

SAUDI ADVANCED INDUSTRIES COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2024
WITH INDEPENDENT AUDITOR'S REVIEW REPORT



SAUDI ADVANCED INDUSTRIES COMPANY
(A SAUDI JOINT STOCK COMPANY)
THE INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS AND INDEPENDENT
AUDITOR'S REVIEW REPORT FOR
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2024

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

(1/1)

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

INTRODUCTION

We have reviewed the accompanying interim consolidated condensed statement of financial position of Saudi Advanced Industries Company (the "Company") - a Saudi Joint Stock Company - and its subsidiaries (together referred to as the "Group") as at 30 September 2024 and interim consolidated condensed statements of profit or loss and other comprehensive income for the three-month and nine-months periods then ended, and the interim consolidated condensed statements of changes in equity and cash flows for the nine-months period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim consolidated condensed financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

SCOPE OF REVIEW

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

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated condensed financial statements as at 30 September 2024 are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

**About PKF AI Bassam Chartered
Accountants & Auditors**



Ahmed A. Mohandis
Certified Public Accountant
License No. 477
Riyadh: 9 Jumada al-Ula 1446H
Corresponding to: 11 November 2024G

SAUDI ADVANCED INDUSTRIES COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONSOLIDATED CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2024

(All amounts are in Saudi riyals unless otherwise mentioned)

	Note	30 September 2024 (Consolidated) (unaudited)	31 December 2023 (Consolidated) (audited)
ASSETS			
Non-current assets			
Property and equipment and intangible, net	4	15,504,451	1,053,750
Investments in associate companies	5	402,321,061	524,603,558
Financial assets at FVOCI	6	9,583,099	12,107,513
Financial assets at FVPL	7	249,920,000	249,920,000
Other financial assets		551,834	1,032,109
Total non-current assets		677,880,445	788,716,930
Current assets			
Cash and cash equivalents		7,770,822	2,077,524
Financial assets at FVPL	7	662,866,119	335,880,004
Prepayments and other current assets		466,663	219,800
Total current assets		671,103,604	338,177,328
Total assets		1,348,984,049	1,126,894,258
EQUITY AND LIABILITIES			
Equity			
Share capital	9	600,000,000	600,000,000
Treasury shares	10	(30,665,894)	(30,665,894)
Statutory reserve	11	150,000,000	150,000,000
General reserve	12	43,011,892	43,011,892
Retained earnings		470,148,311	244,122,757
Actuarial reserve		(1,053,768)	(1,053,768)
Fair value reserve		(11,701,386)	(10,006,121)
Total equity		1,219,739,155	995,408,866
Liabilities			
Non-current liabilities			
Employees' end of service benefits	16	2,091,872	1,916,067
Total non-current liabilities		2,091,872	1,916,067
Current liabilities			
Accrued expenses and other current liabilities		8,241,669	4,050,981
Short term loans	15	101,522,356	103,183,562
Zakat provision	14	14,327,357	10,088,223
Due to related party	8	3,061,640	12,246,559
Total current liabilities		127,153,022	129,569,325
Total liabilities		129,244,894	131,485,392
Total equity and liabilities		1,348,984,049	1,126,894,258



Muhannad Mustafa Al-Ashqar
Chief Financial Officer



Abdullah Suleiman Al-Juraish
Managing director



Abdullah Mohammed
Al-Humaidhi
Chairman of Board of Directors

SAUDI ADVANCED INDUSTRIES COMPANY

(A SAUDI JOINT STOCK COMPANY)

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

FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2024

(All amounts are in Saudi riyals unless otherwise mentioned)

	Note	For the three-months period ended		For the nine-months period ended	
		30 September 2024	30 September 2023	30 September 2024	30 September 2023
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue	17	81,705,727	46,030,271	323,193,924	124,970,826
Gross income		81,705,727	46,030,271	323,193,924	124,970,826
General and administrative expenses		(7,460,058)	(5,174,464)	(21,891,384)	(10,883,627)
Operating Income		74,245,669	40,855,807	301,302,540	114,087,199
Finance costs		(1,848,384)	(1,419,178)	(5,338,795)	(1,419,178)
Other income		15,946	3,000	56,136	5,700
Net income before zakat		72,413,231	39,439,629	296,019,881	112,673,721
Zakat		(4,468,539)	(500,000)	(10,836,847)	(1,500,000)
Net income for the period		67,944,692	38,939,629	285,183,034	111,173,721
Other comprehensive income:					
Items that will not be subsequently reclassified to profit or loss:					
Share in comprehensive income of associates	-	-	752,419	-	-
Change in financial assets at FVOCI		(938,564)	(632,247)	(1,852,745)	7,270,426
Total comprehensive income for the period		67,006,128	39,059,801	283,330,289	118,444,147
Basic and diluted earnings per share					
Earnings per share from net profit for the period	18	1.15	0.66	4.83	1.88
Earnings per share out of total comprehensive income for the period	18	1.14	0.66	4.80	2.01



