<b>538,023</b>	<b>483,072</b>
<b>TOTAL ASSETS</b>		<b>2,487,478</b>	<b>2,423,672</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	10	1,700,000	1,700,000
Statutory reserve		156,771	156,771
Proposed dividends	16	42,500	-
Retained earnings		123,016	136,535
<b>Total equity</b>		<b>2,022,287</b>	<b>1,993,306</b>
<b>Non-current liabilities</b>			
Provision for employees' benefits		41,011	40,215
Non-current portion of lease liability		5,133	5,133
Long term financing	11	266,535	235,654
<b>Total non-current liabilities</b>		<b>312,679</b>	<b>281,002</b>
<b>Current liabilities</b>			
Provision for zakat	12	9,942	7,904
Current portion of lease liability		464	464
Current portion of long-term financing	11	49,294	44,443
Contract liability - advances from customers		6,026	5,091
Trade payables		50,407	46,420
Dividend payable		1,323	1,323
Accrued and other payables		35,056	43,719
<b>Total current liabilities</b>		<b>152,512</b>	<b>149,364</b>
<b>Total liabilities</b>		<b>465,191</b>	<b>430,366</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,487,478</b>	<b>2,423,672</b>

The accompanying notes from (1) to (18) form an integral part of these interim condensed consolidated financial statements.

**NAJRAN CEMENT COMPANY**  
(A Saudi Joint Stock Company)  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
For the three-month period ended 31 March 2023

		For the three-month period ended 31 March	
		2023	2022
		SR '000	SR '000
	Note	(Unaudited)	(Unaudited)
Revenue, net	13	143,683	139,865
Cost of revenue		(98,364)	(101,555)
<b>Gross profit</b>		<b>45,319</b>	<b>38,310</b>
Selling and distribution expense		(2,066)	(4,718)
General and administrative expense		(8,038)	(7,465)
<b>Operating profit</b>		<b>35,215</b>	<b>26,127</b>
Finance costs		(4,897)	(1,717)
Other income		701	906
<b>Profit before zakat</b>		<b>31,019</b>	<b>25,316</b>
Zakat	12	(2,038)	(2,031)
<b>Net profit for the period</b>		<b>28,981</b>	<b>23,285</b>
<b>Earnings per share</b>			
Earnings per share attributable to the shareholders of the Company:			
Basic and diluted (SR)		<u>0.17</u>	<u>0.14</u>
<b>Weighted average number of shares outstanding:</b>			
Basic and diluted ('000 shares)		<u>170,000</u>	<u>170,000</u>

The accompanying notes from (1) to (18) form an integral part of these interim condensed consolidated financial statements.

NAJRAN CEMENT COMPANY  
(A Saudi Joint Stock Company)  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
For the three-month period ended 31 March 2023

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	For the three-month period ended 31 March	
	2023	2022
	SR '000	SR '000
	(Unaudited)	(Unaudited)
Net profit for the period	28,981	23,285
Other comprehensive income ("OCI")		
OCI to be reclassified to profit or loss in subsequent periods	-	-
OCI not to be reclassified to profit or loss in subsequent periods	-	-
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>28,981</b>	<b>23,285</b>



The accompanying notes from (1) to (18) form an integral part of these interim condensed consolidated financial statements.

**NAJRAN CEMENT COMPANY**  
(A Saudi Joint Stock Company)  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
For the three-month period ended 31 March 2023

	Note	Share capital SR '000	Statutory reserve SR '000	Proposed dividends SR '000	Retained earnings SR '000	Total SR '000
<b>2023</b>						
As 1 January 2023 (Audited)		1,700,000	156,771	-	136,535	1,993,306
Net profit for the period		-	-	-	28,981	28,981
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the period		-	-	-	28,981	28,981
Dividends	16	-	-	42,500	(42,500)	-
<b>Balance as at 31 March 2023 (Unaudited)</b>		<b>1,700,000</b>	<b>156,771</b>	<b>42,500</b>	<b>123,016</b>	<b>2,022,287</b>
<b>2022</b>						
As 1 January 2022(Audited)		1,700,000	145,396	-	120,427	1,965,823
Net profit for the period		-	-	-	23,285	23,285
Other comprehensive income		-	-	-	-	-
Total comprehensive income		-	-	-	23,285	23,285
Dividends	16	-	-	-	(42,500)	(42,500)
<b>Balance as at 31 March 2022 (Unaudited)</b>		<b>1,700,000</b>	<b>145,396</b>	<b>-</b>	<b>101,212</b>	<b>1,946,608</b>

The accompanying notes from (1) to (18) form an integral part of these interim condensed consolidated financial statements.

