

**AL OBEIKAN GLASS COMPANY**  
(A Saudi Joint Stock Company)

**CONDENSED INTERIM  
FINANCIAL STATEMENTS (UNAUDITED)**

For the three-month and nine-month periods ended 30 September 2022  
with

**INDEPENDENT AUDITOR'S REVIEW REPORT**

**AL OBEIKAN GLASS COMPANY**  
(A Saudi Joint Stock Company)

**CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

For the three-month and nine-month periods ended 30 September 2022

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## KPMG Professional Services

Zahran Business Center  
Prince Sultan Street  
P.O. Box 55078  
Jeddah 21534  
Kingdom of Saudi Arabia  
Commercial Registration No 4030290792

Headquarters in Riyadh

## كي بي إم جي للاستشارات المهنية

مركز زهران للأعمال  
شارع الأمير سلطان  
ص.ب ٥٥٠٧٨  
جدة ٢١٥٣٤  
المملكة العربية السعودية  
سجل تجاري رقم 4030290792  
المركز الرئيسي في الرياض

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

To the Shareholders of Al Obeikan Glass Company

## Introduction

We have reviewed the accompanying 30 September 2022 condensed interim financial statements of Al Obeikan Glass Company ("the Company") which comprises:

- the condensed statement of financial position as at 30 September 2022;
- the condensed statement of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2022;
- the condensed statement of changes in equity for the nine-month period ended 30 September 2022;
- the condensed statement of cash flows for the nine-month period ended 30 September 2022; and
- the 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 interim 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.

KPMG Professional Services, a professional closed joint stock company registered in the Kingdom of Saudi Arabia. With the paid-up capital of (25,000,000) SAR. (Previously known as "KPMG Al Fozan & Partners Certified Public Accountants") A non-partner member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

كي بي إم جي للاستشارات المهنية شركة مهنية مساهمة مغلقة، مسجلة في المملكة العربية السعودية، رأس ماله (٢٥,٠٠٠,٠٠٠) ريال سعودي مدفوع بالكامل، المسماة سابقاً "شركة كي بي إم جي الفوزان وشركاه محاسبون ومراجعون قوتونيون". وهي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة التابعة لـ كي بي إم جي العالمية المحدودة، شركة انجليزية محدودة بضمان. جميع الحقوق محفوظة

Commercial Registration of the headquarters in Riyadh is 1010425494.

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

To the Shareholders of Al Obeikan Glass Company (continued)

## Conclusion

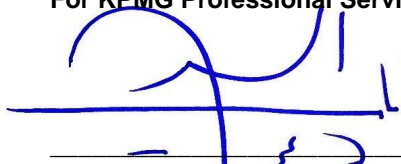
Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 September 2022 condensed interim financial statements of Al Obeikan Glass Company are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

## Other Matter relating to comparative information

The condensed interim financial statements of the Company as of and for the three-month and nine-month periods ended 30 September 2021 were reviewed by another auditor who expressed an unmodified conclusion on those condensed interim financial statements on 23 November 2021.

The financial statements of the Company for the year ended 31 December 2021 were audited by the same other auditor who expressed an unmodified opinion on those financial statements on 17 April 2022.

## For KPMG Professional Services

  
Nasser Ahmed Al Shutairy  
License No. 454



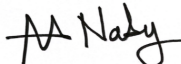
Jeddah, 30 October 2022  
Corresponding to 5 Rabi Al Thani 1444H

**AL OBEIKAN GLASS COMANY**  
(A Saudi Joint Stock Company)

**CONDENSED STATEMENT OF FINANCIAL POSITION**

As at 30 September 2022

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

	Notes	30 September 2022 (Unaudited)	31 December 2021 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	370,982,379	385,884,601
Right of use assets	5	27,083,943	28,039,847
Financial asset at fair value through other comprehensive Income		16,699,510	16,699,510
<b>Total non-current assets</b>		<b>414,765,832</b>	<b>430,623,958</b>
<b>Current assets</b>			
Inventories		52,733,814	36,712,785
Trade receivables	6	111,898,992	89,640,979
Prepayments and other receivables		47,538,357	11,044,795
Due from a related party	9	56,911,863	50,658,766
Short term investment	7	50,000,000	--
Cash and cash equivalents	8	11,717,300	112,238,660
<b>Total current assets</b>		<b>330,800,326</b>	<b>300,295,985</b>
<b>TOTAL ASSETS</b>		<b>745,566,158</b>	<b>730,919,943</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	10	240,000,000	240,000,000
Statutory reserve		19,097,698	19,097,698
Fair value reserve		14,243,666	14,243,666
Retained earnings		250,900,659	144,471,766
<b>Total equity</b>		<b>524,242,023</b>	<b>417,813,130</b>
<b>Non-current liabilities</b>			
Loan and borrowings	11	--	108,500,000
Non-current portion of long-term payable	12	2,116,266	--
Lease liabilities	5	26,516,608	27,784,323
Employee benefits		20,299,604	19,180,339
<b>Total non-current liabilities</b>		<b>48,932,478</b>	<b>155,464,662</b>
<b>Current liabilities</b>			
Loans and borrowings	11	118,968,842	95,902,327
Lease liabilities	5	1,994,958	1,955,696
Trade payable		22,628,695	27,451,732
Due to related parties	9	1,123,774	1,366,109
Accrued and other liabilities		20,203,294	26,351,042
Current portion of long-term payable	12	5,079,043	--
Accrued zakat	14	2,393,051	4,615,245
<b>Total current liabilities</b>		<b>172,391,657</b>	<b>157,642,151</b>
<b>Total liabilities</b>		<b>221,324,135</b>	<b>313,106,813</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>745,566,158</b>	<b>730,919,943</b>
<b>Contingencies and Commitments</b>			
	13		
			
Chairman		Chief Executive Officer	Chief Financial Officer

The accompanying notes 1 to 23 form an integral part of these condensed interim financial statements.

