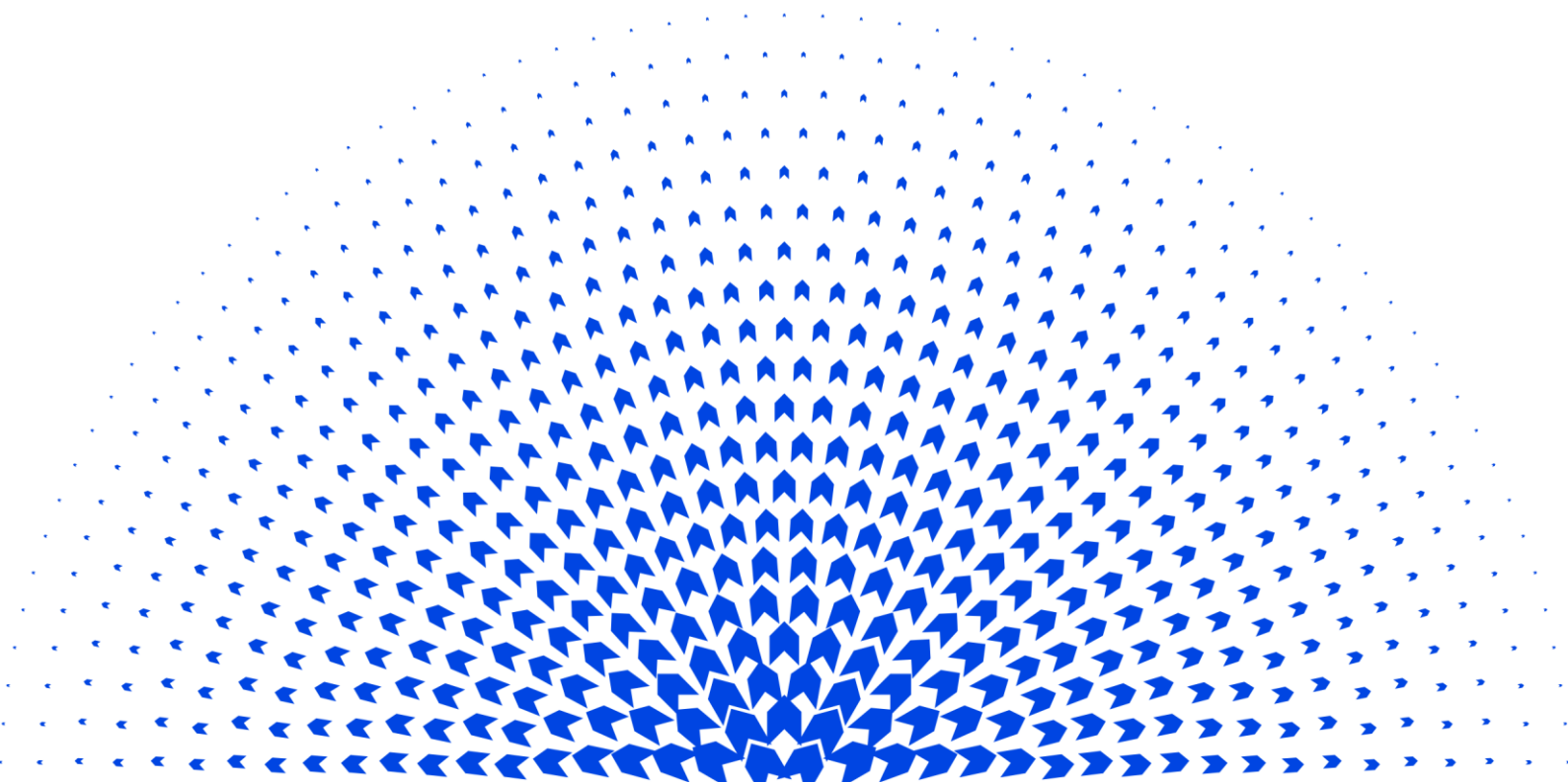


مجموعة تداول السعودية
Saudi Tadawul Group

Q2 2022

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

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





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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF SAUDI TADAWUL GROUP HOLDING COMPANY (A SAUDI JOINT STOCK COMPANY)

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Saudi Tadawul Group Holding Company (A Saudi Joint Stock Company) (the "Company") and its subsidiaries (collectively referred to as the "Group") as at 30 June 2022 and the related condensed consolidated interim statements of comprehensive income for the three-month and six-month periods then ended, and the related condensed consolidated interim changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of review

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

Conclusion

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

Other matter

The consolidated financial statements of the Group for the year ended 31 December 2021 were audited by another auditor who express an unmodified opinion on those consolidated financial statements on 09 March 2022. Further, the condensed consolidated interim financial statements of the Group for the six-month period ended 30 June 2021 were reviewed by another auditor who express and unmodified review conclusion on those financial statements on 17 August 2021.

for Ernst & Young Professional Services

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

Riyadh: 15 Muharram 1444H
(13 August 2022)





CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

(Saudi Arabian Riyals)