**NAJРАН CEMENT COMPANY**  
(A Saudi Joint Stock Company)  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the three-month period ended 31 March 2023

		For the three-month period ended 31 March	
		2023	2022
	Note	SR '000	SR '000
		(Unaudited)	(Unaudited)
<b>OPERATING ACTIVITIES</b>			
Profit before zakat		31,019	25,316
<b>Adjustments for non-cash items:</b>			
Depreciation and amortization	6	18,405	18,039
Profit from disposal of property, plant and		(216)	-
Finance cost		4,897	1,717
Provision for employees' benefits		1,144	1,215
<b>Operating cash flow before working capital</b>		<b>55,249</b>	<b>46,287</b>
<b>Changes in working capital:</b>			
Trade receivables		4,066	1,639
Store, spare parts and loose tools		1,357	(3,206)
Stock in trade		(6,475)	(10,546)
Prepayments and other receivables		(23,023)	(8,963)
Contract liability - advances from customers		935	1,667
Trade payables		3,987	5,345
Accrued and other payables		(8,663)	10,377
<b>Cash generated from operating activities</b>		<b>27,433</b>	<b>42,600</b>
Finance costs paid		(46)	(22)
Employees' benefits paid		(348)	(244)
<b>Net cash generated from operating activities</b>		<b>27,039</b>	<b>42,334</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	6	(27,391)	(8,663)
Proceed from disposal property, plant equipment		347	-
<b>Net cash used in investing activities</b>		<b>(27,044)</b>	<b>(8,663)</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from long-term loans		30,881	-
Payment of lease liability		-	(300)
<b>Net cash generated from / (used in) financing</b>		<b>30,881</b>	<b>(300)</b>
<b>Net change in cash and cash equivalents</b>		<b>30,876</b>	<b>33,371</b>
Cash and cash equivalents at the beginning of the period		39,314	82,090
<b>Cash and cash equivalents at the end of the</b>		<b>70,190</b>	<b>115,461</b>

The accompanying notes from (1) to (18) form an integral part of these interim condensed consolidated financial statements.

## **1 CORPORATE INFORMATION**

Najran Cement Company (“the Company” or “the Parent Company”), a Saudi Joint Stock Company, registered at Najran on 5 Ramadan 1426 (corresponding to 9 October 2005) under Commercial Registration number 5950010479. On 10 Shaaban 1437 (corresponding to 17 May 2016), the Company was granted an Industrial License, number 2446 expired on 1 February 2024. The Company’s shares are listed in the Saudi Market (Tadawul) in the Kingdom of Saudi Arabia.

The principal activities of the Company are manufacturing of ordinary portland cement and cement resistant to salts.

These consolidated financial statements comprise the Company and its wholly owned subsidiary, Wasl Al Janub Land Transportation Company (together referred to as the “Group”).

The Subsidiary Company is registered as a limited liability Company at Najran. It was established on 23 Dhul- Hijjah 1441 (corresponding to 8 August 2020) under Commercial Registration number 5950119264. On 02 Shaaban 1442 (corresponding to 15 March 2021), the subsidiary company was granted transportation License, number 11/00007925.

The principal activity of the Subsidiary Company is land transport of goods.

## **2 BASIS OF PREPARATION**

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard IAS 34 ‘Interim Financial Reporting’ that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

These interim condensed consolidated financial statements do not include all of the information normally required for a complete set of consolidated financial statements. However, certain accounting policies and selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since 31 December 2022.

The interim condensed consolidated financial statements have been prepared on a historical cost basis except for employee benefit liabilities, for which the projected unit credit method is used. The interim condensed consolidated financial statements are presented in Saudi Riyals (“SR”), which is also the functional currency of the Group.

