

**SAUDI TADAWUL GROUP HOLDING COMPANY**  
**(A Saudi Joint Stock Company)**  
**Condensed Consolidated Interim Financial Statements**  
**For the three-month period ended 31 March 2022**  
**together with the**  
**Independent Auditor's review report**

**SAUDI TADAWUL GROUP HOLDING COMPANY**  
(A Saudi Joint Stock Company)  
**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**For the three-month period ended 31 March 2022**

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## KPMG Professional Services

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P. O. Box 92876  
Riyadh 11663  
Kingdom of Saudi Arabia  
Headquarter

Commercial Registration No 1010425494

## كي بي إم جي للاستشارات المهنية

واجهة الرياض، طريق المطار  
صندوق بريد ٩٢٨٧٦  
الرياض ١١٦٦٣  
المملكة العربية السعودية  
المركز الرئيسي

سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

# Independent auditor's report on review of condensed consolidated interim financial statements

To the Shareholders of Saudi Tadawul Group Holding Company

## Introduction

We have reviewed the accompanying 31 March 2022 condensed consolidated interim financial statements of Saudi Tadawul Group Holding Company ("the Company") and its subsidiaries (together referred to as "the Group") which comprises:

- the condensed consolidated interim statement of financial position as at 31 March 2022;
- the condensed consolidated interim statement of profit or loss and other comprehensive income for the three-month period ended 31 March 2022;
- the condensed consolidated interim statement of changes in equity for the three-month period ended 31 March 2022;
- the condensed consolidated interim statement of cash flows for the three-month period ended 31 March 2022; and
- the notes to the condensed consolidated interim financial statements.

Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34 *Interim Financial Reporting* that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

## Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* that is endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, primarily of 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 the 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 31 March 2022 condensed consolidated interim financial statements of Saudi Tadawul Group Holding Company and its subsidiaries are not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* that is endorsed in the Kingdom of Saudi Arabia.

## KPMG Professional Services

Hani Hamzah A. Bedairi  
License No: 460

Riyadh, 14 Shawwal 1443H  
Corresponding to: 15 May 2022



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كي بي إم جي للاستشارات المهنية شركة مهنية مساهمة مقفلة، مسجلة في المملكة العربية السعودية، رأس مالها (١٥,٠٠٠,٠٠٠) ريال سعودي مدفوع بالكامل، المسماة سابقاً "الشركة كي بي إم جي للفرزان وشركاه محاسبين ومراجعين قفرون". وهي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة والتابعة لكي بي إم جي العالمية المحدودة، شركة تجارزية محدودة بضمان. جميع الحقوق محفوظة.


**SAUDI TADAWUL GROUP HOLDING COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**  
As at 31 March 2022  
*(Saudi Arabian Riyals)*

	<i>Notes</i>	<b>31 March 2022</b>	31 December 2021
<b><u>ASSETS</u></b>			
<b>Non-current assets</b>			
Property and equipment		52,469,226	56,056,384
Intangible assets		144,152,578	144,727,277
Equity-accounted investee	5	374,020,988	375,616,085
Right of use assets		18,375,739	7,120,394
Investments	6	55,332,785	55,272,377
<b>Total non-current assets</b>		<b>644,351,316</b>	<b>638,792,517</b>
<b>Current assets</b>			
Accounts receivable	7	123,423,611	60,547,611
Prepaid expenses and other current assets	8	107,049,933	108,059,619
Investments	6	2,779,695,714	2,631,732,808
Deposits with Saudi Central Bank (SAMA)	9	1,853,071,693	28,013,567
Cash and cash equivalents	10	101,406,524	76,197,458
<b>Total current assets</b>		<b>4,964,647,475</b>	<b>2,904,551,063</b>
<b>Total assets</b>		<b>5,608,998,791</b>	<b>3,543,343,580</b>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Equity</b>			
Share capital	1	1,200,000,000	1,200,000,000
Statutory reserve	11	360,000,000	360,000,000
Retained earnings		1,673,076,040	1,532,440,906
<b>Total equity</b>		<b>3,233,076,040</b>	<b>3,092,440,906</b>
<b>Non-current liabilities</b>			
Employees' end-of-service benefits liability	12	99,138,064	96,876,185
<b>Total non-current liabilities</b>		<b>99,138,064</b>	<b>96,876,185</b>
<b>Current liabilities</b>			
Margin deposits from clearing participants	13	1,832,776,825	14,386,707
Members' contribution to clearing house funds	14	3,760,368	3,626,642
Lease liability		11,571,729	982,913
Accounts payable	15	9,826,257	6,785,710
Balance due to Capital Market Authority (CMA)	16	33,065,570	22,280,843
Deferred revenue	17	105,648,516	3,214,902
Accrued expenses and other current liabilities	18	192,249,416	236,085,074
Zakat payable	19	87,886,006	66,663,698
<b>Total current liabilities</b>		<b>2,276,784,687</b>	<b>354,026,489</b>
<b>Total liabilities</b>		<b>2,375,922,751</b>	<b>450,902,674</b>
<b>Total equity and liabilities</b>		<b>5,608,998,791</b>	<b>3,543,343,580</b>

The accompanying notes from (1) through (32) form an integral part of these condensed consolidated interim financial statements

  
Chairperson

  
Group Chief Executive Officer

  
Group Chief Financial Officer

**SAUDI TADAWUL GROUP HOLDING COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND**  
**OTHER COMPREHENSIVE INCOME**  
For the three-month period ended 31 March 2022  
*(Saudi Arabian Riyals)*

	<i>Notes</i>	<b>For the three-month period ended 31 March</b>	
		<b>2022</b>	<b>2021</b>
Operating revenue	20	<b>293,948,992</b>	332,369,936
Operating costs	21	<b>(87,701,320)</b>	(92,265,805)
<b>Gross profit</b>		<b>206,247,672</b>	240,104,131
General and administrative expenses	22	<b>(50,305,441)</b>	(44,508,493)
Impairment loss on financial assets		<b>(2,160,283)</b>	(973,821)
<b>Operating profit</b>		<b>153,781,948</b>	194,621,817
Investment income	23	<b>9,918,468</b>	11,395,480
Share of net loss in an equity-accounted investee	5	<b>(1,595,097)</b>	(728,346)
Finance cost		<b>(248,079)</b>	(70,349)
Other income		<b>202</b>	154,181
<b>Non-operating profit</b>		<b>8,075,494</b>	10,750,966
<b>Profit before Zakat for the period</b>		<b>161,857,442</b>	205,372,783
Zakat expense	19	<b>(21,222,308)</b>	(25,737,453)
<b>Net profit for the period</b>		<b>140,635,134</b>	179,635,330
<b>Other comprehensive income for the period</b>		--	--
<b>Total comprehensive income for the period</b>		<b>140,635,134</b>	179,635,330
<b>Basic and diluted earnings per share</b>	24	<b>1.17</b>	1.50

