

NATIONAL GYPSUM COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED FINANCIAL STATEMENT (UNAUDITED)
AND THE INDEPENDENT AUDITORS' REVIEW REPORT
FOR THE THREE AND THE NINE MONTHS PERIOD
ENDED SEPTEMBER 30, 2023

NATIONAL GYPSUM COMPANY

(A Saudi joint stock company)

Interim condensed financial statement (unaudited) for the three and the Nine months period ended September 30, 2023

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INDEPENDENT AUDITORS' REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

**To The Shareholders of
NATIONAL GYPSUM COMPANY
(A saudi joint stock company)
RIYADH- KINGDOM OF SAUDI ARABIA**

Introduction

We have reviewed the accompanying interim condensed statement of financial position of **NATIONAL GYPSUM COMPANY (A saudi joint stock company)** (the "Company") as at 30 September 2023 and the related interim condensed statements of comprehensive income for the three and Nine months then ended, changes in equity and cash flows for the nine-month period ended at 30 September 2023 and a summary of significant accounting policies and other notes.

The Company's management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard No. (34) "Interim Financial Reporting" 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

Except as explained in the following paragraph, we conducted our review in accordance with the international standard on review engagements (2410), "Review of Interim Financial Information Performed by the Independent Auditors of the Entity" endorsed in the Kingdom of Saudi Arabia. A review of interim condensed financial information consists of making inquiries, primarily to 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 such an audit opinion.

Basis of Qualified Conclusion

- 1- Referring to note no. (4) within the notes supplementary to the condensed interim financial statements, the property, plant and equipment account includes as at 30 september 2023 amounted an amount of 42,759,755 Saudi riyals (December 31, 2022: the amount of 42,759,755 Saudi riyals) represented in capital projects under construction, which is the value of the amounts spent on installation work. Production lines for the Alpha and Beta factory in the company's branch in Dammam, which have been suspended for a long period of time, and as of the date of the financial statements, the installation and operation work related to the Alpha and Beta factory has not been completed. The company has prepared a study by one of Local companies at the end of the year 2022 to study the recoverable value, which has not been updated during the current period, and based on our review of that study and the surrounding conditions and indicators, we were unable to determine whether there was a need to prove any decline in the values of those assets within these intrem condensed financial statements.

- 2- As shown in Note No. (4) in the supplementary notes to the condensed interim financial statements, the property, plant and equipment account includes an amount of 68,733,201 Saudi riyals (December 31, 2022: amount of 72,982,898 Saudi riyals) representing the net cost of property, plant and equipment for the walls sector, which achieved net losses. For the current period ending on September 30, 2023, amount of 2,981,859 Saudi riyals (September 30, 2022: amount of 1,922,391 Saudi riyals). The company has prepared a study by one of Local companies at the end of the year 2022 to study the recoverable value, which has not been updated during the current period, and based on our review of that study and the surrounding conditions and indicators, we were unable to determine whether there was a need to prove any decline in the values of those assets within these interim condensed financial statements.

Qualified conclusions

Except for the adjustments to the interim condensed financial information that we might have become aware of had it not been for the situation described above, based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

Other Matter

The Company's financial statements for the year ended 31 December 2022, were audited by another auditor, who expressed an modified opinion on 8 Ramadan 1444 H, 30 March 2023.

The Company's interim condensed financial statements for the three, nine month period ended 30 September 2022 have been reviewed by another auditor who expressed modified conclusion on the report on 14 Rabi Al Thani 1444 H, 8 November 2022.

For Al-Kharashi & Co.



Abdullah S. Al Msned
License No. (456)



Riyadh:

15 November 2023

1 Jumada I 1445

NATIONAL GYPSUM COMPANY

(A Saudi joint stock company)

STATEMENT OF INTERIM CONDENSED FINANCIAL POSITION (UNAUDITED)

AS OF SEPTEMBER 30,2023

(All amounts in Saudi Riyal unless otherwise stated)

