

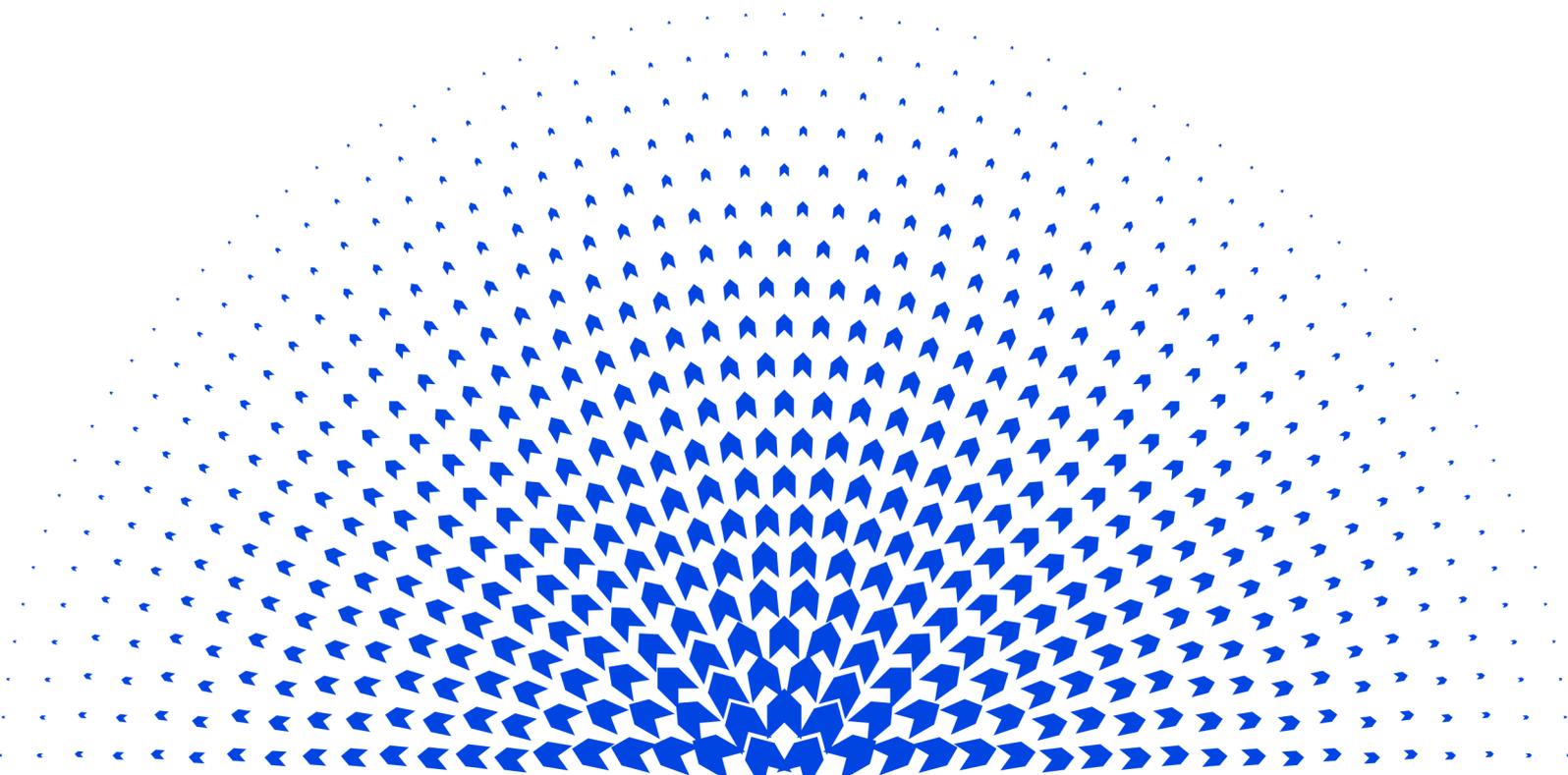
مجموعة تداول السعودية  
Saudi Tadawul Group

# Q3 2022

SAUDI TADAWUL GROUP HOLDING COMPANY  
(A Saudi Joint Stock Company)

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**Condensed Consolidated Interim Financial Statements**  
For the three-month and nine-month periods ended 30 September 2022  
and the Independent Auditor's review report





SAUDI TADAWUL GROUP HOLDING COMPANY

(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

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Ernst & Young Professional Services (Professional LLC)  
Paid-up capital (SR 5,500,000 – Five million five hundred thousand Saudi Riyal)  
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## INDEPENDENT AUDITOR'S REVIEW REPORT ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF SAUDI TADAWUL GROUP HOLDING COMPANY (A SAUDI JOINT STOCK COMPANY)

### Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Saudi Tadawul Group Holding Company (A Saudi Joint Stock Company) (the "Company") and its subsidiaries (collectively referred to as the "Group") as at 30 September 2022 and the related condensed consolidated interim statement of profit and loss and other comprehensive income for the three-month and nine-month periods then ended, and the related condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the nine-month period then ended, and a summary of significant accounting policies 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") that is 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" that is endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, primarily of the 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 ("ISAs") 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 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

### Other Matter

The consolidated financial statements of the Group for the year ended 31 December 2021 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 6 Sha'ban 1443H (corresponding to 9 March 2022). Further, the condensed consolidated interim financial statements of the Group for the three-month and nine-month periods ended 30 September 2021 were reviewed by another auditor who express an unmodified review conclusion on those condensed consolidated interim financial statements on 21 Rabi Al-Awwal 1443H (corresponding to 27 October 2021).

for Ernst & Young Professional Services

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

Riyadh: 2 Rabi Al-Thani 1444H  
(27 October 2022)





CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

(Saudi Arabian Riyals)

	Notes	30 September 2022 (Unaudited)	31 December 2021 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment		67,823,143	56,056,384
Intangible assets		142,433,148	144,727,277
Equity-accounted investee	5	373,923,141	375,616,085
Right of use assets		8,563,401	7,120,394
Investments	6	55,557,254	55,272,377
<b>Total non-current assets</b>		<b>648,300,087</b>	<b>638,792,517</b>
<b>Current assets</b>			
Accounts receivable	7	76,030,276	60,547,611
Prepaid expenses and other current assets	8	117,188,487	108,059,619
Investments	6	615,193,648	2,631,732,808
Clearing participant financial assets	9	4,493,466,735	18,013,567
Cash and cash equivalents	10	2,099,107,518	86,197,458
<b>Total current assets</b>		<b>7,400,986,663</b>	<b>2,904,551,063</b>
<b>Total assets</b>		<b>8,049,286,750</b>	<b>3,543,343,580</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	1	1,200,000,000	1,200,000,000
Statutory reserve	11	360,000,000	360,000,000
Retained earnings		1,539,863,658	1,532,440,906
<b>Total equity</b>		<b>3,099,863,658</b>	<b>3,092,440,906</b>
<b>Non-current liability</b>			
Employees' end-of-service benefits liability	12	100,406,905	96,876,185
<b>Total non-current liability</b>		<b>100,406,905</b>	<b>96,876,185</b>
<b>Current liabilities</b>			
Clearing participant financial liabilities	13	4,480,542,575	18,013,349
Lease liability		3,518,948	982,913
Accounts payable	14	17,080,024	6,785,710
Balance due to Capital Market Authority (CMA)	15	22,857,323	22,280,843
Deferred revenue	16	50,797,776	3,214,902
Accrued expenses and other current liabilities	17	221,297,181	236,085,074
Zakat payable	18	52,922,360	66,663,698
<b>Total current liabilities</b>		<b>4,849,016,187</b>	<b>354,026,489</b>
<b>Total liabilities</b>		<b>4,949,423,092</b>	<b>450,902,674</b>
<b>Total equity and liabilities</b>		<b>8,049,286,750</b>	<b>3,543,343,580</b>

The accompanying notes from (1) through (33) form an integral part of these condensed consolidated interim financial statements

  
Chairperson

  
Group Chief Executive Officer

  
Group Chief Financial Officer

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
For the three-month and nine-month periods ended 30 September 2022  
(Saudi Arabian Riyals)

	Notes	For the three-month period ended 30 September		For the nine-month period ended 30 September	
		2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Unaudited)
Operating revenue	19	257,180,057	262,635,352	849,241,270	908,543,135
Operating costs	20	(111,310,705)	(84,159,714)	(300,363,024)	(258,777,541)
Gross profit		145,869,352	178,475,638	548,878,246	649,765,594
General and administrative expenses	21	(54,342,449)	(47,990,037)	(161,544,892)	(145,504,141)
Reversal / (allowance) for expected credit losses on financial assets		199,765	(186,068)	(3,305,066)	(1,255,923)
Operating profit		91,726,668	130,299,533	384,028,288	503,005,530
Investment income	22	13,283,999	8,211,570	37,554,797	25,378,263
Share of net gain / (loss) in an equity-accounted investee	5	702,523	(785,107)	(1,692,944)	(2,408,553)
Finance cost	23	(545,250)	(1,008,673)	(1,797,677)	(2,021,591)
Other (expense) / income .net		(115,759)	5,293,127	2,721,192	5,449,916
Non-operating profit		13,325,513	11,710,917	36,785,368	26,398,035
Profit before zakat for the period		105,052,181	142,010,450	420,813,656	529,403,565
Zakat expense	18	(15,933,735)	(26,821,041)	(53,390,904)	(52,169,938)
Net profit for the period		89,118,446	115,189,409	367,422,752	477,233,627
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		89,118,446	115,189,409	367,422,752	477,233,627
Basic and diluted earnings per share	24	0.74	0.98	3.06	3.98

