

**AL MASANE AL KOBRA MINING COMPANY
(A SAUDI JOINT STOCK COMPANY)**

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

**FOR THE THREE MONTH AND NINE-MONTH PERIOD ENDED
30 SEPTEMBER 2024**

**AL MASANE AL KOBRA MINING COMPANY
(A SAUDI JOINT STOCK COMPANY)**

**UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024**

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF AL MASANE AL KOBRA MINING COMPANY (A SAUDI JOINT STOCK COMPANY)

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Al Masane Al Kobra Mining Company (A Saudi Joint Stock Company) ("the Company") as at 30 September 2024, and the related interim condensed statement of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2024, and the related interim condensed statements of changes in equity and cash flows for the nine-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of Review

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

Conclusion

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

for Ernst & Young Professional Services



Hussain Saleh Asiri
Certified Public Accountant
License No. (414)



Jeddah: 02 Jumada Al-Ula 1446H
(04 November 2024G)

AL MASANE AL KOBRA MINING COMPANY (A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

(All amounts in Saudi Riyals unless otherwise stated)

	<i>Notes</i>	<i>30 September 2024 (Unaudited)</i>	<i>31 December 2023 (Audited)</i>
ASSETS			
NON-CURRENT ASSETS			
Mine properties	4	300,975,966	638,144,398
Property, plant and equipment	5	786,151,347	373,911,992
Right-of-use assets		1,646,688	2,302,964
Long term deposits		30,854	30,854
Deferred tax	10.3	31,448,573	28,511,219
TOTAL NON-CURRENT ASSETS		1,120,253,428	1,042,901,427
CURRENT ASSETS			
Inventories		105,688,110	100,625,825
Trade and other receivables		223,895,323	129,577,394
Advances and prepayments		66,479,389	70,169,167
Cash and cash equivalents	6	23,740,140	110,940,021
TOTAL CURRENT ASSETS		419,802,962	411,312,407
TOTAL ASSETS		1,540,056,390	1,454,213,834
EQUITY AND LIABILITIES			
EQUITY			
Share capital	7.1	900,000,000	900,000,000
Share premium	7.4	268,589,751	268,589,751
Retained earnings		66,913,337	61,305,053
Share-based compensation reserve	7.6	468,892	5,591,482
Treasury shares	7.3	(19,313,221)	(15,256,246)
TOTAL EQUITY		1,216,658,759	1,220,230,040
NON-CURRENT LIABILITIES			
Loans and borrowings	8(a)	36,127,535	43,182,626
Lease liabilities		451,267	1,176,421
Provision for mine closure cost		33,393,566	32,107,655
Employee benefits	9	15,586,115	13,951,422
TOTAL NON-CURRENT LIABILITIES		85,558,483	90,418,124
CURRENT LIABILITIES			
Loans and borrowings	8(a)	16,000,000	67,144,909
Dividends payable	7.5	79,676,329	-
Lease liabilities		703,592	915,202
Trade payables		80,333,698	46,227,626
Accruals and other non-financial liabilities		35,034,456	21,929,903
Provision for zakat and income tax	10	8,429,717	4,916,582
Provision for severance fees		17,661,356	2,431,448
TOTAL CURRENT LIABILITIES		237,839,148	143,565,670
TOTAL LIABILITIES		323,397,631	233,983,794
TOTAL EQUITY AND LIABILITIES		1,540,056,390	1,454,213,834

M. Shoaib

Finance Director

[Signature]
Chief Executive Officer

[Signature]
Chairman of the Board

The attached notes from 1 to 16 form an integral part of these interim condensed financial statements.

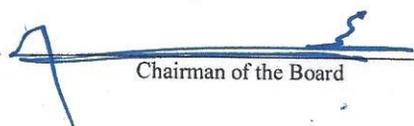
AL MASANE AL KOBRA MINING COMPANY (A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME (UNAUDITED)

For the three-month and nine-month periods ended 30 September 2024
 (All amounts in Saudi Riyals unless otherwise stated)

	Notes	Three-month period ended 30 September		Nine-month period ended 30 September	
		2024	2023	2024	2023
Revenue, net	11	215,957,769	110,183,896	553,769,936	373,145,926
Direct costs		(135,103,435)	(90,300,117)	(356,108,638)	(278,209,264)
GROSS PROFIT		80,854,334	19,883,779	197,661,298	94,936,662
Selling and marketing expenses		(6,391,739)	(3,514,273)	(19,173,680)	(11,143,500)
General and administrative expenses		(8,343,842)	(11,103,939)	(29,901,842)	(31,214,646)
OPERATING PROFIT		66,118,753	5,265,567	148,585,776	52,578,516
Finance costs		(1,647,324)	(1,064,691)	(4,475,169)	(7,131,835)
Other income		12,086	2,518,399	588,170	9,900,915
PROFIT BEFORE ZAKAT AND INCOME TAX		64,483,515	6,719,275	144,698,777	55,347,596
Zakat	10	(2,340,577)	(1,230,839)	(6,038,160)	(3,699,276)
Income tax	10	(2,390,401)	(308,935)	(1,964,441)	(3,004,281)
NET PROFIT FOR THE PERIOD		59,752,537	5,179,501	136,696,176	48,644,039
OTHER COMPREHENSIVE LOSS					
<i>Items that will not be reclassified to statement of profit or loss in subsequent periods:</i>					
Re-measurement loss on defined benefit plans	9	(509,621)	(36,404)	(278,283)	(466,258)
Deferred tax relating to actuarial movement	10.3	18,844	1,349	84,857	30,847
		(490,777)	(35,055)	(193,426)	(435,411)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		59,261,760	5,144,446	136,502,750	48,208,628
Earnings per share:					
Basic and diluted earnings per share attributable to ordinary equity holders of the Company	14	0.68	0.06	1.55	0.55