The accompanying notes from (1) through (32) form an integral part of these condensed consolidated interim financial statements

  
Chairperson

  
Group Chief Executive Officer

  
Group Chief Financial Officer

**SAUDI TADAWUL GROUP HOLDING COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY**  
For the three-month period ended 31 March 2022  
*(Saudi Arabian Riyals)*

	<u>Share capital</u>	<u>Statutory reserve</u>	<u>General reserve</u>	<u>Retained earnings</u>	<u>Total equity</u>
<b>Balance as at 1 January 2022</b>	1,200,000,000	360,000,000	--	1,532,440,906	3,092,440,906
Net profit for the period	--	--	--	140,635,134	140,635,134
<b>Balance as at 31 March 2022</b>	<u>1,200,000,000</u>	<u>360,000,000</u>	--	<u>1,673,076,040</u>	<u>3,233,076,040</u>
Balance as at 1 January 2021	1,200,000,000	376,963,633	1,114,180,214	943,478,532	3,634,622,379
Net profit for the period	--	--	--	179,635,330	179,635,330
Balance as at 31 March 2021	<u>1,200,000,000</u>	<u>376,963,633</u>	<u>1,114,180,214</u>	<u>1,123,113,862</u>	<u>3,814,257,709</u>

The accompanying notes from (1) through (32) form an integral part of these condensed consolidated interim financial statements

  
\_\_\_\_\_  
Chairperson

  
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Group Chief Executive Officer

  
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Group Chief Financial Officer

**SAUDI TADAWUL GROUP HOLDING COMPANY**  
(A SAUDI JOINT STOCK COMPANY)  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS**  
For the three-month period ended 31 March 2022  
(Saudi Arabian Riyals)

		For the three-month period ended 31 March	
	<i>Notes</i>	2022	2021
<b>Cash flows from operating activities</b>			
Profit before zakat for the period		161,857,442	205,372,783
<i>Adjustments to reconcile profit before zakat for the period to net cash generated from operating activities:</i>			
Depreciation and amortization	21,22	12,628,505	14,354,058
Charge for credit losses on accounts receivable	7	2,193,328	973,821
(Reversal)/ charge for impairment on investments held at amortized cost	6.1.1	(33,045)	--
Provision for employees' end-of-service benefits	12	2,857,676	2,857,676
Realised gain on sale of investments	23	(152,782)	(555,550)
Unrealised gain on investments	23	(8,368,971)	(8,228,384)
Dividend income	23	(1,003,871)	(1,976,290)
Special commission income	23	(355,244)	(631,944)
Commission from deposits with SAMA	23	(37,600)	(3,312)
Share of loss in equity-accounted investee	5	1,595,097	728,346
Interest expense on lease liability		248,079	70,349
<b>Changes in operating assets and liabilities:</b>			
Deposits with Saudi Central Bank (SAMA)		(1,825,058,126)	(431,935)
Accounts receivable		(65,069,328)	(33,931,947)
Prepaid expenses and other current assets		1,009,686	5,354,957
Margin deposits from clearing participants		1,818,390,118	4,091
Members' contribution to clearing house funds		133,726	427,845
Accounts payable		3,040,547	(3,067,826)
Balance due to Capital Market Authority		10,784,727	23,165,362
Deferred revenue		102,433,614	89,541,749
Accrued expenses and other current liabilities		(43,835,658)	(48,072,934)
Cash generated from operations		173,257,920	245,950,915
Employees' end-of-service benefits paid	12	(595,797)	(4,513,626)
<b>Net cash generated from operating activities</b>		<b>172,662,123</b>	<b>241,437,289</b>
<b>Cash flows from investing activities</b>			
Purchase of investments		(347,285,361)	(541,501,193)
Proceeds from disposal of investments		207,196,645	621,707,235
Special commission income received		342,802	1,270,833
Dividend income received		1,007,584	1,853,908
Purchase of intangible assets and property and equipment		(5,315,256)	(9,262,620)
<b>Net cash (used in)/generated from investing activities</b>		<b>(144,053,586)</b>	<b>74,068,163</b>
<b>Cash flows from financing activities</b>			
Interest payment of lease liability		(248,079)	(70,349)
Principal repayment of lease liability		(3,151,392)	(4,469,349)
<b>Net cash used in financing activities</b>		<b>(3,399,471)</b>	<b>(4,539,698)</b>
<b>Net increase in cash and cash equivalents</b>		<b>25,209,066</b>	<b>310,965,754</b>
Cash and cash equivalents at the beginning of the period		76,197,458	96,798,376
<b>Cash and cash equivalents at end of the period</b>	10	<b>101,406,524</b>	<b>407,764,130</b>

The accompanying notes from (1) through (32) form an integral part of these condensed consolidated interim financial statements

  
Chairperson

  
Group Chief Executive Officer

  
Group Chief Financial Officer



**SAUDI TADAWUL GROUP HOLDING COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the three-month period ended 31 March 2022  
*(Saudi Arabian Riyals)*

**1. GENERAL**

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

The Company was wholly owned by the Government of the Kingdom of Saudi Arabia (the “Government”) as ultimate controlling party through the Public Investment Fund (“PIF”). As at 31 March 2022, the authorized, issued and fully paid-up share capital of the Company is SAR 1,200 million (31 December 2021: SAR 1,200 million) divided into 120 million shares (31 December 2021: 120 million shares) of SAR 10 each.

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

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

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

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

On 8 December, 2021, the Company completed its Initial Public Offering (“IPO”) and its ordinary shares were listed on the Saudi Stock Exchange. In connection with the IPO, the Government through PIF sold 30% of their stake representing 36 million ordinary shares. Accordingly, PIF now holds 70% (2020: 100%) of the share capital.