The accompanying notes from (1) through (33) form an integral part of these condensed consolidated interim financial statements

  
Chairperson

  
Group Chief Executive Officer

  
Group Chief Financial Officer

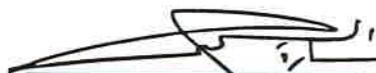


SAUDI TADAWUL GROUP HOLDING COMPANY  
(A Saudi Joint Stock Company)  
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY  
For the nine-month period ended 30 September 2022  
(Saudi Arabian Riyals)

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	Share capital	Statutory reserve	General reserve	Retained earnings	Total equity
Balance as at 1 January 2022 (Audited)	1,200,000,000	360,000,000	-	1,532,440,906	3,092,440,906
Net profit and total comprehensive income for the period	-	-	-	367,422,752	367,422,752
Dividends (Note 31)	-	-	-	(360,000,000)	(360,000,000)
Balance as at 30 September 2022 (Unaudited)	1,200,000,000	360,000,000	-	1,539,863,658	3,099,863,658
Balance as at 1 January 2021 (Audited)	1,200,000,000	376,963,633	1,114,180,214	943,478,532	3,634,622,379
Net profit and total comprehensive income for the period	-	-	-	477,233,627	477,233,627
Dividends (Note 31)	-	-	-	(1,120,000,000)	(1,120,000,000)
Transfer to retained earnings	-	-	(1,114,180,214)	1,114,180,214	-
Balance as at 30 September 2021 (Unaudited)	1,200,000,000	376,963,633	-	1,414,892,373	2,991,856,006

The accompanying notes from (1) through (33) form an integral part of these condensed consolidated interim financial statements



Chairperson



Group Chief Executive Officer



Group Chief Financial Officer

SAUDI TADAWUL GROUP HOLDING COMPANY  
(A Saudi Joint Stock Company)  
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS  
For the nine-month period ended 30 September 2022  
(Saudi Arabian Riyals)

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	Notes	For the nine-month period ended 30 September	
		2022 (Unaudited)	2021 (Unaudited)
<b>Cash flows from operating activities</b>			
Profit before zakat for the period		420,813,656	529,403,565
<i>Adjustments to reconcile profit before zakat for the period to net cash generated from operating activities:</i>			
Depreciation and amortization	20,21	44,630,203	43,769,915
Charge for credit losses on accounts receivable	7	3,337,066	1,242,753
(Reversal)/charge for impairment on investments held at amortized cost	6 1 1	(32,000)	13,170
Provision for employees' end-of-service benefits	12	9,284,217	8,573,028
Realised gain on sale of investments	22	(17,707,106)	(8,803,788)
Unrealised gain on investments	22	(5,905,030)	(9,315,757)
Dividend income	22	(4,227,815)	(4,714,359)
Commission income on SUKUK	22	(1,490,723)	(2,534,105)
Commission from deposits with SAMA	22	(2,789,982)	(10,254)
Commission from SAMA Bills	22	(5,296,789)	-
Share of loss in equity-accounted investee	5	1,692,944	2,408,553
Interest expense on lease liability		121,551	717,363
<b>Changes in operating assets and liabilities:</b>			
Accounts receivable		(18,819,730)	(21,927,977)
Prepaid expenses and other current assets		(9,128,888)	(34,101,285)
Accounts payable		10,294,314	35,689,846
Balance due to Capital Market Authority		576,480	(8,007,714)
Deferred revenue		47,582,874	42,668,402
Accrued expenses and other current liabilities		(14,787,893)	(475,195)
Clearing participant financial assets		(4,475,453,168)	4,630,822
Clearing participant financial liabilities		4,462,529,226	(4,631,039)
Cash generated from operations		445,323,427	574,595,944
Employees' end-of-service benefits paid	12	(5,753,497)	(10,201,157)
Zakat paid	18	(67,132,242)	(83,120,936)
Net cash generated from operating activities		372,437,688	481,273,851
<b>Cash flows from investing activities</b>			
Purchase of investments		(904,834,294)	(1,846,802,356)
Proceeds from disposal of investments		2,946,123,434	2,523,665,728
Special commission income received		1,262,768	2,527,778
Dividend income received		4,231,438	4,591,977
Commission from SAMA Bills and deposits received		7,778,168	-
Purchase of intangible assets and property and equipment		(44,226,345)	(25,129,276)
Net cash generated from investing activities		2,010,325,169	658,853,851
<b>Cash flows from financing activities</b>			
Interest payment of lease liability		(121,551)	(717,363)
Principal repayment of lease liability		(9,731,248)	(8,832,302)
Dividends paid	31	(360,000,000)	(1,120,000,000)
Net cash used in financing activities		(369,852,797)	(1,129,549,665)
Net increase in cash and cash equivalents		2,012,910,060	10,578,037
Cash and cash equivalents at the beginning of the period		86,197,468	106,798,376
Cash and cash equivalents at end of the period	10	2,099,107,518	117,376,413

The accompanying notes from (1) through (33) form an integral part of these condensed consolidated interim financial statements

  
Chairperson

  
Group Chief Executive Officer

  
Group Interim Financial Officer



## 1. GENERAL

Saudi Tadawul Group Holding Company (formerly "Saudi Stock Exchange Company") (the Company) is a Saudi joint stock company registered in the Kingdom of Saudi Arabia under Commercial Registration number 1010241733 dated 2/12/1428 H (corresponding to 12 December 2007). The Company was established by the Royal Decree no. M/15 dated 01/03/1428 H (corresponding to 20 March 2007) and the Ministry of Commerce resolution no. 320/k dated 1/12/1428 H (corresponding to 11 December 2007).

On 1 June 2021, the Company announced its restructuring which resulted in transforming the Saudi Stock Exchange Company (Tadawul) into a holding company under the name of Saudi Tadawul Group Holding Company, a parent company of four wholly owned subsidiaries; Saudi Exchange Company (Exchange), Securities Clearing Center Company (Muqassa), the Securities Depository Center Company (Edaa), and Tadawul Advance Solution Company (Wamid). The details of these subsidiaries are given in note 1.1. From 1 June 2021, the operations of the Company, that included listing, trading and dissemination of securities information, were transferred to Exchange.

The Company was wholly owned by the Government of the Kingdom of Saudi Arabia (the "Government") as ultimate controlling party through the Public Investment Fund ("PIF"). On 8 December, 2021, the Company completed its Initial Public Offering ("IPO") and its ordinary shares were listed on the Saudi Stock Exchange. In connection with the IPO, the Government through PIF sold 30% of their stake representing 36 million ordinary shares. Accordingly, PIF now holds 70% (31 December 2021: 70%) of the share capital. As at 30 September 2022, the authorized, issued and fully paid-up share capital of the Company is SAR 1,200 million (31 December 2021: SAR 1,200 million) divided into 120 million shares (31 December 2021: 120 million shares) of SAR 10 each.

These condensed consolidated interim financial statements comprise the financial statements of the Company and its subsidiaries (collectively referred to as "the Group").

The Company's main activities, after becoming a holding company, are managing and supporting subsidiaries or participating in the management of other companies in which it owns shares, investing its funds in shares and other securities, owning real estate and other properties in connection with its businesses, granting loans, guarantees and financing to its subsidiaries, and owning and leasing industrial property rights to its subsidiaries or other companies.

The Group's main activities through dedicated subsidiaries (given in note 1.1) is to provide a listing service, create and manage the mechanisms of trading of securities, providing depository and registration services for securities ownership, clearing of securities trades, dissemination of securities information and engage in any related other activity to achieve the objectives as defined in the Capital Market Law.

The Company's registered office address is as follows:

6897 King Fahd Road - Al Olaya  
Unit Number: 15  
Riyadh 12211-3388  
Kingdom of Saudi Arabia



## 1. GENERAL (CONTINUED)

### 1.1 Details of the Company's subsidiaries

Name of Subsidiary	Country of Incorporation & Legal Status	Commercial Registration dated	Business Activity	Ownership, Direct and Effective		Paid up Share capital - SAR
				September 2022	December 2021	
Securities Depository Center Company "Edaa"	Kingdom of Saudi Arabia, Closed Saudi Joint Stock Company	27/11/1437 H (corresponding to 30 August 2016 G)	Depository and registration of securities	100%	100%	400,000,000
Securities Clearing Center Company "Muqassa"	Kingdom of Saudi Arabia, Closed Saudi Joint Stock Company	02/06/1439 H (corresponding to 18 February 2018 G)	Clearing services of securities	100%	100%	600,000,000
Tadawul Advance Solution Company "Wamid"	Kingdom of Saudi Arabia, Closed Saudi Joint Stock Company	10/02/1442 H (corresponding to 28 September 2020 G)	Financial technology solutions, innovative capital market solutions for stakeholders	100%	100%	75,000,000
Saudi Exchange Company "Exchange"	Kingdom of Saudi Arabia, Closed Saudi Joint Stock Company	17/08/1442 H (corresponding to 31 March 2021G)	Listing and trading of securities, market information dissemination	100%	100%	600,000,000



## 2. BASIS OF PREPARATION

### 2.1 *Statement of compliance*

These interim condensed consolidated interim financial statements for the period ended 30 September 2022 have been prepared in compliance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” as endorsed in the Kingdom of Saudi Arabia, other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”) and in compliance with the provisions of the Regulations for Companies in the Kingdom of Saudi Arabia and the by-laws of the Company. The accounting policies in these condensed consolidated interim financial statements are consistent with those in the Group’s annual consolidated financial statements for the year ended 31 December 2021.