 Finance Director


 Chief Executive Officer


 Chairman of the Board

AL MASANE AL KOBRA MINING COMPANY (A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the nine-month period ended 30 September 2024

(All amounts in Saudi Riyals unless otherwise stated)

	Share capital	Share Premium	Statutory reserve	Share-based compensation reserve	Retained earnings	Treasury shares	Total
Balance as at 1 January 2023	660,000,000	508,589,751	32,359,592	-	35,269,168	(16,021,322)	1,220,197,189
Profit for the period	-	-	-	-	48,644,039	-	48,644,039
Other comprehensive loss for the period	-	-	-	-	(435,411)	-	(435,411)
Total comprehensive income for the period	-	-	-	-	48,208,628	-	48,208,628
Increase in share capital (note 7.1 & 7.4)	240,000,000	(240,000,000)	-	-	-	-	-
Share-based compensation (note 7.6)	-	-	-	8,296,974	-	-	8,296,974
Treasury shares issued to employees (note 7.6)	-	-	-	(4,018,725)	3,362,127	656,598	-
Dividend (note 7.5)	-	-	-	-	(64,797,787)	-	(64,797,787)
Balance as at 30 September 2023	900,000,000	268,589,751	32,359,592	4,278,249	22,042,136	(15,364,724)	1,211,905,004
Balance as at 1 January 2024	900,000,000	268,589,751	-	5,591,482	61,305,053	(15,256,246)	1,220,230,040
Profit for the period	-	-	-	-	136,696,176	-	136,696,176
Other comprehensive loss for the period	-	-	-	-	(193,426)	-	(193,426)
Total comprehensive income for the period	-	-	-	-	136,502,750	-	136,502,750
Share-based compensation (note 7.6)	-	-	-	2,060,235	-	-	2,060,235
Treasury shares issued to employees (note 7.3)	-	-	-	(7,182,825)	6,299,854	882,971	-
Dividend (note 7.5)	-	-	-	-	(137,161,617)	-	(137,161,617)
Loss on treasury shares (note 7.3)	-	-	-	-	(32,703)	-	(32,703)
Purchase of treasury shares (note 7.3)	-	-	-	-	-	(4,939,946)	(4,939,946)
Balance as at 30 September 2024	900,000,000	268,589,751	-	468,892	66,913,337	(19,313,221)	1,216,658,759

M. Sawai

Finance Director

Chief Executive Officer

Chairman of the Board

The attached notes from 1 to 16 form an integral part of these interim condensed financial statements.

AL MASANE AL KOBRA MINING COMPANY (A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)

For the nine-month period ended 30 September 2024
 (All amounts in Saudi Riyals unless otherwise stated)

	<i>Nine-month period ended 30 September</i>		
	<i>Notes</i>	<i>2024</i>	<i>2023</i>
OPERATING ACTIVITIES			
Profit before zakat and income tax		144,698,777	55,347,596
<i>Adjustment to reconcile profit before zakat and income tax to net cash inflow from operating activities:</i>			
Depreciation, depletion and amortisation	4&5	110,407,964	91,811,290
Amortisation of right-of-use assets		656,277	1,269,048
Provision for employee benefits	9	2,983,947	2,532,921
Provision for severance fees		20,945,547	10,510,928
Finance income on short term deposits		-	(2,417,854)
Share-based compensation expense		2,060,235	8,296,974
Finance costs		4,475,169	7,131,835
Gain on disposal of property, plant and equipment		(12,086)	-
		<u>286,215,830</u>	<u>174,482,738</u>
<i>Working capital adjustments:</i>			
Inventories		(5,062,285)	(14,829,410)
Trade and other receivables		(94,317,929)	23,499,996
Advances and prepayments		3,689,778	60,799,664
Trade payables		34,106,072	50,723,913
Accruals and other non-financial liabilities		13,104,553	(28,808,072)
		<u>237,736,019</u>	<u>265,868,829</u>
Cash from operations		237,736,019	265,868,829
Zakat paid	10.1	(6,267,171)	(11,906,754)
Income tax paid	10.2	(1,074,792)	(2,237,688)
Severance fees paid		(5,715,639)	(15,553,621)
Employee benefits paid	9	(1,627,537)	(376,648)
Finance costs paid		(1,545,258)	(5,911,111)
		<u>221,505,622</u>	<u>229,883,007</u>
Net cash flows from operating activities		221,505,622	229,883,007
INVESTING ACTIVITIES			
Additions to mine properties	4	(150,797,480)	(274,754,016)
Additions to property, plant and equipment	5	(34,681,409)	(20,822,863)
Proceeds from disposal of property, plant and equipment		12,087	-
		<u>(185,466,802)</u>	<u>(295,576,879)</u>
Net cash flows used in investing activities		(185,466,802)	(295,576,879)
FINANCING ACTIVITIES			
Dividend paid		(57,485,288)	(64,797,787)
Repayment of loans and borrowings		(59,844,000)	(46,992,087)
Proceeds from short term borrowings		61,000,000	-
Repayment of principal portion of short-term borrowings		(61,000,000)	-
Payment of principal portion of lease liabilities		(936,764)	(1,095,407)
Purchase of treasury shares	7.3	(4,972,649)	-
		<u>(123,238,701)</u>	<u>(112,885,281)</u>
Net cash flows used in financing activities		(123,238,701)	(112,885,281)
DECREASE IN CASH AND CASH EQUIVALENTS		(87,199,881)	(178,579,153)
Cash and cash equivalents at the beginning of the period		110,940,021	381,391,908
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6	23,740,140	202,812,755
SUPPLEMENTARY SIGNIFICANT NON-CASH INFORMATION			
Provision for mine closure cost		1,285,912	1,220,724
Transfer from share premium to share capital		-	240,000,000

M. Suwail

Finance Director

Chief Executive Officer

Chairman of the Board

The attached notes from 1 to 16 form an integral part of these interim condensed financial statements.