Muhannad Mustafa
Al-Ashqar
Chief Financial Officer



Abdullah Suleiman Al-Juraish
Managing director



Abdullah Mohammed
Al-Humaidhi
Chairman of Board of Directors

SAUDI ADVANCED INDUSTRIES COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONSOLIDATED CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2024
(All amounts are in Saudi riyals unless otherwise mentioned)


	Note	Share capital	Treasury shares	Statutory reserve	General reserve	Retained earnings	Actuarial reserve	Fair value reserve	Total
For the nine-months period ended 30 September 2023									
Balance as at 31 December 2022 (audited)		500,000,000	-	150,000,000	34,331,892	243,143,182	(917,613)	(25,373,881)	901,183,580
Net income for the period		-	-	-	-	111,173,721	-	-	111,173,721
Share in comprehensive income of associates		-	-	-	-	-	-	-	-
Transfer of the fair value reserve on disposal of the investment		-	-	-	-	(17,250,177)	-	17,250,177	-
Other comprehensive loss		-	-	-	-	-	-	7,270,426	7,270,426
Net comprehensive income for the period		-	-	-	-	93,923,544	-	24,520,603	118,444,147
Capital increase		100,000,000	-	-	-	(100,000,000)	-	-	-
Treasury shares		-	(27,182,693)	-	-	-	-	-	(27,182,693)
Dividends	13	-	-	-	-	(30,000,000)	-	-	(30,000,000)
Balance as at 30 September 2023 (unaudited)		600,000,000	(27,182,693)	150,000,000	34,331,892	207,066,726	(917,613)	(83,278)	962,445,034
For the nine-month period ended 30 September 2024									
Balance as at 31 December 2023 (audited)		600,000,000	(30,665,894)	150,000,000	43,011,892	244,122,757	(1,053,768)	(10,006,121)	995,408,866
Net income for the period		-	-	-	-	285,183,034	-	-	285,183,034
Share in comprehensive income of associates		-	-	-	-	-	-	-	-
Transfer of the fair value reserve on disposal of the investment		-	-	-	-	(157,480)	-	157,480	-
Other comprehensive loss		-	-	-	-	-	-	(1,852,745)	(1,852,745)
Net comprehensive income for the period		-	-	-	-	285,025,554	-	(1,695,265)	283,330,289
Dividends	13	-	-	-	-	(59,000,000)	-	-	(59,000,000)
Balance as at 30 September 2024 (unaudited)		600,000,000	(30,665,894)	150,000,000	43,011,892	470,148,311	(1,053,768)	(11,701,386)	1,219,739,155



Muhannad Mustafa Al-Ashqar
Chief Financial Officer




Abdullah Suleiman Al-Juraish
Managing director





Abdullah Mohammed Al-Humaidhi
Chairman of Board of Directors

SAUDI ADVANCED INDUSTRIES COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS
FOR THE NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2024
(All amounts are in Saudi riyals unless otherwise mentioned)

