

TABUK CEMENT COMPANY
(A Saudi Joint Stock Company)

CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
For the three-month period ended 31 March 2023
together with
INDEPENDENT AUDITOR'S REPORT



KPMG Professional Services

Zahran Business Center
Prince Sultan Street
P. O. Box 55078
Jeddah 21534
Kingdom of Saudi Arabia
Commercial Registration No 403029792

Headquarters in Riyadh

كي بي إم جي للاستشارات المهنية

مركز زهران للأعمال
شارع الأمير سلطان
ص. ب. 55078
جدة 21534
المملكة العربية السعودية
سجل تجاري رقم 403029792

المركز الرئيسي في الرياض

Independent auditor's report on review of condensed interim financial statements

To Shareholders of Tabuk Cement Company
A Saudi Joint Stock Company
Tabuk – Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying 31 March 2023 condensed interim financial statements of Tabuk Cement Company (the "Company"), which comprise of:

- the condensed statement of financial position as at 31 March 2023;
- the condensed statement of profit or loss and other comprehensive income for the three-month period ended 31 March 2023;
- the condensed statement of changes in equity for the three-month period ended 31 March 2023;
- the condensed statement of cash flows for the three-month period ended 31 March 2023; and
- Notes to the condensed interim financial statements.

Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' that is endorsed in the Kingdom of Saudi Arabia. A review of financial information 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.



Independent auditor's report on review of condensed interim financial statements

To Shareholders of Tabuk Cement Company
A Saudi Joint Stock Company
Tabuk – Kingdom of Saudi Arabia

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 31 March 2023 condensed interim financial statements of Tabuk Cement Company are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

KPMG Professional Services

Nasser Ahmed Al Shutairy
License No. 454



Jeddah, 17 May 2023
Corresponding to 27 Shawwal 1444H

TABUK CEMENT COMPANY
(A Saudi Joint Stock Company)

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at 31 March 2023

(Expressed in Saudi Arabian Riyals)

	Note	31 March 2023 (Unaudited)	31 December 2022 (Audited)
Assets			
Property, plant and equipment	6	941,388,551	959,119,151
Investment properties		72,279,440	72,279,440
Equity investments at FVOCI	7	295,201,417	295,201,417
Intangible assets		5,696,348	4,874,048
Non-current assets		1,314,565,756	1,331,474,056
Inventory	8	252,045,736	258,517,543
Trade and other receivables		70,449,500	29,925,373
Cash and cash equivalents	9	42,244,533	46,953,691
Current assets		364,739,769	335,396,607
Total assets		1,679,305,525	1,666,870,663
SHAREHOLDER'S EQUITY AND LIABILITY			
Equity			
Share capital	1	900,000,000	900,000,000
Statutory reserve		231,618,097	231,618,097
Other reserves		125,852,667	125,852,667
Retained earnings		39,340,261	19,993,867
Total equity		1,296,811,025	1,277,464,631
Liabilities			
Long term borrowing	10	136,628,320	151,471,216
Employees' defined benefit obligations		16,897,248	16,135,397
Non-current liabilities		153,525,568	167,606,613
Current portion of long-term loan	10	63,470,883	63,470,883
Trade and other payables		37,830,422	31,273,186
Dividends payable to shareholders	11	120,034,226	120,371,949
Zakat provision	12	7,633,401	6,683,401
Current liabilities		228,968,932	221,799,419
Total liabilities		382,494,500	389,406,032
Total equity and liabilities		1,679,305,525	1,666,870,663

The attached notes 1 to 15 of these condensed interim financial statements.

These condensed interim financial statements were approved by the Board of Directors on 14 May 2023, corresponding to 24 Shawwal 1444H, and are signed on behalf by:



Mansour Ibrahim Al-Habdan
Financial Manager



Ali bin Mohamed Al-Qahtani
CEO



Tariq bin Khaled Al-Anqari
(Authorized) BOD Vice Chairman



TABUK CEMENT COMPANY
(A Saudi Joint Stock Company)

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

For the three-month period ended 31 March 2023
(Expressed in Saudi Arabian Riyals)

