

**TAKWEEN ADVANCED INDUSTRIES
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS
PERIOD ENDED MARCH 31, 2024
WITH INDEPENDENT AUDITOR'S REVIEW REPORT**

TAKWEEN ADVANCED INDUSTRIES
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024
WITH INDEPENDENT AUDITOR'S REVIEW REPORT

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**INDEPENDENT AUDITOR'S REVIEW REPORT ON CONDENSED
CONSOLIDATED INTERIM FINANCIAL STATEMENTS****The shareholders****Takween Advanced Industries**

(A Saudi Joint Stock Company)

Al-Khobar, Kingdom of Saudi Arabia**Introduction**

We have reviewed the accompanying condensed consolidated interim statement of financial position of Takween Advanced Industries (the "Company"), a Saudi Joint Stock Company and its subsidiaries (collectively referred to as the "Group") as at March 31, 2024, and the related condensed consolidated interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-months period then ended and other explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

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

Conclusion

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

For Al-Kharashi & Co.

Abdullah S. Al-Msned
License No. (456)

Riyadh:


April 30, 2024 G

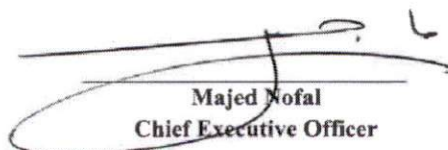
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TAKWEEN ADVANCED INDUSTRIES
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024

	Note	March 31, 2024 (Un-audited) SR '000	December 31, 2023 (Audited) SR '000
ASSETS			
Non-current assets			
Property, plant and equipment		443,187	438,380
Intangible assets		845	907
Goodwill		323,582	323,582
Investments in an associate		97,783	99,755
Total non-current assets		<u>865,397</u>	<u>862,624</u>
Current assets			
Inventories	3	85,166	90,839
Trade and other receivables	4	291,941	281,283
Prepaid expenses and other assets		65,304	51,428
Investment held at amortized cost		3,168	4,974
Cash and cash equivalents		27,822	5,892
Assets held for sale		7,360	7,360
Total current assets		<u>480,761</u>	<u>441,776</u>
TOTAL ASSETS		<u>1,346,158</u>	<u>1,304,400</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	5	764,646	464,646
Other reserves		(71,690)	(63,317)
Accumulated losses		(225,792)	(197,576)
Total equity		<u>467,164</u>	<u>203,753</u>
LIABILITIES			
Non-current liabilities			
Long-term loans	6	28,349	30,755
Lease liabilities – non-current portion		7,729	9,564
Employee benefits		29,422	29,430
Total non-current liabilities		<u>65,500</u>	<u>69,749</u>
Current liabilities			
Current portion of Long-term loans	6	48,107	76,558
Short-term loans	6	480,404	611,772
Lease liabilities – current portion		6,967	6,778
Trade payables and other liabilities		278,016	335,790
Total current liabilities		<u>813,494</u>	<u>1,030,898</u>
Total liabilities		<u>878,994</u>	<u>1,100,647</u>
TOTAL EQUITY AND LIABILITIES		<u>1,346,158</u>	<u>1,304,400</u>


 Nisar Ahmed
 Chief Financial Officer



 Majed Nofal
 Chief Executive Officer


 Abdulmohsen Al-Othman
 Chairman

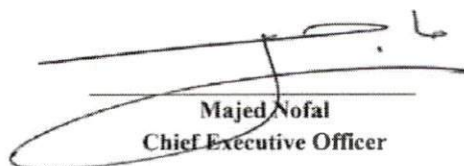
The accompanying notes form an integral part of these condensed consolidated interim financial statements.