The Company’s registered address is as follows:

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



**SAUDI TADAWUL GROUP HOLDING COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the three-month period ended 31 March 2022  
*(Saudi Arabian Riyals)*

**1. GENERAL (CONTINUED)**

1.1 Details of the Company's subsidiaries

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

**SAUDI TADAWUL GROUP HOLDING COMPANY**  
(A SAUDI JOINT STOCK COMPANY)  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the three-month period ended 31 March 2022  
(Saudi Arabian Riyals)

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

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

These condensed interim financial statements do not include all information and disclosures required for a complete set of financial statements and should be read in conjunction with the Company’s last annual financial statements as at and for the year ended December 31, 2021.

**2.2 Basis of measurement**

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

**2.3 Functional and presentation currency**

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

**2.4 Critical accounting estimates and judgments**

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

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

**3. BASIS OF CONSOLIDATION**

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

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

Intra-group balances & transactions and any unrealised profit & expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated.

**SAUDI TADAWUL GROUP HOLDING COMPANY**  
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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the three-month period ended 31 March 2022  
*(Saudi Arabian Riyals)*

**3. BASIS OF CONSOLIDATION (CONTINUED)**

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

**4. NEW STANDARDS AND AMENDMENTS ISSUED**

**Standards issued but not yet effective**

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted. The Group has not early adopted any of the forthcoming new or amended standards in preparing these condensed consolidated interim financial statements.

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

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

– New currently effective requirements: This table lists the recent changes to the Standards that are required to be applied by an entity with an annual reporting period beginning on 1 January 2022.

– Forthcoming requirements: This table lists the recent changes to the Standards that are required to be applied for an annual period beginning after 1 January 2022 and that are available for early adoption in annual periods beginning on 1 January 2022. These requirements are not included in this guide.

New currently effective requirements:

Effective date	New standards or amendments
1 January 2022	Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
	Annual Improvements to IFRS Standards 2018-2020
	Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
	Reference to the Conceptual Framework (Amendments to IFRS 3)

Forthcoming requirements:

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

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the three-month period ended 31 March 2022  
*(Saudi Arabian Riyals)*

**5. EQUITY-ACCOUNTED INVESTEE**

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

The Group has recognized its share of loss for the three-month period ended 31 March 2022, based on the quarterly management accounts of the Associate. The financial restructuring of the Associate was completed during 2020. The restructuring involved the conversion of the investment in the Associate in the form of sukuks amounting to SAR 130 million to an equity investment. Furthermore, the Company made an additional equity investment amounting to SAR 210 million. These transactions were approved by the Group's Board of Directors on 19 April 2020. This restructuring has not resulted in the Group gaining control over the Associate.

The movement of investment in the Associate is as follows:

	<b>For the period ended 31 March 2022</b>	For the year ended 31 December 2021
Balance at beginning of the period / year	375,616,085	378,895,293
Share of loss for the period / year	<u>(1,595,097)</u>	<u>(3,279,208)</u>
Balance at end of the period / year	<u>374,020,988</u>	<u>375,616,085</u>

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

	<b>31 March 2022</b>	31 December 2021
<b>Summarized statement of financial position</b>		
Total current assets	51,936,902	86,103,297
Total non-current assets	2,263,656,578	2,233,751,094
Total current liabilities	84,323,005	1,073,045,160
Total non-current liabilities	1,038,873,259	49,595,898
Net assets (100%)	1,192,397,216	1,197,213,333
	<b>31 March 2022</b>	31 December 2021
<b>Summarized statement of profit or loss and other comprehensive income</b>		
Total revenue	--	--
Net loss	4,816,117	9,900,948
Total comprehensive loss for the period / year	4,816,117	9,900,948

**SAUDI TADAWUL GROUP HOLDING COMPANY**  
(A SAUDI JOINT STOCK COMPANY)  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the three-month period ended 31 March 2022  
(Saudi Arabian Riyals)

**6. INVESTMENTS**

Investment securities portfolios are summarized as follows:

		<b>31 March 2022</b>	31 December 2021
	<i>Notes</i>		
<b>Non-current</b>			
Investments at amortized cost	6.1	<u>55,332,785</u>	<u>55,272,377</u>
		<u>55,332,785</u>	<u>55,272,377</u>
<b>Current</b>			
Investments at amortized cost	6.1	--	101,292,699
Investments at FVTPL	6.2	<u>2,779,695,714</u>	<u>2,530,440,109</u>
		<u>2,779,695,714</u>	<u>2,631,732,808</u>

**6.1 Investments at amortized cost**

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

The details of these investments are as follow:

	<b>31 March 2022</b>	31 December 2021
Investment in Sukuk – Albilad	<b>55,346,602</b>	55,286,298
Investment in Sukuk – GACA	-	101,325,640
Impairment loss on investments at amortized cost (6.1.1)	<u>(13,817)</u>	<u>(46,862)</u>
	<u>55,332,785</u>	<u>156,565,076</u>
	<b>31 March 2022</b>	31 December 2021
Investment at amortized cost – non current	<b>55,332,785</b>	55,272,377
Investment at amortized cost – current	--	101,292,699
	<u>55,332,785</u>	<u>156,565,076</u>

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

	<b>31 March 2022</b>	31 December 2021
<b>Balance at the beginning of the period /year</b>	<b>46,862</b>	43,865
(Credit) / charge for the period /year	<u>(33,045)</u>	<u>2,997</u>
<b>Balance at the end of the period /year</b>	<u><b>13,817</b></u>	<u>46,862</u>

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

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

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**6. INVESTMENTS (CONTINUED)**

**6.2 Investments at fair value through profit or loss (“FVTPL”)**

This represents investments in units of mutual funds, which are governed by the regulation issued by the CMA. These assets are held by the Group for trading due to which it has been classified as current assets. The cost and fair value of investments held at FVTPL are as follows:

	<u>31 March 2022</u>		<u>31 December 2021</u>	
	<u>Cost</u>	<u>Fair value</u>	<u>Cost</u>	<u>Fair value</u>
Money market funds	2,716,389,164	2,758,980,272	2,464,606,786	2,499,724,667
Real estate funds	30,000,000	20,715,442	40,000,000	30,715,442
<b>Total</b>	<b>2,746,389,164</b>	<b>2,779,695,714</b>	<b>2,504,606,786</b>	<b>2,530,440,109</b>