These condensed consolidated interim financial statements do not include all information and disclosures required for a complete set of financial statements and should be read in conjunction with the Group’s last annual consolidated financial statements for the year ended 31 December, 2021. In addition, results for the three-month and nine-month periods ended 30 September 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

### 2.2 *Basis of measurement*

These condensed consolidated interim financial statements have been prepared on a historical cost basis, except for financial assets measured at fair value through profit or loss and employees’ end-of-service benefits which is using the projected unit credit method and discounted to their present value.

### 2.3 *Functional and presentation currency*

These condensed consolidated interim financial statements are presented in Saudi Arabian Riyals (“SAR”), which is the functional and presentational currency of the Group. All amounts have been rounded to the nearest SAR.

### 2.4 *Critical accounting estimates and judgments*

In preparing these condensed consolidated interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made 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 for the year ended December 31, 2021. During the period ended 30 September 2022, there was an addition in the intangible assets whereby the estimated useful life of intangible assets ranges from 6 to 10 years.

## 3. BASIS OF CONSOLIDATION

These condensed consolidated interim financial statements comprise the financial statements of Tadawul and its subsidiaries (collectively referred to as “the Group”). Control is achieved when the Group is exposed to or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In assessing control, the Group considers both substantive rights that it holds and substantive rights held by others. The financial statements of subsidiaries are included in the condensed consolidated interim financial statements from the date that control commences until the date control ceases and it derecognises the assets and liabilities of the subsidiary and any related non-controlling interest (NCI) and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Intra-group balances and transactions and any unrealised gain / loss arising from intra-group transactions, are eliminated.

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group’s interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.



#### 4. NEW STANDARDS AND AMENDMENTS ISSUED

##### New standards or amendments for 2022 and forthcoming requirements

A number of standards, amendments and interpretations have been issued. The new requirements that have been issued by the International Accounting Standards Board as at 20 March 2022, and contains two tables, as follows:

- New currently effective requirements: This table lists the recent changes to the Standards that are required to be applied by an entity with an annual reporting period beginning on 1 January 2022.
- Forthcoming requirements: This table lists the recent changes to the Standards that are required to be applied for an annual period beginning on 1 January 2023 and that are available for early adoption in annual periods beginning on 1 January 2022. These requirements are not included in this guide.

New currently effective requirements:

Effective date	New standards or amendments
1 January 2022	Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
	Annual Improvements to IFRS Standards 2018-2020
	Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
	Reference to the Conceptual Framework (Amendments to IFRS 3)
	Amendment to IFRS 16, 'Leases' – COVID-19 related rent concessions extension of the practical expedient (effective for annual periods beginning on or after 1 April 2021)

##### Standards issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted. The Group has not early adopted any of the forthcoming new or amended standards in preparing these condensed consolidated interim financial statements.

Effective date	New standards or amendments
1 January 2023	Classification of Liabilities as Current or Non-current – Amendments to IAS 1
	IFRS 17 Insurance Contracts , as amended in June 2020
	Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
	Definition of Accounting Estimate – Amendments to IAS 8
	Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12
1 January 2024	Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback
Available for optional adoption/effective date deferred indefinitely	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)



## 5. EQUITY-ACCOUNTED INVESTEE

This represents the Group's share of investment in Tadawul Real Estate Company ("the Associate"), a company incorporated in the Kingdom of Saudi Arabia, where the Company has significant influence through voting rights. As at 30 September 2022, the Group owns 33.12% (31 December 2021: 33.12%) of the share capital of the Associate. The main activity of the Associate is to develop a commercial office tower in King Abdullah Financial District, Riyadh, where the Group expects to be headquartered.

The Group has recognized its share of loss for the nine-month period ended 30 September 2022, based on the quarterly management accounts of the Associate.

The movement of investment in the Associate is as follows:

	For the nine-month period ended 30 September 2022 (Unaudited)	For the year ended 31 December 2021 (Audited)
Balance at beginning of the period / year	375,616,085	378,895,293
Share of loss for the period / year	<b>(1,692,944)</b>	(3,279,208)
<b>Balance at end of the period / year</b>	<b>373,923,141</b>	<b>375,616,085</b>

The following table summarizes the financial information of the Associate as included in the management accounts as at 30 September 2022 and audited financial statements as at 31 December 2021:

	30 September 2022 (Unaudited)	31 December 2021 (Audited)
<b>Summarized statement of financial position</b>		
Total current assets	<b>91,367,730</b>	86,103,297
Total non-current assets	<b>2,279,769,621</b>	2,233,751,094
Total current liabilities	<b>63,908,391</b>	1,073,045,160
Total non-current liabilities	<b>1,115,127,177</b>	49,595,898
Net assets (100%)	<b>1,192,101,783</b>	1,197,213,333
	30 September 2022 (Unaudited)	31 December 2021 (Audited)
<b>Summarized statement of profit or loss and other comprehensive income</b>		
Total revenue	-	-
Net loss	<b>(5,111,550)</b>	(9,900,948)
Total comprehensive loss for the period / year	<b>(5,111,550)</b>	(9,900,948)



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

(Saudi Arabian Riyals)

## 6. INVESTMENTS

Investment securities portfolios are summarized as follows:

	Notes	30 September 2022 (Unaudited)	31 December 2021 (Audited)
<b>Non-current</b>			
Investments at amortized cost	6.1	55,557,254	55,272,377
		<u>55,557,254</u>	<u>55,272,377</u>
<b>Current</b>			
Investments at amortized cost		-	101,292,699
Investments at FVTPL	6.2	615,193,648	2,530,440,109
<b>Sub-total</b>		<u>615,193,648</u>	<u>2,631,732,808</u>

## 6.1 Investments at amortized cost:

This represents investment in Sukuks issued by counterparties operating in the Kingdom of Saudi Arabia having sound credit ratings. The Sukuk carry an average commission rate of 3.4% per annum during the nine-month period ended 30 September 2022 (31 December 2021: 2.4% - 2.5%).

The details of these investments are as follow:

	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Investment in Sukuk – Bank Albilad	55,572,116	55,286,298
Investment in Sukuk – GACA	-	101,325,640
Impairment loss on investments at amortized cost (6.1.1)	(14,862)	(46,862)
<b>Total</b>	<u>55,557,254</u>	<u>156,565,076</u>

	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Investment at amortized cost – non current	55,557,254	55,272,377
Investment at amortized cost – current	-	101,292,699
<b>Total</b>	<u>55,557,254</u>	<u>156,565,076</u>

6.1.1 The movement of the expected credit losses on investments held at amortized cost is summarized as follows:

	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Balance at the beginning of the period / year	46,862	43,865
(Reversal) / charge for the period / year	(32,000)	2,997
<b>Balance at the end of the period / year</b>	<u>14,862</u>	<u>46,862</u>

Below is the break-up of investment at amortized cost:

**30 September 2022**

Description	Maturity date	Face value	Classification
Bank Albilad SAR Denominated Tier 2	15 April 2031	55,000,000	Non-current asset

**31 December 2021**

Description	Maturity date	Face value	Classification
General Authority of Civil Aviation (GACA)	18 January 2022	100,000,000	Current asset
Bank Albilad SAR Denominated Tier 2	15 April 2031	55,000,000	Non-current asset



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## 6. INVESTMENTS (CONTINUED)

## 6.2 Investments at fair value through profit or loss ("FVTPL")

This represents investments in units of mutual funds which are governed by the regulation issued by the CMA. The cost and fair value of investments held at FVTPL are as follows:

	30 September 2022 (Unaudited)		31 December 2021 (Audited)	
	Cost	Fair value	Cost	Fair value
Money market funds	594,245,942	605,292,898	2,464,606,786	2,499,724,667
Real estate funds	20,250,000	9,900,750	40,000,000	30,715,442
<b>Total</b>	<b>614,495,942</b>	<b>615,193,648</b>	<b>2,504,606,786</b>	<b>2,530,440,109</b>

## 7. ACCOUNTS RECEIVABLE

		30 September 2022 (Unaudited)	31 December 2021 (Audited)
Accounts receivable:			
- Related parties	26.1	16,741,701	11,652,168
- Others		88,421,359	74,691,162
Less: allowance for expected credit losses	7.1	(29,132,785)	(25,795,719)
<b>Total</b>		<b>76,030,275</b>	<b>60,547,611</b>

## 7.1 The movement in the allowance for expected credit losses is summarized as follows:

	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Balance at the beginning of the period / year	25,795,719	26,613,594
Charge / (reversal) for the period / year	3,337,066	(817,875)
<b>Balance at the end of the period / year</b>	<b>29,132,785</b>	<b>25,795,719</b>

## 8. PREPAID EXPENSES AND OTHER CURRENT ASSETS

		30 September 2022 (Unaudited)	31 December 2021 (Audited)
Advance against purchase of property	8.1	77,500,000	77,500,000
Prepaid insurance expenses		8,454,796	7,920,038
Accrued operational revenue		6,656,700	9,064,755
Advance to employees		6,122,746	5,404,641
Prepaid maintenance expenses		12,892,740	2,744,593
Other receivables		5,561,505	5,425,592
<b>Total</b>		<b>117,188,487</b>	<b>108,059,619</b>

## 8.1 This represents an advance paid to SAMA as partial payment for purchasing part of a property in King Abdullah Financial District.



