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**Al Azem, Al Sudairy, Al Shaikh & Partners**  
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**ALUJAIN CORPORATION**  
(A Saudi Joint Stock Company)

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)  
AND INDEPENDENT AUDITOR'S REVIEW REPORT  
FOR THE THREE-MONTHS AND NINE-MONTHS PERIODS ENDED  
SEPTEMBER 30, 2023**

**ALUJAIN CORPORATION**  
**(A Saudi Joint Stock Company)**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**  
**AND INDEPENDENT AUDITOR'S REVIEW REPORT**  
**FOR THE THREE MONTHS AND NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2023**

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**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS**

**TO THE SHAREHOLDERS  
ALUJAIN CORPORATION  
(A Saudi Joint Stock Company)  
Riyadh, Kingdom of Saudi Arabia**

**Introduction**

We have reviewed the accompanying interim condensed consolidated statement of financial position of **ALUJAIN CORPORATION (A Saudi Joint Stock Company)** (the "Company") and its subsidiaries (the "Group"), as at September 30, 2023, and the related interim condensed consolidated financial statement of profit or loss and interim condensed consolidated statement of comprehensive income for the three month and nine month periods ended September 30, 2023, and the interim condensed consolidated statements of changes in equity, and 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 interim condensed consolidated financial information in accordance with International Accounting Standard (34), "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

**Scope of Review**

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

**Conclusion**

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




**Al Azem, Al Sudairy, Al Shaikh & Partners  
For Professional Consulting**


**Abdullah M. AlAzem  
License No. 335**


20 Rabie' Al-Thani 1445H (November 4, 2023)  
Jeddah, Kingdom of Saudi Arabia

**ALUJAIN CORPORATION**  
**(A Saudi Joint Stock Company)**  
**Interim condensed consolidated statement of financial position**  
**As of September 30, 2023 (Unaudited)**  
(All amounts in thousands Saudi Riyals unless otherwise stated)

		30 September	31 December
	Note	2023 (Unaudited)	2022 (Audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	1,857,580	1,997,428
Right of use assets		13,245	15,056
Intangible assets		18,610	20,785
Goodwill	6	1,533,429	1,533,429
Investment in a joint venture	7	81,005	69,016
Projects under construction		77,890	1,806
Investment in financial assets	8	2,052	2,059
<b>Total non-current assets</b>		<b>3,583,811</b>	<b>3,639,579</b>
<b>Current assets</b>			
Investment in financial assets	8	53	44
Trade and other receivables, net		645,248	615,575
Prepayments and other current assets		75,567	81,789
Inventories		206,048	233,579
Cash and cash equivalents		360,973	295,172
<b>Total current assets</b>		<b>1,287,889</b>	<b>1,226,159</b>
<b>Total assets</b>		<b>4,871,700</b>	<b>4,865,738</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	9	692,000	692,000
Statutory reserve		288,075	288,075
Retained earnings		2,341,458	2,315,886
Reserve for acquisition of additional shares in a subsidiary	11	(25,752)	(25,752)
Other reserves		5,192	5,197
Treasury shares	12	(631,980)	(631,980)
<b>Equity attributable to the shareholders</b>		<b>2,668,993</b>	<b>2,643,426</b>
Non-controlling interests		786,547	799,597
<b>Total equity</b>		<b>3,455,540</b>	<b>3,443,023</b>
<b>Non-current liabilities</b>			
Non-current portion of long term loans		987,836	803,095
Non-current portion of lease liabilities		14,848	15,892
Decommissioning provision		14,056	13,558
Employees defined benefits liabilities		72,840	68,778
<b>Total non-current liabilities</b>		<b>1,089,580</b>	<b>901,323</b>
<b>Current liabilities</b>			
Current portion of long term loan		19,420	213,365
Trade and other payables		34,240	37,375
Current portion of lease liabilities		394	831
Accrued and other current liabilities		223,979	214,758
Zakat payable	10	48,547	55,063
<b>Total current liabilities</b>		<b>326,580</b>	<b>521,392</b>
<b>Total liabilities</b>		<b>1,416,160</b>	<b>1,422,715</b>
<b>Total equity and liabilities</b>		<b>4,871,700</b>	<b>4,865,738</b>

  
Khalid Bin Mohammed Aldawood  
CEO

  
Abdulwahab Bin Abdulkarim Albetari  
Designated Member

  
Saleem Akhtar  
CFO

The accompanying notes (1) to (20) form an integral part of these interim condensed consolidated financial statements


**ALUJAIN CORPORATION**  
(A Saudi Joint Stock Company)

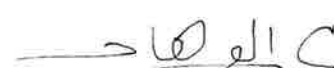
**Interim condensed consolidated statement of profit or loss**


**For the three months and nine months periods ended September 30, 2023 (Unaudited)**

(All amounts in thousands Saudi Riyals unless otherwise stated)