	30 September 2024 (unaudited)	30 September 2023 (unaudited)
Cash flows from operating activities:		
Net Income for the period before zakat	296,019,881	112,673,721
Adjustments to reconcile net Income before zakat to net cash flow from operating activities:		
Depreciation of property, equipment and intangibles	444,677	125,298
Capital profits	-	9,347
Provision for end of service benefits	322,069	287,090
Company's Share of profit in associate companies	(8,385,691)	(30,000,996)
Unrealized gains from investments at FVTPL	(160,777,202)	(11,883,289)
Finance costs	5,338,795	1,419,178
	<u>132,962,529</u>	<u>72,630,349</u>
Changes in working capital items		
Prepaid expenses and other current assets	(246,863)	16,735
Other financial assets	480,275	491,278
Accrued expenses and other current liabilities	4,190,688	(1,065,698)
Cash generated from operating activities	<u>137,386,629</u>	<u>72,072,664</u>
Dividends from investments at the associate companies	23,574,552	15,454,545
Purchase of financial assets at FVTPL	(1,399,195,052)	(874,856,147)
Proceeds from the sale of financial assets at FVTPL	1,232,986,138	577,286,886
Disposal from the sale of an investment in associates	107,093,636	19,708,617
End of service paid	(146,264)	(34,839)
Zakat paid	(6,597,713)	(2,125,803)
Net cash generated from operating activities	<u>95,101,926</u>	<u>(192,494,077)</u>
Cash flows from investing activities		
Paid to purchase property and equipment	(14,895,378)	(840,367)
Purchase of financial assets at FVOCI	(480,276)	(791,119)
Proceed from the sale of financial assets at FVOCI	1,151,946	116,995,990
Net cash used in investing activities	<u>(14,223,708)</u>	<u>115,364,504</u>
Cash flows from financing activities		
Due from related parties	-	(5,451,360)
Due to related parties	(9,184,919)	-
Proceeds from loans and facilities	(7,000,001)	100,000,000
Purchase of treasury shares	-	(27,182,693)
Dividends paid	(59,000,000)	(30,000,000)
Net cash used in financing activities	<u>(75,184,920)</u>	<u>37,365,947</u>
Net change in cash and cash equivalents	<u>5,693,298</u>	<u>(39,763,626)</u>
Cash and cash equivalent at the beginning of the period	<u>2,077,524</u>	<u>45,099,243</u>
Cash and cash equivalents at the end of the period	<u>7,770,822</u>	<u>5,335,617</u>
Non-monetary transactions		
Change in fair value reserve of financial assets	(1,852,745)	7,270,426
Transfer from fair value reserve of retained earnings due to selling investments at FVOCI	157,480	(17,250,177)


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Chief Financial Officer


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Managing director


Abdullah Mohammed Al-Humaidhi
Chairman of Board of Directors

SAUDI ADVANCED INDUSTRIES COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTHS PERIOD ENDED 30 SEPTMNER 2024
(All amounts are in Saudi riyals unless otherwise mentioned)

1. ORGANIZATION AND PRINCIPAL ACTIVITIES

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

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

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

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

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

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

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

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

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

The interim consolidated condensed financial statements for the nine-month period ended on 30 September 2024 were prepared in accordance with International Accounting Standard No. 34 (IAS), “Interim Financial Reporting” endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by Saudi Organization for Chartered and Professional Accountants (SOCPA).

The interim consolidated condensed financial statements do not include all the information and disclosures required to prepare the annual financial statements, and they must be read in conjunction with the annual financial statements of the company for the year ended 31 December 2023

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

2.2 Basis of Consolidation

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

The interim consolidated condensed financial statements consist of the financial statements and its subsidiary as at 30 September 2024. Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed, or has a right, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee only when the Group has:

- Control over the investee (ie existing rights that give it the current ability to direct the relevant activities of the investee)

SAUDI ADVANCED INDUSTRIES COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTHS PERIOD ENDED 30 SEPTMNER 2024
(All amounts are in Saudi riyals unless otherwise mentioned)

2. BASIS OF PREPARATION (CONTINUED)

2.2 Basis of Consolidation (continued)

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

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

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

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

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

Use of estimates and assumptions

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

In particular, information about significant matters regarding the estimation of uncertainty in the application of accounting policies that have a significant effect on the amounts recognized in the financial statements, as follows:

The management reassesses the useful lives of tangible assets and intangible assets periodically depending on the general condition of these assets and management's expectations for their future useful lives.

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

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

3. SUMMERY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with the policies adopted in the preparation of the Company's annual financial statements for the year ended 31 December 2023.

SAUDI ADVANCED INDUSTRIES COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTHS PERIOD ENDED 30 SEPTMNER 2024
(All amounts are in Saudi riyals unless otherwise mentioned)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 New and amended standards and interpretations:

Several new amendments to standards, listed below, became effective during this year and do not have a material impact on the Group's interim condensed consolidated financial statements, except as indicated below:

New amendments to standards issued and effective from 2024.