	Notes	30 June 2022 (Unaudited)	31 December 2021 (Audited)
ASSETS			
Non-current assets			
Property and equipment		51,824,406	56,056,384
Intangible assets		158,838,106	144,727,277
Equity-accounted investee	5	373,220,618	375,616,085
Right of use assets		11,816,355	7,120,394
Investments	6	55,494,539	55,272,377
Total non-current assets		651,194,024	638,792,517
Current assets			
Accounts receivable	7	80,369,228	60,547,611
Prepaid expenses and other current assets	8	109,306,720	108,059,619
Investments	6	2,508,185,691	2,631,732,808
Clearing participant financial assets	9	4,028,652,670	18,013,567
Cash and cash equivalents	10	158,942,777	86,197,458
Total current assets		6,885,457,086	2,904,551,063
Total assets		7,536,651,110	3,543,343,580
EQUITY AND LIABILITIES			
Equity			
Share capital	1	1,200,000,000	1,200,000,000
Statutory reserve	11	360,000,000	360,000,000
Retained earnings		1,450,745,212	1,532,440,906
Total equity		3,010,745,212	3,092,440,906
Non-current liability			
Employees' end-of-service benefits liability	12	100,847,285	96,876,185
Total non-current liability		100,847,285	96,876,185
Current liabilities			
Clearing participant financial liabilities	13	4,026,450,225	18,013,349
Lease liability		5,708,066	982,913
Accounts payable	14	11,696,954	6,785,710
Balance due to Capital Market Authority (CMA)	15	58,619,375	22,280,843
Deferred revenue	16	58,997,670	3,214,902
Accrued expenses and other current liabilities	17	226,597,698	236,085,074
Zakat payable	18	36,988,625	66,663,698
Total current liabilities		4,425,058,613	354,026,489
Total liabilities		4,525,905,898	450,902,674
Total equity and liabilities		7,536,651,110	3,543,343,580

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



Chairperson

On his behalf
Abdullah Alsharrah



Group Chief Executive Officer



Group Chief Financial Officer

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three-month and six-month periods ended 30 June 2022

(Saudi Arabian Riyals)

	Notes	For the three-month period ended 30 June		For the six-month period ended 30 June	
		2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Unaudited)
Operating revenue	19	298,112,221	313,537,847	592,061,213	645,907,783
Operating costs	20	(101,350,999)	(82,352,022)	(189,052,319)	(174,617,827)
Gross profit		196,761,222	231,185,825	403,008,894	471,289,956
General and administrative expenses	21	(57,858,500)	(55,219,301)	(108,359,700)	(98,383,590)
Impairment loss on financial assets		(1,344,548)	(96,034)	(3,504,831)	(1,069,855)
Operating profit		137,558,174	175,870,490	291,144,363	371,836,511
Investment income	22	14,352,330	5,771,213	24,270,798	17,166,693
Share of net loss in an equity-accounted investee	5	(800,370)	(895,100)	(2,395,467)	(1,623,446)
Finance cost		(42,850)	(73,083)	(95,170)	(143,432)
Other income		2,836,749	2,608	2,836,951	156,789
Non-operating profit		16,345,859	4,805,638	24,617,112	15,556,604
Profit before zakat for the period		153,904,033	180,676,128	315,761,475	387,393,115
Zakat expense	18	(16,234,861)	388,556	(37,457,169)	(25,348,897)
Net profit for the period		137,669,172	181,064,684	278,304,306	362,044,218
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		137,669,172	181,064,684	278,304,306	362,044,218
Basic and diluted earnings per share	23	1.15	1.51	2.32	3.02

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



Chairperson

On his behalf
Alhasan Ashman



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 six-month period ended 30 June 2022

(Saudi Arabian Riyals)

	<u>Share capital</u>	<u>Statutory reserve</u>	<u>General reserve</u>	<u>Retained earnings</u>	<u>Total equity</u>
Balance as at 1 January 2022	1,200,000,000	360,000,000	-	1,532,440,906	3,092,440,906
Net profit for the period	-	-	-	278,304,306	278,304,306
Dividends (Note 31)	-	-	-	(360,000,000)	(360,000,000)
Balance as at 30 June 2022	<u>1,200,000,000</u>	<u>360,000,000</u>	<u>-</u>	<u>1,450,745,212</u>	<u>3,010,745,212</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	-	-	-	362,044,218	362,044,218
Dividends (Note 31)	-	-	-	(1,120,000,000)	(1,120,000,000)
Balance as at 30 June 2021	<u>1,200,000,000</u>	<u>376,963,633</u>	<u>1,114,180,214</u>	<u>185,522,750</u>	<u>2,876,666,597</u>

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


Chairperson

On his behalf
Alhasan Ashram 
Group Chief Executive Officer


Group Chief Financial Officer



CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the six-month period ended 30 June 2022

(Saudi Arabian Riyals)

		For the six-month period ended 30 June	
	Notes	2022 (Unaudited)	2021 (Unaudited)
Cash flows from operating activities			
Profit before zakat for the period		315,761,475	387,393,115
<i>Adjustments to reconcile profit before zakat for the period to net cash generated from operating activities:</i>			
Depreciation and amortization	20,21	30,323,821	28,550,496
Charge for credit losses on accounts receivable	7	3,537,139	1,055,984
(Reversal)/ charge for impairment on investments held at amortized cost	6, 1, 1	(32,308)	13,871
Provision for employees' end-of-service benefits	12	6,189,478	5,715,353
Realised gain on sale of investments	22	(2,722,680)	(4,421,141)
Unrealised gain on investments	22	(16,237,164)	(7,610,051)
Dividend income	22	(2,888,263)	(3,577,030)
Special commission income	22	(875,433)	(1,551,767)
Commission from deposits with SAMA	22	(1,245,299)	(6,704)
Commission from SAMA Bills	22	(301,959)	-
Share of loss in equity-accounted investee	5	2,395,467	1,623,446
Interest expense on lease liability		95,170	143,432
Changes in operating assets and liabilities:			
Accounts receivable		(23,358,756)	(35,153,498)
Prepaid expenses and other current assets		(1,247,101)	6,707,746
Accounts payable		4,911,244	10,239,471
Balance due to Capital Market Authority		36,338,532	30,554,969
Deferred revenue		55,782,768	48,936,767
Accrued expenses and other current liabilities		(9,487,376)	(15,291,648)
Clearing participant financial assets		(4,010,207,236)	5,382,823
Clearing participant financial liabilities		4,008,436,876	(5,382,822)
Cash generated from operations		395,168,395	453,322,812
Employees' end-of-service benefits paid	12	(2,218,378)	(6,263,967)
Zakat paid	18	(67,132,242)	(83,120,936)
Net cash generated from operating activities		325,817,775	363,937,909
Cash flows from investing activities			
Purchase of investments		(619,557,355)	(1,596,053,720)
Proceeds from disposal of investments		762,749,895	2,477,251,172
Special commission income received		700,501	1,270,833
Dividend income received		2,891,887	3,454,647
Commission from SAMA Bills received		172,050	-
Purchase of intangible assets and property and equipment		(32,392,137)	(15,905,186)
Net cash generated from investing activities		114,564,841	870,017,746
Cash flows from financing activities			
Interest payment of lease liability		(95,170)	(143,432)
Principal repayment of lease liability		(7,542,127)	(7,299,964)
Dividends paid	30	(360,000,000)	(1,120,000,000)
Net cash used in financing activities		(367,637,297)	(1,127,443,396)
Net increase in cash and cash equivalents		72,745,319	106,512,259
Cash and cash equivalents at the beginning of the period		86,197,458	106,798,376
Cash and cash equivalents at end of the period	10	158,942,777	213,310,635