	Note	For the three-months ended 30 September		For the nine-months ended 30 September	
		2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Unaudited)
Revenues		422,438	373,439	1,221,368	1,457,448
Cost of revenues		(334,895)	(347,787)	(1,011,309)	(1,127,385)
<b>Gross profit</b>		<b>87,543</b>	25,652	<b>210,059</b>	330,063
Selling and marketing expenses		(19,311)	(9,826)	(56,945)	(123,271)
General and administration expenses		(17,593)	(15,059)	(53,261)	(52,601)
Other (expense) / income		(7,391)	41,264	(6,082)	65,575
Fair value gain on re-measurement of equity investment FVTPL		4	-	9	4
<b>Profit from operations</b>		<b>43,252</b>	42,031	<b>93,780</b>	219,770
Financing cost		(17,518)	(10,891)	(46,064)	(26,343)
Financing income		2,189	365	5,042	1,674
Gain on disposal of a subsidiary	13	4,245	-	4,245	-
Share of result of a joint venture	7	4,286	1,505	12,035	8,754
<b>Profit before Zakat</b>		<b>36,454</b>	33,010	<b>69,038</b>	203,855
Zakat	10	(8,005)	(4,410)	(18,488)	(15,359)
<b>Net profit for the period</b>		<b>28,449</b>	28,600	<b>50,550</b>	188,496
<b>Profit for the period attributable to:</b>					
Shareholders of the Parent Company		15,939	18,734	25,572	137,482
Non-controlling interests		12,510	9,866	24,978	51,014
		<b>28,449</b>	28,600	<b>50,550</b>	188,496
<b>Earnings per share attributable to equity holders of the parent Company (SR/share):</b>					
Basic	14	0.32	0.38	0.52	2.79
Diluted	14	0.23	0.27	0.37	1.99

  
Khalid Bin Mohammed  
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CEO

  
Abdulwahab Bin Abdulkarim  
Albetari  
Designated Member

  
Saleem Ventar  
CFO

The accompanying notes (1) to (20) form an integral part of these interim condensed consolidated financial statements

**ALUJAIN CORPORATION**  
**(A Saudi Joint Stock Company)**

**Interim condensed consolidated statement of comprehensive income**  
**For the three months and nine months periods ended September 30, 2023 (Unaudited)**  
 (All amounts in thousands Saudi Riyals unless otherwise stated)

	For the three-month ended 30 September		For the nine-month ended 30 September	
	2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Unaudited)
Net profit for the period	28,449	28,600	50,550	188,496
<b>Other comprehensive income</b>				
<u>Items that will not be reclassified to statement of profit or loss:</u>				
Re-measurement loss on equity investment designated as FVTOCI	(5)	(14)	(7)	(28)
	(5)	(14)	(7)	(28)
<b>Total comprehensive income for the period</b>	<b>28,444</b>	<b>28,586</b>	<b>50,543</b>	<b>188,468</b>
<b>Total comprehensive income for the period attributable to:</b>				
Equity holders of the Parent Company	15,936	18,723	25,567	137,460
Non-controlling interests	12,508	9,863	24,976	51,008
	<b>28,444</b>	<b>28,586</b>	<b>50,543</b>	<b>188,468</b>



Khalid Bin Mohammed  
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CEO




Abdulwahab Bin Abdulkarim  
Albetari  
Designated Member


Salqem Akhtar  
CFO


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**ALUJAIN CORPORATION**  
**(A Saudi Joint Stock Company)**  
**Interim condensed consolidated statement of changes in equity**  
**For the nine months period ended September 30, 2023 (Unaudited)**  
(All amounts in thousands Saudi Riyals unless otherwise stated)

Note	Attributable to the shareholders of parent Company						Total	Non-controlling interests	Total equity
	Share capital	Statutory reserve	Retained earnings	Additional shares in a subsidiary	Other reserves	Treasury shares			
As at January 1, 2023 (audited)	692,000	288,075	2,315,886	(25,752)	5,197	(631,980)	2,643,426	799,597	3,443,023
Net profit for the period	-	-	25,572	-	-	-	25,572	24,978	50,550
Other comprehensive loss for the period	-	-	-	-	(5)	-	(5)	(2)	(7)
Total comprehensive income / (loss) for the period	-	-	25,572	-	(5)	-	25,567	24,976	50,543
Disposal of a subsidiary	-	-	-	-	-	-	-	(144)	(144)
Dividends	-	-	-	-	-	-	-	(37,882)	(37,882)
As at September 30, 2023 (unaudited)	692,000	288,075	2,341,458	(25,752)	5,192	(631,980)	2,668,993	786,547	3,455,540
As at January 1, 2022 (audited)	692,000	288,075	2,293,975	(8,084)	(27,071)	(627,141)	2,611,754	826,784	3,438,538
Reserve for acquisition of additional shares in a subsidiary	-	-	-	(17,668)	-	-	(17,668)	(35,132)	(52,800)
Net profit for the period	-	-	137,482	-	-	-	137,482	51,014	188,496
Other comprehensive loss for the period	-	-	-	-	(22)	-	(22)	(6)	(28)
Total comprehensive income for the period	-	-	137,482	-	(22)	-	137,460	51,008	188,468
Dividends	-	-	(74,010)	-	-	-	(74,010)	(45,459)	(119,469)
As at September 30, 2022 (unaudited)	692,000	288,075	2,357,447	(25,752)	(27,093)	(627,141)	2,657,536	797,201	3,454,737