## **3 STATEMENT OF COMPLIANCE**

The accounting policies adopted in the preparation of these interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group annual consolidated financial statements for the year ended 31 December 2022.

The disclosures in these interim condensed consolidated financial statements do not include the information reported for full annual consolidated financial statements and should therefore be read in conjunction with the annual audited consolidated financial statements of the Group for the year ended 31 December 2022. Comparative interim condensed consolidated statement of financial position is presented with the annual audited consolidated statement of financial position as at 31 December 2022, whereas the comparative interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows are presented with the unaudited interim condensed consolidated financial statements of the Group for the three-month period ended 31 March 2022. In addition, the results for the period ended 31 March 2023 may not be considered an accurate indication of the expected results for the financial year ending 31 December 2023.

### **3 STATEMENT OF COMPLIANCE (CONTINUED)**

#### **3.1 New standards, interpretations and amendments adopted by the Group**

The accounting policies used in the preparation of these interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2022, except for the following amendments which apply for the first time in 2023. However, not all are expected to impact the Group as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies.

The following amendments are effective for the period beginning 1 January 2023:

- IFRS 17 Insurance Contracts;
- Disclosure of Accounting Policies (Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors); and
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 Income Taxes).

These amendments had no impact on the interim condensed consolidated financial statements of the Group as there are no such transactions under the above amendments during the current period.

#### **Impact of accounting standards to be applied in future periods**

There are a number of standards and interpretations which have been issued by the International Accounting Standards Board that are effective for periods beginning subsequent to 31 December 2023 (the date of the Group's next annual financial statements) that the Group has decided not to adopt early. The Group does not believe these standards and interpretations will have a material impact on the interim condensed consolidated financial statements once adopted.

### **4 SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS**

The preparation of the Group interim condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group's key sources of estimation uncertainty were the same as those described in the consolidated financial statements for the year ended 31 December 2022. However, the Group has also reviewed the key sources of estimation uncertainties disclosed in its annual consolidated financial statements. Management believes that all sources of estimation uncertainty remain similar to those disclosed in the consolidated financial statements. The Group will continue to monitor the situation, and any changes required will be reflected in future financial statements.

### **5 SEGMENTAL REPORTING**

The Group is engaged in one operating segment, i.e., manufacturing cement and operates entirely from the Kingdom of Saudi Arabia. Accordingly, the financial information was not divided into different geographic or business segments. Further, significant amount of liabilities of the Group are payable in Saudi Arabia. The financial information of the Subsidiary is not significant to the Group's interim condensed consolidated financial statements for segmental information.

**NAJRAN CEMENT COMPANY**  
(A Saudi Joint Stock Company)  
**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
For the three-month period ended 31 March 2023

**6 PROPERTY, PLANT AND EQUIPMENT**

For purpose of preparing the interim condensed consolidated statement of cash flows, movement in property, plant and equipment during the three-month period ended 31 March is as follows:

	31 March 2023 SR '000 (Unaudited)	31 March 2022 SR '000 (Unaudited)
Depreciation	18,405	18,039
Additions to property, plant and equipment	(27,391)	(8,663)
Disposal of property, plant and equipment - Net	131	-

**7 STORES, SPARE PARTS AND LOOSE TOOLS**

	31 March 2023 SR '000 (Unaudited)	31 December 2022 SR '000 (Audited)
Consumables spare parts	164,514	165,871
Less: allowance for slow moving items	(7,323)	(7,323)
	<b>157,191</b>	<b>158,548</b>

**8 STOCK IN TRADE**

	31 March 2023 SR '000 (Unaudited)	31 December 2022 SR '000 (Audited)
Raw materials, fuel and packing materials	37,823	33,020
Finished goods	8,416	7,696
Work in process	167,244	166,292
	<b>213,483</b>	<b>207,008</b>

**9 TRADE RECEIVABLES**

**9.1 Trade Receivables**

	31 March 2023 SR '000 (Unaudited)	31 December 2022 SR '000 (Audited)
Trade receivables	27,195	31,176
Less: allowance for expected credit loss	(1,979)	(1,979)
	<b>25,216</b>	<b>29,197</b>
Less: area incentives	(609)	(524)
	<b>24,607</b>	<b>28,673</b>