	Note	30-Sep-23 (UNAUDITED)	December 31, 2022 (AUDITED - Restated)	January 1 ,2022 (AUDITED - Restated)
Assets				
Non – current assets				
Property , plant and equipment – net	4	247,268,562	255,018,533	265,666,520
Investments in associates	5	33,298,041	34,214,671	34,035,624
Investments in equity instruments at fair value through other comprehensive income	6	34,060,334	31,364,650	35,281,072
Right to use assets		6,572,917	6,980,569	7,524,101
Total non -current assets		321,199,854	327,578,423	342,507,317
Current assets				
Inventory – net		28,986,185	27,853,033	25,986,073
Financial assets held at fair value through profit and loss	7	30,163,430	10,089,515	10,000,000
Trade receivables – net	8	25,991,631	21,439,753	17,859,190
Prepaid expenses and other receivable balances		16,264,087	5,297,024	6,010,414
Cash and cash equivalents		30,450,226	49,849,442	87,975,714
Total current assets		131,855,559	114,528,767	147,831,391
Total assets		453,055,413	442,107,190	490,338,708
Shareholders' Equity and liabilities				
Shareholder's Equity				
Share capital		316,666,667	316,666,667	316,666,667
Statutory reserve		95,000,001	95,000,001	95,000,001
Evaluation reserve for investments at fair value through other comprehensive income		12,473,731	11,224,152	17,047,150
Employee's end of service benefits		316,395	316,395	498,487
Retained earnings		5,826,032	(5,294,454)	33,198,366
Total shareholders' equity		430,282,826	417,912,761	462,410,671
Non- current liabilities				
Lease obligation		5,545,419	6,130,654	6,723,564
Employees' defined benefit obligation		4,458,509	3,588,133	3,148,331
Total non -current liabilities		10,003,928	9,718,787	9,871,895
Current liabilities				
Trade payables		2,434,609	1,666,457	3,241,040
Accrued expenses and dividend payable		7,624,667	9,295,074	10,774,302
Lease obligation		585,235	592,909	610,696
Zakat provision	10	2,124,148	2,921,202	3,430,104
Total current liabilities		12,768,659	14,475,642	18,056,142
Total liabilities		22,772,587	24,194,429	27,928,037
Total Shareholders' Equity and liabilities		453,055,413	442,107,190	490,338,708

Financial Manager

Chief Executive officer

Chairman of the Board of Directors

The accompanying notes form an integral part of these interim condensed financial statements, read together.



NATIONAL GYPSUM COMPANY

(A Saudi joint stock company)

STATEMENT OF INTERIM CONDENSED PROFITS OR LOSSES

AND OTHER COMPEHENSIVE INCOME (UNAUDITED)

for the three and the nine months period ended September 30,2023

(All amounts in Saudi Riyal unless otherwise stated)

	<u>Note</u>	Three month period ended		Nine month period ended	
		September 2023 30, (UNAUDITED)	September 2022 30, (UNAUDITED - Restated)	September 30,2023 (UNAUDITED)	September 2022 30, (UNAUDITED - Restated)
Sales – net		13,247,147	12,452,994	40,904,156	44,683,274
Cost of sales		(10,320,956)	(9,609,854)	(32,398,459)	(31,325,600)
Gross profit		2,926,191	2,843,140	8,505,697	13,357,674
Selling and marketing expenses		(904,518)	(1,114,304)	(2,850,572)	(3,364,341)
General and administrative expenses		(1,754,831)	(1,527,339)	(4,670,739)	(4,742,996)
Provision for expected credit losses		(650,355)	(2,107,003)	(650,355)	(3,107,003)
Profit for the period from main operations		(383,513)	(1,905,506)	334,031	2,143,334
Company's share from results of investment in associate		571,724	713,371	2,767,080	2,376,580
Unrealized profits in investments at fair value through profits or losses		13,037	5,946	73,915	36,868
Dividends from investments in equity instruments at fair value		505,731	227,120	1,099,150	986,880
Financing costs		-	(24,429)	(54,979)	(61,621)
Land expropriation compensation revenues	16	8,109,386	-	8,109,386	-
Other (Expenses)/ income – net		2,004,214	251,371	2,161,343	339,967
Net profit for the period before zakat		10,820,579	(732,127)	14,489,926	5,822,008
Zakat		(521,991)	(837,934)	(2,124,148)	(2,513,802)
Zakat difference		(1,245,292)	-	(1,245,292)	-
Net profit for the period		9,053,296	(1,570,061)	11,120,486	3,308,206
<u>Other comprehensive income</u>					
Unrealized (losses)/ profits of equity investments at fair value through other comprehensive income		168,369	(2,784,703)	1,249,579	(1,334,119)
Total comprehensive income/ (loss) for the period		9,221,665	(4,354,764)	12,370,065	1,974,087
<u>Profit per share</u>					
Basic & diluted share bashe on profit for the period		0.29	(0.05)	0.35	0.10

Financial Manager



Chief Executive officer



Chairman of the Board of Directors



The accompanying notes form an integral part of these interim condensed financial statement, read together .