  
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CFO

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**ALUJAIN CORPORATION**  
**(A Saudi Joint Stock Company)**  
**Interim condensed consolidated statement of cash flows**  
**For the nine months period ended September 30, 2023 (Unaudited)**  
(All amounts in thousands Saudi Riyals unless otherwise stated)

	2023 (Unaudited)	2022 (Unaudited)
<b>Cash flows from operating activities</b>		
Profit before Zakat	69,038	203,855
<u>Adjustments for:</u>		
Depreciation and amortization	144,381	145,469
Depreciation of right of use assets	901	860
Employee defined benefit charged	8,321	7,530
Share of result of a joint venture	(12,035)	(8,754)
Decommissioning provision	498	465
Finance cost	46,064	26,343
Finance income	(5,042)	(1,674)
Gain on disposal of subsidiary	(4,245)	-
Property, plant and equipment written off	8,278	-
(Gain) / loss on disposal of property, plant and equipment	(91)	171
Fair value on re-measurement of equity investment FVTPL	(9)	(4)
<u>Working capital adjustments:</u>		
Inventories	27,531	50,463
Trade and others receivables	(14,047)	74,286
Prepayments and other current assets	6,222	(43,686)
Trade and other payables	(3,135)	(73,010)
Accrued expenses and other current liabilities	13,756	(17,849)
<b>Cash flows provided from operations</b>	<b>286,386</b>	<b>364,465</b>
Finance cost paid	(52,863)	(26,878)
Finance income received	5,042	1,674
Employees defined benefits paid	(3,447)	(3,136)
Zakat paid	(25,004)	(22,154)
<b>Net cash flows provided from operating activities</b>	<b>210,114</b>	<b>313,971</b>
<b>Cash flows from investing activities</b>		
Additional shares in a subsidiary	-	(52,800)
Addition to property, plant and equipment	(20,060)	(126,363)
Addition to project under construction	(76,084)	-
<b>Net cash flows used in investing activities</b>	<b>(96,144)</b>	<b>(179,163)</b>
<b>Cash flows from financing activities</b>		
Repayment of long-term loan	(9,204)	(152,881)
Lease liabilities paid	(1,083)	(1,086)
Dividend paid to shareholders	-	(103,445)
Dividend paid to non-controlling interests	(37,882)	(45,459)
<b>Net cash flows used in financing activities</b>	<b>(48,169)</b>	<b>(302,871)</b>
<b>Net change in cash and cash equivalents</b>	<b>65,801</b>	<b>(168,063)</b>
Cash and cash equivalents at the beginning of the period	295,172	410,926
<b>Cash and cash equivalents at the end of the period</b>	<b>360,973</b>	<b>242,863</b>
<u>Non cash Items:</u>		
Cash due from disposal of a subsidiary	15,626	-
Zakat expense (refund) / absorption of a joint venture	(46)	216
Re-measurement gain on equity investment designated as FVTOCI	7	28

Khalid Bin Mohammed Aldawood  
CEO

Abdulwahab Bin Abdulkarim Albetari  
Designated Member

Sareem Alsharar  
CFO

The accompanying notes (1) to (20) form an integral part of these interim condensed consolidated financial statements



**ALUJAIN CORPORATION**  
**(A Saudi Joint Stock Company)**

**Notes to the interim condensed consolidated financial statements**

**For the three months and nine months periods ended September 30, 2023 (Unaudited)**

(All amounts in thousands Saudi Riyals unless otherwise stated)

**1- GENERAL INFORMATION**

ALUJAIN CORPORATION (“the Company” or “the Parent Company”) is a Saudi Joint Stock Company incorporated and operating in the Kingdom of Saudi Arabia under Ministerial Decision No. 694, dated 15 Jamaad Thani 1412H, corresponding to 23 December 1991. The Company obtained its Commercial Registration No. 4030084538 on Rajab 3, 1412H, corresponding to January 7, 1992. The Commercial Register was deleted and replaced with the new Commercial Register No. 1010614417 issued on 8 Jumada Al-Awal 1439H corresponding to 25 January 2018. The Parent Company is listed on the Saudi Stock Exchange.

On 18 May 2022, the Extraordinary General Assembly agreed to amend Article Two of the Articles of Association related to the company’s name to become Alujain Corporation (Alujain), in addition to the amendment of Article Three of the Articles of Association related to the company's purposes.

The main activities of the Company and its subsidiaries (the “Group”) are the production and sale of propylene, polypropylene and its derivatives, establishment, operation and investment in industrial projects, including projects related to the petrochemical and chemical industries, basic and transformational industries, plastic industries (plastics), industries related to renewable energy and other vital industries inside and outside the Kingdom of Saudi Arabia.

The head office of the Parent Company is located in Riyadh. The interim condensed consolidated financial statement includes the financial statement of the group and its branch in Dammam with commercial registration number 2050168860 issued on 8 March 2023, the group operates through main head office and its branch.

