

ARABIAN CONTRACTING SERVICES COMPANY
(SAUDI JOINT STOCK COMPANY)

CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2021

ARABIAN CONTRACTING SERVICES COMPANY
(SAUDI JOINT STOCK COMPANY)

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders

ARABIAN CONTRACTING SERVICES COMPANY

(SAUDI JOINT STOCK COMPANY)

Riyadh, Kingdom of Saudi Arabia

Opinion

We have audited the consolidated financial statements of Arabian Contracting services Company (“the Company”), and its subsidiaries (collectively refer to “the Group”), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and the accompanying notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group in accordance with the professional code of conduct and ethics that are endorsed in the Kingdom of Saudi Arabia, that are relevant to our audit of the Group’s consolidated financial statements and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Shareholders
ARABIAN CONTRACTING SERVICES COMPANY
 (SAUDI JOINT STOCK COMPANY)

Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p>Right of use assets / lease contracts' liabilities</p> <ul style="list-style-type: none"> • Right of use assets are recognized at cost, subsequently, it is measured at cost less accumulated amortization and adjusted for any remeasurement of the lease liabilities. The net book value of the right of use assets as at December 31, 2021 amounted to SR 2,027 million. Lease contracts' liabilities are measured at the present value of the lease payments that are not paid using the incremental borrowing rate of the Group. The value of the lease contracts' liabilities as at December 31, 2021 amounted to SR 1,901 million. • The management performed a detailed analysis for all the lease contracts in accordance with the requirements of International Financial Reporting Standard No. 16 "Leases", in which it determined the modifications on lease contracts and judgments were made relating to the lease term including the execution of the lease extension option. <p>We considered this as a key audit matter due to the judgments and estimates used in applying the International Financial Reporting Standard No. 16.</p> <p>Please refer to note No. 3 for the accounting policy related to right of use assets / leases' liabilities and note No. 7.</p>	<p>We have performed the following procedures in this area, among others, based on our professional judgment:</p> <ul style="list-style-type: none"> • Obtained an understanding for the process of recognizing the right of use assets and leases liabilities in accordance with the requirements of International Financial Reporting Standard No. 16 and assessing the appropriateness of the applied accounting policies. • Obtained a listing of all lease contracts that provides the contact value, inception and expiration dates for each contract as per the lease contracts, its modifications, or management's expectations or any subsequent events to the reporting date of the consolidated financial statements. Agreed the information as per the listing to the lease contracts. • Validated the mathematical accuracy of the calculation of the right of use assets, related amortizations, lease contract's liabilities and related finance expense. • Evaluated the appropriateness of judgments and estimates made by the management in respect of lease' terms and discount rate. • Assessed the adequacy of the disclosures in the consolidated financial statements as per the relevant financial reporting standards.
<p>Revenue recognition</p> <p>As disclosed in the consolidated financial statements, the revenue for the year ended December 31, 2021, amounted to SR 720.3 million and considering the significance of the amount of revenue and its susceptibility to the inherent risks of recognizing revenues higher than its actual amount or recognizing revenue before the Group's satisfies the performance obligation, it has been considered as a key audit matter.</p> <p>Please refer to note No. 3 for the accounting policy related to revenue recognition and other related notes (No. 5 and No. 20).</p>	<p>We have performed the following procedures in this area, among others, based on our professional judgment:</p> <ul style="list-style-type: none"> • Obtained an understanding for the revenue recognition process and assessed the design and tested (on a sample basis), the operating effectiveness of the relevant internal controls in relation to revenue recognition. • Performed analytical audit procedures for the revenues by comparing the revenue of the current year with the prior year and identifying whether there are any significant changes or fluctuations that requires additional examination. • Tested the supporting documents for the sample of the revenue transactions. • Performed cut off procedures to ensure that revenue is recorded in the correct period. • Evaluated revenues recognition policies, their appropriateness and compliance with the requirements of relevant financial reporting standards. • Assessed the adequacy of the disclosures in the consolidated financial statements as per the relevant financial reporting standards.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Shareholders

ARABIAN CONTRACTING SERVICES COMPANY
(SAUDI JOINT STOCK COMPANY)

Other Information

Other information consists of the information included in the Group's annual report for the year 2021, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information in its annual report which are expected to be available to us after the date of this report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available to us and, in doing so, we consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA and Regulations for Companies and the Company's Bylaws and such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, i.e., the Board of Directors, are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the consolidated Financial Statements

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

As part of the audit in accordance with the International Standards of Auditing "ISA" endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements within the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Shareholders

ARABIAN CONTRACTING SERVICES COMPANY

(SAUDI JOINT STOCK COMPANY)

Auditor's Responsibilities for the Audit of the consolidated Financial Statements (Continued)

- Evaluate the appropriateness of the accounting policies used and reasonableness of the accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Baker Tilly MKM & Co.
Certified Public Accountants



Majed Moneer Al Nemer
(Certified Public Accountant – License No. 381)
Riyadh, March 3, 2022 G
Corresponding to 30 Rajab 1443 H



ARABIAN CONTRACTING SERVICES COMPANY
(SAUDI JOINT STOCK COMPANY)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021
(Expressed in Saudi Riyals)

	Note	2021	2020
ASSETS			
Non-current assets			
Property, plant and equipment, net	6	193,409,253	154,912,900
Right of use assets	7	<u>2,026,714,580</u>	<u>694,378,352</u>
Total non-current assets		<u>2,220,123,833</u>	<u>849,291,252</u>
Current assets			
Inventory, net	8	14,964,810	15,626,738
Trade receivables, Net	9	419,295,827	335,518,510
Due from related parties	10	-	18,736,610
Prepaid expenses and other debit balances	11	395,558,345	69,111,602
Cash and cash equivalents	12	<u>189,909,527</u>	<u>26,585,303</u>
Total current assets		<u>1,019,728,509</u>	<u>465,578,763</u>
TOTAL ASSETS		<u>3,239,852,342</u>	<u>1,314,870,015</u>
EQUITY AND LIABILITIES			
Equity			
Capital	1	500,000,000	500,000,000
Statutory reserve	13	45,565,791	25,079,630
Retained earnings		<u>185,712,800</u>	<u>1,337,349</u>
Total equity		<u>731,278,591</u>	<u>526,416,979</u>
Non-current liabilities			
Employees' defined benefits obligation	14	14,627,805	12,680,012
Lease contracts liabilities	7	<u>1,587,149,552</u>	<u>316,255,139</u>
Total non-current liabilities		<u>1,601,777,357</u>	<u>328,935,151</u>
Current liabilities			
Lease contracts liabilities - current portion	7	314,105,526	215,408,520
Short-term loans	15	447,866,523	131,795,115
Suppliers	16	4,587,336	7,238,338
Accrued expenses and other credit balances	17	128,940,120	98,213,229
Zakat provision	18	<u>11,296,889</u>	<u>6,862,683</u>
Total current liabilities		<u>906,796,394</u>	<u>459,517,885</u>
Total liabilities		<u>2,508,573,751</u>	<u>788,453,036</u>
TOTAL EQUITY AND LIABILITIES		<u>3,239,852,342</u>	<u>1,314,870,015</u>

Financial Manager
Mohamad Al Bazz

Chief Executive Officer
Mohamad Al Khereiji

Chairman
Abdul Ellah Al Khereiji

The accompanying notes form an integral part of these consolidated financial statement

ARABIAN CONTRACTING SERVICES COMPANY
(SAUDI JOINT STOCK COMPANY)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2021
(SAUDI RIYALS)