AL MASANE AL KOBRA MINING COMPANY (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

At 30 September 2024

(All amounts in Saudi Riyals unless otherwise stated)

1. COMPANY INFORMATION

Al Masane Al Kobra Mining Company ("the Company" or "AMAK") is a Saudi Joint Stock Company approved by the Ministry of Commerce and Investment Decree Number 247/Q dated 9 Shawwal 1428H (corresponding to 21 October 2007) and registered in Jeddah under Commercial Registration No. 4030175345 on 7 Muharram 1429H (corresponding to 16 January 2008). During 2015, the registered office of the Company was relocated from Jeddah to Najran. Accordingly, Najran Commercial Registration No. 5950017523 dated 3 Duh Al-Qi'dah 1431H (corresponding to 11 October 2010) was modified to be main Commercial Registration. During 2021, the Company obtained commercial registration number 5950123986 dated 22 Dhu Al-Hijjah 1442H (corresponding to 1 August 2021) of a new branch in Najran.

The registered office is located at P.O. Box 96, Najran, Kingdom of Saudi Arabia. The Company is engaged in mining of non-ferrous metal ores (aluminium, copper and lead), mining of ores of precious metals belonging to gold, silver and platinum group, and wholesaling precious metals and gemstones.

The Company commenced its commercial production on 1 July 2012. The principal activity of the Company is to produce zinc and copper concentrates and silver and gold ore as per the license Number 86/Q dated 13 Ramadhan 1429H (corresponding to 13 September 2008) issued by Ministry of Industry and Mineral Resources and renewed for further thirty years with license number 142941, starting from 30 June 2022 (corresponding to 1 Dhu Al-Hijjah 1443H).

In addition, the Company obtained the license number 9598/Q dated 24 Duh Al-Qi'dah 1436H (corresponding to 8 September 2015) for twenty years and expiring on 23 Duh Al-Qi'dah 1456H (corresponding to 2 February 2035) from the Ministry of Industry and Mineral Resources for the exploitation of gold and silver ores from accompanying site Mount Guyan Surface.

As at the reporting date, the Company has three operational mines namely Al Masane underground mine, Moyeath underground mine and Mount Guyan mine (on ground).

2. BASIS OF PREPARATION AND CHANGES TO THE COMPANY'S ACCOUNTING POLICIES

2.1 Statement of compliance

The interim condensed financial statements for the three-month and nine-month period ended 30 September 2024 have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by Saudi Organization for Chartered and Professional Accountants ("SOCPA"). The Company has prepared the interim condensed financial statements on the basis that it will continue to operate as a going concern. The Board of Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements as at and for the year ended 31 December 2023. In addition, results of the interim period ended 30 September 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

2.2 Basis of measurement

These interim condensed financial statements have been prepared on the historical cost basis, except for employee benefit obligation which is recognized at the present value of future obligations using the projected unit credit method. Further, the interim condensed financial statements are prepared using the accrual basis of accounting and going concern concept.

2.3 Functional currency

These interim condensed financial statements are presented in Saudi Riyals (SR), which is also the Company's functional currency.

At 30 September 2024

(All amounts in Saudi Riyals unless otherwise stated)

2. BASIS OF PREPARATION AND CHANGES TO THE COMPANY'S ACCOUNTING POLICIES (continued)

2.4 Significant accounting judgements, estimates and assumptions

The preparation of the Company's interim condensed financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. The significant judgements made by management in applying the Company's accounting policies and the methods of computation and the key sources of estimation are the same as those that applied to the financial statements for the year ended 31 December 2023. Any future change in the assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future periods.

2.5 New Standards, Interpretations and Amendments adopted by the Company

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2024, but do not have any material impact on the interim condensed financial statements of the Company.

2.5.1 *Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7*

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

The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Company's interim condensed financial statements.

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

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

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

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

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

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

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

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

At 30 September 2024

(All amounts in Saudi Riyals unless otherwise stated)

2. BASIS OF PREPARATION AND CHANGES TO THE COMPANY'S ACCOUNTING POLICIES (continued)

2.6 Mine properties, property, plant and equipment and right-of-use assets

Change in estimate

Based on an assessment and the recommendation of the management's consultant, the total expected units of production (UOP) have been revised from 1 January 2024 for Al Masane Mine to 6.5 million metric tonnes (1 January 2023: 7.04 million metric tonnes) and for Mount Guyan Mine to 3.1 million metric tonnes (1 January 2023: 3.6 million metric tonnes). Such change in the UOP has been applied prospectively from 1 January 2024. The change in UOP resulted in change in depreciation and amortization charge for the current period by approximately SR 1 million. However, impact on future years cannot be calculated due to annual reviews of remaining useful life and reserves.

3. SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief executive officer. An operating segment is group of assets and operations:

- (i) engaged in revenue producing activities;
- (ii) results of its operations are continuously analyzed by management in order to make decisions related to resource allocation and performance assessment; and
- (iii) financial information is separately available.

All of the Company's operations are located in Najran, Saudi Arabia. For management purposes, the Company is organized into business units based on the main types of activities and has three reportable operating segments, as follows:

- Al Masane mine segment represents extraction and production of the base metals i.e. copper and zinc concentrates and byproducts like precious metals i.e. gold and silver ores;
- Mount Guyan mine segment represents extraction and production of the precious metals i.e. gold and silver ores;
- Moyeath mine segment represents an expansion project of Al Masane mine and is involved in extraction and production of the base metals i.e. copper and zinc concentrates (refer note (a) below); and
- Corporate is responsible for effective management and governance including funding of the projects. The presentation of Corporate information does not represent an operating segment.

No operating segments have been aggregated to form the above reportable operating segments. The Chief Executive Officer monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment and is considered to be the Company's chief operating decision maker. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the interim condensed financial statements. However, the Company's severance fees, zakat and income taxes are managed on corporate basis and are not allocated to operating segments.

- (a) The development of the Moyeath Orebody Project has been completed and the commercial production has started during the period ended 30 September 2024. During the commissioning and testing phase of the Moyeath Orebody Project, the Company produced zinc and copper concentrates which were sold along with production from Al Masane mine. Revenue from the sale of the concentrates of Moyeath Orebody Project during the nine-month period ended 30 September 2024 amounted to SR 116.24 million, direct cost amounted to SR 42.23 million and selling and marketing expenses amounted to SR 5.58 million which includes revenue from sale and cost incurred during commissioning and testing phase.

AL MASANE AL KOBRA MINING COMPANY (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)

At 30 September 2024

(All amounts in Saudi Riyals unless otherwise stated)

3. SEGMENT REPORTING (continued)

	<i>Al Masane Mine</i>	<i>Mount Guyan Mine</i>	<i>Moyeath Mine</i>	<i>Corporate</i>	<i>Total</i>
<u>For the nine-month period ended 30 September 2024:</u>					
Revenue					
Copper	141,076,937	-	46,506,781	-	187,583,718
Zinc	115,567,291	-	70,077,060	-	185,644,351
Gold	22,777,587	152,649,883	-	-	175,427,470
Silver	4,451,446	-	-	-	4,451,446
Total external customers revenue	283,873,261	152,649,883	116,583,841	-	553,106,985
Movement in provisional pricing	1,638,474	(630,071)	(345,452)	-	662,951
Revenue, net	285,511,735	152,019,812	116,238,389	-	553,769,936
Direct costs	(187,654,871)	(105,557,160)	(42,229,343)	(20,667,264)	(356,108,638)
Gross profit	97,856,864	46,462,652	74,009,046	(20,667,264)	197,661,298
Selling and distribution expenses	(13,589,945)	-	(5,583,735)	-	(19,173,680)
General and administrative expenses	-	-	-	(29,901,842)	(29,901,842)
Operating profit	84,266,919	46,462,652	68,425,311	(50,569,106)	148,585,776
Finance costs	(2,705,303)	(1,769,866)	-	-	(4,475,169)
Other income	-	-	-	588,170	588,170
Profit before zakat and income tax	81,561,616	44,692,786	68,425,311	(49,980,936)	144,698,777
Zakat and income tax	-	-	-	(8,002,601)	(8,002,601)
Net profit for the period	81,561,616	44,692,786	68,425,311	(57,983,537)	136,696,176
Other comprehensive loss for the period	-	-	-	(193,426)	(193,426)
Total comprehensive income for the period	81,561,616	44,692,786	68,425,311	(58,176,963)	136,502,750

AL MASANE AL KOBRA MINING COMPANY (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)

At 30 September 2024

(All amounts in Saudi Riyals unless otherwise stated)

3. SEGMENT REPORTING (continued)

	<i>Al Masane Mine</i>	<i>Mount Guyan Mine</i>	<i>Moyeath Mine</i>	<i>Corporate</i>	<i>Total</i>
For the nine-month period ended 30 September 2023:					
Revenue					
Copper	125,100,926	-	-	-	125,100,926
Zinc	103,088,527	-	-	-	103,088,527
Gold	25,812,466	122,597,916	-	-	148,410,382
Silver	4,256,642	-	-	-	4,256,642
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total external customers revenue	258,258,561	122,597,916	-	-	380,856,477
Movement in provisional pricing	(10,023,893)	2,313,342	-	-	(7,710,551)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Revenue, net	248,234,668	124,911,258	-	-	373,145,926
Direct costs	(183,276,195)	(84,888,399)	-	(10,044,670)	(278,209,264)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Gross profit	64,958,473	40,022,859	-	(10,044,670)	94,936,662
Selling and distribution expenses	(11,143,500)	-	-	-	(11,143,500)
General and administrative expenses	-	-	-	(31,214,646)	(31,214,646)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Operating profit	53,814,973	40,022,859	-	(41,259,316)	52,578,516
Finance costs	(4,295,263)	(2,836,572)	-	-	(7,131,835)
Other income	-	-	-	9,900,915	9,900,915
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Profit before zakat and income tax	49,519,710	37,186,287	-	(31,358,401)	55,347,596
Zakat and income tax	-	-	-	(6,703,557)	(6,703,557)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net profit for the period	49,519,710	37,186,287	-	(38,061,958)	48,644,039
Other comprehensive loss for the period	-	-	-	(435,411)	(435,411)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	49,519,710	37,186,287	-	(38,497,369)	48,208,628
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

