

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



SAUDI ADVANCED INDUSTRIES COMPANY
(A SAUDI JOINT STOCK COMPANY)
THE INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS AND INDEPENDENT
AUDITOR'S REVIEW REPORTFOR
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2023

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**PKF****Ibrahim Ahmed Al-Bassam
& Co. Certified Public Accountants****INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONSOLIDATED CONDENSED
FINANCIAL STATEMENTS**

(1/1)

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

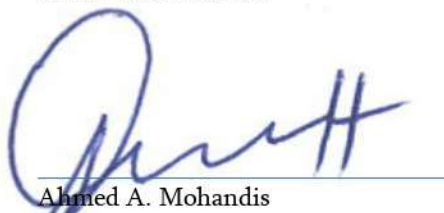
We have reviewed the accompanying interim consolidated condensed statement of financial position of Saudi Advanced Industries Company (the "Company") - a Saudi Joint Stock Company - and its subsidiaries (together referred to as the "Group") as at 30 June 2023 and interim consolidated condensed statements of profit or loss and other comprehensive income for the three-month and six-month periods then ended, and the interim consolidated condensed statements of changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim consolidated condensed financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

SCOPE OF REVIEW

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

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated condensed financial statements as at 30 June 2023 are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

For Al-Bassam & Co.


Ahmed A. Mohandis
Certified Public Accountant
License No. 477

Riyadh: 27 Muharram 1445H
Corresponding to: 14 August 2023G

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SAUDI ADVANCED INDUSTRIES COMPANY

(A SAUDI JOINT STOCK COMPANY)

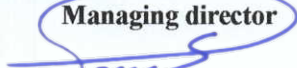
INTERIM CONSOLIDATED CONDENSED STATEMENT OF FINANCIAL POSITION**AS AT 30 JUNE 2023**

(All amounts are in Saudi riyals unless otherwise mentioned)


		30 June 2023 (unaudited)	31 December 2022 (unconsolidated) (audited)
	Note		
ASSETS			
Non-current assets			
Property and equipment and intangible, net		337,498	399,686
Investments in associate companies	4	537,589,602	531,860,667
Financial assets at FVOCI	5	15,201,193	121,280,020
Financial assets at FVPL	6	199,705,033	199,705,033
Due from related parties	7	5,451,360	-
Other financial assets		1,266,891	1,758,169
Total non-current assets		759,551,577	855,003,575
Current assets			
Cash and cash equivalents		26,654,839	45,099,243
Financial assets at FVPL	6	169,185,757	8,409,164
Prepayments and other current assets		882,666	601,499
Total current assets		196,723,262	54,109,906
Total assets		956,274,839	909,113,481
EQUITY AND LIABILITIES			
Equity			
Share capital	8	600,000,000	500,000,000
Statutory reserve	9	150,000,000	150,000,000
General reserve	10	34,331,892	34,331,892
Retained earnings		167,376,779	243,143,182
Actuarial reserve		(917,613)	(917,613)
Fair value reserve		(223,132)	(25,373,881)
Total equity		950,567,926	901,183,580
Liabilities			
Non-current liabilities			
Employees' end of service benefits	14	1,717,920	1,517,549
Total non-current liabilities		1,717,920	1,517,549
Current liabilities			
Accrued expenses and other current liabilities		2,889,656	4,187,212
Zakat provision	12	1,099,337	2,225,140
Total current liabilities		3,988,993	6,412,352
Total liabilities		5,706,913	7,929,901
Total equity and liabilities		956,274,839	909,113,481



Muhannad Mustafa Al-Ashqar
Chief Financial Officer




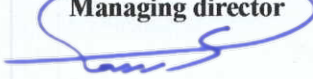

Abdullah Suleiman Al-Juraish
Managing director



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 SIX-MONTHS PERIOD ENDED 30 JUNE 2023
(All amounts are in Saudi riyals unless otherwise mentioned)