NATIONAL GYPSUM COMPANY
(A Saudi joint stock company)

STATEMENT OF INTERIM CONDENSED CHANGES IN SHAREHOLDER'S EQUITY (UNAUDITED)
for the nine months period ended September 30, 2023
(All amounts in Saudi Riyal unless otherwise stated)

	<u>Share capital</u>	<u>Statutory reserve</u>	<u>Reserve for revaluation of investments through OCI</u>	<u>Employee's end of service benefits</u>	<u>Retained earnings</u>	<u>Total shareholder's equity</u>
Balance as at the January 01, 2022 (Audited)- as issued	316,666,667	95,000,001	17,047,150	498,487	45,106,240	474,318,545
Adjustments for previous years (Note 17)	-	-	-	-	(11,907,874)	(11,907,874)
Balance as at the January 01, 2022 (Audited) - Restated	316,666,667	95,000,001	17,047,150	498,487	33,198,366	462,410,671
Net profit for the period	-	-	-	-	3,308,206	3,308,206
Change in other comprehensive income items for the period	-	-	(1,334,119)	-	-	(1,334,119)
Total comprehensive income for the period	-	-	(1,334,119)	-	3,308,206	1,974,087
Dividends	-	-	-	-	(31,666,667)	(31,666,667)
Loss on sale of investments at fair value through other comprehensive income	-	-	383,308	-	(383,308)	-
Balance at September 30, 2022 (unaudited)	316,666,667	95,000,001	16,096,339	498,487	4,456,597	432,718,091
Balance as at the January 01, 2023 (Audited)	316,666,667	95,000,001	11,224,152	316,395	(5,294,454)	417,912,761
Net profit for the period	-	-	-	-	11,120,486	11,120,486
Change in other comprehensive income items for the period	-	-	1,249,579	-	-	1,249,579
Total comprehensive income for the period	-	-	1,249,579	-	11,120,486	12,370,065
Balance at September 30, 2023 (unaudited)	316,666,667	95,000,001	12,473,731	316,395	5,826,032	430,282,826

Financial Manager

Chief Executive officer

Chairman of the Board of Directors



The accompanying notes form an integral part of these interim condensed financial statement , read together .

NATIONAL GYPSUM COMPANY

(A Saudi joint stock company)

STATEMENT OF INTERIM CONDENSED CASH FLOW (UNAUDITED)

for the three and the nine months period ended September 30, 2023

(All amounts in Saudi Riyal unless otherwise stated)

	September 2023 30, (UNAUDITED)	September 30, 2022 (UNAUDITED)
Cash flows from operating activities:		
Net profit for the period before zakat	14,489,926	5,822,008
Adjustments for Net profit:		
Depreciation	7,346,334	6,095,810
Depreciation of right-of-use assets	407,652	407,648
Utilized from strategic spare parts	784,066	79,905
Provision for expected credit losses- provided	650,355	3,107,003
Employee's defined benefit obligations-charged	870,376	1,010,136
Gain form sales property, machinery and equipment	54,979	61,621
Finance cost	(8,109,386)	-
Company's share of results from investment in an associate	(2,767,080)	(2,376,580)
Unrealized profits in investments at fair value through profits or losses	(73,915)	(36,868)
	13,653,307	14,170,683
Changes in operating assets and liabilities:		
Inventories	(1,133,152)	(2,944,820)
Trade receivables	(5,202,233)	(9,189,581)
Prepaid expenses and other receivable balances	(2,819,069)	(932,427)
Trade payables	768,152	(908,684)
Accruals and other payable	(1,670,407)	(3,583,628)
Zakat paid	(2,921,202)	(3,430,104)
Zakat difference	(1,245,292)	-
Employees's defined benefit obligations -paid	-	(206,463)
Net cash flows (used in) operating activities	(569,896)	(7,025,024)
Cash flows from investing activities:		
Payment of purchase property, plant and equipment	(419,037)	(69,640)
Proceeds from sale of investments at fair value through OCI	(20,000,000)	-
Payment of purchase investments at fair value through OCI	(22,500)	(858,628)
Proceeds from sale of investments at fair value through OCI	-	331,791
Proceeds from dividend Investments in associates	2,260,105	905,948
Net cash flows (used in) investing activities	(18,181,432)	309,471
Cash flows from financing activities		
Payments of lease liabilities	(647,888)	(647,887)
Dividends	-	(31,666,667)
Cash flows (used in) financing activities:	(647,888)	(32,314,554)
Net change in cash and cash equivalents	(19,399,216)	(39,030,107)
Cash and cash equivalents at the beginning of the period	49,849,442	87,975,714
Cash and cash equivalents at end of the period	30,450,226	48,945,607
Non cash transaction		
Re- measurement investments at fair value through OCI	1,249,579	(1,334,119)
Prepaid expenses against proceeds from the sale of property and equipment	(8,147,994)	-
(Loss) on sale of investments at fair value through OCI	-	(383,308)