	Note	2021	2020
Revenue	19	720,337,357	497,585,228
Cost of Revenue	20	<u>(390,052,976)</u>	<u>(398,539,503)</u>
Gross profit		330,284,381	99,045,725
Selling and marketing expenses	21	(31,163,680)	(11,066,052)
Reverse (impairment) of Trade Receivable	9	2,685,702	(8,000,000)
General and administrative expenses	22	<u>(40,393,334)</u>	<u>(28,552,884)</u>
Income from continuing main operations		261,413,069	51,426,789
Finance expenses	23	(32,605,561)	(21,251,892)
(Expenses) Other income, net	24	<u>(11,262,660)</u>	326,890
Net Income before zakat for the year		217,544,848	30,501,787
Zakat	18	<u>(11,296,889)</u>	<u>(5,300,925)</u>
Net income for the year		<u>206,247,959</u>	<u>25,200,862</u>
Other comprehensive income (OCI)			
OCI that will not be reclassified to profit or loss in subsequent years:			
Remeasurements of defined employees' benefits obligation	14	<u>(1,386,347)</u>	935,160
Other comprehensive (loss) income for the year		<u>(1,386,347)</u>	<u>935,160</u>
Total comprehensive income for the year		<u>204,861,612</u>	<u>26,136,022</u>
Earnings per share			
	27		
Income from continuing main operations		5.23	1.03
Net income for the year		4.12	0.50
Total comprehensive income for the year		4.10	0.52

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ARABIAN CONTRACTING SERVICES COMPANY
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2021
(SAUDI RIYALS)

	Notes	Share Capital	Statutory Reserve	Retained Earnings	Total
<u>For the year ended December 31, 2020</u>					
Balance as at January 1, 2020		500,000,000	22,466,028	1,814,929	524,280,957
Net income for the year		-	-	25,200,862	25,200,862
Other comprehensive income for the year		-	-	935,160	935,160
Total comprehensive income for the year		-	-	26,136,022	26,136,022
Transfer to statutory reserve	13	-	2,613,602	(2,613,602)	-
Dividends	25	-	-	(24,000,000)	(24,000,000)
Balance as at December 31, 2020		500,000,000	25,079,630	1,337,349	526,416,979
<u>For the year ended December 31, 2021</u>					
Balance as at January 1, 2021		500,000,000	25,079,630	1,337,349	526,416,979
Net income for the year		-	-	206,247,959	206,247,959
Other comprehensive loss for the year		-	-	(1,386,347)	(1,386,347)
Total comprehensive income for the year		-	-	204,861,612	204,861,612
Transfer to statutory reserve	13	-	20,486,161	(20,486,161)	-
Balance as at December 31, 2021		500,000,000	45,565,791	185,712,800	731,278,591

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ARABIAN CONTRACTING SERVICES COMPANY
(SAUDI JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2021
(SAUDI RIYALS)

	2021	2020
Cash flows from operating activities		
Net Income before zakat for the year	217,544,848	30,501,787
Adjustment:		
Depreciation	27,298,894	25,698,366
(Reverse) impairment of trade receivables	(2,685,702)	8,000,000
Amortization of Right of use assets	287,929,363	340,996,647
Loss on disposal of property, plant and equipment	11,978,684	612,719
Employees defined benefits obligation	2,240,060	2,373,125
Finance expenses	32,605,561	21,251,892
Changes in operating assets and liability:		
Trade receivables	(81,091,615)	14,377,856
Inventories	661,928	(2,636,887)
Due from related parties	18,565,709	3,886,567
Prepaid expenses and other debit balances	(326,446,743)	(50,371,325)
Suppliers	(2,651,002)	4,571,553
Accrued expenses and other credit balances	30,726,891	(42,336,336)
Cash flows from operating activities	216,676,876	356,925,964
Employee defined benefits obligation Paid	(1,861,892)	(1,058,770)
Zakat paid	(6,862,683)	(7,212,538)
Net cash flows from operating activities	207,952,301	348,654,656
Cash flows from investing activities		
Property, plant and equipment additions	(77,948,203)	(57,987,466)
Proceeds from disposal of property, plant and equipment	174,272	1,234,552
Net cash flows used in investing activities	(77,773,931)	(56,752,914)
Cash flows from financing activities		
Short-term loans	316,071,408	(107,672,318)
Lease contracts liabilities	(273,228,879)	(148,774,184)
Finance expenses	(9,696,675)	(20,958,500)
Dividends paid	-	(24,000,000)
Net cash flows from (used in) financing activities	33,145,854	(301,405,002)
Net change in cash and cash equivalents balances	163,324,224	(9,503,260)
Cash and cash equivalents as at 1 January	26,585,303	36,088,563
CASH AND CASH EQUIVALENTS AS AT DECEMBER 31	189,909,527	26,585,303
<u>SIGNIFICANT NON - CASH TRANSACTION</u>		
Right of use assets / lease contracts liabilities	1,713,051,390	264,367,728
Amortize lease contract liability in accrued expenses	39,526,497	33,287,889
Closing Prepayment expenses in lease contract liabilities	33,918,830	39,773,995
Transfer employee defined benefits obligations to related party	(170,901)	1,405,066
Transfer Property, plant and equipment to related party	(819,050)	-

Financial Manager
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Chief Executive Officer
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Chairman
Abdul Ellah Al Khereiiji

The accompanying notes form an integral part of these consolidated financial statements

ARABIAN CONTRACTING SERVICES COMPANY
(SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

1. ORGANIZATION AND ACTIVITY

Arabian Contracting Services Company (the "Company") is a Saudi Joint Stock company, registered in Riyadh, Kingdom of Saudi Arabia on 18 Jumada Alula 1403H (corresponding to March 2, 1983) under Commercial Registration number 1010048419. Its shares was listed in the Saudi Stock Exchange on November 15, 2021.

The head office of the Company is located in Riyadh, Olaya district, the Olaya Towers, social insurance tower (B), Floor 33.

The main activities of the Group are the general construction of residential buildings, casting bases and foundations, installing electrical wires, constructing bridges, tunnels, railway lines, roads, sidewalks and roads' supplies, installing communication wires, printing commercial correspondences and invoices, printing advertisements, posters and flyers, Photo engraving on metal or plastic plates (zinc graph), printing using copiers, wholesale of gifts and luxuries, advertising organizations and agencies and organizing / managing exhibitions and conferences.

The Company's capital amounting to SR 500 million is divided into 50 million shares, the value of each share is SR 10.

The Company has five branches inside the Kingdom of Saudi Arabia, which operate under the following sub-commercial registrations:

Branch	Commercial Registration No	City	Date of Registration
Raweyah Printing Press Factory	1010057812	Riyadh	14/05/1405
Branch of Arabian Contracting Service Co	1010062303	Riyadh	02/07/1406
Ain Al Arabia Advertising Company	1010500526	Riyadh	18/04/1440
Arabian Contracting Service Company	4030058296	Jeddah	12/01/1408
Raweyah Printing Press Factory	4030275525	Jeddah	30/10/1435

2. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTION:

The preparation of the Group's consolidated financial statements in accordance with the International Financial Reporting Standards requires management to make estimates and assumptions that may affect the values in the consolidated financial statements, as these values may differ from the previous estimates. It also requires management to exercise its judgments during the process of implementing the Group's accounting policies. Following are the Group's significant judgements, estimate and assumptions, which relate to future causes.

Impairment of Receivable balances

The process for determining an impairment of trade receivables requires estimates. An impairment in the value of trade receivables is recognized when there is objective evidence that the Group will be unable to collect its debt. Bad debts are written off when identified.

The criteria for determining the amount of the impairment or the amount to be written off include aging analyzes, technical assessments and subsequent events. The recognition of impairment of receivables is subject to the requirements of IFRS 9 and utilizing the simplified method of expected credit loss.

The impairment in the value of trade receivables is charged to the statement of comprehensive income or loss and disclosed under general and administrative expenses. When trade receivables are uncollectible, they are eliminated from the provision for impairment in the statement of comprehensive income. When subsequent events cause a decrease in the impairment amount of the trade receivables, the decrease in the impairment value of the trade receivables is reversed through the statement of comprehensive income.

ARABIAN CONTRACTING SERVICES COMPANY
(SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

2. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTION *(Continued):*

Useful lives of property, plant and equipment

The Group determines the estimated useful lives of property, plant and equipment for the purpose of calculating the depreciation. This estimate is determined after considering the expected use of the asset or physical wear and tear factors. The management reviews the residual value and the useful lives annually, and the future depreciation expense is adjusted when the management considers that the useful lives differ from the previous estimates.