At 30 September 2024

(All amounts in Saudi Riyals unless otherwise stated)

3. SEGMENT REPORTING (continued)

	<i>Al Masane Mine</i>	<i>Mount Guyan Mine</i>	<i>Moyeath Mine</i>	<i>Corporate</i>	<i>Total</i>
<u>As at 30 September 2024</u>					
Segment assets	<u>635,646,776</u>	<u>243,630,545</u>	<u>535,004,236</u>	<u>125,774,833</u>	<u>1,540,056,390</u>
Segment liabilities	<u>29,329,825</u>	<u>57,346,136</u>	<u>-</u>	<u>236,721,670</u>	<u>323,397,631</u>
<u>As at 31 December 2023</u>					
Segment assets	<u>646,924,752</u>	<u>214,840,495</u>	<u>-</u>	<u>592,448,587</u>	<u>1,454,213,834</u>
Segment liabilities	<u>79,826,542</u>	<u>64,700,270</u>	<u>-</u>	<u>89,456,982</u>	<u>233,983,794</u>

AL MASANE AL KOBRA MINING COMPANY (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)

At 30 September 2024

(All amounts in Saudi Riyals unless otherwise stated)

3. SEGMENT REPORTING (continued)

	<i>Al Masane Mine</i>	<i>Mount Guyan Mine</i>	<i>Moyeath Mine</i>	<i>Corporate</i>	<i>Total</i>
<u>For the three-month period ended 30 September 2024:</u>					
Revenue					
Copper	43,871,152	-	24,130,809	-	68,001,961
Zinc	35,769,643	-	42,620,687	-	78,390,330
Gold	5,648,192	62,089,313	-	-	67,737,505
Silver	1,324,159	-	-	-	1,324,159
Total external customers revenue	86,613,146	62,089,313	66,751,496	-	215,453,955
Movement in provisional pricing	849,266	-	(345,452)	-	503,814
Revenue, net	87,462,412	62,089,313	66,406,044		215,957,769
Direct costs	(60,654,898)	(36,974,149)	(26,658,466)	(10,815,922)	(135,103,435)
Gross profit	26,807,514	25,115,164	39,747,578	(10,815,922)	80,854,334
Selling and distribution expenses	(3,439,979)	-	(2,951,760)	-	(6,391,739)
General and administrative expenses	-	-	-	(8,343,842)	(8,343,842)
Operating profit	23,367,535	25,115,164	36,795,818	(19,159,764)	66,118,753
Finance costs	(935,931)	(711,393)	-	-	(1,647,324)
Other income	-	-	-	12,086	12,086
Profit before zakat and income tax	22,431,604	24,403,771	36,795,818	(19,147,678)	64,483,515
Zakat and income tax	-	-	-	(4,730,978)	(4,730,978)
Net profit for the period	22,431,604	24,403,771	36,795,818	(23,878,656)	59,752,537
Other comprehensive loss for the period	-	-	-	(490,777)	(490,777)
Total comprehensive income for the period	22,431,604	24,403,771	36,795,818	(24,369,433)	59,261,760

AL MASANE AL KOBRA MINING COMPANY (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)

At 30 September 2024

(All amounts in Saudi Riyals unless otherwise stated)

3. SEGMENT REPORTING (continued)

	<i>Al Masane Mine</i>	<i>Mount Guyan Mine</i>	<i>Moyeath Mine</i>	<i>Corporate</i>	<i>Total</i>
<u>For the three-month period ended 30 September 2023:</u>					
Revenue					
Copper	39,027,291	-	-	-	39,027,291
Zinc	34,071,259	-	-	-	34,071,259
Gold	8,258,932	35,072,502	-	-	43,331,434
Silver	1,156,983	-	-	-	1,156,983
Total external customers revenue	82,514,465	35,072,502	-	-	117,586,967
Movement in provisional pricing	(7,635,159)	232,088	-	-	(7,403,071)
Revenue, net	74,879,306	35,304,590	-	-	110,183,896
Direct costs	(60,207,571)	(28,069,785)	-	(2,022,761)	(90,300,117)
Gross profit	14,671,735	7,234,805	-	(2,022,761)	19,883,779
Selling and distribution expenses	(3,514,273)	-	-	-	(3,514,273)
General and administrative expenses	-	-	-	(11,103,939)	(11,103,939)
Operating profit	11,157,462	7,234,805	-	(13,126,700)	5,265,567
Finance costs	(145,886)	(918,805)	-	-	(1,064,691)
Other income	-	-	-	2,518,399	2,518,399
Profit before zakat and income tax	11,011,576	6,316,000	-	(10,608,301)	6,719,275
Zakat and income tax credit	-	-	-	(1,539,774)	(1,539,774)
Net profit for the period	11,011,576	6,316,000	-	(12,148,075)	5,179,501
Other comprehensive loss for the period	-	-	-	(35,055)	(35,055)
Total comprehensive income for the period	11,011,576	6,316,000	-	(12,183,130)	5,144,446

At 30 September 2024

(All amounts in Saudi Riyals unless otherwise stated)

4 MINE PROPERTIES

	<i>30 September 2024 (Unaudited)</i>	<i>31 December 2023 (Audited)</i>
Cost:		
At the beginning of the period/year	1,262,677,440	893,911,494
Additions during the period/year	150,797,480	362,141,519
Transfer from capital work in progress during the period/year	-	6,624,427
Transfer to property, plant and equipment during the period/year	(421,299,920)	-
	<u>992,175,000</u>	<u>1,262,677,440</u>
Depreciation:		
At the beginning of the period/year	624,533,042	553,030,834
Charge for the period/year	66,665,992	71,502,208
	<u>691,199,034</u>	<u>624,533,042</u>
Net book amounts:		
At the end of the period/year	<u><u>300,975,966</u></u>	<u><u>638,144,398</u></u>

The carrying amount of mine under construction as at 30 September 2024 was SR 9,334,135 (31 December 2023: SR 389,155,957) which represents exploration and evaluation expenses capitalized. During the period ended 30 September 2024, Moyoath Orebody project was operational and assets amounting to SR 458,264,284 has been capitalized in "Operating Mines" from mine under construction.