	Note	For the three-months period ended		For the six-months period ended	
		30 June 2023 (unaudited)	30 June 2022 (Unconsolidated) (unaudited)	30 June 2023 (unaudited)	30 June 2022 (Unconsolidated) (unaudited)
Revenue	15	53,591,253	31,087,352	78,940,555	65,527,319
Gross income		53,591,253	31,087,352	78,940,555	65,527,319
General and administrative expenses		(2,929,998)	(3,637,294)	(5,709,163)	(7,077,531)
Operating Income		50,661,255	27,450,058	73,231,392	58,449,788
Finance costs	-	-	(53,307)	-	(53,307)
Other income	-	-	2,847	2,700	2,847
Net income before zakat		50,661,255	27,399,598	73,234,092	58,399,328
Zakat		(500,000)	(81,844)	(1,000,000)	(139,484)
Net income for the period		50,161,255	27,317,754	72,234,092	58,259,844
Other comprehensive income / (loss):					
Items that will not be subsequently reclassified to profit or loss:					
Share in comprehensive income of associates		(752,419)	-	(752,419)	-
Change in financial assets at FVOCI		6,578,831	(58,125,510)	7,902,673	(59,031,831)
Total comprehensive income / (loss) for the period		55,987,667	(30,807,756)	79,384,346	(771,987)
Basic and diluted earnings per share					
Earnings per share from net profit for the period	16	0.84	0.46	1.20	0.97
(loss)/earnings per share out of total (loss)/comprehensive income for the period	16	0.93	(0.51)	1.32	(0.01)

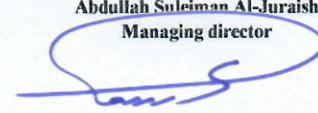

**Muhannad Mustafa
Al-Ashqar
Chief Financial Officer**

**Abdullah Sulciman Al-Juraish
Managing director**

**Abdullah Mohammed
Al-Humaidhi
Chairman of Board of Directors**

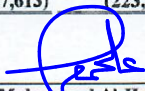
The accompanying notes from 1 to 21 are an integral part of these interim consolidated condensed financial statements.

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

	Note	Share capital	Statutory reserve	General reserve	Retained earnings	Actuarial reserve	Fair value reserve	Total
For the six-months period ended 30 June 2022								
Balance as at 31 December 2021 (unconsolidated) (audited)		500,000,000	150,000,000	34,331,892	185,114,021	(876,347)	69,366,807	937,936,373
Net income for the period		-	-	-	58,259,844	-	-	58,259,844
Other comprehensive loss		-	-	-	-	-	(59,031,831)	(59,031,831)
Net comprehensive income for the period		-	-	-	58,259,844	-	(59,031,831)	(771,987)
Dividends	11	-	-	-	(37,500,000)	-	-	(37,500,000)
Balance as at 30 June 2022 (unconsolidated) (unaudited)		500,000,000	150,000,000	34,331,892	205,873,865	(876,347)	10,334,976	899,664,386
For the six-month period ended 30 June 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		-	-	-	72,234,092	-	-	72,234,092
Share in comprehensive income of associates		-	-	-	(752,419)	-	-	(752,419)
Transfer of the fair value reserve on disposal of the investment		-	-	-	(17,248,076)	-	17,248,076	-
Other comprehensive loss		-	-	-	-	-	7,902,673	7,902,673
Net comprehensive income for the period		-	-	-	54,233,597	-	25,150,749	79,384,346
Capital increase		100,000,000	-	-	(100,000,000)	-	-	-
Dividends	11	-	-	-	(30,000,000)	-	-	(30,000,000)
Balance as at 30 June 2023		600,000,000	150,000,000	34,331,892	167,376,779	(917,613)	(223,132)	950,567,926


Muhannad Mustafa Al-Ashqar
Chief Financial Officer


Abdullah Sulaiman Al-Juraish
Managing director

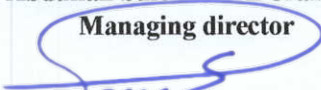

Abdullah Mohammed Al-Humaidhi
Chairman of Board of Directors


The accompanying notes from 1 to 21 are an integral part of these interim consolidated condensed financial statements.