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

## **9 TRADE RECEIVABLES (CONTINUED)**

**9.2 Movement in the allowance for expected credit loss is as follows:**

	<b>31 March 2023 SR '000 (Unaudited)</b>	<b>31 December 2022 SR '000 (Audited)</b>
Balance at the beginning	1,979	1,803
Charged during the period / year	-	176
<b>Balance at the end of the period / year</b>	<b>1,979</b>	<b>1,979</b>

## **10 SHARE CAPITAL**

The authorized share capital of the Company comprised 170 million ordinary shares stated at SR 10 per share. All shares are issued and fully paid. (31 December 2022: 170 million ordinary shares stated at SR 10 per share).

## **11 LONG TERM FINANCING**

### **11.1 Long-term borrowings**

Long-term borrowing from commercial banks is presented as follows:

	<b>31 March 2023 SR '000 (Unaudited)</b>	<b>31 December 2022 SR '000 (Audited)</b>
Principal amount, beginning balance	278,500	278,500
Addition during the period / year	30,881	278,500
Less: repayments / redemptions during the period / year	-	(278,500)
Net principal amount	<b>309,381</b>	278,500
Accrued mark up for the period / year	6,448	1,597
	<b>315,829</b>	280,097
Less: Transferred to current liabilities	(49,294)	(44,443)
<b>Balance at the end of the period / year</b>	<b>266,535</b>	<b>235,654</b>

### **11.2 Tawarruq**

During 2022, the Group signed a financing agreement (Tawarruq) for SR 278.5 million with Bank Al Rajhi to replace the outstanding long- term facility which was obtained in 2020 from a local bank. The signed Tawarruq facility is repayable in seven years over thirteen equal semi-annual instalments starting from May 2023, and carries financing costs on the basis of the prevailing Saudi interbank rate (SAIBOR) plus a specified profit margin. The amount is secured by a promissory note.

During 2023, the Group signed a new financing agreement (Tawarruq) for SR 85 million with Bank Al Rajhi. At the period ended 31 March 2023 the Group withdrew SR 30.9 million on two batches. The new Tawarruq facility is repayable in six years over twelve equal semi-annual instalments starting from April 2024, and carries financing costs on the basis of the prevailing Saudi interbank rate (SAIBOR) plus a specified profit margin. The amount is secured by a some of the Group's Vehicles and promissory note.

Four multiple purpose facilities aggregating SR 150 million are also available but not utilized. The carrying values of the short-term borrowings are denominated in Saudi riyals.

## **11 LONG TERM FINANCING (CONTINUED)**

### **11.3 Loan covenants**

The loans contain certain covenants. A future breach of covenants may lead to renegotiation. The covenants are monitored on a monthly basis by the management. In case of potential breach, actions are taken by the management to ensure compliance. During the period ended 31 March 2023, there has been no non-compliance of loan covenants.

The above loan is Sharia compliant.

## **12 ZAKAT STATUS**

The movement in zakat payable on the Company was as follows:

	31 March 2023 SR '000 (Unaudited)	31 December 2022 SR '000 (Audited)
Balance at beginning of the period / year	7,904	6,134
Provided during the period / year	2,038	6,620
Paid during the period / year	-	(4,850)
<b>Balance at the end of the period / year</b>	<b>9,942</b>	<b>7,904</b>

Zakat for the period ended 31 March 2023 is calculated based on the management's estimation.

Zakat returns for all the years up to December 31, 2022 have been filed and paid by the group. Zakat assessments have been finalized with Zakat, Tax and Customs Authority (ZATCA) for the years 2006 to 2011 and 2014 to 2020.

## **13 REVENUE, NET**

### **13.1 Disaggregated revenue information**

Segment	Three-month period ended 31 March	
	2023 SR '000 (Unaudited))	2022 SR '000 (Unaudited)
<b>Product type</b>		
Cement	143,683	139,865
<b>Total revenue</b>	<b>143,683</b>	<b>139,865</b>
<b>Customer type</b>		
Corporate customers	143,683	139,865
<b>Total revenue</b>	<b>143,683</b>	<b>139,865</b>
<b>Geographical markets</b>		
Local	125,478	132,052
Export	18,205	7,813
<b>Total revenue</b>	<b>143,683</b>	<b>139,865</b>

### **13.2 Performance obligations - point in time**

The performance obligation is satisfied at a point in time and payment is generally due in advance or within 30 to 90 days from delivery.