Financial Manager

Chief Executive officer

Chairman of the Board of Directors

The accompanying notes form an integral part of these interim condensed financial statement, read together.



NATIONAL GYPSUM COMPANY

(A Saudi joint stock company)

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2023

(All amounts in Saudi Riyal unless otherwise stated)

1. Company's profile

Incorporation of the company

National Gypsum Company ("the company") is a Saudi joint stock company registered in the city of Riyadh, Kingdom of Saudi Arabia under the commercial registration No.1010001487 dated April 27, 1959 (corresponding to Shawwal 19, 1378 H).

Company's activity

The main activity of the company, according to the commercial registration, is the manufacture and production of gypsum and its derivatives extracted from concession areas, trading in gypsum and its derivatives, the production of various materials that can be extracted from gypsum mechanically and chemically, and carrying out all the necessary work to achieve its purpose, which helps to achieve this purpose. The company has concession rights for raw stone in three concession areas (quarries) in the city of Riyadh, the city of Dammam and the city of Yanbu, noting that the quarries' operations in each of the cities of Dammam and Yanbu are temporarily suspended.

Company's Address

General and commercial administration

Prince Muhammad Bin Abdulaziz Road - Al Olaya District, PO Box 187 Riyadh, Postal Code 11411 , Riyadh, Saudi Arabia

Share capital of the company

The share capital is SR 316,666,667, divided into 31,666,667 shares, with a nominal value of SR.10 per share.

Company's Branches

The company has several branches registered as follows:

<u>Branch</u>	<u>C.R. Date</u>	<u>C.R. No</u>
Jeddah	26 Muharram 1392H	4030007100
Dammam	6 Rajab 1395H	2050003512
Yanbu	18 Rabi Awwal 1400H	4700000546
The National Factory for Gypsum Walls - Riyadh	10 Rabi al-Akhir 1425H	1010198301
The National Gypsum Company Factory - Dammam	4 Jumada Al-Akhir 1426H	2050048707
National Gypsum Company - Dammam	4 Rabi al Awwal 1428H	2050053971

2. Basis of preparation of interim condensed financial statements

A. Statement of compliance

These interim condensed financial statements have been prepared for the three and nine months periods ended September 30, 2023 in accordance with IAS (34) "Interim Financial Reporting" adopted in Saudi Arabia and other standards and pronouncements endorsed by SOCPA. These condensed interim financial statements do not include all the information and explanations required in the annual financial statements. Accordingly, these condensed interim financial statements should be read in conjunction with the Company's financial statements for the year ended December 31, 2022.

B. Basis of measurement

These financial statements have been prepared in accordance with the historical cost principle and using accrual basis and going concern principle except for:

- Investments that are measured at fair value through other comprehensive income.
- Investments that are measured at fair value through profit or loss.
- Employees' defined benefit obligations, which are measured at the present value of future obligations in accordance with the projected credit unit method.