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## 9. CLEARING PARTICIPANT FINANCIAL ASSETS

		30 September 2022 <u>(Unaudited)</u>	31 December 2021 <u>(Audited)</u>
<i>Financial assets at amortised cost:</i>	<i>Notes</i>		
Deposits with Saudi Central Bank (SAMA)	9.1	2,495,435,117	18,013,567
Investment in SAMA Bills	9.2	1,998,031,618	-
		<u>4,493,466,735</u>	<u>18,013,567</u>

## 9.1 Deposits with Saudi Central Bank (SAMA):

This represents cash collateral received from clearing participants in the form of initial margin, variation margin and default funds for the equity and derivatives markets. Commission is earned on such deposits at the prevailing market rates offered by SAMA. A portion of the commission is recorded as commission income from SAMA deposits in investment income (refer note 22) by the Group and the clearing members' share of the commission earned is added to their collateral accounts. These funds are restricted in use for the operations of the Group.

		30 September 2022 <u>(Unaudited)</u>	31 December 2021 <u>(Audited)</u>
Deposits with SAMA - relating to Derivatives		30,071,471	18,013,567
Deposits with SAMA - relating to Equities		2,465,363,646	-
		<u>2,495,435,117</u>	<u>18,013,567</u>

## 9.2 Investment in SAMA Bills:

		30 September 2022 <u>(Unaudited)</u>	31 December 2021 <u>(Audited)</u>
Investment in SAMA Bills	9.2.1	1,998,031,618	-

- 9.2.1 These represent investment in SAMA Bills from deposits (refer note 9.1) received from clearing participants in the form of initial margin, variation margin and default funds for the equity and derivatives markets. Commission is earned on such Bills at the prevailing market rates offered by SAMA. A portion of the commission is recorded as commission income from SAMA Bills in investment income (refer note 22) by the Group and the clearing members' share of the commission earned is added to their collateral accounts. These funds are restricted in use for the operations of the Group. As of each reporting date, all deposits with SAMA and SAMA Bills are assessed to have low credit risk as these are placed/issued by Government sovereign financial institutions and there has been no history of default with any of the Group's deposit and investments in bills. Therefore, the probability of default based on forward looking factors and any loss given defaults are considered to be negligible.

## 10. CASH AND CASH EQUIVALENTS

		30 September 2022 <u>(Unaudited)</u>	31 December 2021 <u>(Audited)</u>
Cash at banks – current accounts		374,021,436	76,197,458
Deposit with SAMA	10.1	16,500,500	10,000,000
Time deposits with original maturities equal to or less than three month from the date of acquisition	10.2	1,708,585,582	-
		<u>2,099,107,518</u>	<u>86,197,458</u>

- 10.1 Commission is earned on deposit with SAMA at the prevailing market rates offered by SAMA.

- 10.2 These time deposits are placed with commercial banks in the Kingdom of Saudi Arabia with maturities of less than three months. Commission is also earned on these time deposits as per the prevailing market rates.



## 11. STATUTORY RESERVE

In accordance with the Company's by-law and Saudi Arabian Regulations for Companies in the Kingdom of Saudi Arabia, the Company is required to set aside 10% of its net profit each year as statutory reserve. The shareholder in the extraordinary general assembly held on 17th August 2021 has decided to discontinue setting aside such percentage when said reserve reaches 30% of paid-in capital. The Company has reached the required reserve level. The statutory reserve in the condensed consolidated interim financial statements is the statutory reserve of the Company. This reserve is currently not available for distribution to the shareholders of the Company.

## 12. EMPLOYEES' END-OF-SERVICE BENEFITS LIABILITY

The movement in employees' end-of-service benefits is as follows:

	For the nine-month period ended 30 September 2022 (Unaudited)	For the year ended 31 December 2021 (Audited)
Balance at beginning of the period / year	96,876,185	91,024,046
Current service cost	7,608,091	9,691,734
Interest cost	1,676,126	1,738,972
Amount recognised in profit or loss	9,284,217	11,430,706
Re-measurement loss recognized in other comprehensive income	-	9,885,004
Benefits paid during the period/year	(5,753,497)	(15,463,571)
Balance at the end of the period / year	100,406,905	96,876,185

### 12.1 Net end-of-service benefits liability is as follows:

	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Present value of benefits liability	100,406,905	96,876,185
Fair value of plan assets	-	-
<b>Net defined benefits liability</b>	<b>100,406,905</b>	<b>96,876,185</b>

## 13. CLEARING PARTICIPANT FINANCIAL LIABILITIES

		30 September 2022 (Unaudited)	31 December 2021 (Audited)
<i>Financial liabilities at amortised cost:</i>	<i>Notes</i>		
Collateral from clearing members	13.1	4,476,989,163	14,386,707
Members' contribution to clearing house funds	13.2	3,553,412	3,626,642
		<b>4,480,542,575</b>	<b>18,013,349</b>

13.1 The margin deposits from clearing participants represents amounts received from clearing participants as collateral in lieu of initial margin, variation margin and default funds for the equity and derivatives markets.

13.2 This represents a prefunded default arrangement that is composed of assets contributed by clearing members that may be used by the Group in certain circumstances to cover the losses or liquidity pressure resulting from participant defaults.

## 14. ACCOUNTS PAYABLE

		30 September 2022 (Unaudited)	31 December 2021 (Audited)
Trade payables:	<i>Note</i>		
Others		16,983,056	6,701,240
Related parties	26.4	96,968	84,470
<b>Total</b>		<b>17,080,024</b>	<b>6,785,710</b>

## 15. BALANCE DUE TO CAPITAL MARKET AUTHORITY (CMA)

The CMA is entitled to receive a financial return equal to 60% (31 December 2021:64%) of the equity trading commission. The Group collects this return on behalf of the CMA and deposits into the CMA's account based on its instructions.



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## 16. DEFERRED REVENUE

	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Balance at the beginning of the period / year	3,214,902	3,223,464
Invoiced during the period / year	191,365,609	169,346,097
Recognised as revenue during the period / year	(143,782,735)	(169,354,659)
<b>Balance at the end of the period / year</b>	<b>50,797,776</b>	<b>3,214,902</b>

## 17. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	30 September 2022 (Unaudited)	31 December 2021 (Audited)
	<i>Notes</i>	
Accrued employee expenses	96,437,406	100,154,729
Accrued social insurance – General Organization for Social Insurance	2,014,295	1,979,001
Value added tax (VAT), net	6,240,838	6,637,535
Board of Directors remuneration payable	26.5 6,348,333	8,376,167
Accrued supplier expenses:		
- Related party	26.4 8,493,571	10,296,790
- Others	101,762,738	108,640,852
<b>Total</b>	<b>221,297,181</b>	<b>236,085,074</b>

## 18. ZAKAT PAYABLE

From 1 January 2021, the Group is subject to Zakat in accordance with the Zakat regulation issued by Zakat, Tax and Customs Authority (ZATCA) based on Royal Decree 35657 issued on 29/6/1442H.

The movement in zakat payable is as follows:

	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Balance at the beginning of the period / year	66,663,698	83,561,274
Provision for Zakat for the period / year		
- Current period	52,922,360	66,663,698
- Prior year under / (over) provision	468,544	(440,338)
	53,390,904	66,223,360
Zakat paid during the period / year	(67,132,242)	(83,120,936)
<b>Balance at the end of the period / year</b>	<b>52,922,360</b>	<b>66,663,698</b>

- 18.1 The Group has already filed and paid its consolidated Zakat return for the year ended 31 December 2021 with ZATCA, however, the 2021 and 2020 Zakat assessment is pending finalization.



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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(Saudi Arabian Riyals)

## 19. OPERATING REVENUE

	For the three-month period ended 30 September (Unaudited)		For the nine-month period ended 30 September (Unaudited)	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Revenue recognized over-time</b>				
Post trade services	<b>22,638,034</b>	21,567,917	<b>69,202,693</b>	64,306,701
Listing services	<b>20,364,926</b>	18,224,406	<b>60,267,921</b>	52,352,933
Data and technology services	<b>26,160,398</b>	21,776,043	<b>69,505,794</b>	64,364,199
Membership	<b>830,364</b>	742,300	<b>2,351,087</b>	2,227,064
Derivatives services	<b>73,687</b>	81,948	<b>221,062</b>	234,798
	<b>70,067,409</b>	62,392,614	<b>201,548,557</b>	183,485,695
<b>Services transferred at point-in-time</b>				
Post trade services	<b>115,019,768</b>	114,070,742	<b>374,900,554</b>	388,605,304
Trading services	<b>66,102,138</b>	81,368,476	<b>254,064,302</b>	324,873,224
Data and technology services	<b>1,441,573</b>	1,468,513	<b>4,961,147</b>	6,425,072
Listing services	<b>3,922,500</b>	3,090,800	<b>12,136,696</b>	4,280,800
Derivatives services	<b>490,369</b>	218,707	<b>712,214</b>	645,040
Membership	<b>136,300</b>	25,500	<b>917,800</b>	228,000
	<b>187,112,648</b>	200,242,738	<b>647,692,713</b>	725,057,440
<b>Revenue from contracts with customers</b>	<b>257,180,057</b>	262,635,352	<b>849,241,270</b>	908,543,135

- 19.1 On 26 March 2022 a resolution was passed by the Council of CMA - resolution no. (1/41/2022) according to which effective from 3 April 2022, CMA is entitled to receive 60 % of the equity trading commission from trading services (30 September 2021: 64%).