	Note	31 March <u>2023</u> (Unaudited)	31 March <u>2022</u> (Unaudited)
Revenues		86,284,063	62,180,517
Cost of revenue		<u>(55,673,542)</u>	<u>(57,163,873)</u>
Gross profit		30,610,521	5,016,644
Selling and marketing expenses		<u>(1,007,158)</u>	(940,139)
General and administrative expenses		<u>(6,920,984)</u>	<u>(6,569,924)</u>
Operating profit/ (loss)		22,682,379	(2,493,419)
Effect of cash flow changes on a financial liability		<u>(1,036,339)</u>	(1,310,172)
Finance charges – net		<u>(1,349,646)</u>	(1,995,975)
Profit/ (loss) before zakat		20,296,394	(5,799,566)
Zakat	12	<u>(950,000)</u>	(1,122,575)
Profit / (loss) for the period		19,346,394	(6,922,141)
Other comprehensive income			
<i>Items that will not be reclassified under profit or loss:</i>			
Unrealized gains on equity-accounted investments			
FVOCI		--	--
Total comprehensive income		--	--
Total comprehensive income / (loss)		19,346,394	(6,922,141)
Basic and diluted earnings / (loss) per share (SR)	13	0.215	(0.077)

The attached notes 1 to 15 of these condensed interim financial statements.

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CEO

Tariq bin Khaled Al-Anqari
(Authorized) BOD Vice Chairman



TABUK CEMENT COMPANY
(A Saudi Joint Stock Company)

CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

For the three-month period ended 31 March 2023
(Expressed in Saudi Arabian Riyals)

	<u>Share capital</u>	<u>Statutory reserve</u>	<u>Other reserves</u>	<u>Retained earnings</u>	<u>Total</u>
For the three-month period ended 31 March 2023:					
Balance at 1 January 2023 (audited)	900,000,000	231,618,097	125,852,667	19,993,867	1,277,464,631
Period profit	--	--	--	19,346,394	19,346,394
Other comprehensive income	--	--	--	--	--
Total comprehensive income for the period	--	--	--	19,346,394	19,346,394
Balance at 31 March 2023 (Unaudited)	900,000,000	231,618,097	125,852,667	39,340,261	1,296,811,025
For the three-month period ended 31 March 2022:					
Balance at 1 January 2022 (Audited)	900,000,000	229,521,378	113,792,199	24,133,876	1,267,447,453
Loss for the period	--	--	--	(6,922,141)	(6,922,141)
Other comprehensive income	--	--	--	--	--
Total comprehensive loss for the period	--	--	--	(6,922,141)	(6,922,141)
Balance at March 31, 2022 (Unaudited)	900,000,000	229,521,378	113,792,199	17,211,735	1,260,525,312

The attached notes 1 to 15 of these condensed interim financial statements.

These condensed interim financial statements were approved by the Board of Directors on 14 May 2023, corresponding to 24 Shawwal 1444H, and are signed on behalf by:


Mansour Ibrahim Al-Habdan
Financial Manager


Ali bin Mohamed Al-Qahtani
CEO
(Authorized) BOD Vice Chairman



TABUK CEMENT COMPANY
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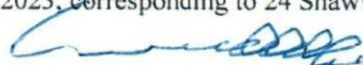
CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the three-month period ended March 31, 2023
(Expressed in Saudi Arabian Riyals)

	Note	31 March 2023 (Unaudited)	31 March 2022 (Unaudited)
Cash flows from operating activities:			
Income / (loss) for the period before Zakat		20,296,394	(5,799,566)
<u>Adjustments for:</u>			
Depreciation on property, plant and equipment	6	16,354,102	14,730,714
Depreciation on intangible assets		--	139,074
Depreciation of right-of-use assets		--	465,179
Effect of cash flow changes on a financial liability		1,036,339	1,310,172
Finance charges		1,349,646	1,995,975
Provision for employee benefits		761,851	559,487
		<u>39,798,332</u>	<u>13,401,035</u>
<u>Changes in:</u>			
Trade and other receivables		(36,732,044)	(15,910,658)
Inventory		6,471,807	21,301,555
Trade and other payables		6,557,236	1,473,155
Employees defined benefits – paid		--	(167,078)
Net cash generated operating activities		<u>16,095,331</u>	<u>20,098,009</u>
Cash flows from investing activities:			
Additions of property, plant and equipment	6	(2,415,585)	(3,056,528)
Addition to intangible assets		(822,300)	(115,658)
Net cash used in investing activities		<u>(3,237,885)</u>	<u>(3,172,186)</u>
Cash flows from financing activities:			
Repayment of long-term loans	10	(15,879,235)	(15,867,721)
Lease liabilities paid		--	(478,915)
Finance charges paid		(1,349,646)	(1,995,975)
Dividends paid		(337,723)	(745,464)
Net cash used in financing activities		<u>(17,566,604)</u>	<u>(19,088,075)</u>
Change in cash and cash equivalents during the period		(4,709,158)	(2,162,252)
Cash and cash equivalents beginning of the period	9	46,953,691	48,082,531
Cash and cash equivalents at the end of the period		<u>42,244,533</u>	<u>45,920,279</u>
<u>Supplemental non-cash information:</u>			
Transfers from plant and equipment to inventories	6	3,792,083	--

The attached notes 1 to 15 of these condensed interim financial statements.