Amendments to standards	Description	Effective from accounting period beginning on or after	Summary of 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 liability would not impact its classification.
IFRS 16	Leases on sale and leaseback	January 1, 2024	These amendments include 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 the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
IAS 7 and IFRS 7	Supplier finance arrangements	January 1, 2024	These amendments require to add disclosure requirements to enhance transparency of supplier finance arrangements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

3.2 New and amended standards and revised IFRSs issued but not yet effective

The Group has not applied the following amendments to IFRSs that have been issued but are not yet effective:

Amendments to standards	Description	Effective from accounting period beginning on or after	Summary of amendment
IAS 21	Lack of Exchangeability	January 1, 2025	The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

Management expects that these amendments will be adopted in the interim condensed consolidated financial statements when applicable, and the application of these interpretations and amendments may not have any material impact on the interim condensed consolidated financial statements of the Group in the period of initial application. The Company has not applied any of the new and revised IFRSs issued but not yet effective.

SAUDI ADVANCED INDUSTRIES COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTHS PERIOD ENDED 30 SEPTMNER 2024

(All amounts are in Saudi riyals unless otherwise mentioned)

4. Property, equipment and intangibles, net

	For the period ending September 30, 2024							
	Buildings	Projects under construction	Vehicles	Office Furniture	Office equipment	Computers	Improvements to leased buildings	Total
Cost								
At the beginning of (period)/year	-	-	927,125	229,746	113,385	301,997	515,038	2,087,291
Additions	12,989,013	1,853,844	-	-	-	52,521	-	14,895,378
At the end of (period)/year	12,989,013	1,853,844	927,125	229,746	113,385	354,518	515,038	16,982,669
Accumulated depreciation:								
At the beginning of (period)/year	-	-	174,894	161,279	77,406	233,176	386,786	1,033,541
Charged for the year	237,564	-	124,614	14,087	6,296	34,079	28,037	444,677
At the end of (period)/year	237,564	-	299,508	175,366	83,702	267,255	414,823	1,478,218
Net book value as of September 30, 2024	12,751,449	1,853,844	627,617	54,380	29,683	87,263	100,215	15,504,451
	For the year ending December 31, 2023							
	Buildings	Projects under construction	Vehicles	Office Furniture	Office equipment	Computers	Improvements to leased buildings	Total
Cost								
At the beginning of 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 year	-	-	927,125	229,746	113,385	301,997	515,038	2,087,291
Accumulated depreciation:								
At the beginning of 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 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

*The buildings consist of the purchase of a commercial unit in the Al-Yasmeen neighborhood of Riyadh, which includes two locations: Location No. (1) with an area of 282.33 square meters at a price of 5,625,022 Saudi Riyals for Al-Nmow Aldaem, a wholly-owned subsidiary (100%). Location No. (2) has an area of 308.33 square meters at a price of 6,415,778 Saudi Riyals for the Saudi Advanced Industries Company. The total area of the two locations is 591 square meters, with a total price of 12,040,800 Saudi Riyals, excluding real estate transaction tax and brokerage fees, intended for the allocation as the headquarters for the Saudi Advanced Industries Company and its subsidiary

SAUDI ADVANCED INDUSTRIES COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTHS PERIOD ENDED 30 SEPTMNER 2024

(All amounts are in Saudi riyals unless otherwise mentioned)

5. INVESTMENTS AT ASSOCIATE COMPANIES

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

	30 September 2024 (unaudited)	31 December 2023 (audited)
Balance at the beginning of the year	524,603,558	531,860,667
Dividends	(23,574,552)	(15,454,545)
Share of results of associate companies	8,385,691	26,936,503
Disposal of a partially sold interest in associate companies	(107,093,636)	(18,169,630)
Share of other comprehensive loss of associate companies	-	(569,437)
Balance at the end of the period	402,321,061	524,603,558

5.2 Investments in associates amounted to the following:

Name	No. of share on 30 Sept 2024	Ownership% On 30 Sept 2024	Ownership On 31 Dec 2023	30 Sept 2024 (unaudited)	31 December 2023 (audited)
Masar Alnomow Finance Company (Deutsche Gulf Finance - formerly)	18,181,818	31.62%	31.62%	273,232,650	271,927,562
Obeikan Glass Company	6,403,715	20.01%	37.05%	129,088,411	252,675,996
				402,321,061	524,603,558

The ownership percentage in Obeikan Glass Company as of September 30, 2024, is divided into 18.94% for the Saudi Advanced Industries Company and 1.07% for the Perpetual Growth United Investment Company (the subsidiary).