5 PROPERTY, PLANT AND EQUIPMENT

During the nine-month period ended 30 September 2024, the Company purchased assets with a cost of SR 28,506,759 (30 September 2023: SR 25,368,117), excluding capital work in progress.

The carrying amount of capital work in progress as at 30 September 2024 was SR 15,211,588 (31 December 2023: SR 9,036,937).

The depreciation charge for the nine-month period ended 30 September 2024 amounted to SR 43,741,972 (30 September 2023: SR 40,321,678).

Property, plant and equipment are subject to a pledge as collateral against a long-term loan (note 8).

6 CASH AND CASH EQUIVALENTS

	<i>30 September 2024 (Unaudited)</i>	<i>31 December 2023 (Audited)</i>
Short-term deposits (refer note below)	-	100,000,000
Bank balances	16,356,781	10,853,380
Cash in hand	86,640	86,641
Restricted cash (refer note 7.3)	7,296,719	-
	<u><u>23,740,140</u></u>	<u><u>110,940,021</u></u>

Short term deposits carry profit margin ranging from 6.15% to 6.18% with a maturity of less than 3 months as at the reporting date.

7 EQUITY**7.1 Share capital**

Share capital of the Company is divided into 90 million shares of SR 10 each as at 30 September 2024 and 31 December 2023 (Note 7.4).

At 30 September 2024

(All amounts in Saudi Riyals unless otherwise stated)

7 EQUITY (continued)**7.2 Statutory reserve**

On 27 November 2023 (corresponding to 13 Jumada Al-Ula 1445H), the Board of Directors of the Company recommended to the shareholders to transfer the statutory reserve balance of SR 32,359,592 to retained earnings. The recommendation of transfer of statutory reserve to retained earnings was approved by the shareholders in their Extraordinary General Assembly Meeting held on 21 December 2023 (corresponding to 8 Jumada Al-Alkhirah 1445H). The legal formalities were completed in this regard during the year ended 31 December 2023.

7.3 Treasury shares

- (a) The Company had 1,561,095 treasury shares at the start of the current period. These shares are held by the Company as treasury shares for the purposes of issuing them to the Company's employees upon vesting of the shares in employee share plans, including those that the Company may adopt in the future. The number of treasury shares issued to employees during the period were 90,350 (31 December 2023: 61,650).
- (b) During the period ended 30 September 2024, the Company appointed Al Rajhi Capital as market maker for the Company's shares, to support the Company's liquidity in shares trading. As at 30 September 2024, the Company held 66,308 of its own shares, amounting to SR 4,939,946. The Company recorded an unrealized loss of SR 32,703. During the period ended 30 September 2024, the Company recognised SR 3,650,421 related to costs incurred for market making activity in general and administrative expenses.

7.4 Share premium

During 2022, the Board of Directors recommended to the extraordinary general assembly to use the share premium account, which had a balance of SR 508,589,751 as at 31 December 2022 as follows:

- Increase the Company's share capital from SR 660,000,000 to SR 900,000,000 by granting one bonus share for every 2.75 shares. The proposed increase in share capital after obtaining necessary approvals from the competent authorities was approved by the shareholders at the extraordinary general assembly meeting held on 1 August 2023. The legal formalities were completed in this regard during the year ended 31 December 2023.

7.5 Dividends

On 4 January 2024, the Board of Directors announced the distribution of SR 57 million (SR 0.65 per share) for the second half of the year 2023 which represents 6.5% of the nominal value of the shares. On 21 January 2024, the Company distributed the cash dividend.

On 17 August 2024, the Board of Directors announced the distribution of SR 79,679,840 million (SR 0.9 per share) for the first half of the year 2024 which represents 9% of the nominal value of the shares. Subsequent to the period end, the Company distributed the cash dividend.

7.6 Share based compensation reserve

During the year ended 31 December 2023, the Company approved new share-based compensation incentive plan for certain key employees applicable from 01 May 2023G. The plan entitles the eligible employees to receive specific number of shares on the dates specified in the plan. The award for grant was granted for nil consideration. The fair value of the grant was determined by reference to the market value of the Company's ordinary shares on the date of grant for equity-settled awards i.e. 30 April 2023G.

