SAUDI RESEARCH AND MEDIA GROUP (SRMG)

(A SAUDI JOINT STOCK COMPANY)

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REVIEW REPORT

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR’S REVIEW REPORT
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024

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Building a better working world

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
To the Shareholders of Saudi Research and Media Group (SRMG)
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Saudi Research and Media Group ("the Company") and its subsidiaries (collectively referred to as "the Group") as at 31 March 2024, and the related interim condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated 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 interim condensed consolidated 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 statement consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

for Ernst & Young Professional Services

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شركة إرنست ويونغ للخدمات المهنية
(مهنية ذات مسؤولية محدودة)
Ernst & Young Professional Services
(Professional LLC)

Waleed G. Tawfiq
Certified Public Accountant
License No. (437)

Riyadh: 12 Thul-Qi'dah 1445H
(20 May 2024G)

SAUDI RESEARCH AND MEDIA GROUP (SRMG)
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2024

	Notes	*As at 31 March 2024 (Unaudited) SR*	*As at 31 December 2023 (Audited) SR*
Assets			
Non-current assets			
Property, plant, and equipment	7	**1,303,104,754**	1,324,940,667
Right-of-use assets	8	**277,732,353**	168,143,246
Intangible assets and goodwill	9	**1,013,256,997**	1,033,363,135
Investment properties	10	**25,259,329**	25,314,211
Financial assets at fair value through other comprehensive income	11	**1,172,145,647**	1,214,442,526
Derivative financial instruments	17	**7,646,415**	7,646,415
Non-current trade receivables		**4,834,851**	5,658,536
Total non-current assets		**3,803,980,346**	3,779,508,736
Current assets			
Inventories	13	**183,361,559**	193,563,872
Trade receivables		**810,030,624**	942,603,465
Prepayments and other current assets		**238,923,047**	207,231,579
Cash and cash equivalents	12	**1,613,814,071**	607,417,788
Total current assets		**2,846,129,301**	1,950,816,704
Total assets		**6,650,109,647**	5,730,325,440
Equity and liabilities			
Equity			
Share capital	14	**800,000,000**	800,000,000
Statutory reserve	15	**293,701,965**	293,701,965
Contractual reserve	16	**67,547,177**	67,547,177
Other reserves		**(266,895,481)**	(206,718,474)
Retained earnings		**2,215,228,321**	2,128,360,766
Equity attributable to equity holders of the Parent Company		**3,109,581,982**	3,082,891,434
Non-controlling interests		**167,758,493**	177,705,117
Total equity		**3,277,340,475**	3,260,596,551
Liabilities			
Non-current liabilities			
Borrowings and Murabaha	18	**180,856,478**	177,652,688
Contract liabilities		**74,642,858**	81,428,572
Defined employees' benefits liabilities		**137,474,688**	139,626,476
Non-current trade payables		**246,009,967**	264,583,126
Other non-current liabilities		**20,746,538**	15,565,450
Deferred tax liabilities		**1,047**	1,047
Lease liabilities		**256,882,147**	130,091,599
Total non-current liabilities		**916,613,723**	808,948,958
Current liabilities			
Borrowings and Murabaha – current portion	18	**603,778,731**	595,760,604
Trade payables		**360,683,317**	335,670,807
Contract liabilities – current portion		**875,437,844**	252,810,407
Accrued expenses and other current liabilities		**457,885,791**	335,893,763
Lease liabilities – current portion		**42,576,591**	35,308,201
Provision for Zakat and income tax	19	**115,793,175**	105,336,149
Total current liabilities		**2,456,155,449**	1,660,779,931
Total liabilities		**3,372,769,172**	2,469,728,889
Total equity and liabilities		**6,650,109,647**	5,730,325,440

Chairman	CEO and Board Member	CFO
Abdulrahman Al Rowaita	Jomana AlRashid	Mohammed Abdulfatah Nazer

The accompanying notes from 1 to 26 form an integral part of these interim condensed consolidated financial statements.

SAUDI RESEARCH AND MEDIA GROUP (SRMG)
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the three-month period ended 31 March 2024

	Notes	*For the three-month period ended 31 March* 2024 (Unaudited) SR	2023 (Unaudited) SR
Revenues	23	**814,863,534**	884,637,075
Cost of revenues		**(584,977,750)**	(605,460,255)
Gross profit		**229,885,784**	279,176,820
General and administrative expenses		**(83,664,131)**	(109,916,507)
Selling, marketing and distribution expenses		**(21,813,912)**	(25,520,705)
Allowance for expected credit losses on trade receivables		**(1,017,855)**	(414,229)
Other operational income, net		**1,600,710**	396,236
Income from operations		**124,990,596**	143,721,615
Finance costs		**(40,182,127)**	(20,709,222)
Finance income		**3,113,148**	14,384,232
Finance costs, net		**(37,068,979)**	(6,324,990)
Income before zakat and income tax		**87,921,617**	137,396,625
Zakat and income tax	19	**(10,942,613)**	(23,385,605)
Net income for the period		**76,979,004**	114,011,020
Attributable to:			
Equity holders of the Parent Company		**86,867,555**	120,974,007
Non-controlling interests		**(9,888,551)**	(6,962,987)
		76,979,004	114,011,020
Basic and diluted earnings per share			
Earnings per share from net income attributable to equity holders of the Parent Company	20	**1.09**	1.51

The accompanying notes from 1 to 26 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the three-month period ended 31 March 2024

	For the three-month period ended 31 March	
	2024	*2023*
	(Unaudited)	*(Unaudited)*
	SR	*SR*
Net income for the period	**76,979,004**	114,011,020
Other comprehensive (loss) / income		
Items that will not be reclassified subsequently to profit or loss:		
- Fair value changes of financial assets at fair value through other comprehensive income	**(57,297,254)**	59,457,383
Items that may be reclassified subsequently to profit or loss:		
- Foreign currency translation differences – foreign operations	**(2,937,826)**	(620,839)
Other comprehensive (loss) / income for the period	**(60,235,080)**	58,836,544
Total comprehensive income for the period	**16,743,924**	172,847,564
Attributable to:		
Equity holders of the Parent Company	**26,690,548**	179,829,385
Non-controlling interests	**(9,946,624)**	(6,981,821)
	16,743,924	172,847,564

The accompanying notes from 1 to 26 form an integral part of these interim condensed consolidated financial statements.

