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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF SAUDI PRINITNG AND PACKAGING COMPANY
(A Saudi Joint Stock Company)

Opinion

We have audited the consolidated financial statements of Saudi Printing and Packaging Company (A Saudi Joint Stock Company) (the "Company") and its subsidiaries (together with the Company, referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2022, and the related consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022, its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") that are endorsed in the Kingdom of Saudi Arabia ("KSA") and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") (collectively referred to as "IFRSs as endorsed in KSA").

Other matters

The financial statement of the Group for the year ended 31 December 2021 were audited by another auditor who expressed unmodified opinion on those financial statement on 28 Sha'ban 1443 (corresponding 31 March 2022)

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), that is endorsed in the Kingdom of Saudi Arabia, that is relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with this Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF SAUDI PRINITNG AND PACKAGING COMPANY
(A Saudi Joint Stock Company) (continued)

Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
Impairment of trade receivables	
As at 31 December 2022, the Group's gross trade receivables amounted to SR 359.8 million, against which impairment allowance for expected credit losses of SAR 88 million is maintained. The Group uses the Expected Credit Losses "ECL" model as required by the relevant accounting standard to calculate allowance for impairment in trade receivable. Further, the Group perform an assessment based on a set of relevant qualitative factors for some of the customers categories. We considered impairment of trade receivables as key audit matter as the determination of the expected credit loss ("ECL") involves significant judgement and this has a material impact on the consolidated financial statements of the Group. The key area of judgement includes assumptions used in ECL model in determining probability of default and macroeconomic information to adjust the historical loss rate. Refer to notes of the consolidated financial statements for significant accounting policy relating to impairment of financial asset, and note 9 for trade receivables related disclosures.	Our audit procedures included, among others, the following: • Obtained an understanding of the management's process in determining and calculating the expected credit loss. • Assessed significant assumptions, including collection rates, recovery rates, impairment ratios and those relating to future economic events that are used to calculate the expected credit losses. • Tested the completeness and accuracy of data used in the ECL calculation including the customer's ageing reports. • Tested the mathematical accuracy of the ECL model. • Obtained an understanding of the latest development and the basis of measuring the impairment allowance for specific provisions and assessed management assumptions given the circumstances. • Assessed the adequacy of the relevant disclosures included in the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF SAUDI PRINITNG AND PACKAGING COMPANY
(A Saudi Joint Stock Company) (continued)

Key Audit Matters (continued)

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Revenue Recognition</td></tr>
<tr><td>During the year ended 31 December 2022, the Group recognised total revenue of SR 1,000.1 million (2021: SR 783.6 million).

The Group earns revenue from different business segments which primarily include printing and packaging. The Group recognizes revenue upon satisfaction of the performance obligation.

We have considered revenue recognition a key audit matter as the application of accounting standard for revenue recognition involves careful consideration and judgment to determine when risks and rewards have been transferred to customers for different types of contracts. In addition, revenue is an important element of how the Group measures its performance which creates an incentive for improper revenue recognition.

Refer to notes of the consolidated financial statements for significant accounting policies relating to revenue recognition and note 20 for revenue related disclosures.</td><td>Our audit procedures included, among others, the following:

• Obtained an understanding of the Group's business model and sales process.

• Tested, on sample basis, sales transactions to verify that the related revenues and trade receivables are recorded in the current accounting period taking into consideration the terms and conditions of the sale orders, including the shipping terms.

• Tested, on sample basis, sales cut off by agreeing deliveries occurring around the year end to supporting documentation to establish that sales and corresponding trade receivables are properly recorded in the correct period.

• Assessed the adequacy of the Group's disclosures made in the notes to the consolidated financial statements.</td></tr>
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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF SAUDI PRINITNG AND PACKAGING COMPANY
(A Saudi Joint Stock Company) (continued)

Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
Impairment of Goodwill	
As at 31 December 2022 the Group's consolidated financial statements included goodwill which arose from past business combinations amounting to SAR 369.9 million (2021: SAR 369.9 million) In accordance with the International Accounting Standard (IAS) 36 "Impairment of assets", goodwill must be tested for impairment at least annually. The determination of recoverable amount, being the higher of value-in-use and fair value less costs to dispose, requires judgement on the part of management in both identifying and then valuing the relevant CGUs. Moreover, the determination of the recoverable value based on value-in -use requires making considerable judgement and assumptions when estimating the future cashflows, growth rates and discount rates. We have identified the assessment of potential impairment of goodwill as key audit matter considering the quantitative materiality of the Goodwill recognised and involvement of significant judgements and assumptions in the determination of recoverable amount by management. Refer to notes of the consolidated financial statements for significant accounting policy relating to Goodwill and note 5 for goodwill related disclosures.	Our audit procedures included, among others, the following: • Evaluated the appropriateness of management's identification of the group's CGU for the purpose of impairment testing. • Involved our internal specialist to assist us in reviewing the valuation methodologies used by management and assess the reasonableness of the valuation assumptions such as discount and growth rates by comparing these assumptions to source data and market data. • Tested the mathematical accuracy and performed sensitivity analysis on the key assumptions used in the model, including the discount rate used in the discounted cash flow forecast. • Assessed the reliability of cash flow forecasts through a review of actual past performance and comparison to previous forecasts. • Assessed the adequacy of the relevant disclosures included in the consolidated financial statements

Other information included in the Group's 2022 Annual Report

Other information consists of the information included in the Group's 2022 annual report, other than the consolidated financial statements and our auditor's report thereon. The Board of Directors is responsible for the other information in its annual report. The Group's 2022 annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF SAUDI PRINITNG AND PACKAGING COMPANY
(A Saudi Joint Stock Company) (continued)

Other information included in the Group's 2022 Annual Report (continued)
In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Group's 2022 annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Board of Directors and those Charged with Governance for the Consolidated Financial Statements
Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs as endorsed in KSA and the provisions of the Companies' Law and Company's By-laws and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs that are endorsed in KSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs that are endorsed in KSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF SAUDI PRINITNG AND PACKAGING COMPANY
(A Saudi Joint Stock Company) (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

for Ernst & Young Professional Services

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

Riyadh: 5 Ramadhan 1444H
(27 March 2023)

Ernst & Young Professional Services
(Professional LLC)