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

	30 June 2023 (unaudited)	30 June 2022 (unconsolidated) (unaudited)
Cash flows from operating activities:		
Net Income for the period before zakat	73,234,092	58,399,328
Adjustments to reconcile net Income before zakat to net cash flow from operating activities:		
Depreciation of property and equipment and intangible	59,611	69,039
Capital profits	-	(2,749)
Provision for end of service benefits	229,982	819,827
Company's Share of profit in associate companies	(21,935,899)	(54,246,362)
Realized gains from investments at FVTPL	(22,658,226)	-
Unrealized gains from investments at FVTPL	(25,517,775)	-
Finance costs	-	53,307
	3,411,785	5,092,390
Changes in working capital items		
Prepaid expenses and other current assets	(281,167)	(478,160)
Other financial assets	491,278	218,456
Accrued expenses and other current liabilities	(1,297,556)	(1,788,600)
Cash generated from operating activities	2,324,340	3,044,086
Employees' end of service benefits paid	(29,611)	(1,194,188)
Zakat paid	(2,125,803)	(50,663)
Net cash generated from operating activities	168,926	1,799,235
cash flows from investing activities		
Paid to purchase property and equipment	-	(99,502)
Dividends from investments at the associate companies	15,454,545	13,636,364
Purchase of financial assets at FVTPL	(390,156,168)	-
Purchase of financial assets at FVOCI	(491,279)	(165,189)
Proceeds from the sale of property and equipment	-	5,498
Proceed from the sale of financial assets at FVOCI	114,475,356	-
Proceeds from the sale of financial assets at FVTPL	277,555,576	-
Net cash generated from investing activities	16,838,030	13,377,171
Cash flows from financing activities		
Due from related parties	(5,451,360)	-
Proceeds from loans and facilities	-	25,000,000
Dividends paid	(30,000,000)	(37,500,000)
Net cash used in financing activities	(35,451,360)	(12,500,000)
Net change in cash and cash equivalents	(18,444,404)	2,676,406
Cash and cash equivalent at the beginning of the period	45,099,243	23,780,237
Cash and cash equivalents at the end of the period	26,654,839	26,456,643
Non-monetary transactions		
Change in fair value reserve of financial assets	7,902,673	(59,031,831)
Transfer from fair value reserve of retained earnings due to selling investments at FVOCI	17,248,076	-


Muhannad Mustafa Al-Ashqar
Chief Financial Officer


Abdullah Suleiman Al-Jraish
Managing director


Abdullah Mohammed Al-Humaidhi
Chairman of Board of Directors

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

1. ORGANIZATION AND PRINCIPAL ACTIVITIES

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

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

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

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

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

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

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

2.2 Basis of Consolidation

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

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

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

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

2. BASIS OF PREPARATION (CONTINUED)

Use of estimates and assumptions (continued)

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in preparing the interim consolidated condensed financial statements are consistent with the policies followed in preparing the annual financial statements of the company for the year ended 31 December 2022. The company has not applied any of the new and amended International Financial Reporting Standards issued but not yet effective.

4. INVESTMENTS AT ASSOCIATE COMPANIES

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

	30 June 2023 (unaudited)	31 December 2022 (audited)
Balance at the beginning of the period / year	531,860,667	475,266,506
Company's share of corporate profits	21,935,899	94,069,006
Dividends of associate	(15,454,545)	(32,836,364)
Impact of comprehensive income items of associates	(752,419)	(4,638,481)
Balance at the end of the period / year	537,589,602	531,860,667

4.2 Investments in associates amounted to the following:

Name	No. of share	Ownership	30 June 2023 (unaudited)	31 December 2022 (audited)
Deutsche Gulf Finance	18,181,818	31,62%	270,378,652	285,515,138
Obeikan Glass Company	9,600,000	40%	267,210,950	246,345,529
			537,589,602	531,860,667

The shares of the Obeikan Glass Company were listed and started trading in Nomu - the parallel market, as of Monday 6 Rajab 1443H corresponding to 7 February 2022 as a direct listing, at an indicative price of 68 riyals per share, noting that the total cost of the Saudi Advanced Industries share in the Obeikan Glass Company amounts to 128 million riyals, as at 30 June 2023, the fair value of the company's ownership stake in Obeikan Glass Company, according to trading prices, amounted to 806,400,000 Saudi riyals.

