SUSTAINED INFRASTRUCTURE HOLDING COMPANY
(FORMERLY: SAUDI INDUSTRIAL SERVICES COMPANY)
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED
30 SEPTEMBER 2024
WITH
INDEPENDENT AUDITORS' REVIEW REPORT

SUSTAINED INFRASTRUCTURE HOLDING COMPANY
(FORMERLY: SAUDI INDUSTRIAL SERVICES COMPANY)
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
For the three-month and nine-month periods ended 30 September 2024

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE SHAREHOLDERS OF SUSTAINED INFRASTRUCTURE HOLDING COMPANY (Formerly: SAUDI INDUSTRIAL SERVICES COMPANY) (A SAUDI JOINT STOCK COMPANY)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Sustained Infrastructure Holding Company (formerly: Saudi Industrial Services Company) (the "Company") and its subsidiaries (collectively referred to as "the Group") as at 30 September 2024, and the related interim condensed consolidated statements of profit or loss and comprehensive income for the three-month and nine-month periods then ended, interim condensed consolidated statements of changes in equity and cash flows for the nine-month periods then ended, and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, "*Interim Financial Reporting*" ("*IAS 34*") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagement 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*", as endorsed in the Kingdom of Saudi Arabia.

A review of interim condensed consolidated financial statements consists of making inquiries, primarily of the persons responsible for the 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 ("ISAs") as endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Other matter

The consolidated financial statements for the year ended 31 December 2023 and the interim condensed consolidated financial statements for the period ended 30 September 2023 were respectively audited and reviewed by other auditor who expressed an unmodified opinion and review conclusion on 18 March 2024 (corresponding to 8 Ramadhan 1445H) and 6 November 2023 (corresponding to 22 Rabi Al-Thani 1445H).

for Ernst & Young Professional Services





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

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

SUSTAINED INFRASTRUCTURE HOLDING COMPANY
(FORMERLY: SAUDI INDUSTRIAL SERVICES COMPANY)
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
As at 30 September 2024

	Note	*30 September 2024 (Unaudited)* SR	*31 December 2023 (Audited)* SR
ASSETS			
Non-current assets			
Property, plant and equipment	7	**257,053,646**	256,879,290
Intangible assets	8	**3,540,183,923**	3,486,787,609
Work in progress assets	9	**133,277,360**	203,734,674
Equity-accounted investees	10	**234,484,690**	263,225,190
Goodwill		**8,776,760**	8,776,760
Right-of-use assets	13	**59,648,994**	48,637,659
Investment properties	14	**368,660,912**	288,619,190
Financial assets at fair value through other comprehensive income (FVOCI)	11	**11,586,472**	11,586,472
Deferred tax assets		**6,057,112**	6,057,112
Total non-current assets		**4,619,729,869**	4,574,303,956
Current assets			
Inventories		**23,539,708**	22,048,792
Trade receivables, prepayments and other receivables	12	**326,634,008**	214,272,502
Due from related parties	19	**17,136,590**	12,950,389
Cash and cash equivalents	15	**1,015,596,684**	1,166,405,656
Total current assets		**1,382,906,990**	1,415,677,339
Total assets		**6,002,636,859**	5,989,981,295
EQUITY AND LIABILITIES			
Equity			
Share capital	16	**816,000,000**	816,000,000
Share premium		**36,409,063**	36,409,063
Statutory reserve	16	**106,905,167**	106,905,167
Treasury shares	16	**(6,622,592)**	(6,622,592)
Other components of equity		**380,385,635**	387,088,914
Retained earnings		**116,482,438**	169,079,592
Equity attributable to the shareholders of the Parent		**1,449,559,711**	1,508,860,144
Non-controlling interests		**985,306,993**	805,862,437
Total equity		**2,434,866,704**	2,314,722,581
Non-current liabilities			
Obligation under service concession arrangement		**1,469,908,550**	1,406,042,609
Long-term loans	17	**1,109,021,480**	1,198,444,510
Employees' end of service benefits		**54,427,520**	49,428,264
Long-term provisions		**2,189,187**	2,048,195
Lease liabilities – non-current portion	13	**107,142,168**	95,451,499
Total non-current liabilities		**2,742,688,905**	2,751,415,077
Current liabilities			
Current portion of obligation under service concession arrangement		**172,056,378**	168,953,693
Current portion of long-term loans	17	**162,865,897**	145,169,030
Short term loan		**23,577,589**	-
Trade payables, accrued and other current liabilities		**419,166,862**	425,648,844
Zakat and income tax payable		**34,612,537**	22,356,447
Current portion of lease liabilities	13	**11,279,987**	12,872,045
Short term loans due to related parties	19	-	148,843,578
Due to a related party	19	**1,522,000**	-
Total current liabilities		**825,081,250**	923,843,637
Total liabilities		**3,567,770,155**	3,675,258,714
Total equity and liabilities		**6,002,636,859**	5,989,981,295