Details of subsidiaries are as follow:

Subsidiaries	Country of incorporation	Principal activities	Effective ownership	
			2023	2022
National Petrochemical Industrial Company (Closed Joint Stock Company) (“NATPET”)	Saudi Arabia	Produce polypropylene	<b>76.40%</b>	76.40%
Infrastructure Reinforcement Industrial Company *	Saudi Arabia	Manufacturing, distribution and sale of geo-synthetic products	<b>100%</b>	100%
Fawasel Advanced Chemicals Company (A Limited Liability Company) (“Fawasel”) *	Saudi Arabia	Wholesale of chemicals	<b>100%</b>	100%
Abraj Altaj Plastic Company (A Limited Liability Company) (“Abraj”) *	Saudi Arabia	Manufacturing of organic chemicals including styrene except nitrogenous fertilizers	<b>100%</b>	100%
Afaq Professional Chemicals Company (A Limited Liability Company) (“Afaq”) *	Saudi Arabia	Wholesale of basic plastic, rubber and synthetic fiber	<b>100%</b>	100%
Mina Company (A Single Person Company) (“Mina”) *	Saudi Arabia	Wholesale of basic plastic, rubber and synthetic fiber	<b>100%</b>	100%
Alujain National Industrial Co. (A One Person Company - A Limited Liability Company) (“LNIC”) **	Saudi Arabia	Produce polypropylene	<b>100%</b>	-
Zain Industries Company (Closed Joint Stock Company) (“Zain”) ***	Saudi Arabia	Engaged in the business of homecare products, insecticides and agricultural pesticides	-	98.75%

**ALUJAIN CORPORATION**  
**(A Saudi Joint Stock Company)**

**Notes to the interim condensed consolidated financial statements**

**For the three months and nine months periods ended September 30, 2023 (Unaudited)**

(All amounts in thousands Saudi Riyals unless otherwise stated)

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**1- GENERAL INFORMATION (Continued)**

On 6 Rabi' II 1443 A.H. (11 November 2021), the Group obtained control over National Petrochemical Industrial Company ("NATPET") due to minority veto rights lapse after changes in the Company By-Law and NATPET became a subsidiary from that date. The Group consolidated the financial statements of NATPET within its consolidated financial statements for the year ended 31 December 2021, instead of using the equity method to account for this investment.

\* The Company has indirect ownership in these companies, which are subsidiaries of NATPET.

\*\* Alujain National Industrial Co. (A one Person Company - A Limited Liability Company) is a company that was established on 10/6/1444 A.H. (corresponding to 3/1/2023), and it is wholly owned by Alujain, and still did not started its business yet.

\*\*\* During the period ended 30 September 2023, the Group signed an agreement to sell its entire shares at Zain Industries Company – "the subsidiary" to third parties. The Group owned a 98.75% stake in the subsidiary. The Group has recorded the assets disposed and the liabilities assumed at their carrying amounts as of 31 July 2023 as disclosed in note 13. The legal formalities of transfer the ownership from the group to new shareholders have been finalized during September 2023.

**2- BASIS OF PREPARATION**

**2-1 Statement of compliance**

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") and other standards and pronouncements, as endorsed by Saudi Organization for Chartered and Professional Accountants ("SOCPA") in the Kingdom of Saudi Arabia ("KSA").

These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual audited financial statements for the year ended 31 December 2022.

**a) Basis of measurement**

The interim condensed consolidated financial information has been prepared on a historical cost basis using the accrual basis of accounting and the going concern concept except for:

- Derivative financial instruments measured at fair value.
- Employee's defined benefits determined using actuarial present value calculations based on project unit credit method.
- Investments measured at fair value through Other Comprehensive Income (OCI).

In addition, results for the period ended 30 September 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

The accounting policies adopted are consistent with those of the previous consolidated financial year ended 31 December 2022

**b) Functional and presentation currency**

The interim condensed consolidated financial statements are presented in Saudi Riyals which is also the Group's functional currency and all values are rounded to the nearest thousand Saudi Riyals, except when otherwise indicated.

**2-2 Basis for consolidation**

Control is achieved when the Group is exposed, 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. Specifically, the Group controls an investee if, and only if, the Group has:

Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee):

- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its return.

**ALUJAIN CORPORATION**  
**(A Saudi Joint Stock Company)**

**Notes to the interim condensed consolidated financial statements**

**For the three months and nine months periods ended September 30, 2023 (Unaudited)**

(All amounts in thousands Saudi Riyals unless otherwise stated)

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**2- BASIS OF PREPARATION (CONTINUED)**

**2-2 Basis for consolidation (continued)**

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year / period are included in the interim condensed consolidated financial information from the date the Group gains control until the date the Group ceases to control the subsidiary.

Income and each component of other comprehensive income are attributed to the equity holders of the part of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the information of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in interim condensed consolidated statement of profit or loss. Any investment retained is recognised at fair value.

**Business combinations and goodwill**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in general and administration expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments: Recognition and Measurement, is measured at fair value with the changes in fair value recognised in the interim condensed consolidated statement of profit or loss.