**7. ACCOUNTS RECEIVABLE**

	<i>Notes</i>	<b>31 March 2022</b>	31 December 2021
Accounts receivable:			
- Related parties	26.2	21,873,419	11,652,168
- Others		129,539,239	74,691,162
Less: allowance for credit losses	7.1	<u>(27,989,047)</u>	<u>(25,795,719)</u>
		<b>123,423,611</b>	<b>60,547,611</b>

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

	<b>31 March 2022</b>	31 December 2021
Balance at the beginning of the period /year	25,795,719	26,613,594
Charge / (reversal) for the period /year	<u>2,193,328</u>	<u>(817,875)</u>
<b>Balance at the end of the period /year</b>	<b>27,989,047</b>	<b>25,795,719</b>

**8. PREPAID EXPENSES AND OTHER CURRENT ASSETS**

	<i>Note</i>	<b>31 March 2022</b>	31 December 2021
Advance against purchase of property	8.1	77,500,000	77,500,000
Prepaid insurance expenses		4,357,795	7,920,038
Accrued operational revenue		9,270,517	9,064,755
Advance to employees		4,198,605	5,404,641
Prepaid maintenance expenses		6,108,140	2,744,593
Other receivables		<u>5,614,876</u>	<u>5,425,592</u>
		<b>107,049,933</b>	<b>108,059,619</b>

8.1 This represents an advance paid to purchase a property for establishing the data center in King Abdullah Financial District.

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**9. DEPOSITS WITH SAUDI CENTRAL BANK (SAMA)**

This represents cash collateral received from clearing participants in the form of initial margin, variation margin and default funds for the equity and derivatives markets. It also includes SAR 16.5 million deposited by the Group as per CMA guidelines. Commission is earned on such deposits. Part of the commission is booked by the Group and the clearing members' share of the commission is added to their collateral accounts. These are not available for use by the Group.

	<b>31 March 2022</b>	31 December 2021
	<i>Note</i>	
Deposits with SAMA - relating to Derivatives	<b>21,343,086</b>	28,013,567
Deposits with SAMA - relating to Equities	<i>9.1</i> <b>1,831,728,607</b>	--
	<b><u>1,853,071,693</u></b>	<u>28,013,567</u>

9.1 In preparation of equity clearing operations launch on April 3, 2022, clearing participants have deposited cash collateral in the form of initial margin and default funds.

**10. CASH AND CASH EQUIVALENTS**

	<b>31 March 2022</b>	31 December 2021
Cash at banks – current accounts	<b>101,406,524</b>	76,197,458
	<b><u>101,406,524</u></b>	<u>76,197,458</u>

**11. STATUTORY RESERVE**

In accordance with the Company's by-law and Saudi Arabian Regulations for Companies in the Kingdom of Saudi Arabia, the Company is required to set aside 10% of its net profit each year as statutory reserve. The shareholder in the extraordinary general assembly held on 17th August 2021 has decided to discontinue setting aside such percentage when said reserve reaches 30% of paid-in capital. Since the Company has reached the required reserve level, therefore, no additional transfers were required to be made as at year end. The Company transferred the net surplus above the 30% requirement from the statutory reserve to the retained earnings at year-end. The statutory reserve in the condensed consolidated interim financial statements is the statutory reserve of the Company. This reserve is currently not available for distribution to the shareholders of the Company.

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

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

	<b>For the three-month period ended 31 March 2022</b>	For the year ended 31 December 2021
Balance at beginning of the period/year	<b>96,876,185</b>	91,024,046
Current service cost	<b>2,422,933</b>	9,691,734
Interest cost	<b>434,743</b>	1,738,972
<b>Amount recognised in profit or loss</b>	<b><u>2,857,676</u></b>	<u>11,430,706</u>
Re-measurement loss recognized in other comprehensive income	--	9,885,004
Benefits paid during the period/year	<b>(595,797)</b>	(15,463,571)
<b>Balance at the end of the period / year</b>	<b><u>99,138,064</u></b>	<u>96,876,185</u>



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**12. EMPLOYEES' END-OF-SERVICE BENEFITS LIABILITY (CONTINUED)**

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

	<b>31 March 2022</b>	31 December 2021
Present value of benefits liability	99,138,064	96,876,185
Fair value of plan assets	--	--
<b>Net defined benefits liability</b>	<b><u>99,138,064</u></b>	<b><u>96,876,185</u></b>

**13. MARGIN DEPOSITS FROM CLEARING PARTICIPANTS**

	<i>Notes</i>	<b>31 March 2022</b>	31 December 2021
Collateral from clearing members received for their			
- own account	<i>13.1</i>	1,002,294	1,002,106
- clients	<i>13.2</i>	15,921,411	12,999,401
- initial margin for position	<i>13.3</i>	538,200	385,200
- Muqassa account	<i>13.4</i>	1,815,314,920	--
		<b><u>1,832,776,825</u></b>	<b><u>14,386,707</u></b>

13.1 This represents cash collateral received from clearing members on their own account.

13.2 This represents cash collateral received from clearing members on account of their customers.

13.3 This represents cash collateral from clearing members with position.

13.4 This represents cash collateral from clearing members on Muqassa account. In preparation of equity clearing operations launch on April 3, 2022, clearing participants have deposited cash collateral in the form of initial margin and default funds. Also refer to note 9.1 for details.

**14. MEMBERS' CONTRIBUTION TO CLEARING HOUSE FUNDS**

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

**15. ACCOUNTS PAYABLE**

	<i>Note</i>	<b>31 March 2022</b>	31 December 2021
Trade payables:			
Others		9,740,781	6,701,240
Related parties	<i>26.4</i>	85,476	84,470
		<b><u>9,826,257</u></b>	<b><u>6,785,710</u></b>

**16. BALANCE DUE TO CAPITAL MARKET AUTHORITY (CMA)**

The CMA is entitled to receive a financial return equal to 64% of the total trading commission. The Group collects this return on behalf of the CMA and deposits into the CMA's account based on its instructions.