Impairment of property, plant and equipment

The Group's management assesses the impairment of property and equipment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Factors that are considered significant and which lead to revaluation of impairment, among others, include the following:

- Significant changes in technology and the regulatory environment.
- Evidence from internal reports indicates that the economic performance of an asset is expected to be, or will be, bad.

Right of use assets / Lease contracts liabilities

The Group's management determines the discount rate based on the incremental borrowing rate, and at the end of each financial period the Group reviews whether there is a decrease in the right of use value or not, and if there are events or changes in circumstances indicating that the book value may not be recoverable.

Contingent Liabilities

Contingent liabilities are not recognized in the financial statements except when using economic resources to settle a current or expected legal commitment due to prior events is probable and the amount expected to be paid can be estimated significantly, otherwise contingent liabilities are disclosed unless the possibility to earn economic losses is precluded.

Contingent assets are not included in the consolidated financial statements but are disclosed when the realization of economic benefits as a result of past events is likely.

ARABIAN CONTRACTING SERVICES COMPANY
(SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accompanying consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards “IFRS” endorsed in the Kingdom of Saudi Arabia and other standards issued and pronouncements by the Saudi Organization for Chartered and Professional Accountants “SOCPA”.

Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis, except for employee-defined benefits that are measured at the present value of future liabilities using the projected unit credit method. In addition, these consolidated financial statements are prepared using the accounting accrual basis and going concern basis.

Presentation currency and activity

The consolidated financial statements are presented in Saudi Riyals, as the functional currency used in preparing the financial reports. All amounts are shown to the nearest Saudi Riyal unless otherwise indicated.

Basis of consolidation

The following steps are followed when preparing the consolidated financial statements:

- The book value of the parent Company’s investment in each subsidiary is eliminated, with the parent’s share of the equity in each subsidiary.
- Non-controlling interests in the comprehensive income of the consolidated subsidiaries are determined during the period for which the consolidated financial statements are prepared.
- Non-controlling interests are determined in the net assets of the consolidated subsidiaries and are presented in the consolidated financial statements independently of the shareholders’ equity of the parent Company. Non-controlling interests in the net assets consist of:
 - (1) The amount of non-controlling interest in the original date of consolidation.
 - (2) Share of non-controlling interests in the change in equity from the date of consolidation.
- The transactions, revenues and expenses exchanged between the Group’s companies are completely eliminated.

The financial statements of the parent Company as well as the financial statements of the subsidiaries that are used in preparing the consolidated financial statements are prepared as of the same date.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and events in the same circumstances.

Non-controlling interests is presented in the consolidated statement of financial position within equity, in a separate item from the equity of the parent Company’s shareholders, and the share of non-controlling interests in the profit or loss of the group is presented separately.

The consolidated financial statements include the accounts of the Company and its subsidiaries (“the group”) in which it owns more than 50% of equity or has control over those subsidiaries. For the purposes of preparing these consolidated financial statements, all significant balances and transactions between the Company and these subsidiaries are eliminated and settled.

The Group’s consolidated financial statements as of December 31, 2021 include the following subsidiaries:

<u>Company name</u>	<u>Legal form</u>	<u>Country</u>	<u>Ownership %</u>	
			<u>2021</u>	<u>2020</u>
Al Arabia Out of Home Company	LLC	UAE	100%	100%
Al-Taer Al Arabi for Trading Co	LLC	SA	100%	-

ARABIAN CONTRACTING SERVICES COMPANY
(SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Basis of consolidation (Continued)

- **Al Arabia Out of Home Company** - a limited liability company in the United Arab Emirates which is a subsidiary company 100% owned by the Company with a capital of AED 100,000 - a company in the free zone.
- **Al-Taer Al Arabi for Trading Company** - a limited liability company in the Kingdom of Saudi Arabia, which is a subsidiary company 100% owned by the Company with a capital of SR. 50,000.

Assets and Liabilities classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- The asset is expected to be realized within 12 months after the consolidated statement of financial position date, or
- Being in cash or cash equivalent unless it is restricted to exchange the asset or use it to settle a liability within at least 12 months from the date of the consolidated statement of financial position.

All other assets are classified as non-current.

A liability is current when it is

- Expected to be settled in the normal operating cycle
- Held primarily for the purpose of trading
- The liability is expected to be settled within 12 months after the consolidated statement of financial position date
- The absence of an unconditional right to defer the settlement of the obligation for at least 12 months after the date of the consolidated statement of financial position.

The Group classifies all other liabilities as non-current.

Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Repair and maintenance costs are considered as revenue expenses, as for the improvement expenses are considered capital expenditures. Depreciation is calculated based on the estimated useful live using the straight-line method.

The estimated life of these assets are as follows:

	Years
Buildings	20
Billboards (Fixed and Motion)	7
Motor Vehicles	4
Furniture and Fixture	5-10
Equipment and tools	4-10

Rentals

The determination of whether an agreement represents or contains a lease depends on the substance of the agreement at the date of its inception. The agreement represents or includes a lease if its fulfillment is based on the use of a particular asset or assets, or the agreement grants the right to use a particular asset or assets even if that right is not expressly mentioned in the contract.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Right of use assets and lease liabilities

The Group has recognized new assets and liabilities for its operating leases of various types of contracts including billboards sites, depots, facilities of depots, habitation, rental premises and others. Each lease payment is allocated between the liabilities and finance cost. The finance cost is charged to the consolidated statement of profit or loss over the lease period so as to accomplish a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis Right-of-use assets are measured at cost which comprising the following:

- The amount of the initial measurement of lease liability.
- Any lease payments made at or before the commencement date less any lease incentives received.
- Any initial direct costs; and - renewal costs.

Right-of-use assets are subsequently measured at cost less accumulated depreciation.

Lease liabilities include (the net present value of the fixed lease payments): - fixed payments (including in-substance fixed payments), less any lease incentives receivable; - variable lease payments that are based on an index or a rate; - amounts expected to be payable by the lessee under residual value guarantees.

The exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, the lease payments are discounted using the incremental borrowing rate, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the consolidated statement of comprehensive income. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items relating to office equipment. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. In determining the lease term, the management generally considers certain factors including historical lease durations and the costs and business disruption required to replace the leased asset.

Inventory

Inventories are stated at the lower of cost or net realizable value. Paper, printing materials and other spare parts of inventory are valued on a weighted average cost basis. A provision is made for obsolete and slow-moving inventory.

Accounts receivable

Accounts receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After the initial measurement, in accordance with IFRS 9 Financial Instruments, these financial assets are subsequently measured at amortized cost using the effective interest rate method, less any impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition, fees or costs that are an integral part of the effective interest rate method. The effective interest rate method amortization is included in the consolidated statement of comprehensive income. The losses arising from impairment are included in the consolidated statement of comprehensive income.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Transactions with related parties

Related parties represent all affiliates, major shareholders, directors and senior management of the Group and include those companies controlled, jointly controlled or influenced by those related parties.

Impairment of assets

The Group performs a periodic review of the book value of tangible and intangible assets to ensure that there is any evidence of any loss resulting from an impairment in its value. In the event of such evidence, the recoverable amount of that asset is estimated in order to determine the extent of this loss. In cases where it is not possible to estimate the recoverable amount of that asset, the Group estimates the recoverable amount of the cash-generating unit to which that asset belongs.

In cases where the recoverable amount of the asset or cash-generating unit is estimated to be less than its book value, then the book value of that cash-generating asset or unit is reduced to the recoverable amount, and losses of impairment in the value of the asset are recognized immediately in the consolidated statement of comprehensive income.

If the recorded impairment loss is subsequently reversed, then the book value of the asset or cash generating unit is increased to the adjusted recoverable amount, providing that the increased book value does not exceed the book value that was determined before recording the loss of impairment in value of that asset or cash generating unit in prior years. A reversal of an impairment loss is recognized as revenue in the consolidated statement of comprehensive income.

Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at banks and on hand, which are not exposed to the risks of significant changes in value.

For the consolidated statement cash flows, cash and cash equivalents consist of cash on hand and cash at banks.

Employees defined benefits obligation

The end-of-service indemnities is provided in accordance with the requirements of the Saudi labor laws, based on the service period that the employee spent in the service of the Group.

The employee benefit cost is determined by defined benefit programs separately for each program using the projected unit credit method.