SAUDI RESEARCH AND MEDIA GROUP (SRMG)
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the three-month period ended 31 March 2024

	Equity attributable to equity holders of the Parent Company								
				Other reserves					
	Capital SR	*Statutory reserve* SR	*Contractual reserve* SR	*Translation reserve* SR	*Fair value of financial assets at FVOCI reserve* SR	*Retained earnings* SR	*Total* SR	*Non-controlling interests* SR	*Total equity* SR
Balance as at 1 January 2023 (audited)	800,000,000	293,701,965	67,547,177	(44,705,472)	(34,874,098)	1,569,936,524	2,651,606,096	226,998,743	2,878,604,839
Net income/(loss) for the period	-	-	-	-	-	120,974,007	120,974,007	(6,962,987)	114,011,020
Other comprehensive (loss)/income for the period	-	-	-	(602,005)	59,457,383	-	58,855,378	(18,834)	58,836,544
Total comprehensive (loss)/income for the period	-	-	-	(602,005)	59,457,383	120,974,007	179,829,385	(6,981,821)	172,847,564
Balance as at 31 March 2023 (unaudited)	800,000,000	293,701,965	67,547,177	(45,307,477)	24,583,285	1,690,910,531	2,831,435,481	220,016,922	3,051,452,403
Balance as at 1 January 2024 (audited)	**800,000,000**	**293,701,965**	**67,547,177**	**(43,363,101)**	**(163,355,373)**	**2,128,360,766**	**3,082,891,434**	**177,705,117**	**3,260,596,551**
Net income/(loss) for the period	-	-	-	-	-	**86,867,555**	**86,867,555**	**(9,888,551)**	**76,979,004**
Other comprehensive loss for the period	-	-	-	**(2,879,753)**	**(57,297,254)**	-	**(60,177,007)**	**(58,073)**	**(60,235,080)**
Total comprehensive (loss)/income for the period	-	-	-	(2,879,753)	(57,297,254)	86,867,555	26,690,548	(9,946,624)	16,743,924
Balance as at 31 March 2024 (unaudited)	800,000,000	293,701,965	67,547,177	(46,242,854)	(220,652,627)	2,215,228,321	3,109,581,982	167,758,493	3,277,340,475

The accompanying notes from 1 to 26 form an integral part of these interim condensed consolidated financial statements.

SAUDI RESEARCH AND MEDIA GROUP (SRMG)
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the three-month period ended 31 March 2024

	Notes	*For the three-month period ended 31 March* 2024 (Unaudited) SR	2023 (Unaudited) SR
Operating activities:			
Income before zakat and income tax		**87,921,617**	137,396,625
Adjustments to reconcile income before Zakat and income tax to net cash flow from operating activities:			
Depreciation		**55,955,963**	41,326,298
Amortization		**26,514,848**	24,732,483
Fund management fees	11	**-**	616,780
(Gain)/loss from disposal of property, plant, and equipment		**(1,173,065)**	53,618
Finance income		**(3,113,148)**	(15,217,503)
Finance costs		**40,182,127**	20,709,222
Allowance for expected credit losses on trade receivables		**1,017,855**	414,229
Provision for slow-moving inventories		**421,921**	-
Amortization of premium on financial assets at amortized cost		**-**	833,271
(Gain)/loss from foreign exchange		**(511,139)**	1,939,704
Defined employees' benefits liabilities provision		**6,272,040**	6,417,900
		213,489,019	219,222,627
Changes in operating assets and liabilities:			
Inventories		**9,793,721**	51,092,193
Trade receivables		**132,374,261**	20,214,993
Prepayments and other current assets		**(32,667,051)**	(40,003,461)
Trade payables		**6,950,492**	(69,987,403)
Contract liabilities		**615,841,723**	(638,746,289)
Accrued expenses and other current liabilities		**121,921,027**	(34,988,813)
Cash from/(used in) operations		**1,067,703,192**	(493,196,153)
Zakat and income tax paid		**(482,523)**	(781,388)
Finance cost paid		**(22,422,720)**	(17,938,896)
Finance income received		**4,088,731**	21,130,307
Defined employees' benefits liabilities paid		**(8,275,755)**	(1,926,746)
Net cash from/(used in) operating activities		**1,040,610,925**	(492,712,876)
Investing activities:			
Proceeds from disposal of property, plant, and equipment		**5,948,109**	4,033
Additions of property, plant, and equipment		**(14,558,797)**	(28,333,089)
Additions of intangible assets		**(6,472,572)**	(2,186,071)
Proceeds from financial assets at amortised costs		**-**	300,000,000
Short-term investments, net		**-**	475,000,000
Additions of financial assets at FVOCI	11	**(15,000,375)**	(15,300,000)
Net cash (used in)/from investing activities		**(30,083,635)**	729,184,873
Financing activities:			
Proceeds from Murabaha and term borrowings	18	**223,204,980**	372,147,040
Repayment of Murabaha and term borrowings	18	**(215,940,245)**	(384,011,856)
Lease liabilities paid		**(9,506,740)**	(8,140,806)
Net cash used in financing activities		**(2,242,005)**	(20,005,622)

The accompanying notes from 1 to 26 form an integral part of these interim condensed consolidated financial statements.

	Notes	*For the three-month period ended 31 March* 2024 (Unaudited) SR	2023 (Unaudited) SR
Net change in cash and cash equivalents		**1,008,285,285**	216,466,375
Effect of movements in exchange rates		**(1,889,002)**	(2,092,308)
Cash and cash equivalents at the beginning of the period		**597,624,936**	263,659,257
Cash and cash equivalents at the end of the period	12	**1,604,021,219**	478,033,324
Significant non-cash transactions:			
Additions to right-of-use assets, lease liabilities and other non-current liability	8	**136,800,446**	5,757,086
Intangible assets acquired but not yet settled and included under trade payables	9	-	163,855,087

The accompanying notes from 1 to 26 form an integral part of these interim condensed consolidated financial statements.

1. Corporate information

Saudi Research and Media Group (the "Company" or the "Parent Company") is a Saudi joint stock company registered in Riyadh, Kingdom of Saudi Arabia and operates under commercial registration number 1010087772 dated 29 Rabi Al-Awwal 1421H (corresponding to 1 July 2000) and has a registered branch in Jeddah under sub-commercial registration number 4030061258. The Company's head office address is Al-Moutamarat District, Makkah Road, P.O. Box 53108, Riyadh 11583, Kingdom of Saudi Arabia.

The Company has announced to the shareholders on 2 May 2021 the approval of the Extraordinary General Assembly held on 17 Ramadan 1442H (corresponding to 29 April 2021) to amend Article (2) of the Company's by-laws regarding changing the Company's name from Saudi Research and Marketing Group to Saudi Research and Media Group, after completion of all legal requirements on 5 Shawwal 1442H (corresponding to 17 May 2021).

The Company and its subsidiaries (collectively referred to as the "Group") are engaged in trading, media, advertising, promotions, distribution, printing and publishing, and public relations, and operate mainly in the Middle East, Europe, and North Africa.

These interim condensed consolidated financial statements include the financial position and results of operations of the Company and its domestic and foreign subsidiaries in the schedule below.