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**17. DEFERRED REVENUE**

	<b>31 March <u>2022</u></b>	31 December <u>2021</u>
Balance at the beginning of the period/year	3,214,902	3,223,464
Invoiced during the period/year	146,107,022	169,346,097
Recognised as revenue during the period/year	<u>(43,673,408)</u>	<u>(169,354,659)</u>
Balance at the end of the period/year	<u><b>105,648,516</b></u>	<u><b>3,214,902</b></u>

**18. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES**

	<i>Note</i>	<b>31 March <u>2022</u></b>	31 December <u>2021</u>
Accrued employee expenses		60,151,678	100,154,729
Accrued social insurance – General Organization for Social Insurance		2,164,356	1,979,001
Value added tax (VAT), net		12,859,759	6,637,535
Board of Directors remuneration payable	26.4	6,597,834	8,376,167
Accrued supplier expenses:			
- Related party	26.4	11,600,014	10,296,790
- Others		94,780,684	104,646,140
Others		<u>4,095,091</u>	<u>3,994,712</u>
		<u><b>192,249,416</b></u>	<u><b>236,085,074</b></u>

**19. ZAKAT PAYABLE**

Effective 1 January 2021, the Group is subject to Zakat in accordance with the Zakat regulation issued by ZATCA based on Royal Decree 35657 issued on 29/6/1442H.

Movement of Zakat is as follows:

	<b>31 March <u>2022</u></b>	31 December <u>2021</u>
Balance at the beginning of the period/year	66,663,698	83,561,274
Provision for Zakat for the period/year		
- Current period	21,222,308	66,663,698
- Prior period over charge	--	(440,338)
	<u>21,222,308</u>	<u>66,223,360</u>
Zakat paid during the period/year	--	(83,120,936)
Balance at the end of the period/year	<u><b>87,886,006</b></u>	<u><b>66,663,698</b></u>

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

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**20. OPERATING REVENUE**

	<b>For the three-month period ended 31 March</b>	
	<b>2022</b>	2021
<b>Revenue recognized over-time</b>		
Post trade services	22,644,782	21,292,172
Listing services	19,657,850	17,029,338
Data & technology services	22,515,659	19,658,997
Membership	721,594	724,464
Derivatives	73,687	76,425
	<b>65,613,572</b>	58,781,396
<b>Services transferred at point-in-time</b>		
Post trade services	125,007,490	141,642,886
Trading services	99,020,660	127,211,727
Data & technology services	2,094,158	4,194,043
Listing services	1,970,000	170,000
Derivatives	211,112	203,884
Membership	32,000	166,000
	<b>228,335,420</b>	273,588,540
<b>Revenue from contracts with customers</b>	<b>293,948,992</b>	332,369,936

20.1 In accordance with the Council of CMA resolution no. (17/270/6) dated 18 January 2017, the operating revenues arrangement between the Group and CMA effective from 1 January 2017 is as follows:

- As mentioned in note 16, The CMA is entitled to receive a financial return equal to 64% of the total trading commission. The Group shall collect this return on behalf of the CMA and deposit into the CMA's account based on its instructions; However: the CMA share of revenue is not recognized.
- The Group is entitled to keep 100% of operating revenue (except trading commission, which is subject to the above-mentioned financial return sharing arrangement).

20.2 In the current year, the Group has updated the disaggregation of revenue as disclosed in the condensed consolidated interim financial statements. In order to provide comparability to the amounts disclosed in the prior year condensed consolidated interim financial statements, a reconciliation is provided below:

As disclosed in the interim financial statements for the period ended 31 March 2021	Amount	As disclosed in the comparatives of financial statements for the period ended 31 March 2022	Amount
Trading commission	127,211,727	Trading services	127,211,727
Post trade services	162,935,058	Post trade services	162,935,058
Market information services	23,853,040	Data & technology services	23,853,040
Listing services	18,089,802	Listing services	17,199,338
		Membership	890,464
Derivatives	280,309	Derivatives	280,309
	<b>332,369,936</b>		<b>332,369,936</b>

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**21. OPERATING COSTS**

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

	<i>Notes</i>	<b>For the three-month period ended 31 March</b>	
		<u>2022</u>	<u>2021</u>
Salaries and related benefits		32,485,675	32,304,701
CMA fees	21.1	32,500,000	32,500,000
Maintenance, network and access		8,295,843	12,618,298
Depreciation and amortization		8,599,285	10,276,138
Marketing and sponsorship		2,571,244	2,902,301
Security expenses		388,015	309,722
Hospitality and cleaning		460,699	416,889
Consultancy		1,070,013	45,060
Utilities		286,689	166,968
SARIE system usage fees		267,000	164,000
License fees		279,285	133,681
Communication		146,898	121,784
Training		183,193	2,794
Business trips		1,282	--
Shareholder relations		32,192	--
Others		134,007	303,469
		<u>87,701,320</u>	<u>92,265,805</u>

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

**22. GENERAL AND ADMINISTRATIVE EXPENSES**

	<b>For the three-month period ended 31 March</b>	
	<u>2022</u>	<u>2021</u>
Salaries and related benefits	33,460,943	29,960,403
Consultancy	1,336,627	2,536,795
Depreciation and amortization	4,029,220	4,077,920
Maintenance, network and access	2,616,929	3,002,333
Board of Directors' remuneration	2,374,000	1,883,500
License fees	440,981	446,158
Marketing and sponsorship	2,883,848	304,885
Training	476,327	41,998
Hospitality and cleaning	530,268	413,819
Security expenses	532,985	304,278
Stationery and office supplies	225,960	9,805
Insurance	445,822	298,870
Utilities	264,642	164,033
Communications	79,299	110,416
Business trips	--	5,000
Others	607,590	948,280
	<u>50,305,441</u>	<u>44,508,493</u>

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**23. INVESTMENT INCOME**

	<b>For the three-month period ended 31 March</b>	
	<b>2022</b>	<b>2021</b>
<b>- On financial assets at amortised cost:</b>		
Special commission income	355,244	631,944
Commission from deposits with SAMA	37,600	3,312
<b>- On financial assets at fair value through profit or loss:</b>		
Dividend income	1,003,871	1,976,290
Realised gain on sale of investments, net	152,782	555,550
Unrealised gain on investments, net	8,368,971	8,228,384
	<b>9,918,468</b>	<b>11,395,480</b>

**24. BASIC AND DILUTED EARNINGS PER SHARE**

Basic and diluted earnings per share is computed by dividing profit attributable to the ordinary shareholders of the Company by the weighted average outstanding number of shares for the period ended 31 March 2022, totaling 120 million shares (31 March 2021: 120 million shares).