The remeasurement, which consists of actuarial gains and losses, is recognized immediately in the consolidated statement of financial position and within the retained earnings through other comprehensive income in the period in which they occur. The remeasurement is not reclassified to the consolidated statement of comprehensive income in subsequent periods

Borrowing costs

Borrowing costs associated directly with the acquisition or establishing or producing of an asset that necessarily takes a substantial period to get ready for its intended use or sale as part of the cost of the respective asset. All other costs are recorded in the related period. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Loans

Upon the initial recognition, borrowings are measured at fair value net of costs of the transactions directly associated with borrowings, and are classified as current liabilities, except the Group has a right to delay the liability not less than 12 months after the date of the consolidated statements of financial position, subsequently, those liabilities are measured at amortized cost using the effective interest rate.

Suppliers and accrued expenses

The amount of the liability to be paid for goods and services received, whether invoiced to the Group or not, is recognized.

Value added tax

Revenues, expenses and assets are recognized net of the value added tax, except for the following:

- Where the value added tax incurred on the acquisition of assets or services not recoverable from the taxation authority, in which case, the value added tax is recognized as part of the purchasing cost of the assets or as part of the expense item, as applicable
- Receivables and payables are stated with the amount of value added tax included

The net amount of value added tax recoverable from, or payable to, the taxation authority is presented in current assets and liabilities.

Zakat

The Group is subject to the regulations of Zakat, Tax & Customs Authority (“ZATCA”) in the Kingdom of Saudi Arabia. Zakat is provided on accruals basis. The Zakat provision is computed based on the zakat base or adjusted net income, whichever is higher. Any differences between the provision and the final assessment are recorded when the final assessment is approved, at which time the provision is closed.

Revenue recognition

The Group recognizes revenue in accordance with contract terms and accrual basis when providing services to clients. Other revenue is recognized when earned.

Revenue from contracts with customers is recognized upon fulfilling the performance obligations for the services provided to the customer for the value that reflects the compensation that the Group expects to receive in exchange for this performance.

The Group applies revenue from contracts entered into with customers based on a five-step model as described in IFRS 15:

- Step 1: Defining the contract with the customer: The contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and specifies the criteria that must be fulfilled.
- Step 2: Defining performance obligations in the contract: A performance commitment is a promise in a contract with a customer to transfer a good or service to the customer.
- Step 3: Determination of the transaction price: The transaction price is the amount of consideration that the Group expects to receive in exchange for transferring the agreed goods or services to the customer, except for the amounts collected on behalf of third parties.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Revenue recognition (Continued)

Step 4: Assigning the transaction price to the performance obligations in the contract: For a contract that contains more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expect to be entitled in exchange for satisfying each performance obligation.

Step 5: recognize of the revenue when the Group fulfills the performance obligation.

Discount attribute to customers

The Group provides a discount for some customers when the value of contracts executed during the period exceeds a certain amount in the contract. Such rebates are netted off the amounts receivable from the customer. The Group applies the requirements for the recognition of variable compensation estimates and recognize the obligation based on expected future rebates.

Onerous contracts

If the Group has a contract that is expected to be in loss, the current obligation is recognized under the contract and measured as a provision. However, before proving a separate provision for a contract that is expected to be in loss, the Group recognizes any impairment losses that occurred in the assets designated for that contract.

Expenses

Selling and distribution expenses consist primarily of the costs incurred to market the Group's activity. Other expenses are classified as general and administrative expenses, based on their nature.

Foreign currencies

Transactions in foreign currency are initially recorded by the Group at the prevailing rate of the functional currency at the date on which the transaction is eligible for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated into functional currency at the rate prevailing at the date of preparation of the consolidated financial statements. All differences arising from adjustments or transactions on monetary items are recognized in the consolidated statement of comprehensive income.

Non-monetary items for which the historical cost has been measured in a foreign currency are translated at the rate of the currency prevailing at the date of the transactions. Non-monetary items in foreign currencies for which the fair value is measured in a foreign currency are translated at the exchange rate prevailing at the date when the fair value was determined. Gains or losses arising from translation of non-monetary items that are measured at fair value are treated along with the recognition of the gains and losses resulting from the change in the fair value of that item. That is, translation differences for items whose fair value gains and losses are recognized in the statement of other comprehensive income are recognized in other comprehensive income, and items for which fair value gains and losses are recognized in profit and loss are recognized in the consolidated statement comprehensive income.

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4. APPLICATION OF NEW AND REVISED IFRSs

4-1 New and revised IFRSs applied with no material effect on the consolidated financial statements

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2021, have been adopted in these consolidated financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Impact of the initial application for standard of interest rate reform.
- Impact of the initial application for Covid 19 related to the lease privileges after June 30, 2021 amendment for IFRS 16.

4-2 New and revised IFRSs in issue but not yet effective and not early adopted

The Group has not yet early applied the following new standards, amendments and interpretations that have been issued but are not yet effective:

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures relating to the treatment of the sale or contribution of assets from an investor to its associate or joint venture.	Effective date deferred indefinitely
Amendments to IAS 1 Presentation of Financial Statements regarding the classification of liabilities.	January 1, 2023
Amendments to the IAS 1, presentation of the financial statement and statement of the IFRS 2 practices – practice the jurisprudence in respect of materiality – disclosing the accounting policies	January 1, 2023
IFRS 17 Insurance Contracts, establishes the recognition principles, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.	January 1, 2023
Amendments IFRS 3 Business Combination updating a reference to the Conceptual Framework	January 1, 2023
Amendments to IAS 16 Property, Plant and Equipment prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use	January 1, 2023
Amendments to IAS 37 Provisions, Contingent liabilities and contingent assets regarding the costs to include when assessing whether a contract is onerous	January 1, 2023
Annual Improvements to IFRS 2018 – 2020 Cycle amending IFRS 1, IFRS 9, IFRS 16 and IAS 41.v Annual Improvements to IFRS 2018 – 2020 Cycle amending IFRS 1, IFRS 9, IFRS 16 and IAS 41.	January 1, 2023
Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates	January 1, 2023
Amendments to IAS 12 – income tax – deferred tax related to assets and liabilities arising from one transaction	January 1, 2023

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5. OPERATING SEGMENTS

The segment is a separate and distinct segment of the Group engaged in business activities that result in the recognition of revenues or expenses. Operating segments are disclosed on the basis of internal reports reviewed by the chief operating decision-maker, who is responsible for resource allocation, performance evaluation, and strategic decision-making on operational segments. Operating segments with similar economic characteristics, products, services, and similar customer categories are aggregated and recorded where possible as sectors to be reported.

Segment basis

The Group has the following strategic segments. These segments provide different services and are managed separately because they have different economic characteristics - such as sales growth trends, rates of return, and capital investment level - and they also have different marketing strategies.

The following is a summary of the operations of each segment:

<u>Segment reports</u>	<u>Operations</u>
Advertising segment	Indoor and outdoor advertisements
Printing segment	Printing work of all kinds

Information on segment reporting

The information for each sectorial report is listed below. The total profit of the segment is used to measure performance because the management considers that this information is most appropriate to assess the results of the relevant sectors relating to other enterprises operating in the same industries.

<u>For the year ended December 31, 2021</u>	<u>Advertising sector</u>	<u>Printing sector</u>	<u>Total</u>
	SR	SR	SR
Revenue	706,649,004	13,688,353	720,337,357
Cost of revenue	(381,158,622)	(8,894,354)	(390,052,976)
Gross profit	<u>325,490,382</u>	<u>4,793,999</u>	<u>330,284,381</u>

<u>For the year ended December 31, 2020</u>	<u>Advertising sector</u>	<u>Printing sector</u>	<u>Total</u>
	SR	SR	SR
Revenue	483,736,183	13,849,045	497,585,228
Cost of revenue	(392,378,840)	(6,160,663)	(398,539,503)
Gross profit	<u>91,357,343</u>	<u>7,688,382</u>	<u>99,045,725</u>

<u>As of December 31, 2021</u>	<u>Advertising sector</u>	<u>Printing sector</u>	<u>Total</u>
	SR	SR	SR
Property, plant and equipment, net	<u>175,612,923</u>	<u>17,796,330</u>	<u>193,409,253</u>

<u>As of December 31, 2020</u>	<u>Advertising sector</u>	<u>Printing sector</u>	<u>Total</u>
	SR	SR	SR
Property, plant and equipment, net	<u>134,972,052</u>	<u>19,940,848</u>	<u>154,912,900</u>

* Revenues of advertising sector includes the revenues of printing operations associated to advertising campaigns.