TAKWEEN ADVANCED INDUSTRIES
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

	Note	For the three months period ended	
		2024	2023
		(Un-audited) SR '000	(Un-audited) SR '000
Revenue	9	183,141	232,616
Cost of revenue		(156,042)	(217,462)
Gross profit		27,099	15,154
Administrative expenses		(6,429)	(11,139)
Selling, marketing and distribution expenses		(9,788)	(12,023)
Operating Profit / (loss)		10,882	(8,008)
Finance charges		(15,362)	(14,467)
Other income, net		2,487	(715)
Share in result of equity-accounted investment		(1,972)	(2,567)
Loss before zakat and income tax		(3,965)	(25,757)
Zakat and income tax		(32)	-
Net loss for the period		(3,997)	(25,757)
Other comprehensive income:			
<i>Item that may be reclassified to statement of profit or loss</i>			
Exchange differences on translation of foreign operation		(8,373)	(7,329)
Other comprehensive loss for the period		(8,373)	(7,329)
Total comprehensive loss for the period		(12,370)	(33,086)
Loss per share (SR)			
Basic and diluted loss per share	10	(0.07)	(0.47)



Nisar Ahmed
Chief Financial Officer



Majed Nofal
Chief Executive Officer

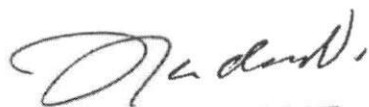


Abdulmohsen Al-Othman
Chairman

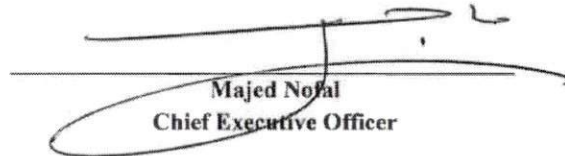
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TAKWEEN ADVANCED INDUSTRIES
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

	Share capital SR '000	Other reserves SR '000	Accumulated losses SR '000	Total SR '000
Balance as at January 1, 2023 (audited)	950,000	(55,777)	(459,597)	434,626
Net loss for the period	-	-	(25,757)	(25,757)
Other comprehensive loss for the period	-	(7,329)	-	(7,329)
Total comprehensive loss for the period	-	(7,329)	(25,757)	(33,086)
Balance as at March 31, 2023 (un-audited)	<u>950,000</u>	<u>(63,106)</u>	<u>(485,354)</u>	<u>401,540</u>
Balance as at January 1, 2024 (audited)	464,646	(63,317)	(197,576)	203,753
Increase in share capital through rights issue (note 5)	300,000	-	-	300,000
Capital increase expenses	-	-	(24,219)	(24,219)
Net loss for the period	-	-	(3,997)	(3,997)
Other comprehensive loss for the period	-	(8,373)	-	(8,373)
Total comprehensive loss for the period	-	(8,373)	(3,997)	(12,370)
Balance as at March 31, 2024 (un-audited)	<u>764,646</u>	<u>(71,690)</u>	<u>(225,792)</u>	<u>467,164</u>



Nisar Ahmed
Chief Financial Officer



Majed Nofal
Chief Executive Officer

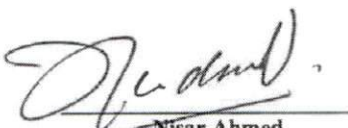


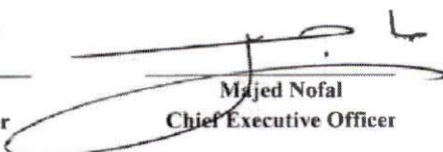
Abdulmohsen Al-Othman
Chairman


The accompanying notes form an integral part of these condensed consolidated interim financial statements.

TAKWEEN ADVANCED INDUSTRIES
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