## **2-BASIS OF PREPARATION (CONTINUED)**

### **Business combinations and goodwill (continued)**

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in interim condensed consolidated profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports in its financial information, provisional amounts for the items for which the accounting is incomplete. During the measurement period, the Group retrospectively adjusts the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date. During the measurement period, the Group also recognises additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date. The measurement period ends as soon as the Group receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable. However, the measurement period does not exceed one year from the acquisition date.

Where goodwill has been allocated to a Cash-Generating Unit ("CGU") and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

### **Investments accounted for using equity method**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control is similar to those necessary to determine control over subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

## **2- BASIS OF PREPARATION (CONTINUED)**

### **2-2 Basis of preparation (continued)**

#### **Investments accounted for using equity method (continued)**

The interim condensed consolidated statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in the other comprehensive income of those investees is presented as part of the Group's Consolidated other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the interim statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the interim condensed consolidated statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial information of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the interim condensed consolidated statement of profit or loss.

#### **Fair value measurement**

The Group measures financial instruments, such as, derivatives, at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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### **2- BASIS OF PREPARATION (CONTINUED)**

#### **Fair value measurement (continued)**

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial information on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The policies and procedures for both recurring fair value measurement and for non-recurring measurement are evaluated periodically.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### **Cash dividend to equity holders**

The Group recognises a liability to make cash distribution to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the companies' regulations of Saudi Arabia, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

#### **Inter-group loans**

The Group recognises any loans obtained from the shareholder of subsidiaries as a financial liability and classifies it under the current liabilities. Such loans are repayable at the request and the Group does not have an unconditional right to avoid settlement of such obligation.

### **2.3 Using judgments and estimates**

In preparing these interim condensed consolidated financial statements, management has made judgments 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 judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in annual consolidated financial statements.

However, as explained in Note (1), the Group has reviewed the key sources of estimation uncertainties disclosed in the last annual consolidated financial statements against the backdrop of Covid-19 pandemic. Management believes that other than the expected credit losses arising on the financial assets, all other sources of estimation uncertainty remain similar to those disclosed in the annual consolidated financial statements. Management will continue to monitor the situation and any changes required will be reflected in future reporting periods.

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**3- SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022.

**Goodwill**

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in consolidated statement of income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

**4- NEW STANDARDS, AMENDMENT TO STANDARDS AND INTERPRETATIONS**

There are no new standards issued, however, there are number of amendments to standards which are effective from 1 January 2023 and have been explained in Group annual consolidated financial statements, but they do not have a material effect on the Group's interim condensed consolidated financial statements.

**5- PROPERTY, PLANT AND EQUIPMENT**

The additions to property and equipment during the period ended September 30, 2023 amounted to SR 20.06 million (31 December 2022: SR 130.65 million), and the depreciation for the period ended 30 September 2023 amounted to SR 142.57 million (31 December 2022: SR 186.24 million).

**6- GOODWILL**

On 11 November 2021, the Group obtained control over NATPET due to minority rights lapse after changes in the Company By-Law and NATPET became a subsidiary from that date.

The acquisition as mentioned came as a result of changes in the Company's by-law of NATPET, where the acquisition took place without a transfer in exchange for a consideration and without an increase in the ownership of Alujain Corporation in the subsidiary NATPET.

Alujain has fulfilled all the requirements for controlling NATPET in accordance with the IFRSs, which was previously announced in the Saudi Stock Exchange (Tadawul) on 30 January 2022. At the date of obtaining the control, the Company included NATPET'S financial statements within its consolidated financial statements. At the acquisition date, the Company appointed an independent accredited valuator to evaluate NATPET, and as a result of the evaluation, a goodwill amounting to SR1,533 million was recognized. The evaluation of NATPET also resulted in a profit against the shares owned in NATPET previously to the date of control of 74.98% an amount of SR 1,352 million.

The Group management evaluated the goodwill as of 31 December 2022, and the evaluation did not result in any impairment losses in the value of the recognized goodwill.

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**7- INVESTMENT IN A JOINT VENTURE**

Details of the Group's investment in a joint venture at the reporting dates are as follows:

Company's name	Principal activities	Place of business / country of incorporation	Proportion of ownership interest		30 September 2023	31 December 2022
			2023	2022	(Unaudited)	(Audited)
Natpet Schulman Specialty Plastic Compounding L.L.C ("Natpet Schulman")	Produce polypropylene compounds	Saudi Arabia	50%	50%	81,005	69,016

The movement in the investment in a joint venture during the period / year is as follows:

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Balance at January 1,	69,016	56,079
Share in result for the period / year	12,035	11,662
Share in other comprehensive income for the period / year	-	79
Zakat expense (refund) / absorption for the period / year	(46)	1,196
Ending balance for the period / year	81,005	69,016

The Group has joint control over Natpet Schulman by virtue of its 50% shareholding and voting right.

The activities of Natpet Schulman are jointly controlled by both the shareholders.