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6. PROPERTY PLANT AND EQUIPMENT, NET:

	Land		Buildings		Billboards fixed and motion		Motor vehicles		Furniture and fixture		Equipment and tools		Projects under progress		Total	
	SR		SR		SR		SR		SR		SR		SR		SR	
<i>Cost</i>																
January 1, 2020	-	16,885,012	-	162,439,840	9,611,604	4,045,931	39,523,745	20,651,713	253,157,845							
Additions	1,358,770	679,384	-	-	274,993	556,843	2,256,700	52,860,776	57,987,466							
Transfers	-	208,114	41,893,837	-	435,310	143,962	-	(42,681,223)	-							
Disposals	-	(658,561)	(30,261,468)	-	(910,036)	(229,471)	(4,297,376)	(94,211)	(36,451,123)							
December 31, 2020	1,358,770	17,113,949	174,072,209	9,411,871	4,517,265	37,483,069	30,737,055	274,694,188								
Additions	-	-	-	527,500	605,497	907,654	76,726,602	78,767,253								
Transfers	-	-	61,762,803	-	-	-	(61,762,803)	-								
Disposals	-	(237,844)	(44,014,480)	(1,447,954)	(127,001)	(1,264,368)	-	(47,091,647)								
Transfer to related party	-	-	-	-	-	-	(819,050)	(819,050)								
December 31, 2021	1,358,770	16,876,105	191,820,532	8,491,417	4,995,761	37,126,355	44,881,804	305,550,744								
<i>Accumulated depreciation</i>																
January 1, 2020	-	8,779,155	84,942,242	8,012,293	2,467,328	24,485,756	-	128,686,774								
Charge for the year	-	798,283	20,408,159	826,362	636,404	3,029,158	-	25,698,366								
Disposals	-	(423,158)	(28,818,616)	(896,188)	(227,479)	(4,238,411)	-	(34,603,852)								
December 31, 2020	-	9,154,280	76,531,785	7,942,467	2,876,253	23,276,503	-	119,781,288								
Charge for the year	-	716,319	22,495,130	717,729	473,086	2,896,630	-	27,298,894								
Disposals	-	(237,844)	(32,024,974)	(1,442,117)	(127,000)	(1,106,756)	-	(34,938,691)								
December 31, 2021	-	9,632,755	67,001,941	7,218,079	3,222,339	25,066,377	-	112,141,491								
<i>Net Book Value</i>																
December 31, 2021	1,358,770	7,243,350	124,818,591	1,273,338	1,773,422	12,059,978	44,881,804	193,409,253								
December 31, 2020	1,358,770	7,959,669	97,540,424	1,469,404	1,641,012	14,206,566	30,737,055	154,912,900								

* Projects under progress are billboards that are being manufactured and the expected additional value until completion as of December 31, 2021: SR 8,993,191 Saudi riyals (2020: SR 16,089,244) (note 26).

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6. PROPERTY, PLANT AND EQUIPMENT, NET *(Continued)*

Fully depreciated assets costs still in use and stated as follows:

	(Saudi Riyal)	
	2021	2020
Buildings	3,768,683	3,768,678
Billboards fixed and motion	8,459,845	13,725,859
Motor vehicles	5,864,809	6,983,044
Office equipment and furniture	208,957	208,938
Equipment and tools	6,965,310	6,965,199
	25,267,604	31,651,718

Distribution of depreciation on expenses:

	(Saudi Riyal)	
	2021	2020
Cost of revenue <i>(Note 20)</i>	26,595,273	24,657,981
General and administrative expenses <i>(Note 22)</i>	703,621	1,040,385
	27,298,894	25,698,366

Losses arising from disposal of fixed assets:

	(Saudi Riyal)	
	2021	2020
Cost of disposed assets	47,091,647	36,451,123
Accumelated depreciation	(34,938,691)	(34,603,852)
Net book value	12,152,956	1,847,271
Proceeds from disposal	174,272	1,234,552
Project under progress charged to general and administrative expenses	-	94,211
Loss from disposal <i>(Note 24)</i>	(11,978,684)	(518,508)

7. RIGHT OF USE ASSETS / LEASE CONTRACTS LIABILITIES:

The rights of use assets have been measured at an amount equal to the lease obligations and adjusted for the amounts of prepayments and lease payments due related to those lease contracts recognized in the consolidated statement of financial position.

According to the events resulting from the (COVID-19) virus, during the period, amendments were made to some contracts, which represented a reduction in the rental value due or an extension of the grace period, and the following is the effect of these amendments on both the consolidated financial position and comprehensive income.

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7. RIGHT OF USE ASSETS / LEASE CONTRACTS LIABILITIES (Continued):

	(Saudi Riyal)	
	2021	2020
<u>Right of use assets</u>		
Blance at of 1 January	1,409,789,717	1,149,488,714
Adjustments	(12,681,337)	(4,066,725)
Disposal	(200,209,360)	-
Transfer to prepaid expenses*	(80,104,462)	-
Additions during the year	1,713,051,390	264,367,728
	<u>2,829,845,948</u>	<u>1,409,789,717</u>
<u>Right of use assets accumulated amortization</u>		
Balance as at 1 January	(715,411,365)	(374,414,718)
Adjustments	24,867,592	11,382,913
Disposal	200,209,360	-
Amortization	(312,796,955)	(352,379,560)
Balance at the end of the year	<u>(803,131,368)</u>	<u>(715,411,365)</u>
Net Right of use assets	<u>2,026,714,580</u>	<u>694,378,352</u>
<u>Lease liabilities</u>		
Balance at of 1 January	531,663,659	493,198,724
Adjustments	(12,681,337)	(4,066,725)
Finance expenses adjustment (Note 23)	2,033,038	(154,144)
Accrued rent adjustment	14,051,317	304,541
Additions during the year	1,713,051,390	264,367,728
	<u>2,248,118,067</u>	<u>753,650,124</u>
<u>Deduct / added:</u>		
Closing prepaid expenses	(33,918,830)	(39,773,995)
Payments during the year	(279,888,014)	(162,791,355)
Finance expenses (Note 23)	20,521,669	14,171,315
Amortization of accrued expenses	(53,577,814)	(33,592,430)
The balance at the end of the year	<u>1,901,255,078</u>	<u>531,663,659</u>
Current portion	314,105,526	215,408,520
Non-current portion	<u>1,587,149,552</u>	<u>316,255,139</u>
	<u>1,901,255,078</u>	<u>531,663,659</u>

Distribution of amortization over the expenses:

	(Saudi Riyal)	
	2021	2020
Cost of revenue (Note 20)	286,053,007	338,948,687
Selling and marketing expenses (Note 21)	216,917	388,521
General and administrative expenses (Note 22)	1,659,439	1,659,439
	<u>287,929,363</u>	<u>340,996,647</u>

* The transferred contracts to prepaid balances represent in the value of the disposed Mobi and Megacom Jeddah contracts that are not under the Group's control, and due to the court's issuance of a judgment to renew the period to the Group from each contract, the date of resuming the contract and handing over the sites to the Group has not been determined and based on the opinion of legal advisor, that date will be determined from the court during the subsequent period and until that date is determined, the value of the periods specified by the court has been transferred to prepaid balances.