The following is a list of the subsidiaries incorporated within these interim condensed consolidated financial statements:

			Direct and indirect ownership %	
Subsidiaries	***Country of incorporation and activities***	***Principal activity***	***As at 31 March 2024***	*As at 31 December 2023*
Intellectual Holding Company for Advertisements and Publicity	KSA	Investment in subsidiaries	**100**	100
Scientific Works Holding Company	KSA	Investment in subsidiaries	**100**	100
Saudi Research and Publishing Company	KSA	Publishing	**100**	100
Al-Khaleejiah Advertising and Public Relations Company	KSA	Advertisement and publicity	**100**	100
Arab Media Company Limited	KSA	Visual and readable media and advertising services	**100**	100
Saudi Distribution Company	KSA	Publishing and distribution	**100**	100
Moutamarat Company for Exhibitions and Conferences	KSA	Holding and organizing specialized exhibitions, conferences and forums	**100**	100
Emirates Printing, Publishing, and Distribution Company Ltd.	United Arab Emirates	Distribution	**100**	100
Moroccan Printing and Publishing Company	Morocco	Printing and publishing	**100**	100
VOX Asia Productions Limited	Pakistan	Advertising	**100**	100
Numu Media Holding Company	KSA	Management of subsidiaries	**100**	100
Scene Visual Media Company (previously "Numu Visual Media Company")	KSA	Advertising	**100**	100
Numu Elmiah Co. (previously Educational Bookshop Co.)	KSA	Development of educational methods and books trade	**100**	100
Saudi Specialized Publishing Company	KSA	Specialized publishing	**100**	100
Saudi Commercial Company	KSA	Trading in printing accessories	**100**	100
Al-Ofoq Management Information System and communication Company	KSA	Trading in communication equipment and software development	**100**	100
Character Company Limited	KSA	Trade	**100**	100

1. Corporate information (continued)

The following is a list of the subsidiaries incorporated within these interim condensed consolidated financial statements (continued):

Subsidiaries	Country of incorporation and activities	Principal activity	Direct and indirect ownership % As at 31 March 2024	As at 31 December 2023
Taoq Public Relations Company Limited	KSA	Public relations and communication	**100**	100
Takanah Public Relations Company Limited (c)	KSA	Finance and business services	**100**	100
Numu Training and Consulting Company	KSA	Training and consulting	**100**	100
Education Concept for Educational and Technical Solutions Company	KSA	Import, export, and wholesale trade	**100**	100
Numu Alelaniah for Advertising	KSA	Visual and readable media and advertising services	**100**	100
Arab Net Technology Co. Ltd	Guernsey Islands	Internet services	**100**	100
Al Khaleejiah Company Ltd	United Kingdom	Advertising	**100**	100
Book Depot for Publishing and Distribution (Ethra'a)	Jordan	Publishing and Distribution	**100**	100
Nasheron co (previously Raff Publishing Company) (c)	KSA	Publishing and distribution	**100**	100
Taoq Media Research Company	KSA	Research and support	**100**	100
Al Sharq News Services Company Limited	United Arab Emirates	TV broadcasting, radio, and other media platforms	**100**	100
Content Specialized Media Company	United Arab Emirates	Specialized publishing	**100**	100
University Book Shop Company	United Arab Emirates	Publishing and distribution	**100**	100
Smart Super Stores Company	United Arab Emirates	Publishing and distribution	**100**	100
HH Saudi Research and Marketing Company	United Kingdom	Publishing and distribution	**100**	100
Media Investment Company Limited	Guernsey Islands	Rental services	**100**	100
Al-Majalla Magazine Limited	United Kingdom	Commercial activities	**100**	100
Asharq Al Awsat Co. Ltd	United Kingdom	Main center activities	**100**	100
IPM Ltd	Guernsey Islands	Registration, maintenance, and ownership of the Group's intellectual property	**100**	100
Sayidaty Products Co.	Guernsey Islands	Commercial activities	**100**	100
Sayidaty Limited Company	United Kingdom	Commercial activities	**100**	100
Euromena Company (formerly "Satellite Graphics")	United Kingdom	Commercial activities	**100**	100
Media Arabia Company Limited	Jersey	Commercial activities	**100**	100
Al Sharq News Services Company Limited	KSA	TV broadcasting, radio, and platforms	**100**	100
Alsharq TV Company	KSA	Television Broadcasting and Radio and Forums	**100**	100
The News Hub Limited	United Kingdom	News wire	**100**	100
The News Hub Limited	KSA	News wire	**100**	100
Raff Publishing LLC	KSA	Publishing and distribution	**100**	100
Manga Arabia LLC	KSA	Publishing and distribution	**100**	100
SRMG Godo Kaisha	Japan	Publishing	**100**	100
Manga International Godo Kaisha	Japan	Publishing	**100**	100

1. Corporate information (continued)

The following is a list of the subsidiaries incorporated within these interim condensed consolidated financial statements (continued):

Subsidiaries	*Country of incorporation and activities*	*Principal activity*	*Direct and indirect ownership %* As at 31 March 2024	As at 31 December 2023
Saudi Printing and Packaging Company (a)	KSA	Printing, packaging, and plastic industries	**70**	70
Argaam Investment and trading Company (b)	KSA	Publishing and electronic content	**51**	51
Thmanyah Co. for Publishing and distribution	KSA	Providing visual content	**51**	51

(a) The Saudi Printing and Packaging Company (SPPC) owns the following subsidiaries:

Subsidiaries	**Country of incorporation and activities**	**Principal activity**	*The Group percentage of indirect ownership (%)* As at 31 March 2024	As at 31 December 2023
Al Madinah Al Mounoura for Printing and Publishing Company	KSA	Printing	**70**	70
Hala Printing company	KSA	Printing	**70**	70
Future Industrial Investment Company	KSA	Printing and packaging	**70**	70
Emirates National Factory for Plastic Industries and its Subsidiaries (ENPI)	United Arab Emirates	Packaging and plastic industries	**70**	70

(b) The Arab Media Company (a subsidiary) owns 51% of the shares in Argaam Investment and Trading Company (Argaam), a limited liability company. Argaam has the following subsidiaries:

Subsidiaries	**Country of incorporation and activities**	**Principal activity**	**The Group percentage of indirect ownership (%)** As at 31 March 2024	As at 31 December 2023
Danat Free Zone Company	United Arab Emirates	Publishing and electronic content	**51**	51
Argaam Media Company	Arab Republic of Egypt	Publishing and electronic content	**51**	51

(c) Takanah Public Relations Company Limited and Nasheron Company own 100% of the shares in Global Media Company and its subsidiaries, based in the United Kingdom.

2. Basis of preparation

The interim condensed consolidated financial statements for the three months ended 31 March 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting that is endorsed in the Kingdom of Saudi Arabia by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"). The Group has prepared the interim condensed consolidated financial statements on the basis that it will continue to operate as a going concern. The Management considers that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the date of these interim condensed consolidated financial statements.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2023.