The attached notes 1 to 23 form an integral part of these interim condensed consolidated financial statements.

SUSTAINED INFRASTRUCTURE HOLDING COMPANY
(FORMERLY: SAUDI INDUSTRIAL SERVICES COMPANY)
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
For the three-month and nine-month periods ended 30 September 2024

	Note	***For the three-month period ended 30 September 2024 SR (Unaudited)***	*For the three-month period ended 30 September 2023 SR (Unaudited)*	***For the ninth-month period ended 30September 2024 SR (Unaudited)***	*For the ninth-month period ended 30 September 2023 SR (Unaudited)*
Revenue from contracts with customers					
Revenue from sale of goods and services	5	**341,768,111**	276,087,006	**901,861,134**	776,370,268
Construction revenue		**4,626,600**	58,035,986	**49,956,410**	328,660,578
TOTAL REVENUES		**346,394,711**	334,122,992	**951,817,544**	1,105,030,846
Direct costs		**(161,922,023)**	(128,344,120)	**(432,336,976)**	(363,686,517)
Cost of construction		**(4,626,600)**	(58,035,986)	**(49,956,410)**	(328,660,578)
COST OF REVENUE		**(166,548,623)**	(186,380,106)	**(482,293,386)**	(692,347,095)
GROSS PROFIT		**179,846,088**	147,742,886	**469,524,158**	412,683,751
OPERATING EXPENSES					
General and administration expenses		**(60,899,580)**	(48,620,385)	**(168,050,843)**	(140,437,566)
Selling and distribution expenses		**(2,831,388)**	(2,093,665)	**(8,427,188)**	(9,642,449)
TOTAL OPERATING EXPENSES		**(63,730,968)**	(50,714,050)	**(176,478,031)**	(150,080,015)
PROFIT FROM OPERATIONS		**116,115,120**	97,028,836	**293,046,127**	262,603,736
Finance income		**7,890,579**	5,645,285	**23,452,275**	16,426,321
Finance cost		**(74,260,187)**	(64,228,282)	**(218,902,669)**	(183,117,631)
Other income, net		**4,894,821**	4,562,709	**17,521,279**	16,207,867
Share of profit / (loss) of equity accounted investees, net	11	**3,960,214**	7,627,822	**(17,845,201)**	25,340,425
PROFIT BEFORE ZAKAT AND INCOME TAX		**58,600,547**	50,636,370	**97,271,811**	137,460,718
Zakat and income tax	18	**(39,125,005)**	(5,497,941)	**(57,836,704)**	(19,412,950)
PROFIT FOR THE PERIOD		**19,475,542**	45,138,429	**39,435,107**	118,047,768
Attributable to:					
Shareholders of the Parent Company		**(9,427,445)**	23,716,648	**(20,062,955)**	64,397,147
Non-controlling interests		**28,902,987**	21,421,781	**59,498,062**	53,650,621
		19,475,542	45,138,429	**39,435,107**	118,047,768
EARNINGS / (LOSS) PER SHARE					
Basic and diluted (loss) / earnings per share from profit for the period attributable to the shareholders of the parent	6	**(0.12)**	0.29	**(0.25)**	0.79

The attached notes 1 to 23 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) (CONTINUED)
For the three-month and nine-month periods ended 30 September 2024