## 20. OPERATING COSTS

Operating costs include direct expenses incurred by the Group to provide services to its customers and the Saudi financial market. A breakdown of operating costs is as follows:

	<i>Notes</i>	For the three-month period ended 30 September (Unaudited)		For the nine-month period ended 30 September (Unaudited)	
		<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Salaries and related benefits		<b>39,256,163</b>	29,499,996	<b>110,644,178</b>	92,725,060
CMA fees	20.1	<b>32,500,000</b>	32,500,000	<b>93,500,000</b>	83,000,000
Technology and network		<b>18,219,401</b>	6,014,401	<b>41,245,547</b>	36,675,799
Depreciation and amortization		<b>11,118,760</b>	10,142,241	<b>32,214,806</b>	30,820,841
Consultancy		<b>3,196,081</b>	76,456	<b>7,614,528</b>	863,111
Accommodation and utilities		<b>1,208,000</b>	1,255,426	<b>3,801,214</b>	3,590,385
Others		<b>5,812,300</b>	4,671,194	<b>11,342,751</b>	11,102,345
<b>Total</b>		<b>111,310,705</b>	84,159,714	<b>300,363,024</b>	258,777,541

- 20.1 This represents fees payable to the CMA in relation to services provided to the Group in accordance with the council of CMA resolution no. (17/268/6) dated 18 January 2017 and the CMA Board decision no. (3-2-2020) dated 7 January 2020.



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## 21. GENERAL AND ADMINISTRATIVE EXPENSES

	For the three-month period ended 30 September (Unaudited)		For the nine-month period ended 30 September (Unaudited)	
	2022	2021	2022	2021
Salaries and related benefits	35,898,438	33,444,347	109,840,452	99,773,538
Technology and network	4,561,837	2,663,889	11,725,703	11,776,613
Depreciation and amortization	3,187,622	5,077,178	12,415,397	12,949,074
Consultancy	4,179,167	3,475,200	7,129,226	7,183,216
Marketing and public relations	1,413,409	650,309	6,682,413	1,906,873
Accommodation and utilities	2,314,649	427,614	5,787,312	4,410,028
Board of Directors' remuneration	2,365,000	2,251,500	6,507,093	6,240,833
Others	422,327	-	1,457,296	1,263,966
<b>Total</b>	<b>54,342,449</b>	<b>47,990,037</b>	<b>161,544,892</b>	<b>145,504,141</b>

## 22. INVESTMENT INCOME

Note	For the three-month period ended 30 September (Unaudited)		For the nine-month period ended 30 September (Unaudited)	
	2022	2021	2022	2021
Commission income on SUKUK	615,290	982,338	1,490,723	2,534,105
Dividend income	1,339,552	1,137,329	4,227,815	4,714,359
Realised gain on sale investments, net	1,804,221	4,382,647	17,707,106	8,803,788
Unrealised gain / (loss) on investments, net	2,748,071	1,705,706	5,805,030	9,315,757
Commission from SAMA deposits	1,544,683	3,550	2,789,982	10,254
Commission from SAMA Bills	4,994,830	-	5,296,789	-
Commission from time deposit	237,352	-	237,352	-
<b>Total</b>	<b>13,283,999</b>	<b>8,211,570</b>	<b>37,554,797</b>	<b>25,378,263</b>

## 23. FINANCE COST

	For the three-month period ended 30 September (Unaudited)		For the nine-month period ended 30 September (Unaudited)	
	2022	2021	2022	2021
Interest expense on lease liabilities	26,381	573,931	121,551	717,363
Interest cost employees' end-of- service benefits liabilities	518,869	434,742	1,676,126	1,304,228
<b>Total</b>	<b>545,250</b>	<b>1,008,673</b>	<b>1,797,677</b>	<b>2,021,591</b>

## 24. BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share is computed by dividing profit attributable to the ordinary shareholders of the Company by the weighted average outstanding number of shares for the period ended 30 September 2022, totaling 120 million shares (30 September 2021: 120 million shares).

	For the three-month period ended 30 September (Unaudited)		For the nine-month period ended 30 September (Unaudited)	
	2022	2021	2022	2021
Net profit for the period	89,118,446	115,189,409	367,422,752	477,233,627
Weighted average outstanding number of shares	120,000,000	120,000,000	120,000,000	120,000,000
Earnings per share	0.74	0.96	3.06	3.98



## 25. CONTINGENCIES AND COMMITMENTS

25.1 Commitments represent the value not yet executed from supply contracts of assets and services to the Group as follows:

	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Capital expenditure commitments	104,025,971	87,143,300
Operating expenditure commitments	56,099,926	26,022,315
Letters of guarantee	1,147,940	1,147,940
	<u>161,273,837</u>	<u>114,313,555</u>

25.2 On 18 Muharram 1444H corresponding to 16 August 2022, the Group's subsidiary Wamid has entered into a non-binding preliminary agreement with Direct Financial Network Company LLC and its indirect majority shareholder National Technology Group in order to begin the due diligence process and to negotiate the definitive agreements in relation to the potential acquisition of 51% of the issued capital of DFNC from its direct and indirect shareholders.

25.3 The Group, in its ordinary course of business, is subject to proceedings, lawsuits and other claims. However, these matters are not expected to have any material impact on the Group's financial position or on the results of its operations as reflected in these condensed consolidated interim financial statements.

## 26. TRANSACTIONS WITH RELATED PARTIES

In the ordinary course of its activities, the Group transacts with its related parties. Related parties include PIF ("the shareholder"), Tadawul Real Estate Company ("the Associate"), the Group's Board of Directors (BOD) and key executives. The related parties also include affiliated entities which:

- Are owned by the shareholders;
- Have common directors on the Company's BOD; and
- Have common directors on the shareholder's BOD.

26.1 The Group has disclosed the transactions with related parties by each Group company. The revenue services provided by each Group company are explained below.

Transactions with Saudi Tadawul Group Holding represents the trading services, listing fees and technology & information services which were provided by the parent prior to the Group restructuring. However, from 1 June 2021 these services are being provided by Saudi Exchange Company and are reported under Saudi Exchange Services. Transaction with Securities Depository Services represents the post trade services, and Securities Clearing Services represents the clearing services of derivatives.

The transactions with related parties in relation to the Group's activities carried out through the companies of the Group are as follows:

*For the nine-month period ended:*

Nature of relationship	Nature of transactions by Group companies					Nine month period ended 30 September 2022
	Saudi Tadawul Group Holding Services	Securities Depository Services	Securities Clearing Services	Saudi Exchange Services	Tadawul Advance Solution Services	
<b>Affiliated entities:</b>						
- owned by the shareholder	-	47,313,996	9,734,586	412,840,615	931,500	470,820,697
- with common directors on the Company's BOD	-	-	-	77,996,953	-	77,996,953
- with common directors on the shareholder's BOD	-	3,795,907	18,184,282	579,726	-	22,559,915
<b>Total</b>	<u>-</u>	<u>51,109,903</u>	<u>27,918,868</u>	<u>491,417,294</u>	<u>931,500</u>	<u>571,377,565</u>

Nature of relationship	Nature of transactions by Group companies					Nine month period ended 30 September 2021
	Saudi Tadawul Group Holding Services	Securities Depository Services	Securities Clearing Services	Saudi Exchange Services	Tadawul Advance Solution Services	
<b>Affiliated entities:</b>						
- owned by the shareholder	170,652,605	33,149,608	-	126,676,739	-	330,478,952
- with common directors on the Company's BOD	193,729,572	2,525,646	-	29,664,660	-	225,919,878
- with common directors on the shareholder's BOD	1,157,798	-	37,927	-	-	1,195,725
<b>Total</b>	<u>365,539,975</u>	<u>35,675,254</u>	<u>37,927</u>	<u>156,341,399</u>	<u>-</u>	<u>557,594,555</u>

**26. TRANSACTIONS WITH RELATED PARTIES (CONTINUED)**

26.1 The transactions with related parties in relation to the Group's activities carried out through the companies of the Group are as follows (continued):

For the three-month period ended:

Nature of relationship	Nature of transactions by Group companies					Three month period ended 30 September 2022
	Saudi Tadawul Group Holding Services	Securities Depository Services	Securities Clearing Services	Saudi Exchange Services	Tadawul Advance Solution Services	
<b>Affiliated entities:</b>						
- owned by the shareholder	-	11,798,035	3,622,487	114,805,129	-	130,225,651
- with common directors on the Company's BOD	-	-	-	15,340,817	-	15,340,817
- with common directors on the shareholder's BOD	-	1,184,580	8,203,751	579,726	-	9,968,057
<b>Total</b>	<b>-</b>	<b>12,982,615</b>	<b>11,826,238</b>	<b>130,725,672</b>	<b>-</b>	<b>155,534,525</b>

Nature of relationship	Nature of transactions by Group companies					Three month period ended 30 September 2021
	Saudi Tadawul Group Holding Services	Securities Depository Services	Securities Clearing Services	Saudi Exchange Services	Tadawul Advance Solution Services	
<b>Affiliated entities:</b>						
- owned by the shareholder	587,524	7,677,825	-	81,388,009	-	89,653,358
- with common directors on the Company's BOD	-	904,547	-	19,482,445	-	20,386,992
- with common directors on the shareholder's BOD	-	-	861	-	-	861
<b>Total</b>	<b>587,524</b>	<b>8,582,372</b>	<b>861</b>	<b>100,870,454</b>	<b>-</b>	<b>110,041,211</b>