2. Basis of preparation (continued)

The interim condensed consolidated financial statements are prepared under the historical cost convention, except for the following:

- Financial assets at fair value through other comprehensive income (FVOCI) are measured at fair value;
- Derivative financial instruments are measured at fair value; and
- Defined employees' benefits liabilities are recognized at the present value of future obligations using the Projected Unit Credit Method.

Functional and presentation currency

The interim condensed consolidated financial statements are presented in Saudi Riyal (SR), which is the Company's functional currency and the Group's presentation currency. All amounts are shown in full unless otherwise indicated.

3. Significant accounting judgements, estimates and assumptions

The preparation of the Group's interim condensed consolidated 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. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The significant judgements exercised by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual consolidated financial statements.

4. Material accounting policy information

The material accounting policies applied in these interim condensed consolidated financial statements are the same as those applied in the Group's annual consolidated financial statements as at and for the year ended 31 December 2023 except for the depreciation method used for the plant, printing and packaging equipment which was calculated on the basis of the ratio of the number of actual units produced to the total production capacity of the equipment (unit of production method), which has been changed to the straight-line method to depreciate the equipment on straight-line basis over the estimated useful lives of the assets, in addition to the adoption of new standards effective as of 1 January 2024 disclosed below and in note 6.

5. Fair value measurements

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values for financial assets and liabilities. This includes a team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer.

The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the standards, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Group's audit committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

6. New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the change in depreciation method mentioned in note 4 in addition to the adoption of new standards effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

6.1 Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments do not have a material impact on the Group's interim condensed consolidated financial statements.

6.2 Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Group's interim condensed consolidated financial statements.

6.3 Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would

the terms of a liability not impact its classification

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

7. Property, plant, and equipment

As at 31 March 2024, the cost of property, plant and equipment amounted to SR 2,683.7 million (31 December 2023: SR 2,684.6 million) and the accumulated depreciation as at 31 March 2024 amounted to SR 1,380.6 million (31 December 2023: SR 1,359.6 million).

During the three-month period ended 31 March 2024, the Group purchased assets with a cost of SR 14.6 million (31 March 2023: SR 28.3 million). Certain property, plant and equipment were placed as collateral against long-term borrowing (note 18).

During the period, SPPC have revised the depreciation calculation method from unit of production to straight line for the plant, printing and packaging equipment associated with the printing and packaging segment, as SPPC management believes that the revised calculation method reflects the expected useful lives of the assets. The impact of the change in depreciation method have been accounted prospectively and resulted in an increase in the depreciation expense for the existing equipment for the period ended 31 March 2024 amounting to SR 302 thousand.

Capital commitments

The capital commitments of the Group pertaining to purchase of property, plant and equipment amounted to SR 250.6 million as at 31 March 2024 (31 December 2023: SR 251.3 million). These are expected to be delivered in 2025.

8. Right-of-use assets

During the three-month period ended 31 March 2024, the Group recognised a lease contract mainly for the headquarter which increased the right-of-use assets by SR 136.8 million (31 March 2023: SR 5.8 million).

9. Intangible assets and goodwill

The details of intangible assets and goodwill are as follows:

	As at 31 March 2024 SR	As at 31 December 2023 SR
Goodwill (*)	**354,745,066**	354,745,066
Visual content project, websites, and copyrights	**432,125,715**	449,847,260
Mastheads (*)	**172,126,350**	172,126,350
Computer software	**32,766,048**	34,924,537
Trade names	**7,117,550**	7,441,075
Projects in progress	**14,376,268**	14,278,847
	1,013,256,997	1,033,363,135

(*) Sensitivity to changes in assumptions

With regard to the assessment of value-in-use, there are no significant changes to the key assumptions, or the sensitivity information disclosed in the annual consolidated financial statements for the year ended 31 December 2023.

10. Investment properties

As at 31 March 2024, the group holds investment properties with carrying value of SR 25.3 million (31 December 2023: SR 25.3 million) which has fair value of SR 49.9 million as at 31 December 2023.

11. Financial assets at fair value through other comprehensive income (FVOCI)

This includes investment in funds in the Kingdom of Saudi Arabia regulated by the Saudi Capital Market Law and its executive regulations, a private equity fund, shares in a quoted and unquoted companies.

Financial assets at FVOCI represent the investments which the Group has the intention to hold for a long term for strategic purposes. In accordance with IFRS 9, the Group has initially recognized them as financial assets at FVOCI.

The movement of financial assets at FVOCI is as follows:

	For the three-month period ended 31 March 2024 SR	For the year ended 31 December 2023 SR
At 1 January	**1,214,442,526**	1,137,948,446
Additions	**15,000,375**	207,972,125
Fund management fee	**-**	(2,996,770)
Changes in fair value	**(57,297,254)**	(128,481,275)
	1,172,145,647	1,214,442,526

In accordance with the terms and conditions of investment funds with fair values of SR 1.16 billion (31 December 2023: SR 1.21 billion), the control of these investment funds rests with the fund manager.

12. Cash and cash equivalents

	As at 31 March 2024 SR	As at 31 December 2023 SR
Cash at banks and on hand	**1,604,021,219**	152,624,936
Cash at banks – restricted accounts (*)	**9,792,852**	9,792,852
Cash at bank – term deposits	**-**	445,000,000
	1,613,814,071	607,417,788

For the purposes of the interim condensed consolidated statement of cash flows, the gross cash at banks and cash on hand consist of the following:

	As at 31 March 2024 SR	As at 31 December 2023 SR
Total cash and cash equivalents	**1,613,814,071**	607,417,788
Less: restricted accounts (*)	**(9,792,852)**	(9,792,852)
	1,604,021,219	597,624,936

* Restricted bank accounts represent deposit pledged against a loan obtained by the Saudi Printing and Packaging Company (a subsidiary).

13. Inventories

The provision for slow-moving inventories as at 31 March 2024 amounted to SR 31.7 million (31 December 2023: SR 31.2 million) was in line with the policy adopted by the Group.

14. Share capital

The Company's share capital amounting to SR 800 million as of 31 March 2024 and 31 December 2023 is divided into 80 million shares of SR 10 each.

15. Statutory reserve

In accordance with the Parent Company's by-laws, the Group is required to set aside 10% of its net profit as statutory reserve. The general assembly may cease such transfer when this reserve equals 30% of the share capital. Based on the approval of the Ordinary General Assembly of Shareholders at its meeting on 18 Shawwal 1443H (corresponding to 19 May 2022), the transfer to statutory reserve was ceased. The statutory reserve is not available for distribution.

16. Contractual reserve

In accordance with the Parent Company's by-laws, the Ordinary General Assembly may, based on the proposal of the Board of Directors, set aside 10% of net profits for the formation of a contractual reserve allocated for specific purpose(s).