	For the three-month period ended 30 September 2024 SR (Unaudited)	*For the three-month period ended 30 September 2023 SR (Unaudited)*	***For the nine-month period ended 30 September 2024 SR (Unaudited)***	*For the nine-month period ended 30 September 2023 SR (Unaudited)*
Profit for the period	**19,475,542**	45,138,429	**39,435,107**	118,047,768
OTHER COMPREHENSIVE (LOSS) / INCOME				
Items that will note be reclassified to profit or loss				
Changes in fair value of financial assets at fair value through other comprehensive income (FVOCI)	-	(2,631,856)	-	(2,631,856)
Items that are or may be reclassified subsequently to profit or loss				
Cash flow hedges – effective portion of changes in fair value	**(15,408,006)**	15,083,567	**(6,703,279)**	17,285,141
OTHER COMPREHENSIVE (LOSS)/ INCOME FOR THE PERIOD	**(15,408,006)**	12,451,711	**(6,703,279)**	14,653,285
TOTAL COMPREHENSIVE (LOSS)/ INCOME FOR THE PERIOD	**4,067,536**	57,590,140	**32,731,828**	132,701,053
Attributable to:				
Shareholders of the Parent Company	**(24,835,451)**	36,168,360	**(26,766,234)**	79,638,354
Non-controlling interests	**28,902,987**	21,421,780	**59,498,062**	53,062,699
	4,067,536	57,590,140	**32,731,828**	132,701,053

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SUSTAINED INFRASTRUCTURE HOLDING COMPANY
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(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
For the nine-month period ended 30 September 2024

	Equity attributable to the shareholders of the Parent Company											
					Other components of equity							
	Share capital SR	***Share premium SR***	***Statutory reserve SR***	***Treasury Shares SR***	***Effect of changes in shareholding percentage in subsidiaries SR***	***Actuarial valuation reserves SR***	***Cash flow hedging reserve SR***	***Unrealized gain on FVOCI investment SR***	***Retained earnings SR***	***Total SR***	***Non-controlling interests SR***	***Total equity SR***
Balance at 1 January 2024 (audited)	816,000,000	36,409,063	106,905,167	(6,622,592)	343,683,752	(4,699,435)	46,088,275	2,016,322	169,079,592	1,508,860,144	805,862,437	2,314,722,581
(Loss) / profit for the period	-	-	-	-	-	-	-	-	(20,062,955)	(20,062,955)	59,498,062	39,435,107
Other comprehensive income	-	-	-	-	-	-	(6,703,279)	-	-	(6,703,279)	-	(6,703,279)
Total comprehensive income / (loss)	-	-	-	-	-	-	(6,703,279)	-	(20,062,955)	(26,766,234)	59,498,062	32,731,828
Dividend paid (note 16)	-	-	-	-	-	-	-	-	(32,534,199)	(32,534,199)	(62,373,833)	(94,908,032)
Issue of share capital to non-controlling interest [note 19 (d) (i)]	-	-	-	-	-	-	-	-	-	-	182,320,327	182,320,327
Balance at 30 September 2024 (unaudited)	**816,000,000**	**36,409,063**	**106,905,167**	**(6,622,592)**	**343,683,752**	**(4,699,435)**	**39,384,996**	**2,016,322**	**116,482,438**	**1,449,559,711**	**985,306,993**	**2,434,866,704**

The attached notes 1 to 23 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) (CONTINUED)
For the nine-month period ended 30 September 2024

	Equity attributable to the shareholders of the Parent Company											
					Other components of equity							
	Share capital SR	*Share premium SR*	*Statutory reserve SR*	*Treasury shares SR*	*Effect of changes in shareholding percentage in subsidiaries SR*	*Actuarial valuation reserves SR*	*Cash flow hedging reserve SR*	*Unrealized gain on FVOCI investment SR*	*Retained earnings SR*	*Total SR*	*Non-controlling interests SR*	*Total equity SR*
Balance at 1 January 2023 (audited)	816,000,000	36,409,063	99,784,859	-	343,683,752	(1,247,977)	46,367,041	4,648,178	170,276,817	1,515,921,733	800,268,156	2,316,189,889
Profit for the period	-	-	-	-	-	-	-	-	64,397,147	64,397,147	53,650,621	118,047,768
Other comprehensive income / (loss)	-	-	-	-	-	-	17,873,062	(2,631,856)	-	15,241,206	(587,921)	14,653,285
Total comprehensive income	-	-	-	-	-	-	17,873,062	(2,631,856)	64,397,147	79,638,353	53,062,700	132,701,053
Treasury shares acquired (note 16)	-	-	-	(512,252)	-	-	-	-	-	(512,252)	-	(512,252)
Dividends paid (note 16)	-	-	-		-	-	-	-	(65,280,000)	(65,280,000)	(32,065,462)	(97,345,462)
Net movement in non-controlling interest	-	-	-		-	-	-	-	-	-	(415,913)	(415,913)
Balance at 30 September 2023 (unaudited)	816,000,000	36,409,063	99,784,859	(512,252)	343,683,752	(1,247,977)	64,240,103	2,016,322	169,393,964	1,529,767,834	820,849,481	2,350,617,315

The attached notes 1 to 23 form an integral part of these interim condensed consolidated financial statements.