**8- INVESTMENT IN FINANCIAL ASSETS**

Equity investments comprise the following individual investments:

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
<b>Fair value through Profit or Loss ("FVTPL")</b>		
Investment in listed equity shares		
Saudi Arabian Oil Company	53	44
<b>Fair value through Other Comprehensive Income ("FVTOCI")</b>		
Investment in listed equity shares		
Saudi Basic Industries Corporation (SABIC)	83	90
<b>Investment in financial assets measured at cost</b>		
Lygos Inc.	1,969	1,969
<b>Total Investments in financial assets</b>	<b>2,105</b>	<b>2,103</b>

Equity securities designated at FVTPL and FVTOCI represent investments in quoted equity shares of companies registered in the Kingdom of Saudi Arabia. Fair values of these quoted equity shares are determined by reference to published price quotations in an active market.

**9- SHARE CAPITAL**

The Parent Company's authorized, issued and fully paid share capital is SR 692 million which is divided into 69.2 million shares of SR 10 par value each.



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**10- ZAKAT**

**10.1 Components of Zakat base**

The Company and its subsidiaries file separate Zakat declarations which are filed on unconsolidated basis. The significant components of the Zakat base of each company under Zakat and income tax regulation are principally comprised of shareholders' equity, provisions at the beginning of year, adjusted income, less deductions for the adjusted net book value of property and equipment, and investments.

**10.2 Provision for Zakat**

The movement in the Group's provision for Zakat balance is as follows:

	<b>30 September 2023</b>	31 December 2022
	<b>(Unaudited)</b>	(Audited)
January 1	<b>55,063</b>	52,405
Provided during the period / year	<b>15,915</b>	24,340
Prior year zakat adjustment	<b>2,573</b>	470
Paid during the period / year	<b>(25,004)</b>	(22,152)
End of the period / year	<b>48,547</b>	55,063

**10.3 Status of assessments**

**The Parent Company**

The Zakat, Tax and Customs Authority (the "Authority") completed the Zakat assessment until 2019, and obtained the final Zakat certificate.

The parent Company finalized the Zakat assessment for the year ended 31 December 2020 without any Zakat differences, and obtained the final Zakat certificate.

The parent Company has submitted its returns for the year ended 31 December 2021 and 31 December 2022, which are currently under the review by the Authority.

**The Subsidiary (National Petrochemical Industrial Company)**

During the period ended 30 September 2023, the authority issued the assessments for the years 2017 and 2018 and demanded Zakat liability of SR 1,750,954 and SR 2,874,951, respectively. The Subsidiary is in the process of filing an appeal with the Tax Violations and Dispute Resolution Committee ["TVDRC"] against the authority's assessments.

Except for the years 2017 and 2018, the Zakat status for the period ended 30 September 2023 remains unchanged as disclosed in the annual consolidated financial statement for the year ended 31 December 2022.

**11- RESERVE FOR ACQUISITION OF ADDITIONAL SHARES IN A SUBSIDIARY**

During 2022, the Group has acquired further 1.03% shares in (NATPET) for a total value of SR 52,8 million paid in cash, resulting in an increase in its shareholding from (75.37%) to (76.40%) by purchasing 1,100,000 shares, the purchases were as follows:

- In January 2022, the Group purchased 900,000 shares at SR 48 per share.
- In March 2022, the Group purchased 200,000 shares at SR 48 per share.

The movement of the reserve for acquisition of additional shares in a subsidiary during the period / year is as follows:

	<b>30 September 2023</b>	31 December 2022
	<b>(Unaudited)</b>	(Audited)
Balance at January 1,	<b>25,752</b>	8,084
Additions	<b>-</b>	17,668
End of the period / year	<b>25,752</b>	25,752

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**12- TREASURY SHARES**

The shares of the Company, 20 million shares amounting to SR 631.98 million as of 30 September 2023 (31 December 2022: 20 million shares amounting to SR 631.98 million), owned by NATPET and its subsidiaries were classified after the consolidation of the financial statements as treasury shares according to the IFRS. The acquisition of these shares will be finalized in coordination with stakeholders and regulatory authorities.

**13- GAIN ON DISPOSAL OF A SUBSIDIARY**

The Group has recorded the assets disposed and the liabilities assumed at their carrying amounts as of 31 July 2023. The management carried out an assessment of its investment in Zain Industries Company as of 31 July 2023, based on which no impairment was identified.

The Group derecognized its investment in the subsidiary at carrying amount as of 31 July 2023. The excess of the amount of consideration of cash received from sale the subsidiary over the carrying value of pre-existing interest in Zain Industries Company has been recognized as gain on disposal of a subsidiary.