	For the three months period ended	
	March 31, 2024 (Un-audited) SR '000	March 31, 2023 (Un-audited) SR '000
OPERATING ACTIVITIES		
Net loss for the period	(3,965)	(25,757)
<i>Adjustments for:</i>		
Depreciation and amortization	9,130	12,775
Write off of asset	72	-
Allowance for / (reversal of) impairment of trade receivables	(23)	7,392
(Reversal of) inventories	(9,606)	(2,236)
Finance charges	15,362	14,467
Provision for employee benefits	1,123	1,231
Interest income on investment held at amortized cost	(100)	(131)
Share of loss of equity-accounted investees	1,972	2,567
	<u>13,965</u>	<u>10,308</u>
Movement in working capital:		
Inventories	15,506	(6,103)
Trade receivables	(9,480)	(4,140)
Prepaid expenses and other assets	(14,081)	61,770
Trade payables and other liabilities	(57,774)	(82,166)
Cash used in operations	<u>(51,864)</u>	<u>(20,331)</u>
Finance charges paid	(19,048)	(14,467)
Employee benefits paid	(1,131)	(654)
Zakat paid	(437)	-
Net cash (used in) / generated from operating activities	<u>(72,480)</u>	<u>(35,452)</u>
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(16,888)	(10,842)
Proceeds from disposal of investment held at amortized costs	1,806	2,640
Interest income from Investment held at Amortized cost	305	-
Net cash used in investing activities	<u>(14,777)</u>	<u>(8,202)</u>
FINANCING ACTIVITIES		
Issued shares net of underwriting commission	275,781	-
Net change in short term loans	(127,682)	48,775
Repayment of principal of lease liability	(1,646)	(1,478)
Repayment of Long-term loans	(30,857)	(21,998)
Net cash generated from / (used in) financing activities	<u>115,596</u>	<u>25,299</u>
Net change in cash and cash equivalents	<u>28,339</u>	<u>(18,355)</u>
Cash and cash equivalents at the beginning of the period	(6,409)	36,866
Foreign currency translation reserve	5,892	(6,491)
Cash and cash equivalents at the end of the period	<u>27,822</u>	<u>12,020</u>


Nisar Ahmed
Chief Financial Officer


Majed Nofal
Chief Executive Officer


Abdulmohsen Al-Othman
Chairman

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

TAKWEEN ADVANCED INDUSTRIES

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued) FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

1. ORGANIZATION AND PRINCIPAL ACTIVITIES

Takween Advanced Industries ("the Company") is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under commercial registration number 2051044381 issued in Al Khobar on Muharram 9, 1432H (December 15, 2010).

The Company's registered office is located at Al Khobar, Kingdom of Saudi Arabia.

The principal activities of the Company and its subsidiaries ("the Group"), each of which operates under individual commercial registration, are:

- Owning of factories with various plastic products manufacturing together with maintaining, operating and managing;
- Production of disposable polystyrene cups, lids and other plastic related products;
- Production of non-woven fabrics;
- Production of PET (Polyethylene Terephthalate) pre-forms;
- Manufacturing of, and wholesale trading in plastic containers and films;
- Manufacturing of, and wholesale and retail trading in plastic containers and polyethylene cups, rolls, bags.
- Managing and operating of industrial centers;
- Owning of land for the purpose of establishing and developing factories;
- Establishing industrial institutes and providing and coordinating for training courses related to developing of plastic products;
- Import and export, wholesale and retail trade in various kind of plastic products; and
- Establishing, managing, operating and maintaining different industrial project.

The condensed consolidated interim financial statements include the financial statements of the Company and its subsidiaries as listed below:

	Effective ownership	
	March 31, 2024	December 31, 2023
Saudi Plastic Packaging Systems ("Saudi Packaging")	100%	100%
Al-Sharq Company for Plastic Industries Limited ("Al-Sharq")	100%	100%
New Marina for Plastic Industries Company (S.A.E.) ("New Marina")	100%	100%
Ultra-Pak Manufacturing Company ("Ultra Pak")	100%	100%

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

These condensed consolidated interim financial statements for the three-month period ended March 31, 2024, have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. These condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and hence should be read in conjunction with the Group's annual financial statements for the year ended December 31, 2023.

These condensed consolidated interim financial statements have been prepared on the historical cost convention except for where International Financial Reporting Standards ("IFRSs") requires other measurement basis.

The principal accounting policies applied in the preparation of condensed consolidated interim financial statements are consistent with those of the previous financial year and the respective corresponding interim reporting period.