SUSTAINED INFRASTRUCTURE HOLDING COMPANY
(FORMERLY: SAUDI INDUSTRIAL SERVICES COMPANY)
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
For the nine-month period ended 30 September 2024

	Note	***For the nine-month period ended 30 September 2024 (Unaudited)*** ***SR***	*For the nine-month period ended 30 September 2023 (Unaudited)* *SR*
Cash flows from operating activities			
Profit before zakat and income tax		**97,271,811**	137,460,718
Adjustments for:			
Depreciation and amortization		**177,302,910**	139,492,103
Provision for employees' end of service benefits		**7,502,463**	9,943,415
Amortization of advance rental		**6,278,472**	4,728,700
Share of results of equity accounted investees, net	10	**17,845,201**	(25,340,425)
Reversal of expected credit losses		**(839,634)**	1,326,475
Provision for slow moving and obsolete inventories		**1,856,906**	1,572,241
Provision for dismantling cost		**140,992**	-
Gain on disposal of property, plant and equipment		**(180,737)**	(85,367)
Amortization of deferred revenue		-	54,884
Financial charges		**218,902,669**	183,117,631
Finance income		**(23,452,275)**	(16,426,321)
		502,628,778	435,844,054
Changes in operating assets and liabilities:			
Trade receivables, prepayments and other receivables		**(111,521,872)**	(81,206,640)
Due from related parties		**(4,186,201)**	451,016
Inventories		**(3,347,822)**	(1,501,349)
Trade payable, accrued and other liabilities		**(124,983,842)**	(22,497,798)
Due to a related party		**1,522,000**	1,453,000
Cash generated from operating activities		**260,111,041**	332,542,283
Employees' end of service benefits paid		**(2,503,207)**	(5,927,064)
Financial charges paid		**(88,305,910)**	(43,953,338)
Zakat and income tax paid		**(45,580,614)**	(16,810,700)
Net cash from operating activities		**123,721,310**	265,851,181
Cash flows from investing activities			
Dividends received from equity-accounted investees	10	**12,272,699**	12,337,666
Finance income received		**23,452,275**	16,426,321
Proceeds from disposal of property, plant and equipment		**196,799**	481,259
Additions to property, plant and equipment, capital work in progress and intangible assets		**(176,953,639)**	(436,998,366)
Proceeds from short term deposits		-	279,986,229
Investment in associate made during the period	10	**(8,080,676)**	-
Net cash used in investing activities		**(149,112,542)**	(127,766,891)
Cash flows from financing activities			
Repayment of long-term loans		**(114,314,621)**	(59,855,394)
Lease liabilities paid		**(9,559,146)**	(7,429,432)
Purchase of treasury shares		-	(512,252)
Receipt of long-term loans		**36,309,720**	322,355,811
Short term loans received		**23,577,589**	-
Dividend paid	16	**(32,534,199)**	(65,280,000)
Dividend paid to non-controlling interest by subsidiaries		**(62,373,833)**	(32,065,462)
Issue of share capital to non-controlling interest		**33,476,750**	-
Net cash (used in) / from financing activities		**(125,417,740)**	157,213,271
Net (decrease)/ increase in cash and cash equivalents		**(150,808,972)**	295,297,561
Cash and cash equivalents at the beginning of the period		**1,166,405,656**	507,885,834
Cash and cash equivalents at the end of the period	15	**1,015,596,684**	803,183,395

The attached notes 1 to 23 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED) (CONTINUED)
For the nine-month period ended 30 September 2024