**AL OBEIKAN GLASS COMPANY**  
(A Saudi Joint Stock Company)

**CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
(UNAUDITED)**

For the three-month and nine-month periods ended 30 September 2022  
(Expressed in Saudi Arabian Riyals, otherwise stated)

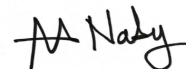
		<b>Three-month period ended 30 September</b>		<b>Nine-month period ended 30 September</b>	
	<u>Notes</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenue	17	<b>129,753,428</b>	126,304,982	<b>390,289,396</b>	330,112,260
Cost of revenue		<b>(63,725,229)</b>	(46,681,117)	<b>(174,268,230)</b>	(158,724,664)
<b>Gross profit</b>		<b>66,028,199</b>	79,623,865	<b>216,021,166</b>	171,387,596
Other operating income / (expense)		<b>718,218</b>	345,813	<b>(4,001,768)</b>	2,698,925
Selling and distribution expenses		<b>(10,843,623)</b>	(10,966,953)	<b>(31,318,944)</b>	(34,129,806)
General and administrative expenses		<b>(5,804,296)</b>	(4,937,696)	<b>(16,782,503)</b>	(14,053,882)
Impairment (loss) / reversal on trade receivable	6	<b>1,700,000</b>	--	<b>(1,800,000)</b>	145,532
<b>Operating profit</b>		<b>51,798,498</b>	64,065,029	<b>162,117,951</b>	126,048,365
Finance cost		<b>(1,276,055)</b>	(1,511,426)	<b>(3,929,058)</b>	(4,317,739)
<b>Profit for the period before zakat</b>		<b>50,522,443</b>	62,553,603	<b>158,188,893</b>	121,730,626
Zakat expense	14	<b>(1,260,000)</b>	(1,200,000)	<b>(3,760,000)</b>	(4,706,178)
<b>Net profit for the period</b>		<b>49,262,443</b>	61,353,603	<b>154,428,893</b>	117,024,448
Other comprehensive income for the period		--	--	--	--
<b>Total comprehensive income for the period</b>		<b>49,262,443</b>	61,353,603	<b>154,428,893</b>	117,024,448
<b>Earnings per share</b>					
Basic and Diluted earnings per share (in SR)	15	<b>2.05</b>	2.56	<b>6.43</b>	4.88



Chairman



Chief Executive Officer



Chief Financial Officer

The accompanying notes 1 to 23 form an integral part of these condensed interim financial statements.

**AL OBEIKAN GLASS COMPANY**

(A Saudi Joint Stock Company)

**CONDENSED STATEMENT OF CHANGES IN EQUITY**

For the nine-month period ended 30 September 2022

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

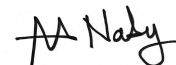
	<b><u>Share capital</u></b>	<b><u>Statutory reserve</u></b>	<b><u>Fair value reserve</u></b>	<b><u>Retained earnings</u></b>	<b><u>Total</u></b>
Balance at 1 January 2021 (audited)	240,000,000	1,729,540	13,839,070	12,161,367	267,729,977
Net profit for the period	--	--	--	117,024,448	117,024,448
Other comprehensive income	--	--	--	--	--
Total comprehensive income	--	--	13,839,070	117,024,448	117,024,448
Balance at 30 September 2021 (unaudited)	240,000,000	1,729,540	13,839,070	129,185,815	384,754,425
<b>Balance at 1 January 2022 (audited)</b>	<b>240,000,000</b>	<b>19,097,698</b>	<b>14,243,666</b>	<b>144,471,766</b>	<b>417,813,130</b>
Net profit for the period	--	--	--	154,428,893	154,428,893
Other comprehensive income	--	--	--	--	--
Total comprehensive income	--	--	--	154,428,893	154,428,893
<i>Transaction with the owners of the Company:</i>					
Dividend (note 10)	--	--	--	(48,000,000)	(48,000,000)
<b>Balances at 30 September 2022 (unaudited)</b>	<b>240,000,000</b>	<b>19,097,698</b>	<b>14,243,666</b>	<b>250,900,659</b>	<b>524,242,023</b>



Chairman



Chief Executive Officer



Chief Financial Officer

The accompanying notes 1 to 23 form an integral part of these condensed interim financial statement.