NATIONAL GYPSUM COMPANY

(A Saudi joint stock company)

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2023

(All amounts in Saudi Riyal unless otherwise stated)

2. Basis of preparation of interim condensed financial statements (Continued)

c. Significant accounting estimates, assumptions and judgments

The preparation of financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures about assets and contingent liabilities at the date of the financial statements, the amounts of revenues and expenses declared during the reporting period. Although these estimates and judgments are based on management's best information regarding current operations and events, actual results may differ from these estimates. Significant judgments made by management in applying the Company's accounting policies and the main sources of estimation uncertainty are consistent with those applied to the financial statements for the year ended December 31, 2022.

D. Functional and presentation currency

The financial statements items are presented in Saudi Riyals ("SR") which is the functional and presentation currency.

E. New standards, amendments to standards and changes

There are no new standards issued, however there are amendments to the standards effective from January 1, 2023, but they do not have a material impact on the interim condensed financial statements.

3. Significant accounting policies

The accounting policies applied to these interim condensed financial statements are the same as those applied to the financial statements for the year ended 31 December 2022.

4. Property, plant and equipment - net

	September 30, 2023 (UNAUDITED)	December 31, 2022 (AUDITED)
Property, plant and equipment	189,540,123	196,506,028
Add:		
Strategic spare parts	14,968,684	15,752,750
Capital projects in progress	42,759,755	42,759,755
	247,268,562	255,018,533

4.1 Capital projects in progress

The capital projects in progress represent the amount spent on the installation and operation of the Alpha and Beta Factory in Dammam. 85% of the installation work in the factory has been completed, and the month of March 2020 has been set for trial operation with continuing of the rest of the installations for important devices, but due to the global situation of the Corona pandemic, and the suspension of most activities. During the year 2022, the company obtained a study to re-evaluate the factory and is currently reviewing this study submitted to it.

The carrying value of property, plant and equipment is reviewed to ensure that there is no impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If such evidence exists and the carrying amount exceeds the recoverable amount, the value of property, plant and equipment is decreased to the recoverable amount, which is the greater of the fair value of the asset less the selling costs or the present value of the cash flows estimated future benefits for those assets.

Repair and maintenance expenses are charged to the statement of profit or loss and other comprehensive income. Improvements that materially extend the value or estimated life of the asset are capitalized.

The residual values or useful lives and method of depreciation are reviewed at the end of each financial year, and the effect of changes in estimate is calculated on a future basis.

Strategic spare parts within property, plant and equipment are recognized at cost.



NATIONAL GYPSUM COMPANY

(A Saudi joint stock company)

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE- MONTHS PERIOD ENDED SEPTEMBER 30,2023

(All amounts in Saudi Riyal unless otherwise stated)

4. Property, plant and equipment – net...(Continued)

Cost	Lands	Buildings	Roads	Plant and equipment	Water extensions	Electricity extensions	Transportation	Tools	Furniture and fixtures	Total
as of jan 1,2022	22,250,326	125,089,097	14,141,134	488,870,218	3,017,905	8,317,471	13,945,442	1,377,296	10,513,185	687,522,074
Additions during the year	-	-	-	16,055	-	-	600,000	17,501	89,115	722,671
as of dec31,2022	22,250,326	125,089,097	14,141,134	488,886,273	3,017,905	8,317,471	14,545,442	1,394,797	10,602,300	688,244,745
Additions during the period	-	-	-	136,066	-	-	212,500	2,261	68,210	419,037
Disposal during the period	(38,608)	(1,083,125)	(28,873)	(392,965)	(11,976)	(26,460)	-	-	(357,262)	(1,939,269)
As of September 30,2023	22,211,718	124,005,972	14,112,261	488,629,374	3,005,929	8,291,011	14,757,942	1,397,058	10,313,248	686,724,513
Depreciation:										
as of jan 1,2022	-	-	-	-	-	-	-	-	-	-
Charged during the year	-	2,870,215	992,660	6,015,866	51,241	163,902	270,520	7,806	316,573	10,688,783
as of dec31,2022	-	107,703,811	8,305,263	341,704,587	2,599,976	7,436,069	13,369,375	1,357,447	9,262,189	491,738,717
Charged during the period	-	2,143,066	744,494	3,857,049	38,499	122,013	190,856	19,680	230,677	7,346,334
Disposal during the period	-	(1,083,125)	(28,873)	(392,965)	(11,976)	(26,460)	-	-	(357,262)	(1,900,661)
As of September 30,2023	-	108,763,752	9,020,884	345,168,671	2,626,499	7,531,622	13,560,231	1,377,127	9,135,604	497,184,390
Net book value:										
On September 30, 2022	22,211,718	15,242,220	5,091,377	143,460,703	379,430	759,389	1,197,711	19,931	1,177,644	189,540,123
On December 31, 2022	22,250,326	17,385,286	5,835,871	147,181,686	417,929	881,402	1,176,067	37,350	1,340,111	196,506,028