	Note	***For the nine-month period ended 30 September 2024*** ***(Unaudited)*** ***SR***	*For the nine-month period ended 30 September 2023 (Unaudited) SR*
SUPPLEMENTARY NON-CASH INFORMATION			
Cash flow hedges – effective portion of change in fair value		**(6,703,279)**	(17,285,141)
Modification of lease contract – right of use assets and lease liabilities	13	**11,603,153**	-

1. ORGANISATION AND ACTIVITIES

Sustained Infrastructure Holding Company (formerly, "Saudi Industrial Services Company") ("the Company" or "the Parent Company" or "SISCO") is a joint stock company incorporated in accordance with Saudi Arabian Regulations for Companies under the Ministry of Commerce Resolution No. 223 of 7 Rabi Al Awal 1409 H (corresponding to 18 October 1988) and registered under Commercial Registration No. 4030062502 dated 10 Rabi Al Thani 1409H (corresponding to 20 November 1988). The Group via its subsidiaries is engaged in the business of development and management of port terminal operations, maritime services, warehouse services, supply chain solutions, logistics services, associated development, and water desalination and treatment plant and sale of water. The principal activity of the Parent Company is investment and management of subsidiaries.

On 21 November 2023, the shareholders of the Company resolved to change the name of the Company from "Saudi Industrial Services Company" to "Sustained Infrastructure Holding Company". The legal procedures to change the Company's name were completed on 4 December 2023.

The registered head office of the Parent Company is located at Saudi Business Center, P. O. Box 14221, Jeddah 21424, Kingdom of Saudi Arabia.

These interim condensed consolidated financial statements include assets, liabilities and the results of the operations of the Parent Company and its following subsidiaries collectively referred to as "the Group":

Company	**Country of incorporation**	**Effective shareholding**		**Principal activities**
		30 September 2024	30 September 2023	
Saudi Trade and Export Development Company Limited ("Tusdeer")	Saudi Arabia	**76%**	76%	Management and operation of storage and re-export project situated on the land leased from Jeddah Islamic Port. (Logistic parks and support services segment).
Support Services Operation Company Limited ("ISNAD")	Saudi Arabia	**99.28%**	99.28%	Development and operation of industrial zones, construction and operation of restaurants, catering and entertainment centres, construction of gas stations, auto servicing and maintenance workshops, and purchase of land for the construction of building thereon and investing the same through sale or lease. (Logistic parks and support services segment).
Kindasa Water Services Company – Closed Joint Stock Company ("Kindasa")	Saudi Arabia	**65%**	65%	Water desalination and treatment plant and sale of water. (Water desalination and distribution segment).

1. ORGANISATION AND ACTIVITIES (continued)

Company	Country of incorporation	Effective shareholding		Principal activities
		30 September 2024	31 December 2023	
Red Sea Port Development Company – Closed Joint Stock Company ("RSPD")	Saudi Arabia	**60.6%**	60.6%	Development, construction, operation and maintenance of container terminals and excavation and back filling works. (Port development and operations segment).
Red Sea Gateway Terminal Company Limited ("RSGT") *	Saudi Arabia	**36.36%**	36.36%	Development, construction, operation and maintenance of container terminals and excavation and back filling works. (Port development and operations segment).
Red Sea Ports Development International Limited – ("RSPDI")	United Kingdom	**60.6%**	60.6%	Development, construction, operation and maintenance of container terminals and excavation and back filling works. (Port development and operations segment).
Red Sea Gateway Terminal International Limited ("RSGTI") **	United Kingdom	**36.36%**	36.36%	Development, construction, operation and maintenance of container terminals and excavation and back filling works. (Port development and operations segment).
RSGT Bangladesh ("RSGTB") ***	Bangladesh	**36.36%**	36.36%	Development, construction, operation and maintenance of container terminals and excavation and back filling works. (Port development and operations segment).

*SISCO owns 60.6% effective interest in RSPD which in turn owns 60% interest in RSGT.

**SISCO owns 60.6% effective interest in RSPDI which in turn owns 60% interest in RSGTI.

***SISCO owns 60.6% effective interest in RSPDI which in turn owns 100% interest in RSGT Bangladesh. During the year, a newly incorporated subsidiary RSGT Bangladesh has signed a 22 years concession agreement with the Chittagong Port Authority for Patenga Container Terminal ("PCT") the Bangladesh's primary port. Under the concession agreement, RSGTI will develop and operate a 500,000 Twenty Foot Equivalent Unit ('TEU') container terminal facility at PCT in Chittagong. The commercial operations commenced from 11 June 2024.