The preparation of condensed consolidated interim financial statements required management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts in the condensed consolidated interim financial statements. These critical accounting judgements and key sources of estimations were the same as those described in the last annual financial statements.

These condensed consolidated interim financial statements are presented in Saudi Riyals (SR) in thousands, which is the Group's functional and presentation currency.

TAKWEEN ADVANCED INDUSTRIES
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Goodwill

Management has performed annual impairment testing of Goodwill amounting to SR 323.58 million as of December 31, 2023. The assessment, which was reviewed by an independent party for the reasonableness of the methodology used by management, included assumptions related to the future sales volume, prices, operating assets, growth rates, terminal value and other related assets. The outcome of these assumptions is highly dependent on the success of the future operations of the Group and market conditions as estimated by management and achieving its plans in future. Management considers these assumptions to be realistic and achievable in view of its operational plan and is confident of its ability to meet these future plans. Management believes that the carrying value of cash generating units' assets including goodwill will not exceed their recoverable amount. Accordingly, no impairment was recorded for goodwill as of December 31, 2023, and March 31, 2024.

2.3 Basis of consolidation

The condensed consolidated interim financial statements incorporate the financial statements of Takween Advanced Industries and of its subsidiaries (the "Group") as detailed in note 1. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.
- The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.
- When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:
 - the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
 - potential voting rights held by the Company, other vote holders or other parties;
 - rights arising from other contractual arrangements; and
 - any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the condensed consolidated interim statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Condensed consolidated interim statement of profit or loss and each component of other comprehensive income are attributed to the shareholders of the Company. Total comprehensive income of subsidiaries is attributed to the shareholders of the Company.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

TAKWEEN ADVANCED INDUSTRIES
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Basis of consolidation (continued)

2.3.1 Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to shareholders of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognized in the condensed consolidated interim statement of profit or loss and other comprehensive income and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified condensed consolidated interim statement of profit or loss and other comprehensive income or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded either at fair value on initial recognition for subsequent accounting under IFRS 9, or at the cost on initial recognition of an investment in an associate or a joint venture.

2.4 New Standards, Amendments to Standards and Interpretations

A number of new standards, amendments to standards are effective from January 1, 2024, but they do not have a material effect on the Group's condensed consolidated interim financial statements.

Certain new accounting standards and interpretations have been published that are not mandatory for March 31, 2024 reporting period and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

3. INVENTORIES

	March 31, 2024 (Un-audited)	December 31, 2023 (Audited)
	SR '000	SR '000
Finished goods	26,682	31,620
Raw and packaging materials and work in progress	35,774	46,353
Spare parts	42,065	42,053
	<u>104,521</u>	<u>120,026</u>
Allowance for inventories	(19,355)	(29,187)
	<u>85,166</u>	<u>90,839</u>

4. TRADE AND OTHER RECEIVABLES

	March 31, 2024 (Un-audited)	December 31, 2023 (Audited)
	SR '000	SR '000
Trade receivables – third parties	279,980	294,314
Trade receivables – related parties	1,256	312
Due from a related party	78,245	55,375
	79,501	55,687
Trade receivables- gross	359,481	350,001
Allowance for impairment for trade receivables	(67,540)	(68,718)
	<u>291,941</u>	<u>281,283</u>

TAKWEEN ADVANCED INDUSTRIES
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

5. Share capital

As at 31 March 2024, the share capital of the Company amounted to SR 764,646,060 (31 December 2023: SR 464,646,060) divided into 76,464,606 shares (31 December 2023: 46,464,606 shares) fully paid and issued shares at a value of SR 10 per share.

On February 13, 2024 (corresponding to Sha'ban 3, 1445H), the Company's shareholders approved the Company's board of directors' recommendation for share capital increase by issuing right issues amounting to SR 300,000,000 to increase the share capital to SR 764,646,060. The Company issued 1 share for every 1.55 shares and the Company's shares after this increase were 76,464,606 shares instead of 46,464,606 shares. The Company has recognized a transaction cost related to the capital share increase by SR 24,218,629.