- The land on which one of the company's factories was established in Yanbu is leased from the Royal Commission for Jubail and Yanbu (Ministry of Energy) for a period of 10 years starting from 2020, the annual rent is amounting to SR. 287,888.

- The other buildings are built on land owned by the company.



NATIONAL GYPSUM COMPANY

(A Saudi joint stock company)

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2023

(All amounts in Saudi Riyal unless otherwise stated)

4. Property, plant and equipment – net...(Continued)

4.2 Strategic spare parts - net

	September 30, 2023 (UNAUDITED)	December 31 ,2022 (AUDITED)
Cost		
At the beginning of the period / year	17,224,395	17,211,039
Additions during the period / year	231,395	13,356
Disposals during the period / year	(434,139)	-
At the end of the year	17,021,651	17,224,395
Accumulated Depreciation		
At the beginning of the period / year	1,471,645	739,608
Charged during the period / year	581,322	732,037
At the end of the period / year	2,052,967	1,471,645
Net book value	14,968,684	15,752,750

5. Investments in associates

The investments in an associate company represent in the investment in the Qatari Saudi Gypsum Industries Company, 33.3% as of September 30, 2023 and December 31 ,2022 as of

	September 30, 2023 (UNAUDITED)	December 31 ,2022 (AUDITED)
Balance at beginning of the period / year	34,214,671	34,035,624
Company's share of the associate's net income	2,767,080	2,520,552
Dividend during the period / year	(2,260,105)	(905,948)
Company's share of the associate's other comprehensive income during the period / year	(1,423,605)	(1,435,557)
Balance at end of the period / year	33,298,041	34,214,671

6. Investments in equity instruments at fair value through other comprehensive income

<u>Investments in stocks</u>	No. of shares as at September 30 ,2023	Share price as at September 30 ,2023	September 30, 2023 (UNAUDITED)	December 31, 2022 (AUDITED)
Tabuk cement company	77,142	14.98	1,155,587	1,150,958
Kayan Petrochemical Company	500,000	12.50	6,250,000	6,830,000
National Building and Marketing Co	100	223.80	22,380	25,000
Saudi Arabian Oil Company (Aramco)	363,000	35	12,705,000	10,593,000
Al Rajhi Bank	60,118	67.90	4,082,012	4,520,874
Methanol Chemicals Company	249,770	22.70	5,669,779	6,319,181
ACWA Power Company	253	195.60	49,487	38,456
MARAFIQ (The Power and Utility company for Jubail a& Yanbu)	6,465	62.60	404,709	303,209
Elm Company	4,771	780	3,721,380	1,583,972
			34,060,334	31,364,650



NATIONAL GYPSUM COMPANY

(A Saudi joint stock company)

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2023

(All amounts in Saudi Riyal unless otherwise stated)

The movement of investment during the year was as follows:

	September 30, 2023 (UNAUDITED)	December 31, 2022 (AUDITED)
Balance at the beginning of the period / year	31,364,650	35,281,072
Additions during the period / year	22,500	1,186,118
Net unrealized (losses) / gains of fair value during the period / year	2,673,184	(4,770,749)
Disposals during the period/ year	-	(331,791)
Balance at the end of the period/ year	34,060,334	31,364,650

7 - Financial assets held at fair value through profit or loss

The company invested an amount of SR. 30 million in an indirect financing fund closed with Riyadh Capital Company, amounting to SR. 3,000,000 units at SR. 10 / unit with an annual return of 5% of the investment amount. The term of the fund is five years.