17. Derivative financial instruments

The fair value on derivative financial instruments as at the reporting date was as follows:

	As at 31 March 2024 SR	As at 31 December 2023 SR
Derivatives not designated as hedging instruments		
Profit rate swaps	**7,646,415**	7,646,415

The Group uses derivative financial instruments mainly, profit rate swaps to hedge its profit rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. No change in fair value has been recorded during the period ended 31 March 2024.

17. Derivative financial instruments (continued)

Other details related to the profit rate swap arrangement are as follows:

	As at 31 March 2024 SR	As at 31 December 2023 SR
Change in fair value of the derivative instrument	**-**	(1,019,522)
Carrying amount of the derivative instrument	**7,646,415**	7,646,415
Notional amount of the derivative instrument	**135,723,866**	141,458,678
Maturity date of the derivative instrument	**6 December 2025**	6 December 2025

18. Borrowings and Murabaha

The Group has signed several financing agreements and banking facilities with a number of local and foreign banks, which include borrowings and Murabaha, credit facilities, letters of credit and letters of guarantee, amounting to SR 1.3 billion at 31 March 2024 (31 December 2023: SR 1.4 billion). Of the facilities available to the Group, the balance outstanding amounted to SR 784.6 million as at 31 March 2024 (31 December 2023: SR 773.4 million).

SPPC and its subsidiaries ("SPPC") have signed several financing agreements and banking facilities with a number of local and foreign banks, which include loans and Murabaha, credit facilities, letters of credit and letter of guarantee, on different periods starting from December 2018 and ending in March 2029, subject to renewal. The credit limit for total facilities was SR 794.2 million as at 31 March 2024 (31 December 2023: SR 886.8 million). These agreements are subject to the terms and conditions of banking facilities that apply to all types of facilities provided by banks to their clients. The purpose of these facilities is to finance the activity, working capital, investments and capital expenditures as well as to finance the import of raw materials and equipment related to SPPC's activities and projects. These facilities are subject to interest charges according to the relevant agreements, ranging from 1.65% to 3.5% per annum in addition to SAIBOR or EIBOR as applicable.

The loan agreements contain covenants, mainly relating to certain current ratio, leverage ratio, total debt to equity ratio, and others. Under the terms of these agreements, the banks have the right to demand immediate repayment of the loans if any of the covenants are not met. SPPC did not comply with certain loans and certain covenants as at 31 March 2024. SPPC is in breach in certain financial covenants related to a certain interest-bearing loan, accordingly this certain loan has been classified as short-term.

Under these agreements, SPPC and its subsidiary provided a number of guarantees to cover the full value of the financing which consist of the following:

- Promissory notes with the value of the facilities.
- A plot of land in Abhor district in Jeddah placed as collateral.
- An insurance policy which grants the bank the right to be first beneficiary for the amount equal to the value of the facility.
- Restricted bank accounts amounting to SR 9.8 million (31 December 2023: SR 9.8 million).
- Corporate Guarantee from Flexible Packaging Company Limited, Future Plus Company and Taibah Printing and Packaging Company Limited.
- Legal Mortgage over land and property of SR 107.6 million.
- Mortgage of Machineries worth SR 171.6 million.
- Assignment of all risk Islamic Insurance policy over mortgaged properties, inventory, and purchased machines.
- Pledge of stock/inventories in favor of the bank until full and final repayment of the total facilities.
- Hypothecation over inventories of ENPI amounting to the carrying value of the inventories at any given point in time.
- Hypothecation over ENPI receivable on pari passu basis between the lenders.
- Cross corporate guarantees of ENPI Companies for SR 410 million (31 December 2023: SR 410 million).
- Comfort letter from the shareholders of ENPI amounting to the full working capital facilities of SR 410 million (31 December 2023: SR 410 million).
- Promissory note in an amount of SR 76.5 million (AED 75 million)

Based on the decision of the Board of Directors held on 7 May 2018, the bank has the right, in the event of default by SPPC to recourse through some of the subsidiaries, and the bank has the right to request additional guarantees other than what is mentioned in the loan agreement.

In January 2021, ENPI (a wholly owned subsidiary of SPPC in the United Arab Emirates) signed a banking facility agreement (in compliance with the provisions of Islamic Sharia) with a local bank in the United Arab Emirates for a total amount of SR 494 million, representing the following:

18. Borrowings and Murabaha (continued)

- Long-term financing of SR 356.8 million, repayable over 8 years. The facility was obtained for the purposes of financing capital projects in the amount of SR 76.4 million, in addition to early payment of existing facilities in favor of other banks in the United Arab Emirates, amounting to SR 280 million.
- Short-term financing of SR 137.6 million, for the purpose of working capital financing.

During the period, ENPI signed an addendum to the facility agreement signed in January 2021 for additional drawdown up to SR 11.8 million (equivalent to AED 11.5 million). This loan will be paid on monthly installments of SR 171 thousand and will expire in February 2031.

This loan has an IRS which has resulted in a derivative financial instrument asset as at 31 March 2024 (note 17).

The following is an analysis of the borrowings and Murabaha transactions of the Group:

	As at 31 March 2024 SR	As at 31 December 2023 SR
Long-term borrowing*	**375,305,715**	372,101,924
Short-term borrowing	**381,564,823**	377,416,393
Bank overdrafts	**19,356,443**	19,327,305
Accrued finance costs	**8,408,228**	4,567,670
Total borrowings and Murabaha	**784,635,209**	773,413,292
Less: Current portion	**(603,778,731)**	(595,760,604)
Non-current portion	**180,856,478**	177,652,688

* Including the current portion of long-term loans.

The following is the movement in the balance of borrowings and Murabaha:

	For the three-month period ended 31 March 2024 SR	For the year ended 31 December 2023 SR
At 1 January	**773,413,292**	818,772,432
Proceeds from borrowings	**223,204,980**	1,287,554,769
Repayment of borrowings	**(215,940,245)**	(1,333,040,814)
Finance costs	**15,327,254**	60,437,436
Paid finance costs	**(11,370,072)**	(60,310,531)
	784,635,209	773,413,292

19. Zakat and income tax

Zakat and income tax assessments for the "Parent Company and its wholly owned subsidiaries"

Provision for zakat and income tax is recognized and provided within the interim condensed consolidated statement of profit or loss.

Zakat returns of the Company and its wholly owned subsidiaries are submitted to the Zakat, Tax and Customs Authority (ZATCA) based on the standalone financial statements prepared for zakat purposes up to 2006. Other non-wholly owned subsidiaries had filed their zakat returns separately.

During the year 2007, the Group had obtained the approval of ZATCA on filing a consolidated zakat return for the Company and its wholly owned subsidiaries. The Company and its wholly owned subsidiaries have filed the zakat returns to ZATCA for the years from 2007 through 2022. Subsequent to the date of the interim condensed consolidated financial statements the Group filed the zakat return for the year ended 31 December 2023.