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


Chairperson

On his behalf
Alhasan Ashrafi

Group Chief Executive Officer


Group Chief Financial Officer



1. GENERAL

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

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

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

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

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

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

The Company's registered address is as follows:

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



1. GENERAL (CONTINUED)

1.1 Details of the Company's subsidiaries

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



2. BASIS OF PREPARATION

2.1 *Statement of compliance*

These interim condensed consolidated interim financial statements for the period ended 30 June 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 consolidated interim financial statements do not include all information and disclosures required for a complete set of financial statements and should be read in conjunction with the Group’s last annual financial statements 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 for the year ended December 31, 2021. During the period ended 30 June 2022, there was an addition in the intangible assets whereby the estimated useful life of intangible assets ranges from 6 to 10 years.

3. BASIS OF CONSOLIDATION

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

In assessing control, the Group considers both substantive rights that it holds and substantive rights held by others. The financial statements of subsidiaries are included in the condensed consolidated interim financial statements from the date that control commences until the date control ceases and it derecognises the assets & 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 arising from intra-group transactions, are eliminated.

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



4. NEW STANDARDS AND AMENDMENTS ISSUED

Standards issued but not yet effective

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

New standards or amendments for 2022 and forthcoming requirements

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

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

New currently effective requirements:

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

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)



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three-month and six-month periods ended 30 June 2022

(Saudi Arabian Riyals)

5. EQUITY-ACCOUNTED INVESTEE

This represents the Company's share of investment in Tadawul Real Estate Company ("the Associate"), a company incorporated in the Kingdom of Saudi Arabia, where the Company has significant influence through voting rights. As at 30 June 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 six-month period ended 30 June 2022, based on the quarterly management accounts of the Associate.

The movement of investment in the Associate is as follows:

	For the six-month period ended 30 June 2022	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	(2,395,467)	(3,279,208)
Balance at end of the period / year	<u>373,220,618</u>	<u>375,616,085</u>

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

	30 June 2022	31 December 2021
Summarized statement of financial position		
Total current assets	29,131,215	86,103,297
Total non-current assets	2,282,469,535	2,233,751,094
Total current liabilities	82,683,931	1,073,045,160
Total non-current liabilities	1,038,936,179	49,595,898
Net assets (100%)	1,189,980,640	1,197,213,333
Summarized statement of profit or loss and other comprehensive income		
Total revenue	-	-
Net loss	(7,232,693)	(9,900,948)
Total comprehensive loss for the period / year	(7,232,693)	(9,900,948)



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three-month and six-month periods ended 30 June 2022

(Saudi Arabian Riyals)

6. INVESTMENTS

Investment securities portfolios are summarized as follows:

	<i>Notes</i>	30 June 2022	31 December 2021
Non-current			
Investments at amortized cost	6.1	55,494,539	55,272,377
		<u>55,494,539</u>	<u>55,272,377</u>
Current			
Investments at amortized cost		-	101,292,699
Investments at FVTPL	6.2	2,508,185,691	2,530,440,109
Sub-total		<u>2,508,185,691</u>	<u>2,631,732,808</u>

6.1 Investments at amortized cost:

This represents investment in Sukuks issued by counterparties operating in the Kingdom of Saudi Arabia having sound credit ratings. The Sukuk carry an average commission rate of 3.3% per annum during the six-month period ended 30 June 2022 (31 December 2021: 2.4% - 2.5%). The commission is based on Saudi Interbank Offered Rate (SIBOR) plus a margin.

The details of these investments are as follow:

	30 June 2022	31 December 2021
Investment in Sukuk – Bank Albilad	55,509,093	55,286,298
Investment in Sukuk – GACA	-	101,325,640
Impairment loss on investments at amortized cost (6.1.1)	(14,554)	(46,862)
Total	<u>55,494,539</u>	<u>156,565,076</u>

	30 June 2022	31 December 2021
Investment at amortized cost – non current	55,494,539	55,272,377
Investment at amortized cost – current	-	101,292,699
Total	<u>55,494,539</u>	<u>156,565,076</u>

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

	30 June 2022	31 December 2021
Balance at the beginning of the period / year	46,862	43,865
(Reversal) / charge for the period / year	(32,308)	2,997
Balance at the end of the period / year	<u>14,554</u>	<u>46,862</u>

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

30 June 2022

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

31 December 2021

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



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three-month and six-month periods ended 30 June 2022

(Saudi Arabian Riyals)