**AL OBEIKAN GLASS COMPANY**  
(A Saudi Joint Stock Company)

**CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)**

For the nine-month period ended 30 September 2022

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

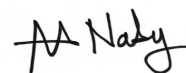
	<u>Notes</u>	<u>2022</u>	<u>2021</u>
<b>Cash flow from operating activities</b>			
Profit before zakat		<b>158,188,893</b>	121,730,626
Adjustments for:			
Depreciation on property, plant and equipment	4	<b>28,215,143</b>	26,980,462
Depreciation on right-of-use assets	5	<b>955,904</b>	884,430
Charge / (reversal) for impairment loss - net	6	<b>1,800,000</b>	(145,532)
Provision for slow moving and obsolete inventory		--	461,818
Gain on disposal of property, plant and equipment		<b>(17,855)</b>	(44)
Finance cost		<b>3,929,058</b>	4,317,696
Provision for employees' benefits		<b>1,507,556</b>	2,333,425
		<b>194,578,699</b>	156,562,881
<i>Changes in:</i>			
Inventories		<b>(16,021,029)</b>	5,311,879
Trade receivables		<b>(24,058,013)</b>	(48,936,337)
Prepayments and other receivables		<b>(36,493,562)</b>	(3,602,160)
Due from related party		<b>(6,253,097)</b>	(4,988,564)
Due to related parties		<b>(242,335)</b>	(6,382,944)
Trade payables		<b>(4,823,037)</b>	(9,545,923)
Long term payable		<b>7,195,309</b>	--
Accrued and other liabilities		<b>(6,147,748)</b>	6,286,052
Cash generated from operating activities		<b>107,735,187</b>	94,704,884
Finance cost paid		<b>(3,929,058)</b>	(4,317,696)
Zakat paid	14	<b>(5,982,194)</b>	(2,938,953)
Employee benefits paid		<b>(388,291)</b>	(691,564)
<b>Net cash generated from operating activities</b>		<b>97,435,644</b>	86,756,671
<b>Cash flow from investing activities</b>			
Additions of property, plant and equipment	4	<b>(13,327,444)</b>	(9,347,471)
Proceeds from sale of property, plant and equipment		<b>32,378</b>	6,332
Short term Investment	7	<b>(50,000,000)</b>	--
<b>Net cash used in investing activities</b>		<b>(63,295,066)</b>	(9,341,139)
<b>Cash flow from financing activities</b>			
Proceeds from loans and borrowings		<b>7,486,028</b>	29,889,894
Payment for loans and borrowings		<b>(92,919,513)</b>	(67,505,000)
Dividend paid	10	<b>(48,000,000)</b>	--
Repayment of lease liabilities		<b>(1,228,453)</b>	(1,299,708)
<b>Net cash used in financing activities</b>		<b>(134,661,938)</b>	(38,914,814)
<b>Net change in cash and cash equivalents</b>		<b>(100,521,360)</b>	38,500,718
Cash and cash equivalents at beginning of the period		<b>112,238,660</b>	6,202,062
<b>Cash and cash equivalents at end of the period</b>	8	<b>11,717,300</b>	44,702,780



Chairman



Chief Executive Officer



Chief Financial Officer

The accompanying notes 1 to 23 form an integral part of these condensed interim financial statements.



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three-month and nine-month periods ended 30 September 2022

(Expressed in Saudi Arabian Riyals, unless stated otherwise)

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**1. REPORTING ENTITY**

Al Obeikan Glass Company (the “Company”) is a Saudi joint stock company formed pursuant to the Ministerial Resolution No. 224/Q dated 27 Shaban 1428H (corresponding to 9 September 2007) and registered in Riyadh under commercial registration No 1010241520 dated 30 Dhul-Qadah 1428H (corresponding to 10 December 2007). The company started its commercial activity on 1 July 2011.

The Company is engaged in the wholesale of chemicals and the wholesale and retail sale of glass panels. The company also carries out its activities through the branch registered with Commercial Register No. 4700010945 dated 9 Jumada Al-Ula 1429H (corresponding to May 14, 2008) issued in Yanbu city. The branch’s activity is represented in the operation of quarries, sand or gravel mines, including crushers, and the manufacturing of insulating glass used in construction.

The registered address of the Company is P.O. Box 62807, Riyadh 11595, Kingdom of Saudi Arabia. The company's branch is located in Industrial Yanbu at Light Industrial Area.

On 2 Shaban 1442H (corresponding to March 15, 2021), the Board of Directors of Obeikan Glass company decided to recommend to the General Assembly of the Company’s shareholders the registration and direct listing of the Company’s shares in the Parallel Market “Nomu”, after obtaining the necessary approvals from the Saudi Capital Market Authority and the Saudi Exchange Company “Tadawul”. And based on the Extraordinary General Assembly meeting held on Shaaban 19, 1442H (corresponding to April 1, 2021), the General Assembly voted unanimously and with 100% attendance on the registration and direct listing of the Company’s shares in Nomu. The Company obtained the approval of the Saudi Capital Market Authority on request of direct listing of the Company’s shares in the Nomu on 26 Dhu al-Qa’dah 1442H (corresponding to July 6, 2021), and obtained the Authority’s approval of the request to register the Company’s shares in Nomu on 26 Rabi’ al-Akhir 1443H (corresponding to 1 December 2021).

On Jumada Al-Akhir 1443H (corresponding to January 17, 2022), the Registration Document was published and announced by the financial advisor on the Tadawul to make it available to qualified investors during the specified period in accordance with The Rules on the Offer of Securities and Continuing Obligations. Tadawul has announced that the shares of the Company have been listed ready for trading in the Nomu starting on Rajab 6, 1443H (corresponding to February 7, 2022) as a direct listing with Tadawul ISIN 9531.

**2. BASIS OF PREPARATION**

**2.1 Statement of Compliance**

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

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three-month and nine-month periods ended 30 September 2022

(Expressed in Saudi Arabian Riyals, unless stated otherwise)

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**2. BASIS OF PREPARATION (continued)**

**2.1 Statement of Compliance (continued)**

These condensed interim financial statements do not include all the information and disclosures required in the full set of annual financial statements. They should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2021. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the company's financial position and performance since the last annual financial statements. In addition, results for the interim period ended 30 September 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

**2.2 Basis of measurement**

The condensed interim financial statements are prepared under the historical cost convention using the accruals basis of accounting and going concern concept, unless otherwise stated

**2.3 Functional and presentation currency**

The condensed interim financial statements are presented in Saudi Arabian Riyals (SR), which is the Company's functional currency and presentation currency. All financial information presented in SR has been rounded off, unless otherwise stated.

**2.4 Significant accounting judgements, estimates and assumptions**

The preparation of the Company's condensed interim financial statements requires management to make judgements, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingent liabilities.