	<b>31 March 2022</b>	<b>31 March 2021</b>
Net profit for the period	<b>140,635,134</b>	179,635,330
Weighted average outstanding number of shares	<b>120,000,000</b>	120,000,000
Earnings per share	<b>1.17</b>	1.50

**25. CONTINGENCIES AND COMMITMENTS**

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

	<b>31 March 2022</b>	<b>31 December 2021</b>
Purchase of assets	<b>11,703,422</b>	9,643,300
Committed expenditure	<b>69,093,071</b>	26,022,315
Letters of guarantee	<b>1,147,940</b>	1,147,940
	<b>81,944,433</b>	<b>36,813,555</b>

**26. TRANSACTIONS WITH RELATED PARTIES**

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

- a) Are owned by the shareholders;
- b) Have common directors on the Company’s BOD; and
- c) Have common directors on the shareholder’s BOD.

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

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

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

The transactions with related parties during the three-month period ended 31 March 2022 in relation to the Group's core activities carried out through the companies of the Group are as follows:

<u>Nature of relationship</u>	<u>Nature of transactions by Group companies</u>					<u>Three month period ended 31 March 2022</u>
	<u>Tadawul Holding Services</u>	<u>Securities Depository Services</u>	<u>Securities Clearing Services</u>	<u>Saudi Exchange Services</u>	<u>Tadawul Advance Solution Services</u>	
<b>Affiliated entities:</b>						
- owned by the shareholder	(69,496)	21,619,001	-	169,409,376	931,500	191,890,381
- with common directors on the Company's BOD	-	-	-	28,131,575	-	28,131,575
- with common directors on the shareholder's BOD	-	1,438,548	34,500	-	-	1,473,048
<b>Total</b>	<b>(69,496)</b>	<b>23,057,549</b>	<b>34,500</b>	<b>197,540,951</b>	<b>931,500</b>	<b>221,495,004</b>

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

<u>Nature of relationship</u>	<u>For the period ended 31 March 2022</u>				
	<u>Opening balance</u>	<u>Invoiced</u>	<u>Collections</u>	<u>Ending balance</u>	<u>Loss allowance</u>
<b>Affiliated entities:</b>					
- owned by the shareholder	10,312,176	191,890,381	(182,058,973)	20,143,584	67,667
- with common directors on the Company's BOD	1,046,038	28,131,575	(27,988,027)	1,189,586	581
- with common directors on the shareholder's BOD	293,954	1,473,048	(1,226,753)	540,249	333
<b>Total</b>	<b>11,652,168</b>	<b>221,495,004</b>	<b>(211,273,753)</b>	<b>21,873,419</b>	<b>68,581</b>

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

26.2 The transactions with related parties during 2021 in relation to the Group's core activities carried out through the companies of the Group are as follows:

<u>Nature of relationship</u>	<u>Nature of transactions by Group companies</u>				Year ended 31 December 2021
	Tadawul Holding Services	Securities Depository Services	Securities Clearing Services	Saudi Exchange Services	
Affiliated entities:					
- owned by the shareholder	209,462,863	47,112,988	690	341,708,497	598,285,038
- with common directors on the Company's BOD	124,780,302	-	-	51,555,897	176,336,199
- with common directors on the shareholder's BOD	69,311,383	3,459,240	38,100	--	72,808,723
<b>Total</b>	<b>403,554,548</b>	<b>50,572,228</b>	<b>38,790</b>	<b>393,264,394</b>	<b>847,429,960</b>

The receivables balance arising from the above transactions are as follows:

<u>Nature of relationship</u>	<u>For the year ended 31 December 2021</u>				
	<u>Opening balance</u>	<u>Invoiced</u>	<u>Collections</u>	<u>Ending balance</u>	<u>Loss allowance</u>
Affiliated entities:					
- owned by the shareholder	2,823,849	598,285,037	(590,796,710)	10,312,176	1,440
- with common directors on the Company's BOD	-	176,336,199	(175,290,161)	1,046,038	4
- with common directors on the shareholder's BOD	4,393,976	72,808,723	(76,908,745)	293,954	156,240
<b>Total</b>	<b>7,217,825</b>	<b>847,429,959</b>	<b>(842,995,616)</b>	<b>11,652,168</b>	<b>157,684</b>

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

<u>Nature of relationship</u>	<u>For the period ended 31 March 2022</u>			
	<u>Opening balance</u>	<u>Purchases/ (Disposals)</u>	<u>Unrealized gain</u>	<u>Ending balance</u>
<b>Affiliated entities with common directors on the Company's BOD</b>	<b>345,367,216</b>	<b>-</b>	<b>1,271,362</b>	<b>346,638,578</b>

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



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

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

For the period ended 31 March 2022				
<u>Nature of relationship</u>	<u>Opening balance</u>	<u>Services received</u>	<u>Payments made</u>	<u>Ending balance</u>
<b>Affiliated entities:</b>				
- owned by the shareholder	10,381,260	1,760,024	(455,794)	11,685,490
- with common directors on the Company's BOD	8,376,167	2,374,000	(4,152,333)	6,597,834
<b>Total</b>	<b>18,757,427</b>	<b>4,134,024</b>	<b>(4,608,127)</b>	<b>18,283,324</b>
For the year ended 31 December 2021				
<u>Nature of relationship</u>	<u>Opening balance</u>	<u>Services received</u>	<u>Payments made</u>	<u>Ending balance</u>
<b>Affiliated entities:</b>				
- owned by the shareholder	7,743,772	9,039,557	(6,402,069)	10,381,260
- with common directors on the Company's BOD	5,903,691	8,184,167	(5,711,691)	8,376,167
<b>Total</b>	<b>13,647,463</b>	<b>17,223,724</b>	<b>(12,113,760)</b>	<b>18,757,427</b>