26.2 The account receivables balance arising from the above transactions is as follows:

For the period ended 30 September 2022 (Unaudited)

Nature of relationship	Opening balance	Invoiced	Collections	Ending balance	Loss allowance
<b>Affiliated entities:</b>					
- owned by the shareholder	10,312,176	470,820,697	(466,919,164)	14,213,709	430,338
- with common directors on the Company's BOD	1,046,038	77,996,953	(78,038,497)	1,004,494	-
- with common directors on the shareholder's BOD	293,954	22,559,915	(21,330,371)	1,523,498	-
<b>Total</b>	<b>11,652,168</b>	<b>571,377,565</b>	<b>(566,288,032)</b>	<b>16,741,701</b>	<b>430,338</b>

For the year ended 31 December 2021 (Audited)

Nature of relationship	Opening balance	Invoiced	Collections	Ending balance	Loss allowance
<b>Affiliated entities:</b>					
- owned by the shareholder	2,823,849	598,285,037	(590,796,710)	10,312,176	1,440
- with common directors on the Company's BOD	-	176,336,199	(175,290,161)	1,046,038	4
- with common directors on the shareholder's BOD	4,393,976	72,808,723	(76,908,745)	293,954	156,240
<b>Total</b>	<b>7,217,825</b>	<b>847,429,959</b>	<b>(842,995,616)</b>	<b>11,652,168</b>	<b>157,684</b>



## 26. TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

26.3 Other balances with related parties included in investments at "FVTPL" are as follows:

Nature of relationship	For the period ended 30 September 2022 (Unaudited)			
	Opening balance	Purchases/ (Disposals)	Unrealized gain	Ending balance
Affiliated entities with common directors on the Company's BOD	<u>345,367,216</u>	<u>(336,018,960)</u>	<u>4,217,874</u>	<u>13,566,130</u>

Nature of relationship	For the year ended 31 December 2021 (Audited)			
	Opening balance	Purchases/ (Disposals)	Unrealized gain	Ending balance
Affiliated entities with common directors on the Company's BOD	<u>1,142,833,446</u>	<u>(803,923,117)</u>	<u>6,456,887</u>	<u>345,367,216</u>

26.4 Other balances with related parties arising out of services received and included within accounts payables and accrued expenses are as follows:

Nature of relationship	For the period ended 30 September 2022 (Unaudited)			
	Opening balance	Services Received	Payments made	Ending balance
Affiliated entities:				
- owned by the shareholder (Note 14,17)	<u>10,381,260</u>	<u>5,025,106</u>	<u>(6,815,827)</u>	<u>8,590,539</u>
- with common directors on the Company's BOD	<u>8,376,167</u>	<u>9,807,568</u>	<u>(11,835,402)</u>	<u>6,348,333</u>
Total	<u>18,757,427</u>	<u>14,832,674</u>	<u>(18,651,229)</u>	<u>14,938,872</u>

Nature of relationship	For the year ended 31 December 2021 (Audited)			
	Opening balance	Services Received	Payments made	Ending balance
Affiliated entities:				
- owned by the shareholder (Note 14,17)	<u>7,743,772</u>	<u>9,039,557</u>	<u>(6,402,069)</u>	<u>10,381,260</u>
- with common directors on the Company's BOD	<u>5,903,691</u>	<u>8,184,167</u>	<u>(5,711,691)</u>	<u>8,376,167</u>
Total	<u>13,647,463</u>	<u>17,223,724</u>	<u>(12,113,760)</u>	<u>18,757,427</u>

26.5 Key management consists of the directors and the executive management. The compensation of key management personnel is as follows:

	For the three-month period ended 30 September (Unaudited)		For the nine-month period ended 30 September (Unaudited)	
	2022	2021	2022	2021
Salaries and other short-term benefits	<u>5,051,119</u>	<u>6,607,346</u>	<u>17,639,028</u>	<u>14,867,198</u>
Post-employment benefits	<u>362,891</u>	<u>331,449</u>	<u>1,817,755</u>	<u>2,770,189</u>
Board of Directors' remuneration	<u>2,365,000</u>	<u>2,251,500</u>	<u>6,507,093</u>	<u>6,240,833</u>
Total	<u>7,779,010</u>	<u>9,190,295</u>	<u>25,963,876</u>	<u>23,878,220</u>



## 27. SEGMENT INFORMATION

The Group operates solely in the Kingdom of Saudi Arabia. For management purposes, the Group is organized into business units based on services provided. The reportable segments of the Group are:

### Capital markets

The activities of this segment include trading commission for securities and derivatives, admission fees from initial listing and further capital raises, annual fees charged for securities traded on the Group's markets and fees from our secondary market services.

### Post trade

The activities of this segment include registration of investment portfolios in the filing and settlement system, register and file its ownership, transfer, settlement, clearing and safekeeping its ownership, registering any restriction of ownership on the file securities, and associate with members of the market and settlement agents to filing and settlement system. Furthermore, linking and managing records of securities issuers, organizing general assemblies for issuers including remote voting service for such assemblies, providing reports, notifications and information in addition to providing any other service relating to its activities according to financial market regulations.

### Data and technology services

The activities of this segment are to grow the business of Data and Technology Services which includes offering high-quality real-time trading data, reference data, market indices, financial information to the financial community, financial technology solutions, research & development in the field of engineering & technology and innovative capital market solutions for stakeholders.

### Corporate

Corporate manages future corporate development and controls all treasury related functions. All investments are incubated within this category, which also comprises managing strategy for business development, legal, finance, operations, human resources and customer relations management.

#### 27.1 Information about reportable segments:

##### For the nine-month period ended:

<u>30 September 2022 (Unaudited)</u>	<u>Capital markets</u>	<u>Data and technology services</u>	<u>Post- trade</u>	<u>Total</u>
Segment revenue	328,576,004	74,466,941	446,198,325	849,241,270
Segment profit before Zakat	190,158,181	37,815,896	175,042,551	403,016,628
Depreciation and amortisation	(14,395,682)	(2,304,898)	(22,834,163)	(39,534,743)
Segment profit after Zakat	190,158,181	37,815,896	175,042,551	403,016,628
<b><u>30 September 2021 (Unaudited)</u></b>				
Segment revenue	383,384,392	70,789,271	454,369,472	908,543,135
Segment profit before Zakat	258,286,923	44,917,115	215,048,697	518,252,735
Depreciation and amortisation	(18,456,662)	(2,518,986)	(20,212,530)	(41,188,178)
Segment profit after Zakat	258,286,923	44,917,115	215,048,697	518,252,735

##### For the three-month period ended:

<u>30 September 2022 (Unaudited)</u>	<u>Capital markets</u>	<u>Data and technology services</u>	<u>Post- trade</u>	<u>Total</u>
Segment revenue	91,435,738	27,601,971	138,142,348	257,180,057
Segment profit before Zakat	42,757,414	14,258,638	41,266,911	98,282,963
Depreciation and amortization	(3,124,362)	(773,800)	(9,196,694)	(13,094,856)
Segment profit after Zakat	42,757,414	14,258,638	41,266,911	98,282,963
<b><u>30 September 2021 (Unaudited)</u></b>				
Segment revenue	103,262,074	23,244,556	136,128,722	262,635,352
Segment profit before Zakat	62,204,354	12,467,578	61,203,407	135,875,339
Depreciation and amortization	(6,219,408)	(861,715)	(6,958,599)	(14,039,722)
Segment profit after Zakat	62,204,354	12,467,578	61,203,407	135,875,339

**27. SEGMENT INFORMATION (CONTINUED)***27.2 Reconciliation of information on reportable segments to the amounts reported in the financial statements:***i. Net profit for the period***For the nine-month period ended:*

<u>30 September 2022 (Unaudited)</u>	<u>Capital markets</u>	<u>Data and technology services</u>	<u>Post- trade</u>	<u>Total</u>
Total profit before Zakat for reportable segments	190,158,181	37,815,896	175,042,551	403,016,628
Profit before Zakat for other segments				
Unallocated amounts:				
- Other corporate income	-	-	-	36,785,368
- Other corporate expenses	-	-	-	(18,988,340)
Consolidated profit before Zakat	190,158,181	37,815,896	175,042,551	420,813,656
Zakat expense	-	-	-	(53,390,904)
Consolidated profit after Zakat	190,158,181	37,815,896	175,042,551	367,422,752
<b><u>30 September 2021 (Unaudited)</u></b>				
Total profit before Zakat for reportable segments	258,286,923	44,917,115	215,048,697	518,252,735
Profit before Zakat for other segments				
Unallocated amounts:				
- Other corporate income	-	-	-	26,398,035
- Other corporate expenses	-	-	-	(15,247,205)
Consolidated profit before Zakat	258,286,923	44,917,115	215,048,697	529,403,565
Zakat expense	-	-	-	(52,169,938)
Consolidated profit after Zakat	258,286,923	44,917,115	215,048,697	477,233,627