During the period ended 30 June 2022, Deutsche Gulf Finance Company, in which the Saudi Company for Advanced Industries owns 31.62% of the capital, obtained the preliminary approval of the Central Bank of Saudi Arabia to offer the company in the main financial market. Note that this approval is conditional on the company obtaining the final non-objection of the Central Bank of Saudi Arabia and the necessary approvals from the concerned authorities.

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

4. INVESTMENTS AT ASSOCIATE COMPANIES (CONTINUED)

30 June 2023 (unaudited)	Obeikan Glass Company	Deutsche Gulf Finance
Total assets	755,129,776	2,324,884,128
Total liabilities	(167,102,400)	(1,624,514,547)
Equity	588,027,376	700,369,581
Shares of Saudi Advanced Industries Company	235,210,950	221,456,862
Book value	267,210,950	270,378,652
Revenue	216,164,444	97,114,450
Net Income	54,043,757	1,005,879
Other Comprehensive income	(1,881,047)	-
Share of total comprehensive income	20,865,084	318,059
 31 December 2022 (audited)	 Obeikan Glass Company	 Deutsche Gulf Finance
Total assets	684,048,242	2,337,787,031
Total liabilities	(148,183,576)	(1,589,548,330)
Equity	535,864,666	748,238,701
Shares of Saudi Advanced Industries Company	214,345,866	236,593,077
Book value	246,345,529	285,515,138
Revenue	256,195,414	222,133,744
Net income	177,647,740	72,770,114
Other Comprehensive income	(11,596,204)	-
Share of total comprehensive income (before adjustments)	66,420,614	23,009,910
previous years adjustments	-	(4,056,306)
Share of total comprehensive income (after adjustments)	66,420,614	18,953,604

5. FINANCIAL ASSETS AT FVOCI

Financial assets amounted to as follows:

30 June 2023 (unaudited)	Cost	Market value
Derayah Global Venture Capital Fund	226,940	188,434
Graphene Venture Fund	1,145,468	1,170,644
Hala Ventures Fund	1,299,375	1,403,479
Al Rajhi Financial Portfolio	12,752,542	12,438,636
AGC Obeikan Glass*	8,680,000	-
	24,104,325	15,201,193
 31 December 2022 (audited)	 Cost	 Market value
Yanbu National Petrochemical (YANSAB)	70,980,000	83,200,000
Capital investment portfolio	64,814,272	35,663,729
Derayah Global Venture Capital Fund	226,940	227,302
Graphene Venture Fund	823,189	881,491
Hala Ventures Fund	1,129,500	1,307,498
AGC Obeikan Glass*	8,680,000	-
	146,653,901	121,280,020

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

5. FINANCIAL ASSETS AT FVOCI (CONTINUED)

The movement in FVOCI is as follows:

	30 June 2023	31 December 2022
Cost as at 1 January	155,333,901	190,108,486
Additions	491,279	12,971,000
Disposals during the period / year	(131,720,855)	(47,745,585)
	24,104,325	155,333,901
Fair value reserve as at 1 January	(25,373,881)	69,366,807
Change in fair value reserve	7,902,673	(90,724,111)
Transfer from fair value reserve as a result of disposal of assets at FVOCI	17,248,076	(4,016,577)
Fair value reserve as at end of the period / year	(223,132)	(25,373,881)
Impairment losses provisions*	(8,680,000)	(8,680,000)
Net carrying value	15,201,193	121,280,020

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

6. FINANCIAL ASSETS AT FVTPL

30 June 2023	No. shares/unit	%	Cost	Market value
Industrialization and Energy Services Company (TAQA)	16,874,997	2.35	168,749,970	180,453,233
Arabian Industrial Fibers Company (Ibn Rushd)*	1,249,354	0.62	12,493,540	-
Alsalam Aerospace Industries Company	162,000	10	19,940,000	19,251,800
Capital investment portfolio	-	-	848,640	997,152
Al Rajhi Financial Portfolio	-	-	143,145,332	168,188,605
Total			345,177,482	368,890,790
31 December 2022	No. shares/unit	%	Cost	Market value
Industrialization and Energy Services Company (TAQA)	16,874,997	2.35	168,749,970	180,453,233
Arabian Industrial Fibers Company (Ibn Rushd) *	1,249,354	0.62	12,493,540	-
Alsalam Aerospace Industries Company	162,000	10	19,940,000	19,251,800
Almubark found	314,053	-	7,000,000	7,021,035
Capital investment portfolio	-	-	1,735,155	1,388,129
Total			209,918,665	208,114,197
	30 June 2023			31 December 2022
Financial assets at FVPL – non-current	199,705,033			199,705,033
Financial assets at FVPL – current	169,185,757			8,409,164
	368,890,790			208,114,197