6. INVESTMENTS (CONTINUED)**6.2 Investments at fair value through profit or loss ("FVTPL")**

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

	30 June 2022		31 December 2021	
	Cost	Fair value	Cost	Fair value
Money market funds	2,446,974,831	2,488,841,422	2,464,606,786	2,499,724,667
Real estate funds	30,000,000	19,344,269	40,000,000	30,715,442
Total	2,476,974,831	2,508,185,691	2,504,606,786	2,530,440,109

7. ACCOUNTS RECEIVABLE

	Notes	30 June 2022	31 December 2021
Accounts receivable:			
- Related parties	25.1	16,149,450	11,652,168
- Others		93,552,636	74,691,162
Less: allowance for credit losses	7.1	(29,332,858)	(25,795,719)
Total		80,369,228	60,547,611

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

	30 June 2022	31 December 2021
Balance at the beginning of the period / year	25,795,719	26,613,594
Charge / (reversal) for the period / year	3,537,139	(817,875)
Balance at the end of the period / year	29,332,858	25,795,719

8. PREPAID EXPENSES AND OTHER CURRENT ASSETS

	Note	30 June 2022	31 December 2021
Advance against purchase of property	8.1	77,500,000	77,500,000
Prepaid insurance expenses		1,290,997	7,920,038
Accrued operational revenue		5,976,963	9,064,755
Advance to employees		7,068,139	5,404,641
Prepaid maintenance expenses		11,460,409	2,744,593
Other receivables		6,010,212	5,425,592
Total		109,306,720	108,059,619

8.1 This represents an advance paid to SAMA as partial payment for purchasing part of a property in King Abdullah Financial District where Group's data center is housed.



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9. CLEARING PARTICIPANT FINANCIAL ASSETS

<i>Financial assets at amortised cost:</i>	<i>Notes</i>	30 June 2022	31 December 2021
Deposits with Saudi Central Bank (SAMA)	9.1	2,329,508,673	18,013,567
Investment in SAMA Bills	9.2	1,699,143,997	-
		<u>4,028,652,670</u>	<u>18,013,567</u>

9.1 Deposits with Saudi Central Bank (SAMA):

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

	<i>Note</i>	30 June 2022	31 December 2021
Deposits with SAMA - relating to Derivatives		20,169,924	18,013,567
Deposits with SAMA - relating to Equities		2,309,338,749	-
		<u>2,329,508,673</u>	<u>18,013,567</u>

9.2 Investment in SAMA Bills:

	<i>Note</i>	30 June 2022	31 December 2021
Investment in SAMA Bills	9.2.1	1,699,143,997	-

9.2.1 These represent investment in SAMA Bills from deposits (refer note 9.1) received from clearing participants in the form of initial margin, variation margin and default funds for the equity and derivatives markets. Commission is earned on such Bills. A portion of the commission is recorded as commission income from SAMA Bills in investment income (refer note 22) by the Group and the clearing members' share of the commission earned is added to their collateral accounts. These funds are restricted in use for the operations of the Group.

10. CASH AND CASH EQUIVALENTS

	30 June 2022	31 December 2021
Cash at banks – current accounts	142,442,277	76,197,458
Cash at banks – SAMA deposits	16,500,500	10,000,000
	<u>158,942,777</u>	<u>86,197,458</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. The Company has reached the required reserve level. The statutory reserve in the condensed consolidated interim financial statements is the statutory reserve of the Company. This reserve is currently not available for distribution to the shareholders of the Company.



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12. EMPLOYEES' END-OF-SERVICE BENEFITS LIABILITY

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

	For the six-month period ended 30 June 2022	For the year ended 31 December 2021
Balance at beginning of the period/year	96,876,185	91,024,046
Current service cost	5,032,221	9,691,734
Interest cost	1,157,257	1,738,972
Amount recognised in profit or loss	6,189,478	11,430,706
Re-measurement loss recognized in other comprehensive income	-	9,885,004
Benefits paid during the period/year	(2,218,378)	(15,463,571)
Balance at the end of the period / year	<u>100,847,285</u>	<u>96,876,185</u>

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

	30 June 2022	31 December 2021
Present value of benefits liability	100,847,285	96,876,185
Fair value of plan assets	-	-
Net defined benefits liability	<u>100,847,285</u>	<u>96,876,185</u>

13. CLEARING PARTICIPANT FINANCIAL LIABILITIES

<i>Financial liabilities at amortised cost:</i>	<i>Notes</i>	30 June 2022	31 December 2021
Collateral from clearing members	13.1	4,022,897,823	14,386,707
Members' contribution to clearing house funds	13.2	3,552,402	3,626,642
		<u>4,026,450,225</u>	<u>18,013,349</u>

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

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

14. ACCOUNTS PAYABLE

	<i>Note</i>	30 June 2022	31 December 2021
Trade payables:			
Others		11,590,749	6,701,240
Related parties	25.4	106,205	84,470
Total		<u>11,696,954</u>	<u>6,785,710</u>

15. BALANCE DUE TO CAPITAL MARKET AUTHORITY (CMA)

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

16. DEFERRED REVENUE

	30 June 2022	31 December 2021
Balance at the beginning of the period / year	3,214,902	3,223,464
Invoiced during the period / year	149,431,073	169,346,097
Recognised as revenue during the period / year	(93,648,305)	(169,354,659)
Balance at the end of the period / year	<u>58,997,670</u>	<u>3,214,902</u>



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17. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	<i>Notes</i>	30 June 2022	31 December 2021
Accrued employee expenses		80,584,551	100,154,729
Accrued social insurance – General Organization for Social Insurance		2,193,809	1,979,001
Value added tax (VAT), net		4,991,759	6,637,535
Board of Directors remuneration payable	25.4	3,983,333	8,376,167
Accrued supplier expenses:			
- Related party	25.4	11,135,359	10,296,790
- Others		116,745,720	104,646,140
Others		6,963,167	3,994,712
Total		226,597,698	236,085,074

18. ZAKAT PAYABLE

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

The movement in zakat payable is as follows:

	30 June 2022	31 December 2021
Balance at the beginning of the period / year	66,663,698	83,561,274
Provision for Zakat for the period / year		
- Current period	36,988,625	66,663,698
- Prior year under / (over) provision	468,544	(440,338)
	37,457,169	66,223,360
Zakat paid during the period / year	(67,132,242)	(83,120,936)
Balance at the end of the period / year	36,988,625	66,663,698

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



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19. OPERATING REVENUE

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenue recognized over-time				
Post trade services	23,919,878	21,446,612	46,564,660	42,738,784
Listing services	20,245,144	17,099,189	39,902,994	34,128,527
Data and technology services	20,829,738	22,929,158	43,345,397	42,588,156
Membership	799,129	760,300	1,520,723	1,484,764
Derivatives	73,688	76,425	147,375	152,850
	65,867,577	62,311,684	131,481,149	121,093,081
Services transferred at point-in-time				
Post trade services	134,873,296	132,891,676	259,880,786	274,534,562
Trading services	88,941,504	116,293,022	187,962,164	243,504,748
Data and technology services	1,425,415	762,515	3,519,573	4,956,558
Listing services	6,244,196	1,020,000	8,214,196	1,190,000
Derivatives	10,733	222,450	221,845	426,334
Membership	749,500	36,500	781,500	202,500
	232,244,644	251,226,163	460,580,064	524,814,702
Revenue from contracts with customers	298,112,221	313,537,847	592,061,213	645,907,783

- 19.1 On 26 March 2022 a resolution was passed by the Council of CMA - resolution no. (1/41/2022) according to which effective from 3 April 2022, CMA is entitled to receive 60 % of the total trading commission (30 June 2021: 64%). Other than trading commission, the Group is entitled to keep 100% of operating revenue.

20. OPERATING COSTS

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

	<i>Notes</i>	For the three-month period ended 30 June		For the six-month period ended 30 June	
		<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Salaries and related benefits		38,717,865	30,917,569	71,388,015	63,225,064
CMA fees	20.1	28,500,000	18,000,000	61,000,000	50,500,000
Technology and network		14,184,018	17,745,419	23,026,146	30,661,398
Depreciation and amortization	20.2	12,496,761	10,402,462	21,096,046	20,822,032
Consultancy		3,348,434	741,595	4,418,447	786,655
Marketing and public relations		1,238,265	2,224,667	3,841,701	5,130,213
Accommodation and utilities		1,310,913	1,319,596	2,593,214	2,334,959
Others		1,554,743	1,000,714	1,688,750	1,157,506
Total		101,350,999	82,352,022	189,052,319	174,617,827

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



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21. GENERAL AND ADMINISTRATIVE EXPENSES

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2022	2021	2022	2021
Salaries and related benefits	41,162,001	37,055,778	75,099,271	67,198,677
Technology and network	4,105,956	5,669,952	7,163,866	9,112,724
Depreciation and amortization	5,198,555	4,994,750	9,227,775	7,728,464
Consultancy	1,613,432	1,171,221	2,950,059	3,708,016
Marketing and public relations	2,385,156	820,279	5,269,004	1,246,528
Accommodation and utilities	1,619,647	2,690,998	3,472,663	3,982,414
Board of Directors' remuneration	1,768,093	2,105,833	4,142,093	3,989,333
Others	5,660	710,490	1,034,969	1,417,434
Total	57,858,500	55,219,301	108,359,700	98,383,590

22. INVESTMENT INCOME

Note	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2022	2021	2022	2021
Special commission income	520,189	919,823	875,433	1,551,767
Dividend income	1,884,392	1,600,740	2,888,263	3,577,030
Realised gain on sale investments, net	2,569,898	3,865,591	2,722,680	4,421,141
Unrealised gain / (loss) on investments, net	7,868,193	(618,333)	16,237,164	7,610,051
Commission from SAMA deposits	1,207,699	3,392	1,245,299	6,704
Commission from SAMA Bills	301,959	-	301,959	-
Total	14,352,330	5,771,213	24,270,798	17,166,693

23. BASIC AND DILUTED EARNINGS PER SHARE

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

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2022	2021	2022	2021
Net profit for the period	137,669,172	181,064,684	278,304,306	362,044,218
Weighted average outstanding number of shares	120,000,000	120,000,000	120,000,000	120,000,000
Earnings per share	1.15	1.51	2.32	3.02

24. CONTINGENCIES AND COMMITMENTS

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

	30 June 2022	31 December 2021
Capital expenditure commitments	23,615,779	9,643,300
Operating expenditure commitments	66,091,936	26,022,315
Letters of guarantee	1,147,940	1,147,940
	90,855,655	36,813,555

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



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25. 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:

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

25.1 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 six-month period ended 30 June 2022 in relation to the Group's activities carried out through the companies of the Group are as follows:

Nature of transactions by Group companies

Nature of relationship	Tadawul Holding Services	Securities Depository Services	Securities Clearing Services	Saudi Exchange Services	Tadawul Advance Solution Services	Six month period ended 30 June 2022
Affiliated entities:						
- owned by the shareholder	(69,496)	35,585,457	6,112,099	298,035,486	931,500	340,595,046
- with common directors on the Company's BOD	-	-	-	62,656,136	-	62,656,136
- with common directors on the shareholder's BOD	-	2,611,327	9,980,531	-	-	12,591,858
Total	(69,496)	38,196,784	16,092,630	360,691,622	931,500	415,843,040

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

For the period ended 30 June 2022

Nature of relationship	Opening balance	Invoiced	Collections	Ending balance	Loss allowance
Affiliated entities:					
- owned by the shareholder	10,312,176	340,595,046	(336,559,655)	14,347,567	212,375
- with common directors on the Company's BOD	1,046,038	62,656,136	(63,024,285)	677,889	192
- with common directors on the shareholder's BOD	293,954	12,591,858	(11,761,818)	1,123,994	-
Total	11,652,168	415,843,040	(411,345,758)	16,149,450	212,567