The significant judgments made by management in applying the Company's accounting policies and the methods of computation and the key sources of estimation are the same as those that applied to the financial statements for the year ended 31 December 2021. However, in view of the current uncertainty, any future change in the assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future periods. As the situation is rapidly evolving with future uncertainties, management will continue to assess the impact based on prospective developments.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies applied 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 2021, except for the adoption of amendments and interpretations effective as of 1 January 2022, as mentioned in note 19. The Company has not early adopted any standard, interpretation, or amendment that has been issued but is not yet effective.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three-month and nine-month periods ended 30 September 2022

(Expressed in Saudi Arabian Riyals, unless stated otherwise)

**4. PROPERTY, PLANT AND EQUIPMENT**

a) Reconciliation of carrying amounts:

	<b>30 September <u>2022</u> (Unaudited)</b>	31 December <u>2021</u> (Audited)
Carrying amount at beginning of the period / year	385,884,601	407,811,926
Additions during the period / year	13,327,444	14,191,751
Disposals during the period / year	(14,523)	(6,274)
Depreciation charge for the period / year	(28,215,143)	(36,112,802)
Carrying amount at the end of the period / year	<u><u>370,982,379</u></u>	<u><u>385,884,601</u></u>

**5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES**

a) **Right-of-use assets:**

Reconciliation of carrying amounts:

	<b>30 September <u>2022</u> (Unaudited)</b>	31 December <u>2021</u> (Audited)
Carrying amount at beginning of the period / year	28,039,847	26,729,554
Modification during the period / year	--	2,584,832
Depreciation charge for the period / year	(955,904)	(1,274,539)
Carrying amount at the end of the period / year	<u><u>27,083,943</u></u>	<u><u>28,039,847</u></u>

b) **Lease Liabilities:**

Reconciliation of lease liabilities:

	<b>30 September <u>2022</u> (Unaudited)</b>	31 December <u>2021</u> (Audited)
Carrying amount at the beginning of the period / year	29,740,019	25,513,128
Modification during the period / year	--	4,972,922
Accretion of interest for the period / year	1,194,310	1,676,733
Payments during the period / year	(2,422,763)	(2,422,764)
Carrying amount at the end of the period / year	<u><u>28,511,566</u></u>	<u><u>29,740,019</u></u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three-month and nine-month periods ended 30 September 2022

(Expressed in Saudi Arabian Riyals, unless stated otherwise)

**5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)**

**b) Lease Liabilities (continued):**

Lease liabilities are presented in the condensed statement of financial position as follows:

	<b>30 September 2022 (Unaudited)</b>	31 December 2021 (Audited)
Non-current portion of lease liabilities	<b>26,516,608</b>	27,784,323
Current portion of lease liabilities	<b>1,994,958</b>	1,955,696
Carrying amount at the end of the period / year	<b><u>28,511,566</u></b>	<u>29,740,019</u>

**6. TRADE RECEIVABLES**

Trade receivables comprise of the following:

	<b>30 September 2022 (Unaudited)</b>	31 December 2021 (Audited)
Due from related parties	<b>59,615,974</b>	39,791,855
Other trade receivables	<b>55,672,862</b>	51,438,968
	<b><u>115,288,836</u></b>	<u>91,230,823</u>
Less: allowance for impairment losses	<b>(3,389,844)</b>	(1,589,844)
	<b><u>111,898,992</u></b>	<u>89,640,979</u>
	<b>30 September 2022 (Unaudited)</b>	31 December 2021 (Audited)
Balance at beginning of the period / year	<b>1,589,844</b>	1,081,235
Charge for the period / year	<b>3,500,000</b>	668,515
Reversal during the period / year	<b>(1,700,000)</b>	(159,906)
Balance at end of the period / year	<b><u>3,389,844</u></b>	<u>1,589,844</u>

**7. SHORT TERM INVESTMENT**

The Company had made an investment in a short term Murabaha during April 2022 with an amount of SR 50 million for 6 months period.

**AL OBEIKAN GLASS COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

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**8. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprise of the following:

	<b>30 September 2022 (Unaudited)</b>	<b>31 December 2021 (Audited)</b>
Cash in hand	<b>171,082</b>	--
Cash at bank	<b>11,546,218</b>	112,238,660
	<b>11,717,300</b>	112,238,660

**9. RELATED PARTIES TRANSACTIONS AND BALANCES**

- a) Related parties include the Company's shareholders, associates and affiliates companies (entities controlled and jointly controlled, or significantly influenced by shareholders) and management personnel of the company. Terms and conditions of these transactions are approved by the company's Board of Directors. All outstanding balances with these related parties are priced on mutually agreed terms. Significant related party transactions for the period / year and balance arising there from are described as under:

<u>Name of party</u>	<u>Relationship</u>
Al Obeikan Group for Investment Company	Parent Company
Saudi Company for Advanced Industries	Major Shareholder
Al Obeikan AGC Glass	Associate of the Parent Company
Al Obeikan Flexible Plastic Factory	Affiliate
Al Obeikan Digital Solutions Company	Affiliate
Al Obeikan Technical Fabrics Company	Affiliate
Al Obeikan for Education	Affiliate

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**9. RELATED PARTIES TRANSACTIONS AND BALANCES (continued)**

b) Significant key management personnel transactions are as follows:

<u>Name</u>	<u>Relationship</u>	<u>Nature of transactions</u>	<u>Amount of transactions</u>				<u>Closing balance</u>	
			<u>For the three-month period ended</u>		<u>For the nine-month period ended</u>		<u>30 September 2022</u>	<u>31 December 2021</u>
			<u>30 September 2022</u>	<u>30 September 2021</u>	<u>30 September 2022</u>	<u>30 September 2021</u>		
Key management personnel	Employees	Short term benefits	921,545	862,269	2,764,637	2,586,807	2,764,637	4,038,679
		Long term benefits	71,023	65,481	213,070	196,442	3,277,446	2,759,360
Board of Directors	Board of Directors	Board of Directors' remuneration – (short term benefits)	--	--	--	--	--	1,366,750

c) Significant related party transactions and balances arising are as follows:

**Due from related parties:**

<u>Name</u>	<u>Relationship</u>	<u>Nature of transactions</u>	<u>Amount of transactions</u>				<u>Closing balance</u>	
			<u>For the three-month period</u>		<u>For the nine-month period</u>		<u>30 September</u>	
			<u>ended</u>		<u>ended</u>			
			<u>30 September</u>	<u>30 September</u>	<u>30 September</u>	<u>30 September</u>		
			<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<u><i>Due from related parties – Trade receivables</i></u>								
Al Obeikan AGC Glass	Associate of the Parent Company	Sales	<u>27,174,487</u>	<u>20,294,113</u>	<u>72,346,548</u>	<u>43,486,296</u>	<u>59,615,974</u>	<u>39,791,855</u>
<u><i>Due from related party</i></u>								
Al Obeikan AGC Glass	Associate of the Parent Company	Support expenses	<u>1,498,008</u>	<u>1,385,803</u>	<u>6,458,312</u>	<u>6,470,966</u>	<u>56,911,863</u>	<u>50,658,766</u>

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**9. RELATED PARTIES TRANSACTIONS AND BALANCES (continued)****Due to related parties:**

Name	Relationship	Nature of transactions	Amount of transactions				Closing balance	
			For the three-month period ended		For the nine-month period ended		30 September 2022	31 December 2021
			30 September 2022	30 September 2021	30 September 2022	30 September 2021		
<u>Due to related parties</u>								
Al Obeikan Group for Investment Company	Parent	Consulting and other services	325,905	--	1,015,506	1,088,496	1,123,774	1,126,080
Al Obeikan Digital Solutions Company	Affiliate	Services and Consultation	--	--	234,649	164,409	--	100,085
Al Obeikan for Education	Affiliate	Robot software services and consultancy	124,102	36,486	158,854	190,779	--	--
Al Obeikan Flexible Plastic Factory	Affiliate	Purchase of packaging materials	--	--	--	184,000	--	94,530
Al Obeikan Technical Fabrics Company	Affiliate	Shared Service	--	--	--	--	--	45,414
							1,123,774	1,366,109

**10. SHARE CAPITAL**

At 30 September 2022, the Company's authorized, issued, and paid-up share capital is SR 240 million (31 December 2021: SR 240 million) consisting of 24 million (31 December 2021: 24 million shares) fully paid and issued shares of SR 10 each.

The Board of Directors in its meeting held on 5 September 2022, approved a distribution an interim cash dividend of SR 48 million (representing SR 2 per share) for the period ended 30 June 2022.

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**11. LOANS AND BORROWINGS**

Loans and borrowings comprise of the following:

	<b>30 September <u>2022</u> (Unaudited)</b>	31 December <u>2021</u> (Audited)
Long-term loan – SIDF Loan	<b>108,500,000</b>	178,500,000
Short term borrowings	<b>10,468,842</b>	25,902,327
Loan and borrowings as at	<b><u>118,968,842</u></b>	<u>204,402,327</u>

*SIDF loans – long-term loan*

	<b>30 September <u>2022</u> (Unaudited)</b>	31 December <u>2021</u> (Audited)
SIDF loans	<b>108,500,000</b>	178,500,000
Less: Current portion of long-term borrowings	<b>(108,500,000)</b>	(70,000,000)
Long term borrowings	<b><u>--</u></b>	<u>108,500,000</u>

The agreement with SIDF is guaranteed by the shareholders of the Company. The loan is secured by a mortgage over the property, plant and equipment of the Company.

The Company's interest-bearing loans and borrowings, which are measured at amortized cost are as follows:

	<b>30 September <u>2022</u> (Unaudited)</b>	31 December <u>2021</u> (Audited)
Long-term bank loans	<b>108,500,000</b>	204,402,327
Current portion of long-term bank loans	<b>(108,500,000)</b>	(95,902,327)
Non-current portion of long-term bank loans	<b><u>--</u></b>	<u>108,500,000</u>

*SIDF loans – long-term loan*

On January 4, 2009, the Company obtained a loan from the Saudi Industrial Development Fund (the "SIDF") for the purpose of financing the construction of Al Obeikan Glass Company factory. The ceiling of this loan amounted to a total of SR 229 million. On June 3, 2012, the loan ceiling was raised to cover the additional costs of the factory, so that the total loan value became SR 309.5 million. On October 8, 2020, the loan was restructured so that the last instalment to be repaid on August 2, 2023. An amount of SR 161 million was repaid as of the statement of financial position date. This loan is secured by pledging the entire factory, its buildings, machinery, equipment and all of its accessories, which is located on the plot of land leased from the Royal Commission for Jubail and Yanbu for the benefit of the SIDF.



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**11. LOANS AND BORROWINGS (continued)**

*Short term borrowings*

The short-term loans represent Murabaha facilities for the purpose of purchasing raw materials used in the production of float glass that the Company obtained from the International Islamic Trade Finance Corporation (a member of the Islamic Development Bank) with total revolving facilities of SR 34 million, i.e. that the amount of the facilities becomes available again after payment, and with a repayment period of 12 months from the date of withdrawal. These facilities are available until June 3, 2023. These facilities are secured by a joint pledge with the same long-term loan mortgage given by the Saudi Industrial Development Fund.

**12. LONG TERM PAYABLE**

The account payable represents the total claimed amounting to SR 10.16 million from the Power, Water, and Utility Company for Jubail and Yanbu “Marafiq Company” for electricity and water supply services. An amount of SR 5.6 million of the claim value was recognized during the year ended on 31 December 2021, and the remaining amount of the claim amounting to SR 4.56 million was recognized during the period ended on 30 September 2022 after reaching an agreement with Marafiq on 8 March 2022 to pay the full amount of the claim through equal monthly installments, the value of each installment is SR 0.42 million, starting from the month of March 2022.