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

	30 June 2023	31 December 2022
Balance at the beginning of the period /year	208,114,197	188,689,970
Additions during the period /year	390,156,168	10,659,691
Disposals during the period /year	(277,555,576)	(2,272,713)
Unrealized gains during the period /year	25,517,775	10,689,072
Realized gains during the period /year	22,658,226	348,177
Balance at the end of the period /year	368,890,790	208,114,197

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6. FINANCIAL ASSETS AT FVTPL (CONTINUED)

*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 31 December 2020 (31 December 2021: 12,493,540 Saudi riyals). In the previous period, the Company has fully recognized impairment losses in the value of the investment.

7. TRANSACTIONS WITH RELATED PARTIES

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

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

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

1.7 Due from related parties:

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

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

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

	For the three-month period ended		For the six-month period ended	
	30 June 2023 (unaudited)	30 June 2022 (unaudited)	30 June 2023 (unaudited)	30 June 2022 (unaudited)
Committee members' fees and meeting expenses	486,500	444,500	992,000	898,000
Salaries and benefits of key management personnel*	1,430,794	1,730,992	2,003,365	3,758,016
	1,917,294	2,175,492	2,995,365	4,656,016

*Part of the salaries and benefits of key management employees resulting from the liquidation of the dues of the resigned CEO were charged during the first quarter of the year 2022.

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

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8. CAPITAL

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

The Company's extraordinary general assembly was held on 3 Rajab 1444H corresponding to 25 January 2023 and the capital increase and the new by-laws were approved. Accordingly, as at 31 March 2022, the authorized Share capital is SR 600 million, divided into 60 million shares of SR 10 for each.

9. STATUTORY RESERVE

In accordance with the Articles of Association and Saudi Arabian Regulations for Companies, the Company is required to transfer 10% of net income annually to the statutory reserve until such reserve equals 30% of the capital. As the reserve has reached this limit and there is no need for the further deduction, this reserve is not available for dividends distribution.

10. 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.

11. DIVIDENDS

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

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

12. ZAKAT PROVISION

12.1 Zakat status

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

12.2 The movement of the zakat provision

	30 June 2023	31 December 2022
	(unaudited)	(audited)
Balance at the beginning of the period/year	2,225,140	150,000
Charged during the period/year	1,000,000	2,125,803
paid during the period/year	(2,125,803)	(50,663)
Balance at the end of the period/year	1,099,337	2,225,140

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13. LONG TERM LOANS

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

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

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

14. EMPLOYEE'S END OF SERVICE BENEFITS

	30 June 2023 (unaudited)	31 December 2022 (audited)
Balance beginning of the period / year	1,517,549	2,375,616
Additions during the period / year	229,982	294,854
Paid during the period / year	(29,611)	(1,194,187)
Actuarial losses	-	41,266
Balance end of the period / year	1,717,920	1,517,549

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

15. REVENUE

	For the three-months period ended		For the six-months period ended	
	30 June 2023 (unaudited)	30 June 2022 (Unconsolidated) (unaudited)	30 June 2023 (unaudited)	30 June 2022 (Unconsolidated) (unaudited)
Company's share of the losses/profits of associate companies	8,330,720	24,945,679	21,935,899	54,246,362
Dividends earned	6,088,509	6,037,135	8,828,655	10,941,344
Unrealized gains (losses) on financial assets at FVTPL	19,224,244	-	25,517,775	-
Profits from selling financial assets at FVTPL	19,947,780	104,538	22,658,226	339,613
	53,591,253	31,087,352	78,940,555	65,527,319

16. EARNINGS/(LOSS) PER SHARE

Th Basic and diluted earnings per share are calculated from the net profit for the period and total comprehensive income (loss) for the period from operation by dividing the net profit for the period and total comprehensive income / (loss) for the period by the weighted average number of ordinary shares outstanding at the end of the period, the number of shares outstanding as at 30 June 2023, is 60 million shares (50 million shares: 30 June 2022).