The Company recognized the following share-based compensation expense in the statement of profit or loss, as an employee benefit expense during the period/year:

	<i>30 September 2024 (Unaudited)</i>	<i>31 December 2023 (Audited)</i>
<i>Equity settled share-based compensation expense:</i>		
Share-based compensation reserve at beginning of the period/year	5,591,482	-
Share-based compensation expense for the period/year	2,060,235	10,492,657
Shares issued during the period/year	(7,182,825)	(4,901,175)
	<hr/>	<hr/>
Share-based compensation reserve at the end of the period/year	468,892	5,591,482
	<hr/> <hr/>	<hr/> <hr/>

At 30 September 2024

(All amounts in Saudi Riyals unless otherwise stated)

8(a) LOANS AND BORROWINGS

	<i>30 September 2024 (Unaudited)</i>	<i>31 December 2023 (Audited)</i>
Saudi Industrial Development Fund (SIDF) (note 5)	52,127,535	110,327,535
Less: Current portion shown under current liabilities	(16,000,000)	(67,144,909)
Loans and borrowings under non-current liabilities	<u>36,127,535</u>	<u>43,182,626</u>

- i) The loan is obtained from Saudi Industrial Development Fund (SIDF) agreement dated 1 September 2010 for Al Masane project. This loan is secured by mortgage on the Company's property, plant and equipment. The loan was repayable in thirteen semi-annual installments in six years. However, subsequently in July 2018, the Company and SIDF reached to an agreement to amend the original loan agreement as per the Company's request to reschedule the payments in eleven semi-annual installments.

In June 2020, the Company and SIDF reached an agreement to again amend the original loan agreement as per the Company's request to reschedule the payments in seven semi-annual installments payable from May 2021 till April 2024. Hence, the loan was repaid in full during the period ended 30 September 2024.

The Company obtained another loan facility amounting to SR 94.3 million from Saudi Industrial Development Fund (SIDF) agreement dated 28 June 2020 for its new Mount Guyan Project payable in thirteen semi-annual installments starting from May 2022 to March 2028. This loan is also secured by mortgage on the Company's property, plant and equipment.

- ii) The commission is payable on the amount of the borrowing drawdowns and is mainly calculated at a market rate plus a margin.
- iii) The loans and borrowings of the Company are shariah compliant. The loans contain certain covenants. A future breach of covenants may lead to renegotiation. The covenants are monitored on a monthly basis by management. In case of potential breach, actions are taken by management to ensure compliance. During the period ended 30 September 2024, there has been no non-compliance with any of the covenants.

8(b) SHORT TERM BORROWINGS

The company has short term credit facilities from local banks consisting of short-term loans. The short-term facilities are guaranteed by promissory notes on demand and carry interest at commercial rates of SAIBOR + 1.3%.

9 EMPLOYEE BENEFITS**General description of the plan**

The Company operates an unfunded employees' end of service benefits plan ("EOSB") for its employees as required by the Saudi Arabian Labor Law. The movement in EOSB for the period/year ended is as follows:

	<i>30 September 2024 (Unaudited)</i>	<i>31 December 2023 (Audited)</i>
Balance at the beginning of the period/year	13,951,422	10,988,909
<i>Included in interim condensed statement of profit or loss</i>		
Current service cost	2,515,918	2,954,037
Interest cost	468,029	445,655
	2,983,947	3,399,692
<i>Included in interim condensed statement of other comprehensive income/(loss)</i>		
Actuarial loss	278,283	318,983
Benefits paid	(1,627,537)	(756,162)
Balance at the end of the period/year	<u>15,586,115</u>	<u>13,951,422</u>

	<i>Three-month period ended 30 September</i>		<i>Nine-month period ended 30 September</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
Current service cost	838,639	715,684	2,515,918	2,192,703
Interest cost on defined benefits obligation	149,493	112,222	468,029	340,218
Actuarial loss	509,621	36,404	278,283	466,258

At 30 September 2024

(All amounts in Saudi Riyals unless otherwise stated)

9 EMPLOYEE BENEFITS (continued)

Significant assumptions used in determining defined benefits obligation for the Company are shown below:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Discount rate	5.09%	4.75%
Salary increase rate	5.50%	4.75%

10 ZAKAT, INCOME TAX AND DEFERRED TAX**10.1 Zakat**

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
Zakat relating to current period	2,340,577	1,230,839	5,366,722	7,843,864
Zakat adjustment relating to previous year	-	-	671,438	(4,144,588)
	<u>2,340,577</u>	<u>1,230,839</u>	<u>6,038,160</u>	<u>3,699,276</u>

The movement in the zakat provision during the period/year is as follows:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Balance at the beginning of the period/year	6,459,374	16,051,342
Net charge for the period/year	6,038,160	2,314,786
Payments during the period/year	(6,267,171)	(11,906,754)
Balance at the end of the period/year	<u>6,230,363</u>	<u>6,459,374</u>

10.2 Income tax

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
Income tax relating to current period	1,215,390	72,503	4,137,787	1,060,480
Income tax adjustment relating to previous year	-	-	679,151	1,365,991
	<u>1,215,390</u>	<u>72,503</u>	<u>4,816,938</u>	<u>2,426,471</u>

The movement in the income tax provision for the period/year is as follows:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Balance at the beginning of the period/year	(1,542,792)	(1,823,736)
Net charge for the period/year	4,816,938	2,836,423
Payments during the period/year	(1,074,792)	(2,555,479)
Balance at the end of the period/year	<u>2,199,354</u>	<u>(1,542,792)</u>

At 30 September 2024

(All amounts in Saudi Riyals unless otherwise stated)

10 ZAKAT, INCOME TAX AND DEFERRED TAX (continued)**10.3 Deferred tax**

	<i>Three-month period ended</i>		<i>Nine-month period ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Deferred tax relating to current period	1,175,011	236,432	(2,852,497)	577,810
Deferred tax relating to other comprehensive income	(18,844)	(1,349)	(84,857)	(30,847)
	1,156,167	235,083	(2,937,354)	546,963

The movement of the deferred tax asset for the period/year ended is as follows:

	<i>30 September</i>	<i>31 December</i>
	<i>2024</i>	<i>2023</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Balance at the beginning of the period/year	28,511,219	29,159,977
Deferred tax credit/(debit) during the period/year recognised in interim condensed statement of profit or loss	2,852,497	(722,766)
Deferred tax credit to other comprehensive income	84,857	74,008
Balance at the end of the period/year	31,448,573	28,511,219

Status of assessments

Zakat and income tax assessments have been agreed with the Zakat, Tax and Customs Authority ("ZATCA") up to 2012. The Company submitted the zakat and income tax return for the year 2023 and obtained the zakat certificate which is valid till 30 April 2025.