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

For the period ended 31 March		
	<u>2022</u>	<u>2021</u>
Salaries and other short-term benefits	5,458,091	2,817,854
Post-employment benefits	1,113,719	188,938
Board of Directors' remuneration	2,374,000	1,883,500
	<b>8,945,810</b>	<b>4,890,292</b>

**27. SEGMENT INFORMATION**

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

***Capital markets***

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

***Post trade***

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

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**27. SEGMENT INFORMATION (CONTINUED)**

*Data & technology services*

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

*Corporate*

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

27.1 *Information about reportable segments:*

<u>31 March 2022</u>	<u>Capital markets</u>	<u>Data &amp; technology services</u>	<u>Post- trade</u>	<u>Total</u>
Segment revenue	121,280,303	24,609,817	148,058,872	293,948,992
Segment profit before Zakat	79,319,590	13,450,530	66,992,648	159,762,768
Depreciation and amortisation	5,016,201	706,231	6,022,585	11,745,017
Segment profit after Zakat	79,319,590	13,450,530	66,992,648	159,762,768
<u>31 March 2021</u>	<u>Capital Markets</u>	<u>Data &amp; Technology Services</u>	<u>Post-Trade</u>	<u>Total</u>
Segment revenue	145,037,554	23,853,040	163,479,342	332,369,936
Segment profit before Zakat	101,253,864	13,491,409	83,131,663	197,876,936
Depreciation and amortisation	6,196,634	841,131	6,716,777	13,754,542
Segment profit after Zakat	101,253,864	13,491,409	83,131,663	197,876,936

27.2 *Reconciliation of information on reportable segments to the amounts reported in the financial statements:*

**i. Net profit for the period**

<u>31 March 2022</u>	<u>Capital market</u>	<u>Data &amp; technology services</u>	<u>Post- trade</u>	<u>Total</u>
Total profit before Zakat for reportable segments	79,319,590	13,450,530	66,992,648	159,762,768
Profit before Zakat for other segments				
Unallocated amounts:				
- Other corporate income	-	-	-	8,323,573
- Other corporate expenses	-	-	-	(6,228,899)
Consolidated profit before Zakat	79,319,590	13,450,530	66,992,648	161,857,442
Zakat expense	-	-	-	(21,222,308)
Consolidated profit after Zakat	79,319,590	13,450,530	66,992,648	140,635,134

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**27. SEGMENT INFORMATION (CONTINUED)**

**i. Net profit for the period (CONTINUED)**

<i>31 March 2021</i>	Capital market	Data & technology services	Post- trade	Total
Total profit before zakat for reportable segments	101,253,864	13,491,409	83,131,663	197,876,936
Profit before Zakat for other segments				
Unallocated amounts:				
- Other corporate income	-	-	-	10,821,316
- Other corporate expenses	-	-	-	(3,325,469)
Consolidated profit before zakat	101,253,864	13,491,409	83,131,663	205,372,783
Zakat expense	-	-	-	(25,737,453)
Consolidated profit after zakat	101,253,864	13,491,409	83,131,663	179,635,330

**ii. Operating revenue**

<i>31 March 2022</i>	Capital market	Data & technology services	Post- trade	Total
<b>Revenue recognised at a point-in-time</b>				
Trading services	99,020,660	-	-	99,020,660
Technology services	-	2,094,158	-	2,094,158
Post trade services	-	-	125,007,490	125,007,490
Listing services	1,970,000	-	-	1,970,000
Derivatives	202,012	-	9,100	211,112
Membership	32,000	-	-	32,000
<b>Revenue recognised over-time</b>				
Trading services	-	-	-	-
Data & technology services	-	22,515,659	-	22,515,659
Post trade services	-	-	22,644,782	22,644,782
Listing services	19,657,850	-	-	19,657,850
Derivatives	28,687	-	45,000	73,687
Membership	369,094	-	352,500	721,594
<b>Consolidated revenue</b>	<b>121,280,303</b>	<b>24,609,817</b>	<b>148,058,872</b>	<b>293,948,992</b>

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**27. SEGMENT INFORMATION (CONTINUED)**

<i>31 March 2021</i>	Capital market	Data & technology services	Post- trade	Total
Revenue recognised at a point-in-time				
Trading services	127,211,727	-	-	127,211,727
Data & technology services	-	4,194,043	-	4,194,043
Post trade	-	-	141,642,886	141,642,886
Listing services	170,000	-	-	170,000
Derivatives	199,764	-	4,120	203,884
Membership	46,000	-	120,000	166,000
Revenue recognised over-time				
Trading services	-	-	-	-
Data & technology services	-	19,658,997	-	19,658,997
post trade	-	-	21,292,172	21,292,172
Listing services	17,029,338	-	-	17,029,338
Derivatives	31,425	-	45,000	76,425
Membership	349,300	-	375,164	724,464
Consolidated revenue	145,037,554	23,853,040	163,479,342	332,369,936

**28. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

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

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

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

***Risk management framework***

The Board of Directors has an overall responsibility for the establishment and oversight of the Group's risk management framework. The Board is responsible for developing and monitoring the Group's risk management policies. Furthermore, the Board reviews reports from relevant committees in relation to the above on a regular basis.

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

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**28. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)**

*Risk management structure*

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

*Board of Directors*

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

*Senior management*

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

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

**28.1 Market risk**

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

*Price risk*

Price risk is the risk that the value of financial instruments will fluctuate due to changes in market prices. The Group's price risk exposure relates to its quoted investments in mutual funds whose values will fluctuate as a result of changes in market prices.

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

	<b>For the three-month period ended</b>	
	<b>31 March</b>	
	<b><u>2022</u></b>	<b><u>2021</u></b>
Effect on profit for the period	(+/-)27,796,957	(+/-)30,321,660

*Currency risk*

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

*Commission rate risk*

Commission risk is the exposure to multiple risks related to the impact of changes in commission rates in the market on the Group's financial position and cash flows. The Group monitors the fluctuations in commission rates and believes that the impact of the risk is not significant as financial instruments held by the Group are not exposed to a variable commission rate risk.