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8. INVENTORY, NET:

	(Saudi Riyal)	
	2021	2020
Paper and other materials	11,857,651	14,167,284
Spare parts not for sale purpose	4,668,219	3,020,514
	16,525,870	17,187,798
Impairment of inventory	(1,561,060)	(1,561,060)
	<u>14,964,810</u>	<u>15,626,738</u>

The movement of impairment of inventory during the year ended December 31 is as follows:

	(Saudi Riyal)	
	2021	2020
Balance as of January 1,	1,561,060	1,561,060
Balance as of December 31,	<u>1,561,060</u>	<u>1,561,060</u>

9. TRADE RECEIVABLES, NET:

	(Saudi Riyal)	
	2021	2020
Trade receivables	375,276,914	342,500,195
Trade receivables (Related Parties, note 10)	54,616,475	4,219,699
Impairment of trade receivables	(10,597,562)	(13,283,264)
	419,295,827	333,436,630
Notes Receivable	-	2,081,880
	<u>419,295,827</u>	<u>335,518,510</u>

The movement of the impairment of trade receivables during the year ended December 31:

	(Saudi Riyal)	
	2021	2020
Balance as at January 1,	13,283,264	5,283,264
Reverse (impairment) charged on the year	(2,685,702)	8,000,000
Balance as of December 31,	<u>10,597,562</u>	<u>13,283,264</u>

The aging schedule of trade receivables as at December 31 is as follows:

	Overdue balances without impairment					
	Less than 30 days SR	From 31 days to 90 days SR	From 91 days to 180 days SR	From 181 days to 365 days SR	More than 365 days SR	Total SR
2021	202,633,793	80,608,370	69,304,915	56,348,824	10,399,925	419,295,827
2020	176,008,424	89,083,600	23,748,149	22,513,254	22,083,203	333,436,630

The credit period granted to customers ranges from 30 to 90 days and no commissions are charged to these accounts, The Group makes impairment of trade receivables taking into consideration several factors including the age of the receivables and the consolidated financial position of the customers where available, Concentrations of credit risk are limited because the customer base is large and the customer is not linked, no clients account for more than 10% of the total balance of trade receivables.

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10. BALANCES AND TRANSACTIONS WITH RELATED PARTIES:

During the year, the Group has entered into transactions with the related parties described below. The terms of these transactions and expenses have been approved by the Group's management. The transactions registered below were carried out with the following entities:

<u>Name of Institution</u>	<u>Relationship</u>
Engineer Holding Company	Shareholder
MBC holding limited group	Shareholder
House of skill for Contracting	Affiliate
Advanced Digital Systems Company	Affiliate
National Signage Industrial Company	Affiliate
Elegant hotel company for tourism and hotels	Affiliate
Al Mizah company	Affiliate
Multaqa Al Zad For tourism company.	Affiliate
Saudi Media company	Affiliate
Elegant restaurant company	Affiliate
Green Box Company	Affiliate
Saudi Media solution company	Affiliate

<u>Related party</u>	<u>Nature of transaction</u>	<u>(Saudi Riyal)</u>	
		<u>2021</u>	<u>2020</u>
Saudi Media company	Sales	65,287,573	60,559
Saudi Media company	Collections	22,155,854	-
National Signage Industrial Company	Invoices payments	44,528,386	5,291,633
National Signage Industrial Company	Billboards Cost	42,565,643	-
National Signage Industrial Company	Sales	3,356,298	313,970
National Signage Industrial Company	Transfer project under progress	819,050	-
National Signage Industrial Company	Advances Payment	2,250,987	9,296,416
Engineer Holding Company	Balance Payment	18,907,511	-
Engineer Holding Company	Transferred E.O.S	170,901	1,405,066
Engineer Holding Company	Dividend	-	24,000,000
House of skill for Contracting	Billboard installments	75,560	-
House of skill for Contracting	Advances Payment	215,289	36,230
Elegant restaurants company	Collections	85,053	42,349
Elegant restaurants company	Sales	43,385	75,879
Green Box Company	Sales	32,085	-
Multaqa Al Zad For tourism Company	Sales	18,591	670,929
Multaqa Al Zad For tourism Company	Collections	-	72,728
Elegant hotel Company for tourism and hotels	Collections	105,186	-
Elegant hotel Company for tourism and hotels	Sales	3,519	309,374
Elegant hotel company for tourism and hotels	Collections	-	9,148
MBC holding limited group	Sales	15,981,604	2,832,942
MBC holding limited group	Collections	10,905,421	-
Saudi Media solution Company	Purchases	1,725,000	-

The following is a list of compensation for key management employees incurred during the year ended December 31:

	<u>(Saudi Riyal)</u>	
	<u>2021</u>	<u>2020</u>
Short-term benefits	8,573,559	4,997,876
Employees defined benefits obligation (The ending Blance)	5,309,644	3,780,087
	<u>13,883,203</u>	<u>8,777,963</u>

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10. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued):

The movement in the employee defined benefits in the year ended December 31 as follows:

	(Saudi Riyal)	
	<u>2021</u>	<u>2020</u>
Balance as at January 1,	3,780,087	4,639,537
Charge for the year	1,700,458	545,616
Transferred to related parties (Note 14)	<u>(170,901)</u>	<u>(1,405,066)</u>
Balance as of December 31,	<u>5,309,644</u>	<u>3,780,087</u>

Key management include members of the board of directors, chief executive officer, financial manager and executive managers as persons who have the authority and responsibility to plan, direct and control the Group's activities.

The amounts due from related parties is as follows:

	(Saudi Riyal)	
	<u>2021</u>	<u>2020</u>
Engineer Holding Group Company	-	18,736,610
	<u>-</u>	<u>18,736,610</u>

Trade Receivables (Related Parties, Note 9)

	(Saudi Riyal)	
	<u>2021</u>	<u>2020</u>
Saudi Media company	43,192,278	60,559
MBC holding limited group	7,909,125	2,832,942
National Signage Industrial Company	2,526,576	313,970
Multaqa Al Zad For tourism company.	616,792	598,201
Elegant hotel company for tourism and hotels	198,559	300,226
Green Box Company	92,660	60,575
House of skill for Contracting	79,278	10,351
Elegant restaurants company	1,207	42,875
	<u>54,616,475</u>	<u>4,219,699</u>

Advances to suppliers (Related Parties, Note 11)

	(Saudi Riyal)	
	<u>2021</u>	<u>2020</u>
National Signage Industrial Company	11,547,403	9,296,416
House of skill for Contracting	237,341	28,685
	<u>11,784,744</u>	<u>9,325,101</u>

Other credit balances (Related Parties, Note 17)

	(Saudi Riyal)	
	<u>2021</u>	<u>2020</u>
Saudi Media solution company	1,725,000	-

No interest is charged to the outstanding balance for the related parties.

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11. PREPAYMENTS AND OTHER DEBIT BALANCES:

	(Saudi Riyal)	
	2021	2020
Prepaid rent of billboards locations *	363,264,777	33,441,893
Advances to suppliers (Related Parties note 10)	11,784,744	9,325,101
Advances to suppliers	8,293,272	6,181,887
Prepaid expenses and other debit balances	6,728,796	16,261,675
Value added Tax VAT	1,890,395	-
Employee receivable	1,752,790	1,920,060
Cash margin of bank guarantees and letter of credits (Note 26)	928,380	1,674,227
Others	915,191	306,759
	395,558,345	69,111,602

* Lease payments include contracts that have not started yet, and the Group committed for these contracts.

12. CASH AND CASH EQUIVALENTS:

	(Saudi Riyal)	
	2021	2020
Cash at banks	189,131,039	25,887,201
Cash on hand	778,488	698,102
	189,909,527	26,585,303

13. STATUTORY RESERVE

In accordance with the requirements of the Saudi Companies Regulations, the Company establishes a statutory reserve of 10% of net profit until this reserve reaches 30% of the capital, this reserve is not available for distribution as dividends.

14. EMPLOYEE DEFINED BENEFITS OBLIGATION

	(Saudi Riyal)	
	2021	2020
Balance as at 1 January	12,680,012	13,412,491
Charged during the year	2,240,060	2,373,125
Interest expense	354,179	293,392
Re-measurement charged to other comprehensive income	1,386,347	(935,160)
Paid	(1,861,892)	(1,058,770)
Transferred to related parties (Note 10)	(170,901)	(1,405,066)
Balance as at December 31,	14,627,805	12,680,012

Key actuarial assumptions:

	(Saudi Riyal)	
	2021	2020
Used discount rate	2.60%	2.45%
Salary increase rate	1.01%	1.50%
Employee turnover	Average	Average

The sensitivity analysis of the main actuarial assumptions is analyzed below:

	(Saudi Riyal)	
	2021	2020
Discount Rate 1% (+/-)		
Increase	11,655,563	10,247,239
Decrease	16,050,940	14,136,025
Expected salary increase ratio 1% (+/-)		
Increase	16,066,563	14,134,846
Decrease	11,609,833	10,271,320

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15. SHORT-TERM LOANS

The Group have obtained bank facilities represented in short-term loans from local commercial banks amounting to SR 447,866,523 (2020: 131,795,115). These loans are subject to interest rates prevailing in Saudi banks plus an agreed profit margin.