*For the three-month period ended:*

<u>30 September 2022 (Unaudited)</u>	<u>Capital markets</u>	<u>Data and technology services</u>	<u>Post- trade</u>	<u>Total</u>
Total profit before Zakat for reportable segments	42,757,414	14,258,638	41,266,911	98,282,963
Profit before Zakat for other segments				
Unallocated amounts:				
- Other corporate income	-	-	-	13,325,513
- Other corporate expenses	-	-	-	(6,556,295)
Consolidated profit before Zakat	42,757,414	14,258,638	41,266,911	105,052,181
Zakat expense	-	-	-	(15,933,735)
Consolidated profit after Zakat	42,757,414	14,258,638	41,266,911	89,118,446
<b><u>30 September 2021 (Unaudited)</u></b>				
Total profit before Zakat for reportable segments	62,204,354	12,467,578	61,203,407	135,875,339
Profit before Zakat for other segments				
Unallocated amounts:				
- Other corporate income	-	-	-	11,710,917
- Other corporate expenses	-	-	-	(5,575,806)
Consolidated profit before Zakat	62,204,354	12,467,578	61,203,407	142,010,450
Zakat expense	-	-	-	(26,821,041)
Consolidated profit after Zakat	62,204,354	12,467,578	61,203,407	115,189,409



## 27. SEGMENT INFORMATION (CONTINUED)

## ii. Operating revenue

For the nine-month period ended:

30 September 2022 (Unaudited)	Capital markets	Data and technology services	Post- trade	Total
<b>Revenue recognised at a point-in-time</b>				
Trading services	254,064,302	-	-	254,064,302
Data & technology services	-	4,961,147	-	4,961,147
Post trade services	-	-	374,900,554	374,900,554
Listing services	12,136,696	-	-	12,136,696
Derivatives	693,393	-	18,821	712,214
Membership	197,800	-	720,000	917,800
<b>Revenue recognised over-time</b>				
Trading services	-	-	-	-
Data & technology services	-	69,505,794	-	69,505,794
Post trade services	-	-	69,202,693	69,202,693
Listing services	60,267,921	-	-	60,267,921
Derivatives	86,062	-	135,000	221,062
Membership	1,129,830	-	1,221,257	2,351,087
<b>Consolidated revenue</b>	<b>328,576,004</b>	<b>74,466,941</b>	<b>446,198,325</b>	<b>849,241,270</b>

For the nine-month period ended:

30 September 2021 (Unaudited)	Capital markets	Data and technology services	Post- trade	Total
<b>Revenue recognised at a point-in-time</b>				
Trading services	324,873,224	-	-	324,873,224
Technology services	-	6,425,072	-	6,425,072
Post trade services	-	-	388,605,304	388,605,304
Listing services	4,280,800	-	-	4,280,800
Derivatives	573,260	-	71,780	645,040
Membership	108,000	-	120,000	228,000
<b>Revenue recognised over-time</b>				
Trading services	-	-	-	-
Data & technology services	-	64,364,199	-	64,364,199
Post trade services	-	-	64,306,701	64,306,701
Listing services	52,352,933	-	-	52,352,933
Derivatives	94,275	-	140,523	234,798
Membership	1,101,900	-	1,125,164	2,227,064
<b>Consolidated revenue</b>	<b>383,384,392</b>	<b>70,789,271</b>	<b>454,369,472</b>	<b>908,543,135</b>

**27. SEGMENT INFORMATION (CONTINUED)****ii. Operating revenue (continued)***For the three-month period ended:*

<b>30 September 2022 (Unaudited)</b>	<b>Capital markets</b>	<b>Data and technology services</b>	<b>Post- trade</b>	<b>Total</b>
<b>Revenue recognised at a point-in-time</b>				
Trading services	66,102,138	-	-	66,102,138
Data & technology services	-	1,441,573	-	1,441,573
Post trade services	-	-	115,019,768	115,019,768
Listing services	3,922,500	-	-	3,922,500
Derivatives	486,388	-	3,981	490,369
Membership	136,300	-	-	136,300
<b>Revenue recognised over-time</b>				
Trading services	-	-	-	-
Data & technology services	-	26,160,398	-	26,160,398
Post trade services	-	-	22,638,034	22,638,034
Listing services	20,364,926	-	-	20,364,926
Derivatives	28,687	-	45,000	73,687
Membership	394,799	-	435,565	830,364
<b>Consolidated revenue</b>	<b>91,435,738</b>	<b>27,601,971</b>	<b>138,142,348</b>	<b>257,180,057</b>

**30 September 2021 (Unaudited)**

<b>Revenue recognised at a point-in-time</b>				
Trading services	81,368,476	-	-	81,368,476
Technology services	-	1,468,513	-	1,468,513
Post trade services	-	-	114,070,742	114,070,742
Listing services	3,090,800	-	-	3,090,800
Derivatives	154,167	-	64,540	218,707
Membership	25,500	-	-	25,500
<b>Revenue recognised over-time</b>				
Trading services	-	-	-	-
Data & technology services	-	21,776,043	-	21,776,043
Post trade services	-	-	21,567,917	21,567,917
Listing services	18,224,406	-	-	18,224,406
Derivatives	31,425	-	50,523	81,948
Membership	367,300	-	375,000	742,300
<b>Consolidated revenue</b>	<b>103,262,074</b>	<b>23,244,556</b>	<b>136,128,722</b>	<b>262,635,352</b>



## 28. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Group has exposure to the following risks from its activities and use of financial instruments:

- Market risk;
- Credit risk;
- Operational risk; and
- Liquidity risk.

This note presents information about the Group's exposure to each of the above risks and the Group's objectives, policies & processes for measuring & managing these risks. Furthermore, quantitative disclosures are included throughout these condensed consolidated interim financial statements.

### *Risk management framework*

The Board of Directors has an overall responsibility for the establishment and oversight of the Group's risk management framework. The Board is responsible for approving the Group's risk management policies. Furthermore, the Risk Management Committee is responsible for overseeing the effective implementation of the risk management policies.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits & controls, and to monitor risks & adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training, management standards and procedures aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

### *Risk management structure*

A cohesive organisational structure is established within the Group in order to identify, assess, monitor and control risks.

### *Board of Directors*

The apex of risk governance is the centralised oversight of the Board of Directors providing direction and the necessary approvals of strategies and policies in order to achieve defined corporate goals.

### *Senior management*

Senior management is responsible for the day to day operations in respect of achieving the strategic goals within the Group's pre-defined risk appetite.

In order to manage the Group's Clearing services activities risks, the Group through one of its subsidiary (Muqassa) has an integrated and comprehensive risk management system and ensures that its risk management framework identifies, measures, monitors and manages the risks that it bears from Clearing Members as well as other key institutions. Group has as a low risk appetite for financial, liquidity, operational, market and credit concentration risk. This appetite helps drive the setting of conservative values when deciding on key measures such as the Default Fund Cover or Investment Duration. These risk management policies, procedures, systems and controls have been developed to adhere to the CMA's Securities Central Counterparties Regulation as well as align to both CPMI-IOSCO's Principles for Financial Market Infrastructures (PFMIs) and international best practices.

The risks faced by the Group and the way these risks are mitigated by management are summarised below:

### 28.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate, because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting all similar financial instruments traded in the market. The Group limits market risk by maintaining a diversified portfolio and by monitoring the developments in financial markets. Market risk reflects price risk, currency risk and commission rate risk.

#### *Price risk*

Price risk is the risk that the value of financial instruments will fluctuate due to changes in market prices (other than risk arising from commission rate and foreign currency). The Group believes price risk does not arise for the Group based on the investment portfolio held.

#### *Currency risk*

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Group is subject to fluctuations in foreign exchange rates in the normal course of its business. The Group did not undertake significant transactions in currencies other than Saudi Arabian Riyals.

#### *Commission rate risk*

Commission risk is the exposure to multiple risks related to the impact of changes in commission rates in the market on the Group's financial position and cash flows. The Group monitors the fluctuations in commission rates and believes that the impact of the risk is on certain financial instruments held by the Group. Commission on clearing participant financial assets is shared with clearing participant.

A 1% change in the commission rates, with all other variables held constant, would impact the condensed consolidated interim statement of profit or loss and other comprehensive income as set out below:

	For the three-month period ended 30 September (Unaudited)		For the nine-month period ended 30 September (Unaudited)	
	2022	2021	2022	2021
Effect on profit for the period	13,063,285	7,064,700	39,189,855	21,194,099

**28. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)****28.2 Credit risk**

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investment in debt securities.

The below schedule shows the maximum limit for exposure to credit risk of the condensed consolidated interim statement of financial position elements:

	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Investments at amortized cost	55,557,254	156,565,076
Advance for purchase of property	77,500,000	77,500,000
Cash and cash equivalents	2,082,607,018	76,197,458
Accounts receivable	76,030,275	60,547,611
Accrued operational revenue	6,656,700	9,064,755
Other receivables	5,561,505	5,425,592
Advance to employees	6,122,746	5,404,641
<b>Total</b>	<b>2,310,035,498</b>	<b>390,705,133</b>

Cash and cash equivalents

The Group keeps its surplus funds with banks having sound credit ratings. Currently the surplus funds are kept with banks that have ratings as follows:

Current accounts

Bank name	STANDARD & POOR		Moody's		Fitch	
	Long term	Short term	Long term	Short term	Long term	Short term
SABB	-	-	A1	P-1	BBB+	F2
SNB	A-	A-2	A1u	P-1u	-	-

Time deposit

Bank name	STANDARD & POOR		Moody's		Fitch	
	Long term	Short term	Long term	Short term	Long term	Short term
SABB	-	-	A1	P-1	BBB+	F2
SNB	A-	A-2	A1u	P-1u	-	-
Alinma Bank	-	-	-	-	BBB+	F2
ANB	BBB+	A-2	A1	P-1	BBB+	F2
SAIB	BBB	A-2	A2	P-1	BBB+	F2

Investments at amortized cost

This represents investments in sukuks issued by counter parties operating in the Kingdom of Saudi Arabia having sound credit ratings.