11 REVENUE, NET

	<i>Three-month period ended</i>		<i>Nine-month period ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Revenue from contracts with customers:				
Copper concentrate	68,001,961	39,027,291	187,583,718	125,100,926
Zinc concentrate	78,390,330	34,071,260	185,644,351	103,088,527
Precious metals	69,061,664	44,488,416	179,878,916	152,667,024
	215,453,955	117,586,967	553,106,985	380,856,477
Movement in provisional pricing adjustments during the period	503,814	(7,403,071)	662,951	(7,710,551)
	215,957,769	110,183,896	553,769,936	373,145,926

The revenue for the nine-month period ended 30 September 2024 includes tests proceeds from the sale of zinc and copper concentrates extracted from Moyeath Orebody Project (refer note 3(a)).

AL MASANE AL KOBRA MINING COMPANY (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)

At 30 September 2024

(All amounts in Saudi Riyals unless otherwise stated)

12 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent the shareholders, directors and key management personnel of the Company. Pricing policies and terms of these transactions are approved by the Company's management. The following are the details of major related party transactions during the period:

<u>Related party</u>	<u>Relationship</u>	<u>Nature of transaction</u>	<u>Transactions</u>		<u>Transactions</u>	
			<u>Three-month period ended 30</u>		<u>Nine-month period ended</u>	
			<u>September</u>		<u>30 September</u>	
			<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Najran Cement Company	Other related party	Cement supplies	-	-	155,731	-
Najran Mineral Water Company Limited	Other related party	Water charges	23,287	22,080	60,858	55,890

Following are the details of related party balances at the period/year end:

	<u>30 September</u>	<u>31 December</u>
	<u>2024</u>	<u>2023</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
<u>Amount due from a related party</u>		
Najran Cement Company	145,988	-
<u>Amount due to a related party</u>		
Najran Mineral Water Company Limited	-	9,315

Key management compensations

Compensation for key management is as follows:

	<u>Three-month period ended 30</u>		<u>Nine-month period ended 30</u>	
	<u>September</u>		<u>September</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Salaries and other benefits	1,969,564	2,880,013	5,447,064	7,013,587
End of service benefits	16,225	24,286	40,847	181,753
	<u>1,985,789</u>	<u>2,904,299</u>	<u>5,487,911</u>	<u>7,195,340</u>

At 30 September 2024

(All amounts in Saudi Riyals unless otherwise stated)

13 CONTINGENCIES AND COMMITMENTS**Contingencies**

The Company has bank guarantees of SR 9,311,484 as at 30 September 2024 (31 December 2023: SR 644,184).

During the period ended 30 September 2024, a labor case was filed against the Company by a former employee of the Company with the total claim not exceeding SR 3.2 million. According to the opinion of the Company's external legal counsel, the management is confident of winning the case and it is expected that the ultimate outcome will not result into any cash outflow. Hence, no provision has been recorded in the interim condensed financial statements for the period ended 30 September 2024.

Commitments

At 30 September 2024, the Company has future commitments amounting to SR 194 million (31 December 2023: SR 239 million).

14 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period. As a result of issuance of bonus shares (note 7.4), the outstanding weighted average number of ordinary shares post the bonus shares issuance have been used for calculation of basic and diluted earnings per ordinary share. The earnings per share calculation is given below:

	<i>Three-month period ended 30</i>		<i>Nine-month period ended 30</i>	
	<i>September</i>		<i>September</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
Net profit for the period attributable to ordinary shareholders	59,752,538	5,179,501	136,696,176	48,644,039
Weighted average number of ordinary shares for the purposes of calculating basic earnings per share	88,425,709	88,427,805	88,425,709	88,427,805
Basic and diluted earnings per ordinary share	0.68	0.06	1.55	0.55

Potential ordinary shares during the period ended 30 September 2024 relates to employees' share-based compensation in respect of employee share plans that were awarded to the Company's eligible employees under those plans terms (note 7.6). These share plans did not have a significant dilution effect on basic earnings per share for the periods ended 30 September 2024 and 2023.

15 FAIR VALUE OF ASSETS AND LIABILITIES

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 Company.

At 30 September 2024

(All amounts in Saudi Riyals unless otherwise stated)

16 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

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 economic best 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 Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised 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:

- 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

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

The management assessed that cash and cash equivalents, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. During the period ended 30 September 2024 and year ended 31 December 2023, there were no movements between the levels.

Fair values of the Company's loans and borrowings are determined by using DCF method using discount rate that reflects the borrowing rate as at the end of the reporting period. As at 30 September 2024 and 31 December 2023, the carrying amounts of loans and borrowings were not materially different from their calculated fair values.

16 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements have been authorized by the Board of Directors on 04 November 2024G, corresponding to 02 Jumada Al-Ula 1446H.