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

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17. 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 June 2023 (unaudited)	Level 1 SAR	Level 2 SAR	Level 3 SAR	Total
Financial assets through other comprehensive income	12,438,636	-	2,762,557	15,201,193
Financial assets through profit or loss	169,185,757	-	199,705,033	368,890,790
December 31, 2022 (audited)				
Financial assets through other comprehensive income	118,863,729	-	2,416,291	121,280,020
Financial assets through profit or loss	1,388,129	7,021,035	199,705,033	208,114,197

18. 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 June 2023, and 30 June 2022, respectively, according to the nature of the activity:

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18. SEGMENT INFORMATION (CONTINUED)

	Petrochemical segment	Glass industry segment (Industrial investment)	Industrial Services segment (Energy and utilities)	Financial services and investments segment (banks and financial services)	Other segments	Total
Revenues						
For the six month period ending 30 June 2023	2,500,000	21,617,840	5,062,499	49,760,216	2,700	78,943,255
For the three-month period ending 30 June 2023	-	9,693,301	5,062,499	38,835,453	-	53,591,253
Net profit / (loss) for the period						
For the six-month period ending 30 June 2023	2,500,000	19,743,105	3,623,135	46,560,721	(192,869)	72,234,092
For the three-month period ending 30 June 2023	-	8,734,860	4,326,637	37,199,741	(99,983)	50,161,255
Total Assets						
As at 30 June 2023	-	267,210,950	205,156,393	456,032,491	27,875,005	956,274,839
Total Liabilities						
As at 30 June 2023	-	-	-	1,266,891	4,440,022	5,706,913

	Petrochemi- cal segment	Glass industry segment (Industrial investment)	Industrial Services segment (Energy and utilities)	Financial services and investments segment (banks and financial ser- vices)	Other segments	Total
Revenues						
For the six month period ending 30 June 2022	9,808,419	41,464,242	-	14,254,658	2,847	65,530,166
For the three-month period ending 30 June 2022	4,904,209	20,485,926	-	5,697,217	2,847	31,090,199
Net profit / (loss) for the period						
For the six-month period ending 30 June 2022	8,517,536	39,583,221	(1,475,253)	11,847,202	(212,862)	58,259,844
For the three-month period ending 30 June 2022	4,234,392	19,509,897	(765,483)	4,448,029	(109,081)	27,317,754
Total Assets						
As at 30 June 2022	165,108,387	240,589,157	188,689,970	307,922,086	27,589,977	929,899,577
Total Liabilities						
As at 30 June 2022	-	-	-	1,758,169	28,477,022	30,235,191

18. SEGMENT INFORMATION (CONTINUED)

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

19. SIGNIFICANT EVENTS

On June 5, 2023, the group announced the approval of the Board of Directors to establish the United Permanent Growth Investment Company, a limited liability company based in Riyadh, to be the investment arm of the company's future investment plans, with a capital of (5,000,000) Saudi riyals and it is wholly owned by Saudi Advanced Industries Company (100%).

On September 9, 2022, the decision of the Appeal Committee for Securities Disputes was issued in the class action lawsuit filed by an investor against a number of former officials of Etihad Etisalat Company (Mobily) Where the preliminary decision was issued compelling the defendants to pay 8,097,728 Saudi riyals in favor of the for Saudi Advanced Industries Company. That was the decision of the Appeal Committees in Securities Disputes, which included the support of the preliminary decision.

20. SUBSEQUENT EVENTS

On July 18, 2023, the group announced that it had obtained credit facilities compliant with the provisions of Islamic law at competitive rates in the amount of (100,000,000) Saudi riyals from Al Rajhi Capital Company, for the purpose of expanding the company's investments.

On August 2, 2023, the group announced the completion of the purchase of shares in the Learning Academy Company, numbering (5,990,000) shares, at a value of (47,321,000) Saudi riyals.

21. APPROVAL OF THE INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

The interim consolidated condensed financial statements for the period ended 30 June 2023 were approved on 22 Muharram 1445H corresponding to 9 August 2023.