These condensed interim financial statements were approved by the Board of Directors on 14 May 2023, corresponding to 24 Shawwal 1444H, and are signed on behalf by:



Mansour Ibrahim Al-Habdan
Financial Manager



Ali bin Mohamed Al-Qahtani
CEO

Tariq bin Khaled Al-Anqari
(Authorized) BOD Vice Chairman



TABUK CEMENT COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month period ended 31 March 2023

(Expressed in Saudi Arabian Riyals)

1. GENERAL INFORMATION

Tabuk Cement Company (the Company) is a Saudi joint stock company established under the regulations for companies in the Kingdom of Saudi Arabia issued by Royal Decree No. (M/6) dated 30 Jumada Thani 1405H (corresponding to 22 March 1985). The Company is registered in the city of Tabuk under Commercial Registration No. 3550012690 on 25 Saffar 1415H (corresponding to 2 August 1994).

The Company's main activity is as follows:

1. Manufacture of ordinary and sulfur-resistant Portland cement and Portland cement for industrial purposes and cement derivatives and accessories, trading of such products and performing all related and complementary works for such purposes.
2. Establish factories and laboratories related to sub and complementary industries of cement production like building materials and others that would achieve its purposes, after obtaining the necessary licenses from the concerned authorities.
3. Import and export of cement and related products.

In order to achieve its objectives, the Company may own real estate, land, and scientific research laboratories to improve products and their new types. The Company practices its activities in accordance with the applicable regulations and after obtaining the necessary licenses from the concerned authorities, if any.

The Company operates under industrial license No. 42110217153 issued on 14 Muharram 1442H (corresponding to 1 October 2020) which expires on 16 Rabi' Al-Awwal 1445H (corresponding to 1 October 2023).

As at 31 March 2023, the authorized, subscribed and fully-paid-up share capital 900 million (2022: SR 900 million) was divided into 90 million ordinary shares (2022: 90 million shares) of SR 10 each (2022: SR 10).

The registered address of the Company is:

TCC Building
Al-Dhabab Area, North of Dhaba City
Beside Dhaba Port, near Dhaba Sea Port
P.O. Box 122, Tabuk 71451
Kingdom of Saudi Arabia

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month period ended 31 March 2023

(Expressed in Saudi Arabian Riyals)

2. BASIS OF PREPARATION OF CONDENSED INTERIM FINANCIAL STATEMENTS

a) Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard No. 34, "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants. These condensed interim financial statements should be read in conjunction with the financial statements of last annual financial statements of the Company as in as at 31 December 2022 ("Last Annual Financial Statements"). These financial statements do not include all the information required to prepare a complete set of interim condensed consolidated financial statements in accordance with the International Financial Reporting Standards adopted in the Kingdom of Saudi Arabia; however, some accounting policies and explanatory notes have been included to explain the events and transactions that are important to understand the changes in the financial position and financial performance of the Company from the financial statements of the previous year. Further, the results for the three-month period ended 31 March 2023 are not necessarily indicative of the results that may be expected for the year ending 31 December 2023.

b) Basis of measurement

The condensed interim financial statements are prepared according to the historical cost principle, except for the recognition of employee-defined benefit obligations, which are measured at the present value of future obligations using the projected unit credit method, and investments that are measured at fair value in the statement of other comprehensive income and using the accrual accounting principle and the going concern concept.

c) Functional and presentation currency

These financial statements have been presented in Saudi Arabian Riyals (SR), which is also the Company's presentation and functional currency. All financial information presented in SR have been rounded to the nearest Riyal unless otherwise stated.

3. USE OF JUDGEMENTS AND ESTIMATES

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

Estimates and assumptions are based on previous experience and factors that may include expecting suitable future events, which are used to define the book period of dependent assets and liabilities from other resources, and estimates and assumptions are continuously being evaluated. Revised accounting estimates are also reviewed in the period in which the estimates are revised in the audit period and future periods if the changed estimates affect current and future periods. Significant judgments made by the management upon adopting the Company's accounting policies correspond to the disclosed policies in last annual financial statements.

TABUK CEMENT COMPANY
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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month period ended 31 March 2023

(Expressed in Saudi Arabian Riyals)

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2022. Certain comparative amounts have been reclassified to conform to the current year's presentation.

The principal accounting policies applied in the preparation of these condensed interim financial statements have been consistently applied to all periods presented.

5. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ISSUED

The accounting policies adopted by the Company in preparing the condensed interim financial statements are consistent with those followed in preparing the annual financial statements of the Company for the year ended 31 December 2022, and there are no new standards that were issued; however, there are a number of amendments to the standards which are effective as of 1 January 2023, which did not have a material impact on the financial statements.

6. PROPERTY, PLANT AND EQUIPMENT

For the purposes of preparing the condensed interim statement of cash flows, movement in property, plant, and equipment is as follows:

	31 March <u>2023</u> (Unaudited)	31 March <u>2022</u> (Unaudited)
Depreciation on property, plant, and equipment	16,354,102	14,730,714
Additions of property, plant, and equipment	2,415,585	3,056,528
Transfers from plant and equipment to inventories	3,792,083	--

7. EQUITY INVESTMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)

The Company owns 16,934,875 shares (December 31, 2022: 16,934,875 shares) in the Industrialization Energy Services Company (a closed Saudi joint stock company), equivalent to 2.36% (31 December 2022: 2,36%) of total capital share.

The nature of this Company's business is power generation, and the investment was recorded at fair value. The investment is pledged against the loan granted to the Company (Note 10).

TABUK CEMENT COMPANY
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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month period ended 31 March 2023

(Expressed in Saudi Arabian Riyals)

8. INVENTORIES

Inventories comprise the following:

	31 March 2023 (Unaudited)	31 December 2022 (Audited)
Production in progress	116,942,380	128,844,150
Spare parts	91,833,175	89,938,644
Raw materials	31,638,585	31,904,176
Finished goods	7,513,102	5,617,310
Goods in transit	5,018,073	3,112,842
	<u>252,945,315</u>	<u>259,417,122</u>
Less: provision for slow-moving inventories	<u>(899,579)</u>	<u>(899,579)</u>
	<u>252,045,736</u>	<u>258,517,543</u>

9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of the following:

	<u>Note</u>	31 March 2023 (Unaudited)	31 December 2022 (Audited)
Cash at banks – current accounts		21,577,671	26,281,687
Cash at banks – islamic murabahat	9-1	<u>20,666,862</u>	<u>20,672,004</u>
		<u>42,244,533</u>	<u>46,953,691</u>

9.1 Islamic Murabaha represent deposits placed with local commercial banks and their original maturity periods not exceeding three months from the date of the original maturity.

10. LOAN

The Company has bank loan with a local bank with a total amount of SR 200,1 million as at 31 March 2023 (31 December 2022: SR 214,9 million). The loan agreement with the bank contains some covenants, which among other things, that the leverage ratio shall not be more than 1:1 and the debt coverage ratio shall not be less than 3:1 based on the annual audited financial statements and it also requires maintaining some financial ratios and indicators.

A breach of these covenants in the future may lead to renegotiation. The management monitors the covenants on a monthly basis, and in case of the existence of a breach that is expected to occur in the future, the management takes the necessary measures to ensure compliance. The Company has fulfilled these covenants as at 31 March 2023.

TABUK CEMENT COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month period ended 31 March 2023
(Expressed in Saudi Arabian Riyals)

10. LOAN (continued)

The loan is stated in the statement of financial position as follows:

	31 March 2023 (Unaudited)	31 December 2022 (Audited)
Current portion under current liabilities	63,470,883	63,470,883
Non-current portion under non-current liabilities	136,628,320	151,471,216
	<u>200,099,203</u>	<u>214,942,099</u>

The loan movement during the period / year is as follows:

	31 March 2023 (Unaudited)	31 December 2022 (Audited)
Balance at the beginning of the period/ year	214,942,099	273,683,572
Effect of financial liability cash flows adjustment	1,036,339	4,729,410
Paid during the period/year	<u>(15,879,235)</u>	<u>(63,470,883)</u>
	<u>200,099,203</u>	<u>214,942,099</u>

On 11 November 2021, the facilities were renewed, and the loan rate was modified to become a three-month SIBOR plus 1% instead of a six-month SIBOR plus 1.25%. The payment is due in quarterly installments of SR 15.9 million. The last installment will be paid on 13 March 2026 instead of February 2024.

As a result of rescheduling the loan and modifying the terms, the Company performed a 10% test of the loan commitment in accordance with the requirements of IFRS 9 "Financial Instruments" and this test resulted in a gain of SR 22,758,671. This amount represents the difference between the present value of the loan under the terms before the modification and the present value of future cash payments under the terms of the loan being renegotiated and modified, discounted at the original effective interest rate of the loan. Since the difference is less than 10%, the amendment in the terms is not considered essential, and it is not accounted for as the disposal of the loan obligation and establishment of a new financial obligation. Accordingly, the present value of future cash payments is recognized in accordance with the terms of the modification using the original effective interest rate of the loan, and the difference is recognized as gain from the effect of the modification.