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25. TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

25.2 The transactions with related parties during 31 December 2021 in relation to the Group's core activities carried out through the companies of the Group are as follows:

Nature of relationship	Nature of transactions by Group companies				Year ended 31 December
	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
Total	403,554,548	50,572,228	38,790	393,264,394	847,429,960

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

Nature of relationship	For the year ended 31 December 2021				
	Opening balance	Invoiced	Collections	Ending balance	Loss allowance
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
Total	7,217,825	847,429,959	(842,995,616)	11,652,168	157,684

The transactions with related parties during 30 June 2021 in relation to the Group's core activities carried out through the companies of the Group are as follows:

Nature of relationship	Nature of transactions by Group companies				
	Tadawul Holding Services	Securities Depository Services	Securities Clearing Services	Saudi Exchange Services	Six month period ended 30 June 2021
Affiliated entities:					
- owned by the shareholder	170,065,081	25,471,783	-	45,288,730	240,825,594
- with common directors on the Company's BOD	193,729,572	1,621,099	-	10,182,216	205,532,886
- with common directors on the shareholder's BOD	1,157,798	-	37,065	-	1,194,862
Total	364,952,451	27,092,882	37,065	55,470,946	447,553,342

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

Nature of relationship	For the period ended 30 June 2022			
	Opening balance	Purchases/ (Disposals)	Unrealized gain	Ending balance
Affiliated entities with common directors on the Company's BOD	345,367,216	(95,989,946)	2,629,728	252,006,998
Nature of relationship	For the year ended 31 December 2021			
	Opening balance	Purchases/ (Disposals)	Unrealized gain	Ending balance
Affiliated entities with common directors on the Company's BOD	1,142,833,446	(803,923,117)	6,456,887	345,367,216
Nature of relationship	For the period ended 30 June 2021			
	Opening balance	Purchases/ (Disposals)	Unrealized gain	Ending balance
Affiliated entities with common directors on the Company's BOD	712,260,247	(397,875,333)	2,875,972	317,257,886



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25. TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

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

Nature of relationship	For the period ended 30 June 2022			
	Opening balance	Services received	Payments made	Ending balance
Affiliated entities:				
- owned by the shareholder	10,446,128	3,601,387	(2,805,951)	11,241,564
- with common directors on the Company's BOD	8,376,167	7,442,569	(11,835,402)	3,983,334
Total	18,822,295	11,043,956	(14,641,353)	15,224,898

Nature of relationship	For the year ended 31 December 2021			
	Opening balance	Services received	Payments made	Ending balance
Affiliated entities:				
- 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
Total	13,647,463	17,223,724	(12,113,760)	18,757,427

Nature of relationship	For the period ended 30 June 2021			
	Opening balance	Services received	Payments made	Ending balance
Affiliated entities:				
- owned by the shareholder	7,743,772	3,873,293	(1,948,450)	9,668,615
- with common directors on the Company's BOD	5,903,691	3,655,833	(5,582,691)	3,976,833
Total	13,647,463	7,529,126	(7,531,141)	13,645,448

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

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2022	2021	2022	2021
Salaries and other short-term benefits	7,129,818	5,441,998	12,587,909	8,259,852
Post-employment benefits	341,145	2,249,802	1,454,864	2,438,740
Board of Directors' remuneration	1,768,093	2,105,833	4,142,093	3,989,333
Total	9,239,056	9,797,633	18,184,866	14,687,925

26. 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.

Data and technology services

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



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26. SEGMENT INFORMATION (CONTINUED)**26.1 Information about reportable segments:***For the six-month period ended:*

<u>30 June 2022</u>	<u>Capital markets</u>	<u>Data and technology services</u>	<u>Post- trade</u>	<u>Total</u>
Segment revenue	237,140,265	46,864,970	308,055,978	592,061,213
Segment profit before Zakat	147,117,231	23,517,749	133,537,660	304,172,640
Depreciation and amortisation	(11,954,322)	(1,635,899)	(14,448,532)	(28,038,753)
Segment profit after Zakat	147,117,231	23,517,749	133,537,660	304,172,640
<u>30 June 2021</u>				
Segment revenue	280,122,319	47,544,714	318,240,750	645,907,783
Segment profit before Zakat	191,208,831	31,734,170	158,707,007	381,650,008
Depreciation and amortisation	(12,913,482)	(1,768,129)	(12,572,723)	(27,254,334)
Segment profit after Zakat	191,208,831	31,734,170	158,707,007	381,650,008

For the three-month period ended:

<u>30 June 2022</u>	<u>Capital markets</u>	<u>Data and technology services</u>	<u>Post- trade</u>	<u>Total</u>
Segment revenue	115,859,962	22,255,153	159,997,106	298,112,221
Segment profit before Zakat	67,797,641	10,067,219	66,545,012	144,409,872
Depreciation and amortisation	(6,938,121)	(929,668)	(8,425,947)	(16,293,736)
Segment profit after Zakat	67,797,641	10,067,219	66,545,012	144,409,872
<u>30 June 2021</u>				
Segment revenue	135,084,766	23,691,673	154,761,408	313,537,847
Segment profit before Zakat	89,954,967	18,242,761	75,575,344	183,773,072
Depreciation and amortisation	(6,716,848)	(926,998)	(5,855,946)	(13,499,792)
Segment profit after Zakat	89,954,967	18,242,761	75,575,344	183,773,072

26.2 Reconciliation of information on reportable segments to the amounts reported in the financial statements:**i. Net profit for the period***For the six-month period ended:*