The movement of investment during the year was as follows:

	September 30, 2023 (UNAUDITED)	December 31, 2022 (AUDITED)
Balance at the beginning of the period / year	10,089,515	10,000,000
Additions during the period/year	20,000,000	-
gains of fair value	73,915	89,515
Balance at the end of the period/ year	30,163,430	10,089,515

8- Trade receivables, net

	September 30, 2023 (UNAUDITED)	December 31, 2022 (AUDITED)
Trade receivables	42,405,696	37,203,463
Expected credit loss	(16,414,065)	(15,763,710)
Balance at the end of the period/ year	25,991,631	21,439,753

	September 30, 2023 (UNAUDITED)	December 31, 2022 (AUDITED)
Balance at the beginning of the period / year	15,763,710	12,656,707
Charged during period / year	(16,414,065)	3,107,003
Balance at the end of the period/ year	16,414,065	15,763,710



NATIONAL GYPSUM COMPANY

(A Saudi joint stock company)

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2023

(All amounts in Saudi Riyal unless otherwise stated)

9- Transactions with related parties

Transactions with related parties mainly represent salaries, allowances and remunerations for senior executives' staff.

Senior management personnel are persons who have the power and authority to plan, direct and control the activities of the company, directly or indirectly, including members of the board of directors and shareholders (whether executive or otherwise).

The following is a statement of the total amounts that were included in the statement of profits or losses during the period:

	September 30, 2023 (UNAUDITED)	September 30, 2022 (UNAUDITED)
Salaries and bonuses for senior management staff	637,150	555,000
Allowance for attending board meetings	117,000	135,000
Allowance for attending the company's committee sessions	93,000	96,000



NATIONAL GYPSUM COMPANY

(A Saudi joint stock company)

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2023

(All amounts in Saudi Riyal unless otherwise stated)

10. Zakat**Movement of zakat Provision**

	September 30, 2023 (UNAUDITED)	December 31, 2022 (AUDITED)
Balance at beginning of the period / year	2,921,202	3,430,104
Provided for the period / year	2,124,148	2,921,202
Less: Zakat paid during the period / year	(2,921,202)	(3,430,104)
Balance at the end of the year	2,124,148	2,921,202

Zakat status

- The authority issued a zakat re assessment for the year from 2014 to 2018 in which the company requested the payment of zakat differences amounted to 211.129 Saudi riyals , the company paid these differences . The company finalized its zakat status with the Zakat, Tax and Customs Authority (ZATCA) until the year 2018.
- The company submitted its zakat returns until the year 2022, and obtained zakah Certificate .

11. Profit per share

Basic earnings per share is calculated on the basis of profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding profit attributable to ordinary shareholders.

	Three month period ended September 2023 30, (UNAUDITED)	Nine month period ended September 2022 30, (UNAUDITED) Restated	Three month period ended September 2023 30, (UNAUDITED)	Nine month period ended September 2022 30, (UNAUDITED) Restated
Net profit for the period	9,053,296	(1,570,061)	11,120,486	3,308,206
Weighted average of share during the period	31,666,667	31,666,667	31,666,667	31,666,667
Basic & diluted share base on profit	0.29	(0.05)	0.35	0.10

12. Contingent liabilities

As at September 30, 2023, the Company contingent liabilities represent letter of bank guarantee issued to a supplier in the amount of SR 1.7 million (December 31, 2022: SR. 1.7 million).



(A saudi joint stock company)

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE- MONTHS PERIOD ENDED SEPTEMBER 30, 2023
(All amounts in Saudi Rival unless otherwise stated)

13. Segment reporting

The company is managed as a single operating sector in the production of gypsum of all kinds and the company practice its activities in the Kingdom of Saudi Arabia. Here are its details:

[illegible]

As at 30/06/2022 (unaudited)	Riyadh		Yanbu		Dammam		Total		Total
	Gypsum	Walls	Gypsum	Walls	Gypsum	Walls	Gypsum	Walls	
Net sales	27,328,472	259,424	8,341,513	-	8,342,723	411,142	44,012,708	670,566	44,683,274
Gross profit / loss	11,438,595	(131,807)	1,667,158	(297,861)	2,113,842	(1,432,253)	15,219,595	(1,861,921)	13,357,674
Net profit / loss before Zakat	3,449,597	(185,779)	667,158	(320,026)	1,113,842	(1,416,586)	5,230,597	(1,922,391)	3,308,206
Net property, plant, equipment and equivalent	85,512,813	10,313,622	51,214,726	24,016,206	65,201,356	23,301,722	201,928,895	57,631,550	259,560,445

14. The fair value of the assets and liabilities

Fair value is the selling price that would be received in exchange for selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date or, otherwise. The best market available on that date. The fair value of obligations reflects the risk of inability to perform. When measuring the fair value of a financial asset or liability, the company uses market observable data as much as possible.