The carrying amount of short-term loans is denominated in Saudi riyals and is secured by personal guarantees from both of the chairman and chief executive officer of the Company, a promissory note of is paid upon request.

16. SUPPLIERS

	(Saudi Riyal)	
	2021	2020
Local suppliers	4,121,310	3,327,771
Foreign suppliers	466,026	3,910,567
	4,587,336	7,238,338

17. ACCRUED EXPENSES AND OTHER CREDIT BALANCES:

	(Saudi Riyal)	
	2021	2020
Accrued municipality rents of secured contracts	57,462,342	44,134,426
Discounts due to customers	39,918,642	31,221,410
Other creditors	13,666,264	7,385,897
Other creditors (Related Party note 10)	1,725,000	-
Accrued commissions	11,699,712	2,212,277
Advances payments from customers	2,684,590	1,271,320
Unearned revenue	54,999	1,739,520
VAT	-	9,935,737
Other	1,728,571	312,642
	128,940,120	98,213,229

18. ZAKAT PROVISION:

The main elements of Zakat are as follows:

	(Saudi Riyal)	
	2021	2020
Capital	500,000,000	500,000,000
Net adjusted income	218,539,002	44,511,082
Property, plant equipment and projects under progress and other spare parts not for sale	(2,217,784,879)	(852,025,425)
Provisions, reserves and others	2,669,660,433	582,867,943

The movement for Zakat for the year ended December 31 is as follows:

	(Saudi Riyal)	
	2021	2020
Balance on 1 January	6,862,683	8,774,296
Charged for the year	11,296,889	5,300,925
Paid during the year	(6,862,683)	(7,212,538)
Balance at 31 December	11,296,889	6,862,683

- The Company submitted its zakat return until the fiscal year ending on 31/12/2020 and obtained a certificate from the General Authority for Zakat, Tax and custom authority.
- The Company has a zakat assessment for the fiscal year 2017 with zakat differences of approximately SR 1,402,411, and the objection was escalated to the Committee for Adjudication of Tax Violations and Disputes. No judgment has been issued until the date of the financial statements.
- The Company has a zakat assessment for the fiscal year 2018 with zakat differences of approximately SR 3,465,252, and the objection was escalated to the Committee for Adjudication of Tax Violations and Disputes. No judgment has been issued until the date of the financial statements.

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19. Revenue:		(Saudi Riyal)
		<u>2021</u> <u>2020</u>
Outdoor advertisements	678,525,462	471,911,554
Indoor advertisements	28,123,542	11,824,629
Printing	13,688,353	13,849,045
	<u>720,337,357</u>	<u>497,585,228</u>
20. COST OF REVENUES		(Saudi Riyal)
		<u>2021</u> <u>2020</u>
Amortization of right of use assets (Note 7)	286,053,007	338,948,687
Rent from others	34,527,457	-
Cost of raw materials and others	31,232,857	23,739,796
Depreciation (Note 6)	26,595,273	24,657,981
Salaries, wages and other benefits	11,644,382	11,188,539
Other	-	4,500
	<u>390,052,976</u>	<u>398,539,503</u>
21. SELLING AND MARKETING EXPENSES:		(Saudi Riyal)
		<u>2021</u> <u>2020</u>
Sales and distribution commission	15,253,206	236,284
Salaries, wages and other benefits	9,605,991	8,223,543
Amortization of right of use assets (Note 7)	216,917	388,521
Others	6,087,566	2,217,704
	<u>31,163,680</u>	<u>11,066,052</u>
22. GENERAL AND ADMINISTRATIVE EXPENSES		(Saudi Riyal)
		<u>2021</u> <u>2020</u>
Salaries, wages and other benefits	26,714,123	19,618,703
Professional fees	5,344,895	407,800
Amortization of right of use assets (Note 7)	1,659,439	1,659,439
Insurance of assets	858,540	644,137
Depreciation (note 6)	703,621	1,040,385
Donations	643,238	1,847,670
Electricity and water	351,881	168,696
Repair and maintenance	343,501	248,440
Others	3,774,096	2,917,614
	<u>40,393,334</u>	<u>28,552,884</u>
23. FINANCING EXPENSES:		(Saudi Riyal)
		<u>2021</u> <u>2020</u>
Finance expenses from lease contracts liabilities (Note 7)	22,554,707	14,017,171
Financing expenses from short term loans	9,696,675	6,941,329
Financing expenses from the calculation of employee defined benefit obligations	354,179	293,392
	<u>32,605,561</u>	<u>21,251,892</u>
24. (EXPENSES) OTHER INCOME, NET:		(Saudi Riyal)
		<u>2021</u> <u>2020</u>
Loss on sale of property, plant and equipment (note 6)	(11,978,684)	(518,508)
Other income	716,024	845,398
	<u>(11,262,660)</u>	<u>326,890</u>

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25. DIVIDENDS:

The Board of Directors recommended on his meeting held on March 10, 2020 a dividend by amount of SR 24,000,000 during the year ended 31 December 2020, Dividends are approved by the General Assembly of Shareholders.

26. COMMITMENTS AND CONTINGENT LIABILITIES:

As of December 31, the Group has the following contingent liabilities as follows:

	(Saudi Riyal)	
	2021	2020
Letters of Guarantee *	80,290,298	155,708,100
Letters of credit	6,318,649	6,297,316

* Cash margin in respect of letters of guarantee as on December 31, 2021 amounted to SR 928,380 (2020: SR 1,674,227) (Note 11).

The Group has capital commitments related to billboards that are being manufactured (projects under progress) as at December 31, 2021, amounting to SR 8,993,191 (2020: SR 16,089,244). (Note 6).

27. EARNINGS PER SHARE:

The calculation of basic and diluted earnings per share for the year ended December 31, 2021 and 2020 is based on dividing the income from the continuing main operations for the year, net income for the year and total comprehensive income for the year on the average outstanding shares of shareholders. The number of outstanding shares as at December 31, 2021 is 50 million shares (2020: 50 million shares). There are no potentially diluted common shares.

28. SHARE CAPITAL MANAGEMENT

The objectives of the Company's capital management are to ensure the Company's ability to continue as a going concern and to provide sufficient return to the shareholders by optimizing the capital structure. The Company manages the capital, and adjustments are made to it in the light of changes in economic conditions and other variables that include risks related to the Company's assets. In order to maintain or adjust the capital structure, the Company may adjust dividend payments to shareholders, or adjust the capital.

The Company's policy is to maintain a strong capital base in order to gain investor and market confidence as well as to ensure the future development of the business. The management monitors the return on capital and the level of dividends to shareholders. The Board of Directors seeks to maintain a balance between the higher returns that could be obtained through increased levels and the safety benefits that could be achieved by maintaining a strong capital position. The Company aims to achieve an adequate return on capital. The return for the year ending December 31, 2021, was 41% (December 31, 2020: 5%). The Company monitors capital using the "net revised debt" to revise "equity" ratio. For this purpose, adjusted net debt is defined as total liabilities less cash and bank balances. Shareholders' equity consists of all components of shareholders' equity if any.

The group has sufficient financing to meet all of the group's commitments.

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29. FINANCIAL INSTRUMENTS FAIR VALUE AND RISK MANAGEMENT:

The Group's financial assets consist of bank balances, customers and due from related parties. The Group's financial liabilities consist of trade payables and other financial liabilities. The accounting policies for financial assets and liabilities have been clarified in Note No. (3). The Group does not currently use derivatives financial instruments to manage this risk to which it is exposed.