The analysis of assets and liabilities disposed was as follows:

	<b>31 July 2023</b>
<b>ASSETS</b>	
Property, plant and equipment	9,314
Intangible assets	110
Trade and other receivables	3,164
Prepayments and other assets	2,174
Inventories	2,835
Cash and cash equivalents	146
<b>TOTAL ASSETS</b>	<b>17,743</b>
<b>LIABILITIES</b>	
Trade and other payables	4,395
Accrued expenses and other liabilities	1,011
Employees' defined benefits obligation	812
Non-controlling interest	144
<b>TOTAL LIABILITIES</b>	<b>6,362</b>
<b>NET ASSETS ACQUIRED</b>	<b>11,381</b>
Less: Consideration amount for the disposal of ownership in a subsidiary	<b>(15,626)</b>
Gain on disposal of a subsidiary	<b>4,245</b>

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**14- EARNINGS PER SHARE**

The following is the calculation of basic and diluted earnings per share for the period:

	<b>30 September 2023</b>	30 September 2022
	<b>(Unaudited)</b>	(Unaudited)
Net profit attributable to equity holders of the Parent Company	<u>25,572</u>	<u>137,482</u>
<b>Number of shares (in thousands)</b>		
Weighted average number of ordinary shares for the purposes of calculating basic earnings per share	<b>49,340</b>	49,340
Weighted average number of repurchased ordinary shares	<u>19,860</u>	<u>19,860</u>
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	<u>69,200</u>	<u>69,200</u>
<b>Earnings per share attributable to equity holders of the Parent Company (SR/Share)</b>		
Basic	<u>0.52</u>	<u>2.79</u>
Diluted	<u>0.37</u>	<u>1.99</u>

**15- SEGMENT REPORTING**

A reporting segment is a group of assets and operations engaged in revenue producing activities, results of its operations are continuously analyzed by management in order to make decisions related to resource allocation and performance assessment, and financial statements for which is separately available.

The Group's President and Board of Directors monitor the results of the Group's operations for the purpose of making decisions about resource allocation and performance assessment, they are collectively the chief operating decision makers ("CODM") for the Group.

CODM now reviews the operations principally in the following two operating segments:

- i. Manufacturing of petrochemical products; and
- ii. Manufacturing of home-care products.

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**15- SEGMENT REPORTING (CONTINUED)**

The interim condensed consolidated financial statements summarized by the above operating segments, is as follows:

	<b>Manufacturing petrochemical products</b>	<b>Manufacturing of home-care products</b>	<b>Unallocated</b>	<b>Total</b>
<b><u>30 September 2023 - unaudited</u></b>				
Revenues	<b>1,209,786</b>	<b>11,582</b>	-	<b>1,221,368</b>
Cost of revenues excluding depreciation	<b>(857,794)</b>	<b>(10,389)</b>	-	<b>(868,183)</b>
Depreciation and amortization	<b>(143,116)</b>	<b>(2,006)</b>	<b>(160)</b>	<b>(145,282)</b>
Selling and marketing expenses excluding depreciation	<b>(54,557)</b>	<b>(2,213)</b>	-	<b>(56,770)</b>
General and administration expenses excluding depreciation	<b>(40,439)</b>	<b>(3,184)</b>	<b>(7,657)</b>	<b>(51,280)</b>
Finance costs	<b>(4,636)</b>	<b>(32)</b>	<b>(36,354)</b>	<b>(41,022)</b>
Other income	<b>14,017</b>	<b>(1,009)</b>	<b>(2,801)</b>	<b>10,207</b>
Segment results profit / (loss) before Zakat	<b>123,261</b>	<b>(7,251)</b>	<b>(46,972)</b>	<b>69,038</b>
	Manufacturing petrochemical products	Manufacturing of home-care products	Unallocated	Total
<b><u>30 September 2022 - unaudited</u></b>				
Revenues	1,441,639	15,809	-	1,457,448
Cost of revenues excluding depreciation	(972,405)	(11,882)	-	(984,287)
Depreciation and amortization	(143,653)	(2,515)	(161)	(146,329)
Selling and marketing expenses excluding depreciation	(120,919)	(2,220)	-	(123,139)
General and administration expenses excluding depreciation	(39,979)	(1,992)	(7,531)	(49,502)
Finance costs	(6,384)	(49)	(18,236)	(24,669)
Other income	74,316	10	7	74,333
Segment results profit / (loss) before Zakat	232,615	(2,839)	(25,921)	203,855

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**15- SEGMENT REPORTING (CONTINUED)**

<b>Total assets and liabilities as at 30 September 2023 - unaudited</b>	<b>Manufacturing petrochemical products</b>	<b>Manufacturing of home-care products</b>	<b>Unallocated</b>	<b>Total</b>
Total assets	<b>3,211,090</b>	-	<b>1,660,610</b>	<b>4,871,700</b>
Total liabilities	<b>404,740</b>	-	<b>1,011,420</b>	<b>1,416,160</b>
<b>Total assets and liabilities as at 31 December 2022 - audited</b>	<b>Manufacturing petrochemical products</b>	<b>Manufacturing of home-care products</b>	<b>Unallocated</b>	<b>Total</b>
Total assets	3,279,247	34,348	1,552,143	4,865,738
Total liabilities	494,626	15,573	912,516	1,422,715

The Group's local and export sales during the period are as follows:

	<b>For the nine-month ended 30 September</b>	
	<b>2023 (Unaudited)</b>	<b>2022 (Unaudited)</b>
<b>Geographic information</b>		
Local sales	<b>167,232</b>	295,532
Export sales	<b>1,054,136</b>	1,161,916
	<b>1,221,368</b>	1,457,448

The revenue information above is based on the locations of the customers; the non-current assets of the Group are based in the Kingdom of Saudi Arabia.