Status from inception till 2010
The zakat position of the Company and its wholly owned subsidiaries has been finalized for the years up to 31 December 2010.

Status for the year from 2011 to 2013
The final zakat assessments for the years from 2011 to 2013 have not yet been raised by ZATCA. Since more than 5 years had passed since the filing of the zakat returns for these years, the status for these years is considered terminated due to the statute of limitations.

19. Zakat and income tax (continued)

Zakat and income tax assessments for the "Parent Company and its wholly owned subsidiaries" (continued)

Status for the years from 2014 to 2018
The ZATCA had issued the final zakat assessment for the years from 2014 to 2018. Initially the Group and it wholly owned subsidiaries has made a provision to cover the potential claims as at 31 December 2020 amounting to SR 57,259,524.

The Company and its wholly owned subsidiaries have filed an objection on the assessment for year 2014 which amounted to SR 4,605,062. In October 2023, the Tax Violations and Dispute Appeal Committee (TVDAC) had issued its final ruling stating that the ZATCA had withdrawn its assessment and therefore the assessed zakat for the year 2014 was canceled.

The Company and its wholly owned subsidiaries have filed an appeal against the zakat assessments for the years from 2015 to 2018 and the objection was partially accepted by ZATCA. On 1st January 2024, the TVDAC has issued its final ruling of partially accepting the appeal for the years from 2015 to 2018. Accordingly, the assessed zakat liability for the years from 2015 to 2018 should be adjusted by ZATCA to SR 17,918,748. The ZATCA is currently in the process of executing the final ruling for issuance of the adjusted zakat liabilities for the years from 2015 to 2018.

The ZATCA had also issued the zakat assessment on Numu Al Elmiah Company (a wholly owned subsidiary of the Company) for the years from 2016 to 2018 which amounted to SR 8,088,037. On 9th November 2023, the TVDAC had issued its final ruling stating that the assessed zakat has been canceled for the years from 2016 to 2018.

Status for the years from 2019 to 2023
The final zakat assessments for the years from 2019 to 2022 have not yet been raised by ZATCA. Subsequent to the date of the interim condensed consolidated financial statements the Group filed the zakat return for the year ended 31 December 2023.

Zakat and income tax for "not-wholly-owned subsidiaries"

a. SPPC

Zakat provision is estimated and charged to the interim condensed consolidated statement of profit or loss. SPPC submitted zakat returns for all years up to 2022. The Zakat returns for the year 2021 and 2022 are still under review by the ZATCA. Subsequent to the date of the interim condensed consolidated financial statements SPPC filed the zakat return for the year ended 31 December 2023.

SPPC received the consolidated zakat assessment for the years 31 December 2005 to 2008. However, ZATCA issued an assessment notice requesting SPPC to pay an additional amount of SR 9,964,793 for which the company has filed an objection against the assessment. Subsequently, ZATCA partially accepted the appeal and zakat differences were reduced by SR 3,382,159. SPPC filed an additional objection for the remaining amount of SR 6,582,634. The objection was partially approved by the General Secretariate of Zakat, Tax and Custom department ("GSTC") and zakat differences were reduced by SR 5,040,535. SPPC and ZATCA filed an objection to the GSTC, these objections are still being considered by GSTC at the date of preparing these interim condensed consolidated financial statements.

SPPC filed consolidated Zakat returns to ZATCA for the years ended 31 December 2009 until 2013 and received Zakat certificate for these years. ZATCA did not issue the final assessment for the mentioned years up to the date of preparing these interim condensed consolidated financial statements. ZATCA issued an assessment notice for the year 2014 without additional amounts.

SPPC received the consolidated zakat assessment for the years 31 December 2015, 2016, and 2018 claiming additional zakat liability of SR 27,137,780. SPPC partially accepted an amount of SR 230,874 from ZATCA treatment and filed an appeal for the remaining amount. ZATCA partially accepted the appeal and issued a revised assessment amounting to SR 16,314,362. SPPC filed objections for these years to the first level of the General Secretariate of Tax and Committees (GSTC), and the objection was rejected by the first level. Then, SPPC filed its appeal to the second level of GSTC. The GSTC 2nd level has issued its ruling upholding ZATCA's treatment in majority of the items. However, SPPC did not accept this ruling and submitted a reconsideration request to the GSTC. The GSTC has issued its ruling in relation to the reconsideration request and upheld the ruling issued by the GSTC 2nd level. Accordingly, the ruling issued by the GSTC 2nd level for the years 2015, 2016, and 2018 should be considered as final. Further, the ZATCA has issued a revised assessment for above mentioned years amounting to SR 15,184,293.

19. Zakat and income tax (continued)

Zakat and income tax for "not-wholly-owned subsidiaries" (continued)

a. SPPC (continued)

SPPC received the final zakat assessment for the year 31 December 2017. Zakat position has been finalized with ZATCA for the year 2017.

SPPC received the zakat assessment for the years 31 December 2019 and 2020 claiming additional zakat liability of SR 22,428,203. SPPC filed objections for these years, and these objections were partially accepted where zakat differences are reduced to SR 21,809,019. SPPC filed an appeal on the revised assessment to the 1st level of the GSTC and settled 25% of the total zakat liability amounting to SR 6,170,214 (according to the zakat by-laws for the year 2019). The GSTC 1st level has issued a favorable ruling to SPPC whereby the GSTC has upheld SPPC's contention in the majority of the appealed items. ZATCA has appealed the ruling with the GSTC 2nd level. The GSTC 2nd level has issued its ruling upholding SPPC's contention in majority of the items.

b. Argaam Investment Trading Company (Argaam):

Zakat and income tax returns have been filed to ZATCA till the year 2022. Subsequent to the date of the interim condensed consolidated financial statements Argaam filed the zakat return for the year ended 31 December 2023.

No zakat provisions accrued to Argaam Investment Trading Company for the years from 2019 to 2021 because the zakat base is negative. The Company has not been subjected to any zakat examination up to the date of these interim condensed financial statements.

c. Thmanyah for Publishing and Distribution Company (Thmanyah):

Zakat returns have been filed to ZATCA up to the year ended 31 December 2022. Subsequent to the date of the interim condensed consolidated financial statements Thmanyah filed the zakat return for the year ended 31 December 2023.

Income tax:

Foreign subsidiaries regularly file tax returns, and the difference between the effective and accounting tax rate is deemed insignificant.