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**28. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)**

**28.2 Credit risk**

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

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

	<b>31 March 2022</b>	31 December 2021
Investments at amortized cost	<b>55,332,785</b>	156,565,076
Advance for purchase of property	<b>77,500,000</b>	77,500,000
Cash and cash equivalents	<b>101,406,524</b>	76,197,458
Accounts receivable	<b>123,423,611</b>	60,547,611
Deposits with SAMA	<b>1,853,071,693</b>	28,013,567
Accrued operational revenue	<b>9,270,517</b>	9,064,755
Other receivables	<b>5,614,876</b>	5,425,592
Advance to employees	<b>4,198,605</b>	5,404,641
	<b><u>2,229,818,611</u></b>	<u>418,718,700</u>

Cash and cash equivalents

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

<u>Fitch</u>		<u>Moody's</u>	
<u>Long term</u>	<u>Short term</u>	<u>Long term</u>	<u>Short term</u>
BBB+	F2	A1	P1

Investments at amortized cost

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

Deposits with SAMA

This represents deposits with Saudi Central Bank, the central bank of the Kingdom of Saudi Arabia. Therefore, no significant credit risk is involved.

Accounts receivable

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

Accrued operational revenue

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

Advance to employees

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

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**28. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)**

**28.2 Credit risk (CONTINUED)**

Advance for purchase of property

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

Other receivables

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

**28.3 Concentration of credit risk**

The following table provides information about the exposure to credit risk and expected credit losses for receivables as at 31 March 2022.

	<u>Weighted average loss rate %</u>	<u>Gross carrying amount</u>	<u>Loss allowance</u>	<u>Credit impaired</u>
0-30 days (not past due)	0.29	64,173,019	186,667	No
30-60 days	1.07	36,367,576	389,315	No
61-90 days	1.32	1,839,748	24,198	No
91-120 days	3.65	683,075	24,957	No
121-180 days	17.86	454,017	81,093	Yes
181-360 days	30.23	909,003	274,781	Yes
More than 360 days past due	57.48	46,986,220	27,008,036	Yes
		<u>151,412,658</u>	<u>27,989,047</u>	

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

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

**28.4 Operational risk**

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



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**28 . FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)**

**28.4 Operational risk**

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

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

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**28. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)**

**28.5 Liquidity risk**

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

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

	31 March 2022			31 December 2021			
	Carrying amount	Less than 12 months	More than 12 months	Total	Less than 12 months	More than 12 months	Total
<b>Financial assets at fair value:</b>							
Investments	2,835,028,499	2,779,695,714	55,332,785	2,835,028,499	2,631,732,808	55,272,377	2,687,005,185
<b>Financial assets at amortised cost:</b>							
Cash and cash equivalents	101,406,524	101,406,524	--	101,406,524	76,197,458	-	76,197,458
Deposits with SAMA	1,853,071,693	1,853,071,693	--	1,853,071,693	28,013,567	-	28,013,567
Account receivables	123,423,611	123,423,611	--	123,423,611	60,547,611	-	60,547,611
Accrued operational revenue	9,270,517	9,270,517	--	9,270,517	9,064,755	-	9,064,755
Advance to employees	4,198,605	4,198,605	--	4,198,605	5,404,641	-	5,404,641
Advance for purchase of property	77,500,000	77,500,000	--	77,500,000	77,500,000	-	77,500,000
Other receivables	5,614,876	5,614,876	--	5,614,876	5,425,592	-	5,425,592
<b>Total financial assets</b>	<b>5,009,514,325</b>	<b>4,954,181,540</b>	<b>55,332,785</b>	<b>5,009,514,325</b>	<b>2,893,886,432</b>	<b>55,272,377</b>	<b>2,871,658,809</b>
<b>Financial liabilities at amortised cost</b>							
Margin deposits from clearing participants	1,832,776,825	1,832,776,825	--	1,832,776,825	14,386,707	-	14,386,707
Members' contribution to clearing house funds	3,760,368	3,760,368	--	3,760,368	3,626,642	-	3,626,642
Lease liability	11,571,729	11,571,729	--	11,571,729	982,913	-	982,913
Accounts payable	9,826,257	9,826,257	--	9,826,257	6,785,710	-	6,785,710
Balance due to Capital Market Authority	33,065,570	33,065,570	--	33,065,570	22,280,843	-	22,280,843
Accrued expenses and other current liabilities	192,249,416	192,249,416	--	192,249,416	236,085,074	-	236,085,074
<b>Total financial liabilities</b>	<b>2,083,250,165</b>	<b>2,083,250,165</b>	<b>--</b>	<b>2,083,250,165</b>	<b>284,147,889</b>	<b>--</b>	<b>284,147,889</b>
<b>Net financial assets</b>	<b>2,926,264,160</b>	<b>2,870,931,375</b>	<b>55,332,785</b>	<b>2,926,264,160</b>	<b>2,609,738,543</b>	<b>55,272,377</b>	<b>2,665,010,920</b>

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**29. FAIR VALUE OF FINANCIAL INSTRUMENTS**

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

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

When measuring the fair value, the Group uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

	Carrying Value	31 March 2022			Total fair value
		Level 1	Level 2	Level 3	
<b>Investments</b>					
- at amortised cost Sukuks	<u>55,332,785</u>	--	<u>55,332,785</u>	--	<u>55,332,785</u>
- at FVTPL	<u>2,758,980,272</u>	--	<u>2,758,980,272</u>	--	<u>2,758,980,272</u>
Money market funds and Real estate funds	<u>20,715,442</u>	--	<u>20,715,442</u>	--	<u>20,715,442</u>

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**29. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)**

	Carrying Value	31 December 2021			Total fair value
		Level 1	Level 2	Level 3	
<b>Investments</b>					
- at amortised cost Sukuks	<u>156,565,076</u>	<u>--</u>	<u>156,565,076</u>	<u>--</u>	<u>156,565,076</u>
- at FVTPL	<u>2,499,724,667</u>	<u>--</u>	<u>2,499,724,667</u>	<u>--</u>	<u>2,499,724,667</u>
Money market funds and Real estate funds	<u>30,715,442</u>	<u>--</u>	<u>30,715,442</u>	<u>--</u>	<u>30,715,442</u>

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

**30. SUBSEQUENT EVENTS**

There is no event subsequent to the period which requires adjustment to or disclosure in these condensed consolidated interim financial statements.

**31. DIVIDEND**

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

**32. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements have been approved by the Board of Directors on 13 Shawwal 1443H corresponding to 14 May 2022.