**16- RELATED PARTY TRANSACTIONS AND BALANCES**

**Key management compensation for the Group**

The Group's senior management personnel represent members of the Board of Directors and senior executives who exercise authority and responsibility in planning, obligating and controlling the Group's activities, directly or indirectly. The compensation of senior management of the Group is as follows:

	<b>For the nine-month ended 30 September</b>	
	<b>2023 (Unaudited)</b>	<b>2022 (Unaudited)</b>
Short-term employee salaries and benefits	<b>12,394</b>	14,120
Termination benefits	<b>454</b>	162
	<b>12,848</b>	14,282

The following table provides the total amount of material transactions that have been entered into with related parties:

<b>Related Party</b>	<b>Nature of transaction</b>	<b>Relation</b>	<b>30 September 2023 (Unaudited)</b>	<b>30 September 2022 (Unaudited)</b>
Natpet Schulman	Sales		<b>32,923</b>	7,048
Specialty Plastic	Expenses re-charged by the Group	Joint	<b>(2,382)</b>	(2,023)
Compounds	Management support services	Venture	<b>1,779</b>	1,384
Company	Sale of waste raw material		<b>231</b>	-
	Zakat (refund) / absorption		<b>(46)</b>	216

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**16- RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)**

**Related party balances**

<b>Related party</b>	<b>Relationship</b>	<b>30 September 2023 (Unaudited)</b>	<b>31 December 2022 (Audited)</b>
<b>Included within "trade and other receivables"</b>			
Natpet Schulman Specialty Plastic Compounds Company	Joint Venture	<b>18,652</b>	16,798
		<b><u>18,652</u></b>	<u>16,798</u>

The Group always measures the allowances for expected credit losses which are unsecured at an amount equal to lifetime ECL. The expected impairment loss on due from related parties is estimated using a provision matrix by reference to past default experience of related parties with similar loss patterns and where applicable an analysis of the related parties' current financial position, adjusted for factors that are specific to the related parties, general economic conditions of the industry and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

**17- DIVIDENDS**

In the General Assembly meeting held on 18 May 2022; shareholders approved authorizing the Board of Directors to distribute interim profits for the fiscal year 2022. On 5 June 2022, the company announced the decision of the Board of Directors to distribute cash dividends to shareholders in the amount of SR 103.8 million, at SR 1.5 per share for the first half of the fiscal year 2022, which represents 15% of the total paid-up capital. The share of the subsidiary amounting to SR 29.8 million was excluded when consolidating the financial statements. The eligibility for dividends will be for the shareholders who own the shares by the end of trading on 30 June 2022 (the due date). The dividends paid to the non-controlling interests through NATPET amounted to SR 45.5 million during the period ended 30 September 2022.

On 26 February 2023, the board of directors of NATPET approved the distribution of interim dividends amounting to SR 160.5 million. This amount excludes the Company's share of SR122.6 million, which was eliminated in the consolidation of the financial statements. The dividends paid to the non-controlling interest through NATPET amounted to SR 37.9 million during the period ended 30 September 2023.

On 12 July 23, the General Assembly of the Group approved the distribution of in-kind dividend (all shares owned by the subsidiary- NATPET and its subsidiaries in Alujain Corporation, 19,997,224 number of shares) to the shareholders of NATPET.

**18- SUBSEQUENT EVENTS**

**- Purchase the share of the General Organization for Social Insurance ("GOSI) in NATPET**

On 20 June 2023, the Group announced that it had signed an agreement to purchase all the shares of GOSI in the capital of NATPET, amounting to 13,044,294 shares, representing 12.19% of the capital of NATPET by exchange for shares in Alujain amounted to 9,064,021 shares and cash consideration amounted to SR 81,210,053, in order to support the Group's strategic plans by increasing its investments.

During August 2023, the Group transferred SR 81 million to GOSI (the Cash consideration as per the agreement). This amount is included within "trade and other receivables" until finalize the deal.

**- Purchase additional shares of shareholders in NATPET**

On 29 October 2023, the Group announced that it had signed a purchase agreement of 9,590,055 shares from certain shareholders of its subsidiary - NATPET, representing 8.96% of NATPET's total shares by swap of shares in Alujain (6,213,418) shares and cash consideration SR (90,343,805), in order to support the Company's strategic plans by increasing its investments. The cash payment will be financed via a loan from Alinma Bank.

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**(A Saudi Joint Stock Company)**

**Notes to the interim condensed consolidated financial statements**

**For the three months and nine months periods ended September 30, 2023 (Unaudited)**

(All amounts in thousands Saudi Riyals unless otherwise stated)

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**19- LAWSUITS**

On 9 March 2020 (corresponding to 14 Rajab 1441), the management of Alujain filed a liability legal suit against the members of former Board of Directors, who were removed on 14 June 2017, at the competent judicial authorities in the Commercial Court in Jeddah.

**20- APPROVAL OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

The interim condensed consolidated financial statements were approved and authorized for issuance by the Board of Directors on 20 Rabie' Al-Thani 1445H (November 4, 2023).