**13. CONTINGENCIES AND COMMITMENTS**

The company has outstanding letters of credit amounting to SR 27.6 million (31 December 2021: nil) issued by the local banks on behalf of the company in the ordinary course of business.

**14. ZAKAT PAYABLE**

**a) Charge for the period**

Zakat for the period / year ended comprise the following:

	<b>30 September <u>2022</u> (Unaudited)</b>	<b>December <u>2021</u> (Audited)</b>
Charge for the period / year	<b><u>3,760,000</u></b>	<b><u>5,982,191</u></b>

Zakat is payable at the rate of 2.5% of higher of Zakat base and adjusted net income / (losses) for the period.

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**14. ZAKAT PAYABLE (continued)**

**b) Accrued Zakat**

The movement in the accrued Zakat during the period / year is analysed as under:

	<b>30 September 2022 (Unaudited)</b>	<b>31 December 2021 (Audited)</b>
Balance at the beginning of the period / year	4,615,245	1,572,006
Charge for the period / year	3,760,000	5,982,191
Payments during the period / year	<u>(5,982,194)</u>	<u>(2,938,952)</u>
Balance at the end of the period / year	<u><b>2,393,051</b></u>	<u><b>4,615,245</b></u>

**c) Status of Zakat**

The Company has filed Zakat declaration up to the financial year ended 31 December 2021 with the Zakat, Tax and Customs Authority (ZATCA). The Company has also obtained Zakat certificate valid until April 2023.

**15. EARNINGS PER SHARE**

Basic EPS is calculated by dividing the profit for the period attributable to equity holders of the Company by the weighted average number of shares outstanding during the period. The calculation of diluted earnings per share ('EPS') is not applicable to the Company. Also, no separate earning per share calculation from continuing operations has been presented since there were no discontinued operations during the period.

	<b>For the three-month period ended 30 September 2022 (Unaudited)</b>		<b>For the nine-month period ended 30 September 2022 (Unaudited)</b>	
	<u>2022</u> (Unaudited)	<u>2021</u> (Unaudited)	<u>2022</u> (Unaudited)	<u>2021</u> (Unaudited)
Net profit attributable to equity holders of the Company	<u><b>49,262,443</b></u>	<u>61,353,603</u>	<u><b>154,428,893</b></u>	<u>117,024,448</u>
Weighted average number of shares for basic and diluted EPS	<u><b>24,000,000</b></u>	<u>24,000,000</u>	<u><b>24,000,000</b></u>	<u>24,000,000</u>
Earnings per share – Basic and diluted (in Saudi Riyals)	<u><b>2.05</b></u>	<u>2.56</u>	<u><b>6.43</b></u>	<u>4.88</u>

**16. CAPITAL RISK MANAGEMENT**

For the purpose of the Company's capital management, capital includes issued capital, statutory reserve, and retained earnings attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholder value.

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**16. CAPITAL RISK MANAGEMENT (continued)**

The Company manages its capital structure by monitoring return on net assets and makes required adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders or issue new shares. The Company also monitors capital using gearing ratio, which is net debt, interest bearing loans including finance cost thereon, trade and other payable less cash and bank balances.

The gearing ratio as at 30 September 2022 and 31 December 2021 is as follows:

	<b>30 September 2022 (Unaudited)</b>	31 December 2021 (Audited)
Total liabilities	<b>221,324,135</b>	313,106,813
Cash and cash equivalents	<b>(11,717,300)</b>	(112,238,660)
<b>Net debt</b>	<b>209,606,835</b>	200,868,153
Share capital	<b>240,000,000</b>	240,000,000
Statutory reserve	<b>19,097,698</b>	19,097,698
Retained earnings	<b>250,900,659</b>	144,471,766
<b>Equity</b>	<b>509,998,357</b>	403,569,464
<b>Net debt to equity ratio</b>	<b>0.41</b>	0.49

**17. SEGMENTAL INFORMATION**

The Company's Board of Directors and CEO monitor the results of the Company's operations for the purpose of making decisions about resource allocation and performance assessment. They are collectively the Chief Operating Decision Makers (CODM) for the Company.

The operating segment described below have been prepared in accordance with IFRS 8. The Company operates in one main business segments, which is the manufacturing and sale of glass panels.

Geographical distribution of sales

<b>Revenue</b>	<b>30 September 2022 (Unaudited)</b>	30 September 2021 (Unaudited)
Kingdom of Saudi Arabia	<b>266,163,136</b>	160,555,670
Other countries	<b>124,126,260</b>	169,556,590
<b>Total revenue</b>	<b>390,289,396</b>	330,112,260

Revenue from a major customer represented approximately 56% (30 September 2021: 48%) of the Company's total revenue.

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**18. FINANCIAL RISK MANAGEMENT**

The Company's principal financial liabilities comprise due to related parties, trade and other payables and bank borrowings. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include due from related party, short term investment, trade and other receivables and cash and cash equivalents.

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risks, currency risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on robust liquidity management as well as monitoring of various relevant market variables, thereby consistently seeking to minimize potential adverse effects on the Company's financial performance.

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value and cash flow interest rate risks and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is carried out by senior management under policies approved by the Board of Directors. Senior management identifies, evaluates, and hedges financial risks in close co-operation with the Company's operating units. The most important types of risk are credit risk, currency risk and fair value risk.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The executive management team is responsible for developing and monitoring the Company's risk management policies. The team regularly meets, and any changes and compliance issues are reported to the Board of Directors through the audit committee.

Risk management systems are regularly reviewed by the executive management team to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit committee oversees compliance by management with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework about the risks faced by the Company.