Movement in Group's Zakat and income tax provision is as follows:

	For the three-month period ended 31 March 2024 SR			For the year ended 31 December 2023 SR		
	Zakat	**Income tax**	**Total**	**Zakat**	**Income tax**	**Total**
At 1 January	**105,009,404**	**326,745**	**105,336,149**	212,109,713	317,437	212,427,150
Provision during the period/ year	**10,542,063**	**400,550**	**10,942,613**	26,159,310	1,398,647	27,557,957
Foreign currency translation adjustments	**-**	**(3,064)**	**(3,064)**	1,301	20,040	21,341
Paid during the period / year	**-**	**(482,523)**	**(482,523)**	(111,173,077)	(1,409,379)	(112,582,456)
Reversal of provision	**-**	**-**	**-**	(22,087,843)	-	(22,087,843)
	115,551,467	**241,708**	**115,793,175**	105,009,404	326,745	105,336,149

20. Earnings per share

Basic and diluted earnings per share (EPS) is calculated by dividing the net income for the period attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period. Weighted average number of ordinary shares outstanding for the three-month period ended 31 March 2024 amounted to 80,000,000 shares (three-month period ended 31 March 2023: 80,000,000 shares). There are no contingent ordinary diluted shares. Diluted earnings per share are the same as the basic earnings per share as the Group does not have any convertible securities nor diluted instruments to exercise.

21. Financial instruments fair values and risk management

21.1 Financial assets

Set out below is an overview of financial assets, held by the Group.

	As at 31 March 2024 SR	*As at 31 December 2023 SR*
Financial assets:		
Financial assets at FVOCI *(note 11)*	**1,172,145,647**	1,214,442,526
Trade receivables	**814,865,475**	948,262,001
Cash and cash equivalents *(note 12)*	**1,613,814,071**	607,417,788
Derivative financial instruments *(note 17)*	**7,646,415**	7,646,415
	3,608,471,608	2,777,768,730
Non-current	**1,184,626,913**	1,227,747,477
Current	**2,423,844,695**	1,550,021,253
	3,608,471,608	2,777,768,730

21.2 Financial liabilities

Set out below is an overview of financial liabilities, held by the Group.

	As at 31 March 2024 SR	*As at 31 December 2023 SR*
Financial liabilities at amortized cost		
Trade payables	**606,693,284**	600,253,933
Borrowings and Murabaha *(note 18)*	**784,635,209**	773,413,292
Lease liabilities	**299,458,738**	165,399,800
Accrued expenses and other current liabilities	**450,546,155**	328,554,127
	2,141,333,386	1,867,621,152
Non-current	**683,748,592**	572,327,413
Current	**1,457,584,794**	1,295,293,739
	2,141,333,386	1,867,621,152

21.3 Financial instruments fair values:

The table below shows the carrying amount and fair values of financial assets and financial liabilities, including their levels and the fair value hierarchy as at 31 March 2024 and 31 December 2023:

		Fair value			
	Carrying value SR	***Level 1 SR***	***Level 2 SR***	***Level 3* SR***	***Total SR***
31 March 2024					
Financial assets measured at fair value					
Financial assets at FVOCI	**1,172,145,647**	**15,181,313**	**1,142,717,602**	**14,246,732**	**1,172,145,647**
Derivative financial instruments	**7,646,415**	**-**	**7,646,415**	**-**	**7,646,415**
	1,179,792,062	**15,181,313**	**1,150,364,017**	**14,246,732**	**1,179,792,062**
31 December 2023					
Financial assets measured at fair value					
Financial assets at FVOCI	1,214,442,526	8,014,500	1,192,171,686	14,256,340	1,214,442,526
Derivative financial instruments	7,646,415	-	7,646,415	-	7,646,415
	1,222,088,941	8,014,500	1,199,818,101	14,256,340	1,222,088,941

*The fair value of the Group’s investments in a private equity fund is obtained from the net assets value report (“NAV”) from the fund manager.

21. Financial instruments fair values and risk management (continued)

21.3 Financial instruments fair values: (continued)

There were no transfers between levels of the fair value hierarchy during period ended 31 March 2024 (31 December 2023: none).

The fair value of financial instruments represented in trade receivables, cash and cash equivalents, borrowings and Murabaha, lease liabilities and trade payables closely approximate their book value. The Group assessed that the fair value of these financial assets and financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

22. Commitments and contingencies

Contingent legal claims

Certain subsidiaries of the Group are involved in litigation matters in their ordinary course of business, which are being defended. The ultimate results of these matters cannot be determined with certainty. However, the management believes that the results of these matters will not have a significant impact on the Group's interim condensed consolidated financial statements as at 31 March 2024.

The Group has the following contingent liabilities and commitments:

	As at 31 March 2024 SR million	As at 31 December 2023 SR million
Letters of credit	**28.5**	21.0
Letters of guarantee	**3.9**	4.2
Trades and marketing liabilities	**17.2**	17.6
Capital commitments (note 7)	**250.6**	251.3

23. Segment information

For management purposes, the Group is organized into business units based on their products and services and has four reportable segments, as follows:

1. ***Publishing, visual and digital content:*** Comprise the publishing works locally and internationally, media activities, research and marketing the products of the Group and third parties. The segment is also involved in the publishing of specialized publications for third parties, issuance of licensed international publications / media platforms, translation services and selling electronic and visual content (note a).

2. ***Public relations and advertising:*** Comprise the local and international public relation services, studies, research, marketing, media events, international advertising, production, representation and marketing, audio visual and readable advertising media, and advertising panels.

3. ***Printing and packaging:*** Comprise printing works on paper and plastic, commercial posters, in addition to manufacturing of plastic products for the Group and others.

4. ***All other segments:*** Comprises of providing technical, training and educational courses, services, distribution of newspapers, magazines, publications, books and the publications of the Group, research, events management and other related activities. The wholesale and retail trading of school supplies, office furniture, installation, and maintenance of laboratories (note b).

The following segments have been aggregated in these interim condensed consolidated financial statements:

a. Publishing: This segment comprises the publishing and specialized publishing segments. These two segments have been aggregated based on the criteria of having similar nature of services and similar type or class of customer for their products.

b All other segments: This segment is an aggregation of all other business activities and operating segments that do not individually meet the quantitative thresholds required under IFRS 8.

23. Segment information (continued)

The Chief Executive Officer and the Chief Operating Officer, both monitor the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on income and is measured consistently with income in the interim condensed consolidated financial statements.