Fair values are categorized into a hierarchy based on the data used in the valuation techniques as follows:

- Level 1: Quoted prices in active market for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

NATIONAL GYPSUM COMPANY

(A Saudi joint stock company)

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2023

(All amounts in Saudi Riyal unless otherwise stated)

15. Financial risk management

Foreign currency risk

Currency risk represents the risk resulting from the fluctuation in the value of financial instruments as a result of changes in foreign exchange rates. The Company is subject to fluctuations in foreign exchange rates during its normal business cycle. The company did not perform any significant transactions in currencies other than the Saudi Riyal, US dollar and euro during the year. Therefore, the company was not exposed to significant risks in other foreign currencies for the year ending on December 31, 2022, as the change in the exchange rate of the Saudi riyal against the US dollar and euro does not represent a significant currency risk.

Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market prices. Market risk consists of commission rate risk, currency risk and other price risk.

Commission rate risk

Commission rate risk is the fluctuation of the fair value or financial instrument due to changes in market commission rates., the company has bank facilities from a local bank to issue letters of guarantee and credit to suppliers. Therefore, the company is not exposed to these risks.

Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk may result from the inability to sell a financial asset quickly at an amount close to its fair value. The management works to ensure that sufficient funds are available to meet any obligations when they fall due.

The company's financial liabilities consist of trade payables, accrued expenses, other payable balances and lease obligations. The company works to reduce liquidity risk by making sure that bank facilities are available when needed, knowing that the company has an abundance of cash at banks.

16- Important events

On 2/21/1445, the company received a notification of the value of financial compensation from the General Authority for State Real Estate For the land located in the city of Jeddah in the Bani Malik neighborhood on Palestine Street by SAR 8.147.994, which it owns according to an electronic deed, as it was expropriated within the slums project according to the expropriation decision issued by His Royal Highness, Deputy Governor of Makkah Al-Mukarramah Region No. 2013341 dated 6/29/1443. The company will request the objection and return Estimating the value of compensation by reviewing the relevant authorities, and any developments will be announced later, and the financial impact will be confirmed, Net revenues from expropriation compensation amounted to 8,109,386 Saudi riyals.



NATIONAL GYPSUM COMPANY

(A Saudi joint stock company)

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2023

(All amounts in Saudi Riyal unless otherwise stated)

17- Prior years adjustments of an error

On September 30, 2023, the company's management prepared a study of expected credit losses for the trade receivables item in accordance with International Financial Reporting Standard 9 "Financial Instruments." The company's management prepared the study and corrected the errors of the previous periods, as the company did not prepare that study for the previous periods, and the company corrected the errors. Retrospectively prior periods in the first set of financial statements approved for issue after the discovery of the error by restating the opening balances of assets, liabilities, and equity for the earliest period presented for the prior period in which the error occurred. On September 30, 2023, the company's management corrected the error by amending previous years as follows:

Impact of adjustments on January 1, 2021	Balance as issued January 1, 2021	adjustment	Balance after adjustment January 1, 2021
Statement of financial position			
Trade receivables, net	29,767,064	(11,907,874)	17,859,190
Equity			
Retained profits	45,106,240	(11,907,874)	33,198,366
Impact of adjustments on December 31, 2021	Balance as issued January 1, 2021	adjustment	Balance after adjustment January 1, 2021
Statement of financial position			
Trade receivables, net	35,454,630	(14,014,877)	21,439,753
Equity			
Retained profits	8720,423	(14,014,877)	(5,294,454)
STATEMENTS OTHER COMPEHENSIVE INCOME			
Expected credit losses	(1,000,000)	(2,107,003)	(3,107,003)

18. Comparative figures

Certain comparative figures for the previous period have been reclassified to conform to the classification of the interim condensed financial statements for this period.

19. Approval of the financial statements

These financial statements were approved by the Board of Directors on 9 November 2023 (corresponding to 25 Rabi' II, 1445 H).