Financial instruments carried on the statement of financial position include cash and cash equivalents, account receivables, other receivables, accrued and other current liabilities, lease liabilities, trade payables and bank borrowings.

Financial asset and liability is offset and net amount reported in the condensed interim financial statements, when the Company has a legally enforceable right to set off the recognized amounts and intend either to settle on a net basis, or to realize the asset and liability simultaneously.

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**18. FINANCIAL RISK MANAGEMENT (continued)**

**Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of two types of risk:

- Foreign currency exchange risk,
- Commission (interest) rate risk

The Company's overall risk management program focuses on the unpredictability of the financial market and seeks to minimize potential adverse effects on the Company's financial performance.

**Interest rate risk**

Interest rate risks are the exposures to various risks associated with the effect of fluctuations in the prevailing interest rates on the Company's financial positions and cash flows. The Company's interest rate risks arise mainly from Term loan which is at a floating rate of interest and is subject to re-pricing on a regular basis and for which the management closely monitors the changes in interest rates.

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:

	<b>30 September <u>2022</u> (Unaudited)</b>	<b>31 December 2021 (Audited)</b>
<b>Variable rate instruments</b>		
<u>Financial liabilities</u>		
Loan and Borrowings	<b><u>118,968,842</u></b>	<b><u>204,402,327</u></b>

**Sensitivity analysis for variable rate instruments**

Change in 100 basis points in interest rates, with all other variables held constant, would have increased or decreased the equity and profit before Zakat for the period by SR 1.094 million (31 December 2021: SR 2.04 million).

**Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's functional and reporting currency is in Saudi Arabian Riyals. The Company's transactions are principally in Saudi Arabian Riyals. Management monitors the fluctuations in currency exchange rates and believes that the currency risk is not significant. The bulk of the exposure is in USD and the Saudi Arabian Riyal is pegged at SAR 3.75: USD 1, therefore, the Company is not exposed to any significant foreign currency risk from Saudi Arabian Riyals and US Dollars denominated financial instruments. The Company's management monitors such fluctuations and manages its effect on the condensed interim financial statements accordingly.

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**18. FINANCIAL RISK MANAGEMENT (continued)**

**Other price risk**

The risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Company is not affected by price risk as there are no investment of the Company in equity shares or commodities.

**Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and will cause the other party to incur a financial loss. The Company is exposed to risk on its trade and other receivables and cash at banks.

**Concentration risk**

The Company has no significant concentration of credit risk. Concentration risk arises when a number of counterparties engaged in similar business activities or activities in the same geographical region or have economic features that would cause them to fail their contractual obligations. To reduce exposure to credit risk, the Company has developed a formal approval process whereby credit limits are applied to its customers. The management also continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery.

To mitigate the risk, the Company has a system of assigning credit limits to its customers based on an extensive evaluation based on customer profile and payment history.

The creditworthiness of counterparties is assessed based on an analysis of quantitative and qualitative data regarding financial standing and business risks, together with the review of any relevant third party and market information.

The Company's gross maximum exposure to credit risk at the reporting date is as follows:

	<b>30 September <u>2022</u> (Unaudited)</b>	<b>31 December <u>2021</u> (Audited)</b>
<b>Financial assets</b>		
Trade receivables	<b>115,288,836</b>	91,230,823
Due from related parties	<b>56,911,863</b>	50,658,766
Other receivables	<b>47,538,357</b>	11,044,795
Short term Investments	<b>50,000,000</b>	--
Cash and Cash equivalents	<b>11,546,218</b>	112,238,660
<b>Total</b>	<b><u>281,285,274</u></b>	<b><u>265,173,044</u></b>

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**18. FINANCIAL RISK MANAGEMENT (continued)**

**Credit risk (continued)**

With respect to credit risk arising from the financial assets of the Company, including bank balances and cash, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amounts as disclosed in the statement of financial position. The credit risk in respect of bank balances is considered by management to be insignificant, as the balances are mainly held with reputable banks in the Kingdom of Saudi Arabia.

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. The five largest customers account for 64% of outstanding accounts receivable at 30 September 2022 (31 December 2021: 58%).

The receivables are shown net of allowance for impairment of trade receivables. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped into low risk, fair risk, doubtful and loss based on shared credit risk characteristics and the days past due. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors (such as GDP forecast and industry outlook) affecting the ability of the customers to settle the receivables. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The following table provides information about the exposure to credit risk and expected credit losses for trade receivables.

	<b>Weighted average loss rate</b>	<b>Gross carrying amount</b>	<b>Impairment loss Allowance</b>
<b><u>30 September 2022 (unaudited)</u></b>			
Low risk	1%	89,811,956	1,329,470
Fair risk	6%	24,207,073	1,517,130
Doubtful	12%	16,866	1,986
Loss	43%	1,254,201	541,258
		<u>115,288,836</u>	<u>3,389,844</u>

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**18. FINANCIAL RISK MANAGEMENT (continued)**

**Credit risk (continued)**

	Weighted <u>average loss rate</u>	Gross carrying <u>amount</u>	Impairment loss <u>allowance</u>
<u>31 December 2021 (audited)</u>			
Low risk	0%	52,469,589	--
Fair risk	0%	12,931,748	--
Doubtful	2%	18,623,196	455,160
Loss	16%	7,206,290	1,134,684
		<u>91,230,823</u>	<u>1,589,844</u>

**Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company also monitors the levels of expected cash inflows on trade and other receivables together with the expected cash outflows on trade and other payables.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