<u>30 June 2022</u>	<u>Capital markets</u>	<u>Data and technology services</u>	<u>Post- trade</u>	<u>Total</u>
Total profit before Zakat for reportable segments	147,117,231	23,517,749	133,537,660	304,172,640
Profit before Zakat for other segments				
Unallocated amounts:				
- Other corporate income	-	-	-	24,712,279
- Other corporate expenses	-	-	-	(13,123,444)
Consolidated profit before Zakat	147,117,231	23,517,749	133,537,660	315,761,475
Zakat expense	-	-	-	(37,457,169)
Consolidated profit after Zakat	147,117,231	23,517,749	133,537,660	278,304,306
<u>30 June 2021</u>				
Total profit before Zakat for reportable segments	191,208,831	31,734,170	158,707,007	381,650,008
Profit before Zakat for other segments				
Unallocated amounts:				
- Other corporate income	-	-	-	15,700,036
- Other corporate expenses	-	-	-	(9,956,929)
Consolidated profit before Zakat	191,208,831	31,734,170	158,707,007	387,393,115
Zakat expense	-	-	-	(25,348,897)
Consolidated profit after Zakat	191,208,831	31,734,170	158,707,007	362,044,218

**26. SEGMENT INFORMATION (CONTINUED)****i. Net profit for the period (continued)***For the three-month period ended:*

<u>30 June 2022</u>	<u>Capital markets</u>	<u>Data and technology services</u>	<u>Post- trade</u>	<u>Total</u>
Total profit before Zakat for reportable segments	67,797,641	10,067,219	66,545,012	144,409,872
Profit before Zakat for other segments				
Unallocated amounts:				
- Other corporate income	-	-	-	16,388,706
- Other corporate expenses	-	-	-	(6,894,545)
Consolidated profit before Zakat	67,797,641	10,067,219	66,545,012	153,904,033
Zakat expense	-	-	-	(16,234,861)
Consolidated profit after Zakat	67,797,641	10,067,219	66,545,012	137,669,172
<u>30 June 2021</u>				
Total profit before Zakat for reportable segments	89,954,967	18,242,761	75,575,344	183,773,072
Profit before Zakat for other segments				
Unallocated amounts:				
- Other corporate income	-	-	-	4,878,720
- Other corporate expenses	-	-	-	(7,975,664)
Consolidated profit before Zakat	89,954,967	18,242,761	75,575,344	180,676,128
Zakat expense	-	-	-	388,556
Consolidated profit after Zakat	89,954,967	18,242,761	75,575,344	181,064,684

ii. Operating revenue*For the six-month period ended:*

<u>30 June 2022</u>	<u>Capital markets</u>	<u>Data and technology services</u>	<u>Post- trade</u>	<u>Total</u>
Revenue recognised at a point-in-time				
Trading services	187,962,164	-	-	187,962,164
Data & technology services	-	3,519,573	-	3,519,573
Post trade services	-	-	259,880,786	259,880,786
Listing services	8,214,196	-	-	8,214,196
Derivatives	207,005	-	14,840	221,845
Membership	61,500	-	720,000	781,500
Revenue recognised over-time				
Trading services	-	-	-	-
Data & technology services	-	43,345,397	-	43,345,397
Post trade services	-	-	46,564,660	46,564,660
Listing services	39,902,994	-	-	39,902,994
Derivatives	57,375	-	90,000	147,375
Membership	735,031	-	785,692	1,520,723
Consolidated revenue	237,140,265	46,864,970	308,055,978	592,061,213

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

<u>30 June 2021</u>	<u>Capital markets</u>	<u>Data and technology services</u>	<u>Post- trade</u>	<u>Total</u>
Revenue recognised at a point-in-time				
Trading services	243,504,748	-	-	243,504,748
Technology services	-	4,956,558	-	4,956,558
Post trade services	-	-	274,534,562	274,534,562
Listing services	1,190,000	-	-	1,190,000
Derivatives	419,094	-	7,240	426,334
Membership	82,500	-	120,000	202,500
Revenue recognised over-time				
Trading services	-	-	-	-
Data & technology services	-	42,588,156	-	42,588,156
Post trade services	-	-	42,738,784	42,738,784
Listing services	34,128,527	-	-	34,128,527
Derivatives	62,850	-	90,000	152,850
Membership	734,600	-	750,164	1,484,764
Consolidated revenue	280,122,319	47,544,714	318,240,750	645,907,783

For the three-month period ended:

<u>30 June 2022</u>	<u>Capital markets</u>	<u>Data and technology services</u>	<u>Post- trade</u>	<u>Total</u>
Revenue recognised at a point-in-time				
Trading services	88,941,504	-	-	88,941,504
Data & technology services	-	1,425,415	-	1,425,415
Post trade services	-	-	134,873,296	134,873,296
Listing services	6,244,196	-	-	6,244,196
Derivatives	4,993	-	5,740	10,733
Membership	29,500	-	720,000	749,500
Revenue recognised over-time				
Trading services	-	-	-	-
Data & technology services	-	20,829,738	-	20,829,738
Post trade services	-	-	23,919,878	23,919,878
Listing services	20,245,144	-	-	20,245,144
Derivatives	28,688	-	45,000	73,688
Membership	365,937	-	433,192	799,129
Consolidated revenue	115,859,962	22,255,153	159,997,106	298,112,221

30 June 2021

Revenue recognised at a point-in-time				
Trading services	116,293,022	-	-	116,293,022
Technology services	-	762,515	-	762,515
Post trade services	-	-	132,891,676	132,891,676
Listing services	1,020,000	-	-	1,020,000
Derivatives	219,330	-	3,120	222,450
Membership	36,500	-	-	36,500
Revenue recognised over-time				
Trading services	-	-	-	-
Data & technology services	-	22,929,158	-	22,929,158
Post trade services	-	-	21,446,612	21,446,612
Listing services	17,099,189	-	-	17,099,189
Derivatives	31,425	-	45,000	76,425
Membership	385,300	-	375,000	760,300
Consolidated revenue	135,084,766	23,691,673	154,761,408	313,537,847



27. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

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

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

Risk management framework

The Board of Directors has an overall responsibility for the establishment and oversight of the Group's risk management framework. The Board is responsible for 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.