GENERAL FRAMEWORK OF RISK MANAGEMENT

The Group's board of directors is generally responsible for setting and following up the general framework of the risk management of the Group. Group's policies of risk management are being set to determine and analyze risks which encounter the Group and setting appropriate limitations and regulations for the risks, as well as monitoring the risks and align to the limits which have been set. Policies and regulations of the risks management are being regularly reviewed to reflect the changes in the market circumstances and the Group's activities. The Group objects through the standards and procedures of training and its management to maintain a disciplined control environment as all employees would realize their roles and commitments.

The Group's audit committee takes over the overseeing how the management is following and the extent of commitment to the Group's policies and procedures for the risk management, in addition to that reviewing the effectiveness of the general framework of the risk managements in connection with the risks which encounter the Group.

FAIR VALUE

Fair value is the amount at which an asset is exchanged, or a liability settled between knowledgeable and willing parties on fair terms. As the financial instruments of the Group are recognized in accordance with the historical cost convention, differences between carrying amounts and fair value estimates may arise, Management believes that the fair values of the Group's assets and liabilities are not materially different from their carrying values.

CREDIT RISK

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, which are primarily arise from trade receivables, cash, bank balances and due from related parties.

The Group is exposed to credit risk on contract assets, trade receivables and bank balances as follows:

	(Saudi Riyal)	
	2021	2020
Trade receivables, net	419,295,827	335,518,510
Due from related parties	-	18,736,610
Other debit balances	3,596,361	3,661,856
Cash and cash equivalent	189,909,527	26,585,303
	612,801,715	384,502,279

The carrying amount of financial assets represents the maximum exposure to credit risk.

Exposing the Group to credit risks are primarily affected by the individual characteristics for each client separately. The management takes into account also the factors that may have an impact on the credit risks of the Group's clients' base, including the risks of failure in the clients' sector where the clients operate their activities.

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29. FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT (Continued)
CREDIT RISK (Continued)

The Group has made a credit policy to analyze each new client separately to verify its credit ability before presenting the payment's terms and conditions of the Group. The Group's review includes the external classifications in case are available and in some cases the bank references. Sales limitations are being set for each client and are being reviewed periodically.

The Group seeks to reduce the credit risks from the trade receivables by setting a maximum limit of repaying which is two months for most of clients. The Group grants advances to employees under a guarantee of the employees' benefits not exceeding 60% of the due benefits of the employee.

Impairment in trade receivables as at December 31, 2021 is assessed at an amount of SR. 10,597,562 (2020: SR. 13,283,264) in accordance with the Group's policy and IFRS 9 – financial instruments.

As at the date of the statement of financial position, the trade receivables ages of customers balances was as follows:

<u>Aging (in days)</u>	<u>Book value</u> <u>2021</u>	<u>Expected</u> <u>credit losses</u> <u>2021</u>	<u>Balance 2021</u>
	SR	SR	SR
From 0 to 90	283,377,792	135,629	283,242,163
From 91 to 180	69,390,206	85,291	69,304,915
From 181 to 360	56,976,337	627,513	56,348,824
More than 360	20,149,054	9,749,129	10,399,925
	<u>429,893,389</u>	<u>10,597,562</u>	<u>419,295,827</u>

<u>Aging (in days)</u>	<u>Book value</u> <u>2020</u>	<u>Expected</u> <u>credit losses</u> <u>2020</u>	<u>Balance 2020</u>
	SR	SR	SR
From 0 to 90	265,265,728	173,704	265,092,024
From 91 to 180	23,857,384	109,235	23,748,149
From 181 to 360	23,316,929	803,675	22,513,254
More than 360	34,279,853	12,196,650	22,083,203
	<u>346,719,894</u>	<u>13,283,264</u>	<u>333,436,630</u>

The movement of impairment of trade receivables during the year is as follows:

	<u>Saudi Riyal</u>	
	<u>2021</u>	<u>2020</u>
Opening balance	13,283,264	5,283,264
Charge for the year	-	8,000,000
(Reversal) impairment of trade receivables	<u>(2,685,702)</u>	-
	<u>10,597,562</u>	<u>13,283,264</u>

RISK CONCENTRATIONS MAXIMUM EXPOSURE TO CREDIT RISK

Concentrations arise when a number of the opposite parties involve in similar activities in the same geographic area, or when they have similar economic characteristics, which may lead their ability to fulfill the contractual obligations affected similarly with the changes of the economic circumstances or policy or more else. Concentrations indicate to the material sensitivity for the Group' performance toward the developments which may effect on the business or on a specific geographic area. All the Group's financial assets are existed in the Kingdom of Saudi Arabia.

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29. FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT (CONTINUED)
LIQUIDITY RISK

Liquidity risk is the risk that an entity will encounter difficulty to meet the obligations associated with the financial liabilities that have not been settled in cash or through other financial assets. The Group's methodology for the liquidity management aims to ensure a sufficient liquidity as possible, to meet its obligations when are due, in the normal or critical circumstances, without incurring unacceptable losses or exposing the Group's reputation to the risk.

The Group cares to keep the cash and bank balances in the debit instruments which are significantly marketable greater than the expected external cash flows which are associated with the financial liabilities over the upcoming 60 days. The Group also monitors the levels of the anticipated cash flows of the trade receivables with the anticipated external cash flows of the trade payables.

The contractual accruals at the end of the financial obligations' report are as follows:

	(Saudi Riyal)		
	Book value	Less than one year	More than a year
As of December 31, 2021			
Financial obligations			
Lease obligations	1,901,255,078	314,105,526	1,587,149,552
Short-term loans	447,866,523	447,866,523	-
Suppliers	4,587,336	4,587,336	-
Other credit balances	60,201,931	60,201,931	-
Zakat provision	11,296,889	11,296,889	-
	2,425,207,757	838,058,205	1,587,149,552
As of December 31, 2020			
Financial obligations			
Lease obligations	531,663,659	215,408,520	316,255,139
Short-term loans	131,795,115	131,795,115	-
Suppliers	7,238,338	7,238,338	-
Other credit balances	47,145,266	47,145,266	-
Zakat provision	6,862,683	6,862,683	-
	724,705,061	408,449,922	316,255,139

Liquidity risk is managed by monitoring on a regular basis and ensuring that adequate funds, banking facilities and other credit facilities are available to meet future liabilities of the Group.

MARKET PRICE RISK

Market price risks are the risks of fair value fluctuation for the financial instruments due to the changes in the market prices. The market prices arise from the outstanding centers in the interest prices, foreign currencies and assets' products which are all exposed to general and specific movements in the market and changes in the fluctuation level of prices, such as cost prices and foreign currencies prices.

CURRENCY RISK

Currency risks are the risks of fair value or future cash flows fluctuation for a financial instrument due to the fluctuation in foreign currency exchange rate. The Group manages the foreign currency risks based on restrictions specified by the management, the continuing evaluation for the outstanding centers in the Group and the current / expected movements in the foreign currency exchange rates.

The management believes that the Group is not exposed to significant foreign currency risks.

Reasonable increase (decrease) in Euro and US Dollar rates against all other currencies at the end of the period will affect the measurement of the financial instruments which are dominated in foreign currencies, as well as equity and total income.

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29. FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT *(Continued)*
INTEREST RATE RISK

Interest rate risks arise from the fair value or future cash flows' fluctuation for a financial instrument due to the changes in the market prices. The Group is currently not being exposed to material interest rates prices risks on its assets and liabilities.

30. SIGNIFICANT EVENTS

- In June 28, 2021, the Capital Market Authority ("CMA) has approved the Company's request of issuing 15 million shares for public offering, representing 30% of the Company's shares. In October 3, 2021, the offering publication has been issued. In October 28, 2021, offering for establishments and individuals has been finalized and the effective date of listing the Company' shares in the primary Saudi Capital Market was in November 15, 2021.
- In October 28, 2021, the Company's management has signed the article of association – Closed Joint Stock Company in the Arabian Egypt Republic, as a partnership with United Media Services Company in rate of 50%.

31. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS:

The consolidated financial statements were approved by the Board of Directors on 30 Rajab 1443 H, corresponding to March 3, 2022.