<u>30 September 2022</u> <u>(Unaudited)</u>	<u>Carrying</u> <u>Amount</u>	<u>Less than</u> <u>1 year</u>	<u>1 years to</u> <u>5 years</u>	<u>Total</u>
Trade payables	22,628,695	22,628,695	--	22,628,695
Accrued and other liabilities	27,398,603	27,398,603	--	27,398,603
Due to related parties	1,123,774	1,123,774	--	1,123,774
Lease liabilities	28,511,566	2,422,764	46,032,516	48,455,280
Loans and borrowings	118,968,842	121,679,090	--	121,679,090
	<u>198,631,480</u>	<u>175,252,926</u>	<u>46,032,516</u>	<u>221,285,442</u>



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**18. FINANCIAL RISK MANAGEMENT (continued)**

**Liquidity risk (continued)**

<u>31 December 2021 (Audited)</u>	<u>Carrying Amount</u>	<u>Less than 1 year</u>	<u>1 years to 5 years</u>	<u>Total</u>
Trade payables	27,451,732	27,451,732	--	27,451,732
Accrued and other liabilities	26,351,042	26,351,042	--	26,351,042
Due to related parties	1,366,109	1,366,109	--	1,366,109
Lease liabilities	29,740,019	3,591,397	47,286,647	50,878,044
Loans and borrowings	204,402,327	98,972,034	111,500,000	210,472,034
	<u>289,311,229</u>	<u>157,732,314</u>	<u>158,786,647</u>	<u>316,518,961</u>

**19. FAIR VALUE OF ASSETS AND LIABILITIES**

Fair value is the price that would be received to sell an asset or paid to transfer a liability 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:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by 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 a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

- Level 1 - Quoted (unadjusted) market prices in active markets 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.

If the inputs used to measure the fair value of an asset or liability falls into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest input level that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The fair value of the equity instrument at the end of the current interim period is not material different from the Fair value measurement determined in the previous reporting period.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three-month and nine-month periods ended 30 September 2022

(Expressed in Saudi Arabian Riyals, unless stated otherwise)

**19. FAIR VALUE OF ASSETS AND LIABILITIES (continued)**

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b><u>30 September 2022 (unaudited)</u></b>				
Investments at FVOCI				
– Investment	--	--	16,699,510	16,699,510
<b><u>31 December 2021 (audited)</u></b>				
Investments at FVOCI				
– Investment	--	--	16,699,510	16,699,510

There were no transfers between levels of the fair value hierarchy during the period ended 30 September 2022 and for the year ended 31 December 2021. Additionally, there were no changes in the valuation techniques.

The following methods and assumptions were used to estimate the fair values:

The fair value of the 'Investment at fair value through other comprehensive income has been estimated using a Discounted Cash Flow model (DCF). The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for this investment.

Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurement categorized within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at 30 September 2022 are shown below:

<u>Item</u>	<u>Valuation Technique</u>	<u>Significant Unobservable input</u>	<u>Input Used</u>	<u>Sensitivity of the input to fair value</u>
		Terminal growth rate	3%	1% increase in the growth rate would result in an increase in fair value by SR 1.7 million.
				1% decrease in the growth rate would result in a decrease in fair value by SR 1.4 million.
				0.89% increase in WACC would result in a decrease in fair value by SR 2 million.
Investment at fair value through other comprehensive income	DCF Method	Weighted average cost of capital	14.75%	1.11% decrease in WACC would result in an increase in fair value by SR 2.9 million.

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For the three-month and nine-month periods ended 30 September 2022

(Expressed in Saudi Arabian Riyals, unless stated otherwise)

**20. NEW STANDARDS, INTERPETATON AND AMENDMENTS**

a) Standards, interpretations and amendments issued

This table lists the recent changes to the Standards that are required to be applied for an annual period beginning after 1 January 2022.

<u>Standard / Interpretation</u>	<u>Description</u>	<i><u>Effective from periods beginning on or after the following date</u></i>
IAS 37	Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)	1 January 2022
Annual Improvements	Annual Improvements to IFRS Standards 2018–2020	1 January 2022
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	1 January 2022
IFRS 3	Reference to the Conceptual Framework (Amendments to IFRS 3)	1 January 2022

b) Standards, interpretations and amendments issued but not yet effective

The standards, interpretations and amendments issued, but not yet effective up to the date of issuance of the condensed interim financial statements are disclosed below. The Company intends to adopt these standards, where applicable, when they become effective.

<u>Standard / Interpretation</u>	<u>Description</u>	<i><u>Effective from periods beginning on or after the following date</u></i>
IFRS 17	Insurance contracts	1 January 2023
IAS 1	Classification of liabilities as current or non- current (amendments to IAS 1)	1 January 2023
IAS 8	Definition to accounting estimates	1 January 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction`	1 January 2023
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
IFRS 10 and IAS 28	Sale or contribution of assets between investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)	Available for optional adoption / effective date deferred indefinitely

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three-month and nine-month periods ended 30 September 2022

(Expressed in Saudi Arabian Riyals, unless stated otherwise)

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**20. NEW STANDARDS, INTERPETATON AND AMENDMENTS (continued)**

The standards, interpretations and amendments with effective date of 1 January 2022 will not have any material impact on the Company's condensed consolidated interim financial statements, whereas for other above-mentioned standards, interpretations and amendments, the Company is currently assessing the implications on the Company's consolidated interim financial statements on adoption.

**21. CHANGE IN COMPARATIVE FIGURES**

Certain prior period's comparative figures have been reclassified to ensure the correct classification and presentation as per IFRS standard. As a result, cash flow movement from loan and borrowing has been represented to present gross cash flow movement.

**22. SUBSEQUENT EVENTS**

There have been no significant events since the period end, that would require disclosures or adjustments in these condensed interim financial statements.

**23. APPROVAL OF THE CONDENSED INTERIM FINANCIAL STATEMENTS**

The condensed interim financial statements have been approved by the board of directors on 27 October 2022, corresponding to 2 Rabi Al Thani 1444H.