Risk management structure

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

Board of Directors

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

Senior management

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

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

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

27.1 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:

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2022	2021	2022	2021
Effect on profit for the period	5,591,689	3,316,995	12,540,928	10,897,410

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.

**27. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)****27.2 Credit risk**

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

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

	30 June 2022	31 December 2021
Investments at amortized cost	55,494,539	156,565,076
Advance for purchase of property	77,500,000	77,500,000
Cash and cash equivalents	142,442,277	76,197,458
Accounts receivable	80,369,228	60,547,611
Accrued operational revenue	5,976,963	9,064,755
Other receivables	6,010,212	5,425,592
Advance to employees	7,068,139	5,404,641
Total	374,861,358	390,705,133

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:

Fitch		Moody's	
Long term	Short term	Long term	Short term
BBB+	F2	A1u	P-1u

Investments at amortized cost

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

Accounts receivable

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

Accrued operational revenue

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

Advance to employees

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

Advance for purchase of property

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

Other receivables

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



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(Saudi Arabian Riyals)

27. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)**27.3 Concentration of credit risk**

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

	Weighted average <u>loss rate %</u>	Gross carrying <u>amount</u>	Loss <u>allowance</u>	Credit <u>impaired</u>
0-30 days (not past due)	0.01	49,410,232	2,864	No
30-60 days	0.84	2,502,509	21,116	No
61-90 days	2.25	3,353,576	75,352	No
91-120 days	4.25	978,285	41,549	Yes
121-180 days	20.00	6,331,870	1,266,374	Yes
181-360 days	50.00	323,616	161,808	Yes
More than 360 days past due	59.32	46,801,998	27,763,795	Yes
		<u>109,702,086</u>	<u>29,332,858</u>	

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

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

27.4 Operational risk

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

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

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

**27. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)****27.5 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:

	Carrying amount	30 June 2022			31 December 2021		
		Less than 12 months	More than 12 months	Total	Less than 12 months	More than 12 months	Total
Financial assets at fair value:							
Investments	2,563,680,230	2,508,185,691	55,494,539	2,563,680,230	2,631,732,808	55,272,377	2,687,005,185
Financial assets at amortised cost:							
Cash and cash equivalents	158,942,777	158,942,777	-	158,942,777	86,197,458	-	86,197,458
Clearing participant financial assets	4,028,652,670	4,028,652,670	-	4,028,652,670	18,013,567	-	18,013,567
Account receivables	80,369,228	80,369,228	-	80,369,228	60,547,611	-	60,547,611
Accrued operational revenue	5,976,963	5,976,963	-	5,976,963	9,064,755	-	9,064,755
Advance to employees	7,068,139	7,068,139	-	7,068,139	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	6,010,212	6,010,212	-	6,010,212	5,425,592	-	5,425,592
Total financial assets	6,928,200,219	6,872,705,680	55,494,539	6,928,200,219	2,893,886,432	55,272,377	2,949,158,809
Financial liabilities at amortised cost							
Clearing participant financial liabilities	4,026,450,225	4,026,450,225	-	4,026,450,225	18,013,349	-	18,013,349
Lease liability	5,708,066	5,708,066	-	5,708,066	982,913	-	982,913
Accounts payable	11,696,954	11,696,954	-	11,696,954	6,785,710	-	6,785,710
Balance due to Capital Market Authority	58,619,375	58,619,375	-	58,619,375	22,280,843	-	22,280,843
Accrued expenses and other current liabilities	226,597,698	226,597,698	-	226,597,698	236,085,074	-	236,085,074
Total financial liabilities	4,329,072,318	4,329,072,318	-	4,329,072,318	284,147,889	-	284,147,889
Net financial assets	2,599,127,901	2,543,633,362	55,494,539	2,599,127,901	2,609,738,543	55,272,377	2,665,010,920



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28. 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.

	<u>Carrying Value</u>	30 June 2022			<u>Total fair value</u>
		Level 1	Level 2	Level 3	
		<u>Fair value</u>			
Investments					
- at amortised cost (note 6)	<u>55,494,539</u>	-	<u>55,494,539</u>	-	<u>55,494,539</u>
- at amortised cost (Clearing participant financial assets, refer note 9)	<u>1,699,143,997</u>	<u>1,699,143,997</u>	-	-	<u>1,699,143,997</u>
- at FVTPL	<u>2,488,841,422</u>	-	<u>2,488,841,422</u>	-	<u>2,488,841,422</u>
Money market funds and Real estate funds	<u>19,344,269</u>	-	<u>19,344,269</u>	-	<u>19,344,269</u>
	<u>Carrying Value</u>	31 December 2021			<u>Total fair value</u>
		Level 1	Level 2	Level 3	
		<u>Fair value</u>			
Investments					
- at amortised cost Sukuks	<u>156,565,076</u>	-	<u>156,565,076</u>	-	<u>156,565,076</u>
- at FVTPL	<u>2,499,724,667</u>	-	<u>2,499,724,667</u>	-	<u>2,499,724,667</u>
Money market funds and Real estate funds	<u>30,715,442</u>	-	<u>30,715,442</u>	-	<u>30,715,442</u>

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

29. SUBSEQUENT EVENTS

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



30. DIVIDEND

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

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

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

31. RECLASSIFICATIONS

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

32. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been approved by the Board of Directors on 15 Muharram 1444H corresponding to 13 August 2022.