During the period, the group sold 17.04% (September 30, 2023: 2.95%) of its investment in Obeikan Glass Company, resulting in profits of 96.1 million Saudi riyals (September 30, 2023: 35.5 million Saudi riyals).

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

The financial information below represents the amounts shown in the consolidated financial statements of equity method investees prepared in accordance with International Financial Reporting Standards.

30 September 2024 (unaudited)	Obeikan Glass Company	Masar Alnomow Finance Company
Total assets	912,124,064	2,758,326,841
Total liabilities	335,135,919	2,048,931,333
Equity	576,988,145	709,395,508
Shares of Saudi Advanced Industries Company	115,464,614	224,310,860
Book value	129,088,411	273,232,650
Revenue	254,780,559	201,930,053
Net Income	35,382,472	4,127,414
Other Comprehensive income	-	-
Total comprehensive income	35,382,472	4,127,414
Share of total comprehensive income	7,080,603	1,305,088
	Obeikan Glass Company	Masar Alnomow Finance Company
31 December 2023		
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 loss	(1,536,954)	-
Total comprehensive income	66,127,599	5,904,392
Share of total comprehensive income	24,500,096	1,866,969

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6. FINANCIAL ASSETS AT FVOCI

Financial assets amounted to as follows:

30 September 2024 (unaudited)	Cost	Market value
Al Rajhi Financial Portfolio	8,917,805	5,762,274
Derayah Global Venture Capital Fund	526,936	470,112
Graphene Venture Fund	1,486,222	1,490,137
Hala Ventures Fund	1,534,156	1,860,576
AGC Obeikan Glass	8,680,000	-
	21,145,119	9,583,099

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

The movement in FVOCI is as follows:

	30 September 2024 (unaudited)	31 December 2023 (audited)
Cost as at 1 January	22,113,635	155,333,901
Additions	480,276	1,025,900
Disposals during the period / year	(1,309,426)	(134,246,166)
	21,284,485	22,113,635
Fair value reserve as at 1 January	(10,006,121)	(34,053,881)
Change in fair value reserve	(1,852,745)	6,797,582
Transfer from fair value reserve as a result of disposal of assets at FVOCI	157,480	17,250,177
Fair value reserve as at end of the period / year	(11,701,386)	(10,006,121)
Net carrying value	9,583,099	12,107,513

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

7. FINANCIAL ASSETS AT FVTPL

30 September 2024	No. shares/unit	%	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	-
Alistithmar capital portfolio	9,114,695		136,005,940	153,579,555
Al Rajhi Financial Portfolio	16,117,895		340,666,642	509,286,564
Total			657,916,092	912,786,119

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7. FINANCIAL ASSETS AT FVTPL (CONTINUED)

31 December 2023	No. shares/unit	%	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	-
Capital investment portfolio	13,868,621	-	307,576,618	335,880,004
Total			488,820,128	585,800,004

	30 September 2024 (unaudited)	31 December 2023 (audited)
Financial assets at FVPL – non-current	249,920,000	249,920,000
Financial assets at FVPL – current	662,866,119	335,880,004
	912,786,119	585,800,004

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

	30 September 2024 (unaudited)	31 December 2023 (audited)
Balance at the beginning of the period /year	585,800,004	208,114,197
Additions during the period /year	1,399,195,052	1,074,852,554
Disposals during the period /year	(1,281,205,529)	(801,267,598)
Unrealized gains during the period /year	160,777,202	98,096,144
Realized gains during the period /year	48,219,390	6,004,707
Balance at the end of the period /year	912,786,119	585,800,004

*The shareholders decided in the extraordinary general assembly of the Arabian Industrial Fibers Company (Ibn Rushd) on 31 December 2017 to reduce the company's capital from 8.5 billion Saudi riyals to 2 billion Saudi riyals, as the share of the Advanced Industries Company from this reduction amounted to 40.7 million riyals. Saudi, so the investment will be 12,493,540 riyals as on 30 September 2024 (31 December 2023: 12,493,540 Saudi riyals). In the previous period, the Company has fully recognized impairment losses in the value of the investment.