The Company has fulfilled all regulatory requirements related to the aforementioned capital increase during the current period ending on March 31, 2024.

impact of the increasing of number of shares and share capital is as follows;

	March 31, 2024	December 31, 2023
	SR '000	SR '000
Authorized share capital		
76,465 million shares of SR 10 each (2023: 46,46 million)	764,646	464,646
Issued, subscribed and fully paid-up share capital		
76,465 million shares of SR 10 each (2023: 46,46 million)	764,646	464,646
	March 31, 2024	December 31, 2023
<i>Reconciliation of number of shares outstanding (in "000")</i>		
Opening balance	46,465	95,000
Increasing / (reduction) of shares	30,000	(48,535)
Closing balance	76,465	46,465

TAKWEEN ADVANCED INDUSTRIES
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

6. BORROWINGS

	March 31, 2024	December 31, 2023
	(Un-audited)	(Audited)
	SR '000	SR '000
Long-term loans (a)	76,456	107,313
Short-term loans (b)	480,404	611,772

a) Long-term loans

	March 31, 2024	December 31, 2023
	(Un-audited)	(Audited)
	SR '000	SR '000
Commercial loan	76,456	107,313
Less: current portion	48,107	76,558
	28,349	30,755

Commercial loan – The Group entered into Murabaha Facilities Agreement of SR 910 million with the Arab National Bank (“the lead bank”), on behalf of Murabaha Facilities Participants, for financing the acquisition of Saudi Plastic Packaging Systems (“Saudi Packaging”) (formerly Savola Packaging Systems Company Limited) along with its two subsidiaries i.e., Al-Sharq Company for Plastic Industries Limited and New Marina for Plastic Industries Company (S.A.E.). The facility is secured by irrevocable and unconditional assignment of all rights, titles and interests to the sale contract entered into with the Al Othman Agricultural Product and Production Company (NADA), a related party, revenue accounts of the Saudi Packaging, Advanced Fabrics Factory Company (SAAF) and a corporate guarantee from Al-Othman Holding Company, an affiliate.

In 2016, a repayment of SR 490 million was made in respect of this loan i.e. SR 90 million pertaining to scheduled loan installment and early repayment of SR 400 million. There was no change in the term of the loan, however repayment has been rescheduled accordingly.

In 2021, a repayment of SAR 152 million was made in respect of this loan, released all the securities provided by Advanced Fabrics Company (SAAF), SAR 209 million pertaining to schedule loan installment till September 2024. There was no change in the term of the loan, however, repayment has been rescheduled accordingly.

In 2023, the Group entered Tawarraq Financing Agreement of SR 40 million with the Banque Saudi Fransi. The loan is repayable by quarterly installments with first installment commencing on March 31, 2023, and final installment on December 31, 2026, as per the repayment schedule.

The Group was in breach of certain covenants of long-term loan which is measured half yearly i.e. June and December every year. Management has taken necessary remedial action including obtaining waiver from the lead bank for the period ended June 30, 2023 and year ended December 31, 2023.

b) Short term loans

The Group has credit facilities agreements with local commercial banks comprising of overdrafts, short term loans, letters of credit and guarantee etc. Borrowings under the facilities bear financing charges at the prevailing market rates and are secured by demand order note, promissory notes in addition to corporate guarantees from Al-Othman Holding Company, an affiliate, to one local bank. During the Year, the group has added additional short-term facility that was reflected in cash position as of March 31, 2024

During the period, the Group has paid scheduled loans as per the covenants post proceeds from rights issue.