Accounts receivable

Accounts receivable are shown net of the allowance for credit losses. The Group applies the IFRS 9 simplified approach in measuring expected credit losses which uses a lifetime expected loss allowance. To measure the expected credit losses, account receivables have been grouped based on the days past due. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Accrued operational revenue

Accrued operating revenue represents earned revenue which is yet to be billed to customers. These are short-term in nature and no significant credit risk exists in the balance.

Advance to employees

This represents advances provided to employees on their request. Such advances are deducted from their monthly salaries. Therefore, no significant credit risk exists in the balance.

Advance for purchase of property

The Group is in the process of acquiring the second floor of the data center in the King Abdullah Financial District in Riyadh (the "Data Centre") for the purposes of its operations. The payment is made to SAMA which is the central bank of Kingdom of Saudi Arabia. Hence no significant credit risk exists in the balance.

Other receivables

Other receivables represent receivables from low credit risk counterparties and are short-term in nature.

**28. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)****28.3 Concentration of credit risk**

The following table provides information about the exposure to credit risk and expected credit losses for receivables as at 30 September 2022.

	Weighted average <u>loss rate %</u>	Gross carrying <u>amount</u>	Loss <u>allowance</u>	Credit <u>impaired</u>
0-30 days (not past due)	0.01	50,375,154	3,807	No
30-60 days	0.48	2,870,607	13,855	No
61-90 days	4.63	801,555	37,079	No
91-120 days	1.99	442,742	8,819	Yes
121-180 days	13.34	1,418,672	189,196	Yes
181-360 days	49.33	2,422,476	1,195,064	Yes
More than 360 days past due	59.12	46,831,854	27,684,965	Yes
		<u>105,163,060</u>	<u>29,132,785</u>	

The following table provides information about the exposure to credit risk and expected credit losses for receivables as at 31 December 2021:

	Weighted average <u>loss rate %</u>	Gross carrying <u>amount</u>	Loss <u>allowance</u>	Credit <u>impaired</u>
0-30 days (not past due)	0.01	34,934,306	4,343	No
30-60 days	1.07	1,238,314	13,222	No
61-90 days	1.87	500,119	9,361	No
91-120 days	3.73	446,877	16,662	Yes
121-180 days	15.08	857,750	129,380	Yes
181-360 days	51.07	40,145,024	20,500,343	Yes
More than 360 days past due	62.31	8,220,940	5,122,408	Yes
		<u>86,343,330</u>	<u>25,795,719</u>	

**28.4 Operational risk**

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology & infrastructure and from external factors other than credit, market & liquidity risks such as those arising from legal & regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

Compliance with the Group's standards is supported by a program of periodic reviews undertaken by Internal Audit. The results of Internal Audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Audit Committee and senior management of the Group.

**28. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)****28.5 Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The below schedule shows an analysis of financial assets and liabilities based on the contractual maturities:

	30 September 2022 (Unaudited)			31 December 2021 (Audited)			
	Carrying amount	Less than 12 months	More than 12 months	Total	Less than 12 months	More than 12 months	Total
<b>Financial assets at fair value:</b>							
Investments	670,750,902	615,193,648	55,557,254	670,750,902	2,631,732,808	55,272,377	2,687,005,185
<b>Financial assets at amortised cost:</b>							
Cash and cash equivalents	2,099,107,518	2,099,107,518	-	2,099,107,518	86,197,458	-	86,197,458
Clearing participant financial assets	4,493,466,735	4,493,466,735	-	4,493,466,735	18,013,567	-	18,013,567
Account receivables	76,030,275	76,030,275	-	76,030,275	60,547,611	-	60,547,611
Accrued operational revenue	6,656,700	6,656,700	-	6,656,700	9,064,755	-	9,064,755
Advance to employees	6,122,746	6,122,746	-	6,122,746	5,404,641	-	5,404,641
Advance for purchase of property	77,500,000	77,500,000	-	77,500,000	77,500,000	-	77,500,000
Other receivables	5,561,505	5,561,505	-	5,561,505	5,425,592	-	5,425,592
<b>Total financial assets</b>	<b>7,435,196,381</b>	<b>7,379,639,127</b>	<b>55,557,254</b>	<b>7,435,196,381</b>	<b>2,893,886,432</b>	<b>55,272,377</b>	<b>2,949,158,809</b>
<b>Financial liabilities at amortised cost</b>							
Clearing participant financial liabilities	4,480,542,575	4,480,542,575	-	4,480,542,575	18,013,349	-	18,013,349
Lease liability	3,518,948	3,518,948	-	3,518,948	982,913	-	982,913
Accounts payable	17,080,024	17,080,024	-	17,080,024	6,785,710	-	6,785,710
Balance due to Capital Market Authority	22,857,323	22,857,323	-	22,857,323	22,280,843	-	22,280,843
Accrued expenses and other current liabilities	221,297,181	221,297,181	-	221,297,181	236,085,074	-	236,085,074
<b>Total financial liabilities</b>	<b>4,745,296,051</b>	<b>4,745,296,051</b>	<b>-</b>	<b>4,745,296,051</b>	<b>284,147,889</b>	<b>-</b>	<b>284,147,889</b>
<b>Net financial assets</b>	<b>2,689,900,330</b>	<b>2,634,343,076</b>	<b>55,557,254</b>	<b>2,689,900,330</b>	<b>2,609,738,543</b>	<b>55,272,377</b>	<b>2,665,010,920</b>



## 29. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Group is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

When measuring the fair value, the Group uses market observable data as far as possible. Fair values are categorized 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 that can be accessed at the measurement date

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).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. The fair value of all other / remaining financial assets and financial liabilities not mentioned below approximates to their carrying values.

Investments at FVTPL classified as level 2 include units of mutual funds, the fair value of which is determined based on the latest reported net assets value (NAV) as at the date of condensed consolidated interim statement of financial position.

	30 September 2022 (Unaudited)				<u>Total fair value</u>
	<u>Carrying Value</u>	<u>Fair value</u>			
		Level 1	Level 2	Level 3	
Investments – at FVTPL					
- Money market funds	<u>605,292,898</u>	-	<u>605,292,898</u>	-	<u>605,292,898</u>
- Real estate funds	<u>9,900,750</u>	-	<u>9,900,750</u>	-	<u>9,900,750</u>
	31 December 2021 (Audited)				<u>Total fair value</u>
	<u>Carrying Value</u>	<u>Fair value</u>			
		Level 1	Level 2	Level 3	
Investments – at FVTPL					
- Money market funds	<u>2,499,724,667</u>	-	<u>2,499,724,667</u>	-	<u>2,499,724,667</u>
- Real estate funds	<u>30,715,442</u>	-	<u>30,715,442</u>	-	<u>30,715,442</u>

There were no transfers between level 1 and level 2 fair value measurements, and no transfers into or out of level 3 fair value measurements as of 30 September 2022 (31 December 2021: Nil).

## 30. SUBSEQUENT EVENTS

Subsequent to the period ended 30 September 2022, on 25 October 2022 the Company in participation with the PIF announced the establishment of the Regional Voluntary Carbon Market Company (RVCMC) which aim to offer guidance and resourcing to support businesses and industries in the region as they play their part in the global transition to net zero, ensuring that carbon credit purchases go above and beyond meaningful emission reductions in value chains. The RVCMC's capital will amount to SAR 500 million, where PIF holds 80% stake and the Company holds 20% stake. RVCMC will be headquartered in Riyadh, Kingdom of Saudi Arabia.

Other than abovementioned, there is no other event subsequent to the period which requires disclosure in these condensed consolidated interim financial statements. There is no event subsequent to the period which required any adjustment in the condensed consolidated interim financial statements.



### 31. DIVIDEND

The Board of Directors of the Company in their meeting on 5 March 2022 recommended the General Assembly which approved the distribution of dividends on 12 May 2022 to the shareholders for the fiscal year ended 31 December 2021 with a total amount of 360 million Saudi Riyals, equivalent to 3 Saudi Riyals per share representing 30% of the share par value, provided that the dividend eligibility shall be to the Shareholders who own the Company's shares and registered in the Company's register at the Securities Depository Center Company (Edaa) by the end of the second trading day following the date of the Company's General Assembly (the "Eligibility Date"), and the date of the dividend distribution shall be within fifteen days from the Eligibility Date.

During the year ended 31 December 2021, the Board of Directors of the Company in their meeting dated 18 May 2021 recommended the declaration of dividends amounting to SR 120 million to the PIF which was approved in their fourteenth Ordinary General Assembly held on 02 June 2021 and payment was made.

On 24 June 2021, The Board of Directors of the Company recommended declaration of an additional dividends amounting to SR 1,000 million to the PIF. In their Fifteenth Extra Ordinary General Assembly held on 28 June 2021, PIF approved the dividends declaration and payment was made.

### 32. RECLASSIFICATIONS

Certain comparative figures have been reclassified to conform to the current period presentation.

### 33. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been approved by the Board of Directors on 2 Rabi Al-Thani 1444H corresponding to 27 October 2022.