8. TRANSACTIONS WITH RELATED PARTIES

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

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

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

8.1 Due to related parties:

Related parties	Nature of the transaction	The amount of transactions during the period		Balance (credit)	
		30 September 2024 (creditor)	30 September 2023 (debtor)	30 September 2024	31 December 2023
Al-salam aviation industry company	Acting expense	(9,184,919)	5,451,360	(3,061,640)	(12,246,559)

*The process of selling Salam Air Company as of December 31, 2023 resulted in obligations to the partners, as the Saudi Advanced Industries Company's share of this obligation amounted to 12,246,559 Saudi riyals and was recognized in the company's results for the year 2023, and during the period ending September 30, 2024, an amount of 9,184,919 Saudi riyals was paid.

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8. TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

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

	Nature of the transaction	The amount of transactions during the period		Balance (credit)	
		30 September 2024	30 September 2023	30 September 2024	31 December 2023
Board of Directors and subcommittees*	Bonuses and attendance allowances	2,813,500	1,065,000	(2,813,500)	(371,664)
key management personnel*	Salaries and bonuses	9,019,936	4,657,261	(2,999,412)	(1,183,420)

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

9. CAPITAL

The extraordinary general assembly of the company was held on Rajab 3, 1444, corresponding to January 25, 2023, and the capital increase and new articles of association were approved. Accordingly, as of September 30, 2024, the authorized capital amounted to 600 million Saudi riyals, divided into 60 million shares of 10 Saudi riyals each.

10. Treasury shares

During the year 2023, the company 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.

	30 September 2024	31 December 2023
	(unaudited)	(audited)
Treasury shares as at the beginning of the period/year	-	-
Treasury shares were issued during the period	30,665,894	30,665,894
The effect of issued treasury shares	-	-
Treasury shares at the end of the period/year	30,665,894	30,665,894

11. STATUTORY RESERVE

During the year ending on December 31, 2023, the company'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.

12. GENERAL RESERVE

This reserve was made based on the decision of the Ordinary General Assembly on 15 May 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 company.

13. DIVIDENDS

On June 11, 2024, the General Assembly of Shareholders approved the Board of Directors' recommendation on March 17, 2024, to distribute cash dividends in the amount of 59 million riyals to shareholders for the financial year ending on December 31, 2023, at a rate of 10% of the nominal value of the share, at 1 riyal per share. This is for 59 million shares.

14. ZAKAT PROVISION

14.1 Zakat status

The company submitted its zakat declaration to the Zakat, Tax and Customs Authority for the year ending on December 31, 2023, and the company obtained a certificate from the Zakat, Tax and Customs Authority valid until Dhul-Qi'dah 2, 1446 AH, corresponding to April 30, 2025.

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

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14. ZAKAT PROVISION (CONTINUED)

14.2 The movement of the zakat provision

	30 September 2024 (unaudited)	31 December 2023 (audited)
Balance at the beginning of the period/year	10,088,223	2,225,140
Charged during the period/year	10,836,847	10,266,756
paid during the period/year	(6,597,713)	(2,403,673)
Balance at the end of the period/year	14,327,357	10,088,223

15. SHORT TERM LOANS

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

	30 September 2024 (unaudited)	31 December 2023 (audited)
Balance at the beginning of the period \ year	100,000,000	-
Additions during the period \ year	100,000,000	100,000,000
Paid during the period \ year	(100,000,000)	-
Total loan amount	100,000,000	100,000,000
Added: Interest accrued during the period/year	8,522,356	3,183,562
Paid during the period \ year	(7,000,000)	-
Net loan value	101,522,356	103,183,562

The group signed a credit facility agreement compatible with the provisions of Islamic Sharia with Al Rajhi Capital on July 14, 2024, with the aim of expanding the group's investments, at a value of 100 million Saudi riyals. This loan is secured by a portion of Al Rajhi's portfolio of portfolio assets equal to the loan balance.