TAKWEEN ADVANCED INDUSTRIES
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

7. RELATED PARTY DISCLOSURES

Balances and transactions between the Group and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

<u>Company</u>	<u>Relationship</u>
Al Othman Group of companies	Affiliates
Al Ahsa Medical Services Company	Common directorship

During the period, the Group entered into the following transactions with related parties that are not members of the Group:

<u>Nature of transaction</u>	<u>March 31, 2024 (Un-audited) SR '000</u>	<u>March 31, 2023 (Un-audited) SR '000</u>
Sales during the Period	20,873	51,338
Accommodation, food and other miscellaneous expenses	23	245
IT services	20	23
Medical service	-	301
Insurance services	150	-
Purchase of materials	175	-
Rentals	2	554

8. REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

	<u>March 31, 2024 (Un-audited) SR '000</u>	<u>March 31, 2023 (Un-audited) SR '000</u>
Remuneration	1,804	3,078
House rent allowance	407	689
Employee benefits	127	207
Bonus	173	313
Medical allowance	23	35
Others	263	374
	<u>2,796</u>	<u>4,696</u>
BOD and related committees' remuneration	<u>60</u>	<u>139</u>

TAKWEEN ADVANCED INDUSTRIES
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

9. SEGMENTAL INFORMATION

The Group's principal activities are related to the following single business segment which includes plastic packing and packaging products of polystyrene sheet rolls used in forming, immediate packing and packaging in thermoformed and polystyrene cups and lids, high density bottles used in dairy, food and beverage industry.

The Group's operations are conducted in Saudi Arabia and the Arab Republic of Egypt. Selected financial information are as follows:

	Kingdom of Saudi Arabia	Arab Republic of Egypt	Total
	SR '000	SR '000	SR '000
For the three months period ended March 31, 2024 (Un-audited)			
Domestic revenue	156,393	10,930	167,323
Export	15,818	-	15,818
	<u>172,211</u>	<u>10,930</u>	<u>183,141</u>
As of March 31, 2024 (Un-audited)			
Non-current assets	<u>859,943</u>	<u>5,454</u>	<u>865,397</u>
For the three months period ended March 31, 2023 (Un-audited)			
Domestic revenue	186,164	7,557	193,722
Export	38,894	-	38,894
	<u>225,059</u>	<u>7,557</u>	<u>232,616</u>
As of March 31, 2023 (Un-audited)			
Non-current assets	<u>853,853</u>	<u>8,771</u>	<u>862,624</u>

Main customers and suppliers

During the period, sales to the main two customers of the Group represents 20.51% amounting to SR 37.6 million (2023: 17.09% amounting to SR 39.6 million)

During the period, purchases from the major supplier of the Group represents 80.62% amounting to SR 91.3 million (2023: 70.46% amounting to SR 198.7 million)

TAKWEEN ADVANCED INDUSTRIES

(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024****10. LOSS PER SHARE**

Basic loss per share is calculated by dividing the loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period.

For diluted loss per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. There were no potentially dilutive shares outstanding at any time during the periods 2023 and 2024.

The weighted average number of shares has been retrospectively adjusted for the prior period to reflect the element of the rights issue as required by IAS 33, "Earnings per share":

The weighted average number of ordinary shares for the prior period is computed using an adjustment factor of 1.18 which is a ratio of the theoretical ex-right price of SR 10 and the closing price per share of SR 16.12 per share on 13 February 2024, the last day on which the shares were traded before the rights issue.

The basic and diluted loss per share are as follows:

	March 31, 2024	March 31, 2023
	(Un-audited)	(Un-audited)
Net loss for the period	(3,997,369)	(25,758,897)
Weighted average number of ordinary shares	60,597,934	54,828,235
Basic and diluted earnings per share (restated)	(0.07)	(0.47)

11. CONTINGENCIES AND COMMITMENTS

The Group had the following contingencies and commitments:

	March 31,	March 31,
	2024	2023
	(Un-audited)	(Un-audited)
	SR '000	SR '000
Letters of guarantee and others	2,052	2,190
Capital commitments against purchase of property, plant and equipment	3,665	4,911

12. APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

These condensed consolidated interim financial statements were approved by the Board of Directors for issuance on April 30, 2024 corresponding to Shawwal 21, 1445 H