#### 14 CONTINGENCIES AND COMMITMENTS

The Group was contingently liable for letters of credit and bills for collections issued in the normal course of the business amounting to SR 177 thousand at 31 March 2023 (31 December 2022: SR 472 thousand).

#### 15 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent major shareholders, Board of Directors, the Group key management personnel and enterprises managed or significantly influenced by those parties. The following are the details of major-related parties' transactions during the three-month periods ended 31 March:

	Three-month period ended 31 March	
	2023 SR'000 (Unaudited)	2022 SR'000 (Unaudited)
Yaal Alarabeya Company (Sales)	54	1,147

#### Allowances and compensation of the Board of Directors and senior executives

The Group's senior management includes key management personnel and executives, Board of Directors, having authorities and responsibilities for planning, directing and controlling the activities of the Group.

Board of Directors and committees' compensation charged and accrued during the three-month period ended 31 March 2023 amounting to SR 1,079 thousand (31 March 2022: SR 953 thousand).

Key management personnel compensation comprised the following:

	31 March 2023 SR'000 (Unaudited)	31 March 2022 SR'000 (Unaudited)
Short term employee benefits	3,337	2,527
Post-employment benefits	72	71
	<b>3,409</b>	<b>2,598</b>

#### 16 DIVIDENDS

- The Board of Directors recommended on 11 March 2023 (corresponding to 19 Shaaban 1444H) to distribute a dividend of SR 42.5 million (SR 0.25 per share) based on the shareholder approval in General Assembly meeting. On 11 April 2023 (corresponding to 20 Ramadan 1444H) the shareholder approved the Board of Directors recommendation and the it was paid on 4 May 2023 (corresponding to 14 Shawal 1444H).
- The shareholders of the Company, in Annual General Assembly meeting held on 13 April 2022 (corresponding to 12 Ramadan 1443H), approved a dividend of SR 42.5 million (SR 0.25 per share) that was paid on 24 April 2022 (corresponding to 23 Ramadan 1443H).

**NAJRAN CEMENT COMPANY**  
(A Saudi Joint Stock Company)  
**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
For the three-month period ended 31 March 2023

**17 FINANCIAL INSTRUMENTS**

**17.1 Fair value measurements of financial instruments**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is considered a reasonable approximation of their fair value.

31 March 2023 (Unaudited)						
	Carrying amount		Fair value			
	Fair value	Amortized cost	Total	Level 1	Level 2	Level 3
	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000
<b>Financial assets</b>						
Trade receivables	-	24,607	24,607	-	-	-
Cash and cash equivalents	-	70,190	70,190	-	-	-
	-	94,797	94,797	-	-	-
<b>Financial liabilities</b>						
Long term financing	-	315,829	315,829	-	-	-
Leased liability	-	5,597	5,597	-	-	-
Trade payables	-	50,407	50,407	-	-	-
Accrued and other payables	-	22,791	22,791	-	-	-
	-	394,624	394,624	-	-	-
31 December 2022 (Audited)						
	Carrying amount		Fair value			
	Fair value	Amortized cost	Total	Level 1	Level 2	Level 3
	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000
<b>Financial assets</b>						
Trade receivables	-	28,673	28,673	-	-	-
Cash and cash equivalents	-	39,314	39,314	-	-	-
	-	67,987	67,987	-	-	-
<b>Financial liabilities</b>						
Long term financing	-	280,097	280,097	-	-	-
Leased liability	-	5,597	5,597	-	-	-
Trade payables	-	46,420	46,420	-	-	-
Accrued and other payables	-	33,757	33,757	-	-	-
	-	365,871	365,871	-	-	-

**18 APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

These interim condensed consolidated financial statements were authorized for issue by the Board of Directors on 18 May 2023 (corresponding to 28 Shawal 1444).