16. EMPLOYEE'S END OF SERVICE BENEFITS

	30 September 2024 (unaudited)	31 December 2023 (audited)
Balance beginning of the period / year	1,916,067	1,517,549
Additions during the period / year	322,069	293,923
Paid during the period / year	(146,264)	(31,560)
Actuarial losses	-	136,155
Balance end of the period / year	2,091,872	1,916,067

17. REVENUE

	For the three-months period ended		For the nine-months period ended	
	30 September 2024 (unaudited)	30 September 2023 (unaudited)	30 September 2024 (unaudited)	30 September 2023 (unaudited)
Company's share of the profits of associate companies	3,033,767	8,065,097	8,385,690	30,000,996
Profit from the sale of investments in associate companies	9,042,662	35,461,722	96,110,965	35,461,722
Dividends earned	1,577,203	2,469,549	9,700,677	11,298,204
Unrealized gains (losses) on financial assets at FVTPL	73,173,265	(13,634,486)	160,777,202	11,883,289
Profits from selling financial assets at FVTPL	(5,121,170)	13,668,389	48,219,390	36,326,615
	81,705,727	46,030,271	323,193,924	124,970,826

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18. EARNINGS PER SHARE

Basic and diluted net profit for the period and total comprehensive income for the period from operating are calculated by dividing the net profit for the period and total comprehensive income for the period by the weighted average number of common shares outstanding at the end of the period. The number of shares outstanding as of 30 September 2024: 59 million shares (59.1 million shares: September 30, 2023).

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

19. MEASUREMENT OF FAIR VALUE

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

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

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

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

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

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

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

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

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

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

30 September 2024 (unaudited)	Level 1 SAR	Level 2 SAR	Level 3 SAR	Total
Financial assets through other comprehensive income	5,762,274	-	3,820,825	9,583,099
Financial assets through profit or loss	662,866,119	-	249,920,000	912,786,119
December 31, 2023				
Financial assets through other comprehensive income	8,889,823	-	3,217,690	12,107,513
Financial assets through profit or loss	335,880,004	-	249,920,000	585,800,004

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20. SEGMENT INFORMATION

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

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

The following is a summary of the financial segment information in Saudi riyals as on 30 September 2024, and 30 September 2023, respectively, according to the nature of the activity:

	Petrochemical segment	Glass industry segment (Industrial investment)	Industrial Services segment (Energy and utilities)	Financial services and investments segment (banks and financial services)	Other segments	Total
Revenues*						
For the nine-month period ending 30 September 2024	-	103,191,567	5,062,499	214,939,858	56,136	323,250,060
For the three-month period ending 30 September 2024	-	11,138,290	-	70,567,437	15,946	81,721,673
Net profit / (loss) for the period						
For the nine-month period ending 30 September 2024	-	99,548,817	(1,990,002)	188,238,058	(613,839)	285,183,034
For the three-month period ending 30 September 2024	-	9,819,929	(2,552,397)	60,903,688	(226,528)	67,944,692
Total Assets						
As at 30 September 2024	-	129,088,411	249,920,000	946,233,702	23,741,936	1,348,984,049
Total Liabilities						
As at 30 September 2024	-	-	3,061,640	102,074,190	24,109,064	129,244,894

*Segment revenues include operating revenues and other revenues.

	Petrochemical segment	Glass industry segment (Industrial investment)	Industrial Services segment (Energy and utilities)	Financial services and investments segment (banks and financial services)	Other segments	Total
Revenues*						
For the six-month period ending 30 September 2023	2,500,000	63,632,335	5,062,499	53,775,992	5,700	124,976,526
For the three-month period ending 30 September 2023	-	42,014,495	-	4,015,776	3,000	46,033,271
Net profit / (loss) for the period						
For the six-month period ending 30 September 2023	2,500,000	60,346,454	2,416,896	45,995,272	(84,901)	111,173,721
For the three-month period ending 30 September 2023	-	40,325,790	(1,359,648)	17,049	(43,562)	38,939,629
Total Assets						
As at 30 September 2023	-	254,807,526	205,156,393	603,365,155	7,025,788	1,070,354,862
Total Liabilities						
As at 30 September 2023	-	-	-	101,266,891	6,642,937	107,909,828

*Segment revenues include operating revenues and other revenues.

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 Masar Alnomow Finance Company, and other financial investments and the other segments are represented in the remaining assets.

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21. COMPARATIVE FIGURES

Some comparative period figures have been reclassified to be consistent with the current classification in the financial statements.

22. APPROVAL OF THE INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements have been approved for the period ending on 30 September 2024, on 04 Jumada al-Ula 1446H, corresponding to 06 November 2024G.