The following table presents revenues and profit information for the Group's operating segments for the three-month period ended 31 March 2024:

	Publishing, visual, and digital content SR	**Public relations and advertising SR**	**Printing and packaging SR**	**All other segments SR**	**Total SR**	**Adjustments and eliminations SR**	**Total SR**
Revenues							
External customers	**403,694,015**	**201,412,092**	**177,963,240**	**31,794,187**	**814,863,534**	**-**	**814,863,534**
Inter-segment	**86,750,000**	**-**	**8,939,776**	**1,108,495**	**96,798,271**	**(96,798,271)**	**-**
Total revenues	**490,444,015**	**201,412,092**	**186,903,016**	**32,902,682**	**911,661,805**	**(96,798,271)**	**814,863,534**
Gross profit	**104,039,966**	**110,956,764**	**19,782,538**	**4,260,141**	**239,039,409**	**(9,153,625)**	**229,885,784**
Segment profit / (loss) attributable to equity holders of the Parent Company	**54,222,085**	**61,522,663**	**(15,834,808)**	**(4,337,969)**	**95,571,971**	**(8,704,416)**	**86,867,555**

The following table presents revenues and profit information for the Group's operating segments for the three-month period ended 31 March 2023:

	Publishing, visual, and digital content SR	Public relations and advertising SR	Printing and packaging SR	All other segments SR	Total SR	Adjustments and eliminations SR	Total SR
Revenues							
External customers	411,780,772	241,240,460	198,188,574	33,427,269	884,637,075	-	884,637,075
Inter-segment	87,588,258	-	12,737,321	1,144,062	101,469,641	(101,469,641)	-
Total revenue	499,369,030	241,240,460	210,925,895	34,571,331	986,106,716	(101,469,641)	884,637,075
Gross profit	100,303,136	146,258,544	28,596,986	10,888,069	286,046,735	(6,869,915)	279,176,820
Segment profit / (loss) attributable to equity holders of the Parent Company	70,338,158	101,319,679	(10,721,598)	(5,850,494)	155,085,745	(34,111,738)	120,974,007

23. Segment information (continued)

The following table presents total assets and total liabilities information for the Group's operating segments as at 31 March 2024:

	Publishing, visual, and digital content SR	Public relations and advertising SR	Printing and packaging SR	All other segments SR	Total SR	Adjustments and eliminations SR	Total SR
Total assets	**7,599,409,901**	**9,579,980,738**	**1,502,248,453**	**818,537,230**	**19,500,176,322**	**(12,850,066,675)**	**6,650,109,647**
Total liabilities	**7,289,508,716**	**4,169,714,799**	**1,023,392,428**	**527,894,646**	**13,010,510,589**	**(9,637,741,417)**	**3,372,769,172**

The following table presents total assets and total liabilities information for the Group's operating segments as at 31 December 2023:

	Publishing, visual, and digital content SR	Public relations and advertising SR	Printing and packaging SR	All other segments SR	Total SR	Adjustments and eliminations SR	Total SR
Total assets	7,686,243,598	8,068,957,458	1,524,145,783	828,150,668	18,107,497,507	(12,377,172,067)	5,730,325,440
Total liabilities	6,907,520,158	3,319,158,136	1,022,701,289	385,054,292	11,634,433,875	(9,164,704,986)	2,469,728,889

Inter-segment revenues and balances at the reporting date are eliminated upon consolidation and reflected in the 'adjustments and eliminations' column.

Adjustments and eliminations

Finance costs and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a Group basis.

Zakat, income taxes, and certain financial assets and liabilities are not allocated to those segments as they are also managed on a Group basis.

23. Segment information (continued)

Revenue recognition timing:
The Group recognizes revenue as per the terms and conditions in the contracts with customers for media, advertising, publishing, and other segments services as follows:

Publishing and visual and digital content
Revenue is recognized when customers obtain control of services; when services are rendered to customers and have been accepted. Invoices are generated and revenue is recognized at that point in time.

Public relations and advertising
Public relation revenue is recognized over time and on a 'stand-ready' basis. The performance obligations are stand-ready obligations and generally agreed that the nature of the promise in a stand-ready obligation is the promise that the customer will have access to a good or service. The standard describes a stand-ready obligation as a promised service that consists of standing ready to provide goods or services or making goods or services available for a customer to use as and when it decides to do so.

Advertising revenue is billed monthly, and payments are due shortly after the bill date. Such services are recognized as a performance obligation satisfied at a point in time. A receivable is recognized by the Group when the goods or services are delivered or rendered as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Printing and packaging
Revenue is recognized when customers obtain control of goods when the goods are delivered to customers and have been accepted at their premises. Invoices are generated and revenue is recognized at that point in time.

Some contracts allow customers to return goods and replace them with other new goods, and no refunds are permitted. Revenue is recognized when the goods are delivered and have been accepted by customers.

With respect to contracts that allow customers to return goods, revenue is recognized only to the extent that it is highly probable that a significant reversal will not occur in the amount of the accumulated revenue.

Other segments:
Subscription revenues are billed and collected in advance. Revenue billed in advance of the rendering of services is deferred and presented in the statement of financial position as contract liabilities. Subscription revenue is recognized over time as the Group satisfies its performance obligations over time. The transaction price allocated to these subscriptions is recognized as a contract liability at the time of the initial sales transaction and is released on a straight-line basis over the period of service.

Events management and research revenues are recognized when customers obtain control of services; when services are rendered to customers and have been accepted. Invoices are generated and revenue is recognized at that point in time.

Penalties on overdue trade receivables are recognized on an accrual basis using the rates stipulated in the service agreements.

	For the three-month period ended 31 March 2024 SR	For the three-month period ended 31 March 2023 SR
Over a period of time	**605,754,657**	652,767,471
At a point in time	**209,108,877**	231,869,604
	814,863,534	884,637,075

24. Related party transactions and balances

Related parties of the Group comprise entities where shareholders and key management personnel have control, joint control, or significant influence.

The remuneration and compensation of board members and senior executives during the period were as follows:

	For the three-month period ended 31 March 2024 SR	For the three-month period ended 31 March 2023 SR
BOD expenses, allowances, and respective committees	**2,500,000**	2,560,000
Benefits of group's key management personnel:		
Short -term employee benefits	**4,033,110**	3,976,230
Long -term employee benefits	**239,930**	192,508
	4,273,040	4,168,738

The significant transactions and balances between the Group and its related party are as follows:

Related parties name	**Nature of relationship**	**Nature of Transaction**	**For the three-month period ended 31 March 2024 SR**	For the three-month period ended 31 March 2023 SR
Sela Company	Sela key management personnel is a close family member of a key management personnel	Events organization	**780,000**	-
Al-Fahed law firm	Owned by board of directors' member	Legal consultancy	**-**	124,674

As at 31 March 2024, the outstanding balances as a result of transactions with abovementioned related parties amounted to SR Nil (31 December 2023: SR Nil).

In addition, the Group has an outstanding balance of SR 40.2 million (31 December 2023: SR 40.6 million) and those amounts have been paid for media services to an entity owned by one of the subsidiaries' General Manager. This amount is included in prepayments and other current assets.

25. Subsequent events

In the event of the recent floods occurred in UAE, SPPC has incurred loss of inventory amounting to SR 2.1 million. SPPC has filed for insurance claim against the loss incurred amounting to SR 1.8 million.

26. Board of directors' approval

The interim condensed consolidated financial statements were approved by the Board of Directors on 12 Thul-Qi'dah 1445H (corresponding to 20 May 2024).