The loan is secured by an investment in the Industrialization and Energy Services Company, note (7). The loan includes financial covenants. The management monitors the fulfillment of commitments on a regular basis, and in the event of a breach expected to occur in the future, the necessary measures are taken to ensure compliance.

TABUK CEMENT COMPANY
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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month period ended 31 March 2023

(Expressed in Saudi Arabian Riyals)

11. DIVIDENDS PAYABLE TO SHAREHOLDERS

The movement on dividends payable to shareholders is as follows:

	31 March <u>2023</u> (Unaudited)	31 December <u>2022</u> (Audited)
Balance at 1 January	120,371,949	121,079,857
Dividends*	--	22,500,000
Dividend payments during the period / year	<u>(337,723)</u>	<u>(23,207,908)</u>
	<u>120,034,226</u>	<u>120,371,949</u>

* On March 27, 2022, the Company's Board of Directors recommended distributing cash dividends to shareholders for the year 2021 at the rate of SR 0.25 per share, which represents 2.5% of the nominal value of the share and a total amount of SR 22.5 million, which was approved during the thirty-fifth ordinary general assembly meeting dated 24 April 2022.

12. ZAKAT

a) Charge of the period

	31 March <u>2023</u> (Unaudited)	31 March <u>2022</u> (Unaudited)
Charged on the period	<u>950,000</u>	<u>1,122,575</u>
	<u>950,000</u>	<u>1,122,575</u>

b) Zakat provision

The movement in Zakat payable represented as follows:

	31 March <u>2023</u> (Unaudited)	31 December <u>2022</u> (Audited)
Balance at beginning of the period / year	6,683,401	6,956,392
Add: Charge of the period / year	950,000	3,140,701
Less: Payments during the period / year	--	<u>(3,413,692)</u>
Balance at end of the period/year	<u>7,633,401</u>	<u>6,683,401</u>

The Company has finalized its zakat status for the years 2014 through 2018.

The Company has submitted its Zakat returns to the Zakat, Tax, and Customs Authority in the Kingdom of Saudi Arabia for all years up to the financial year ended 31 December 2022. The Company obtained a Zakat certificate valid until 30 April 2024.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month period ended 31 March 2023

(Expressed in Saudi Arabian Riyals)

12. ZAKAT (continued)

b) Provision for Zakat (continued)

With regard to the years 2019 and 2020, ZATCA issued zakat assessments with total additional zakat differences of SR 2,853,535 and SR 1,902,700 for the years ended 31 December 2019 and 2020, respectively. The Company objected to the assessment before the Zakat, Tax, and Customs Authority, and then the Company's objection was escalated before TVDRC. Then the Disputes Resolution Committee issued a decision rejecting the company's appeal, and accordingly, the company appealed the aforementioned declarations before the Tax Violations and Disputes Resolution Committee (TVDR) immediately after the Resolution Committee rejected the Company's objection and the Company's appeal is still under study.

13. EARNINGS PER SHARE

a) Basic earnings per share

The calculation of basic earnings per share has been based the distributable earnings attributable to shareholders of ordinary shares and the weighted average number of ordinary shares outstanding at the date of the financial statements.

	31 March <u>2023</u> (Unaudited)	31 March <u>2022</u> (Unaudited)
Profit / (loss) for the period	19,346,394	(6,922,141)
Number of shares (weighted average)	90,000,000	90,000,000
Basic earning / (loss) per share (SR)	<u>0.215</u>	<u>(0.077)</u>

b) Diluted EPS

The calculation of diluted earnings per share has been based on the profit distributable to shareholders on ordinary shares and weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, if any. During the period, there were no diluted shares, accordingly, the diluted earnings per share was the same as the basic.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month period ended 31 March 2023

(Expressed in Saudi Arabian Riyals)

14. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Transactions with related parties principally represent transactions with BOD members and key management personnel. The transactions with related parties during the period ended 31 March 2023 and the period ended 31 March 2022 are as follows:

<u>Transactions with</u>	<u>Nature of transaction</u>	31 March 2023 (Unaudited)	31 March 2022 (Unaudited)
Key Management Personnel	Salaries, wages and equivalents	1,110,000	900,000
Key Management Personnel	End-of-service benefits	16,800	16,104
		1,126,800	916,104
BOD members	BOD's remunerations and allowances	800,030	670,304

15. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

The condensed interim financial statements were authorized for issue by the Board of Directors on 14 May 2023, corresponding to 24 Shawwal 1444H.