2. BASIS OF PREPARATION

2.1 Basis of accounting

These interim condensed consolidated financial statements have been prepared in accordance with *International Accounting Standard 34 - Interim Financial Reporting ("IAS 34")*, that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA). These interim condensed consolidated financial statements do not include all of the information required for full consolidated annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023. In addition, results for the three-month and nine-month periods ended 30 September 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

The consolidated financial statements of the Group as at and for the year ended 31 December 2023, were prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organisation for Chartered and Professional Accountants ("SOCPA").

The accounting policies used and method of computation applied in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of certain amendments, effective as of 1 January 2024, as disclosed in Note 4.

These interim condensed consolidated financial statements are expressed in Saudi Arabian Riyals (SR), except where otherwise stated.

2.2 Significant judgments, estimates and assumptions

The preparation of Group's interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of revenues, expenses, assets, liabilities and accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The Group based its assumptions and estimates on parameters available when the interim condensed consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

The significant judgments exercised in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual consolidated financial statements for the year ended 31 December 2023.

2.3 Basis of measurement

These interim condensed consolidated financial statements have been prepared under the historical cost basis, except for financial assets at fair value through other comprehensive income ("FVOCI") and derivative financial instruments which are carried at their fair values. Further, the interim condensed consolidated financial statements are prepared using the accrual basis of accounting and the going concern assumption.

2.4 Functional and presentation currency

These interim condensed consolidated financial statements are presented in Saudi Arabian Riyals ("SR"), which is the Group's functional and presentation currency.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in these interim condensed consolidated financial statements are the same as those applied in the Group's annual consolidated financial statements as at and for the year ended 31 December 2023, except for the adoption of certain amendments, effective as of 1 January 2024, as disclosed in Note 4.

4. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS

4.1 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2024, but do not have an impact on the interim condensed consolidated financial statements of the Group.

Standard, interpretation, amendments	Description	Effective date
Amendment to IFRS 16 – Leases on sale and leaseback	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.	1 January 2024
Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.	1 January 2024
Amendment to IAS 1 – Non-current liabilities with covenants	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.	1 January 2024

4.2 Standards issued but not yet effective

The International Accounting Standard Board (IASB) has issued following accounting and other standards, amendments and revisions which are effective from periods on or after 1 January 2025. The Group has opted not to early adopt these pronouncements and they are not expected to have a significant impact on the interim condensed financial information of the Group.

4. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS (continued)

4.2 Standards issued but not yet effective (continued)

Standard, interpretation, amendments	Description	Effective date
Lack of exchangeability – Amendments to IAS 21	An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.	1 January 2025
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28	The amendments address the conflict between IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3 Business combinations. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.	Available for optional adoption / effective date deferred indefinitely.
IFRS 18 – Presentation and disclosure in financial statements	IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'. IFRS 18 will apply for reporting periods beginning on or after 1 January 2027 and also applies to comparative information. The changes in presentation and disclosure required by IFRS 18 might require system and process changes for many entities.	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	IFRS 19 applies to eligible subsidiaries that elect to adopt the standard in their consolidated, separate or individual financial statements. Eligible subsidiaries are those that are not publicly accountable and whose ultimate or intermediate parent prepares consolidated financial statements available for public use that comply with IFRS Accounting Standards.	1 January 2027

5. REVENUE FROM SALE OF GOODS AND SERVICES

	For the three-month period ended 30 September 2024 Unaudited SR	*For the three-month period ended 30 September 2023 Unaudited SR*	***For the nine-month period ended 30 September 2024 Unaudited SR***	*For the nine-month period ended 30 September 2023 Unaudited SR*
Shipping and unloading services	**283,040,408**	220,579,417	**739,629,213**	624,803,298
Sale of potable water	**26,095,831**	23,316,603	**72,711,786**	68,781,743
Rentals and support services	**32,631,872**	32,190,986	**89,520,135**	82,785,227
	341,768,111	276,087,006	**901,861,134**	776,370,268

6. EARNINGS / LOSS PER SHARE

Basic earnings / (loss) per share ("EPS") is calculated by dividing profit for the period attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares in issue outstanding during the period.

	For the three-month period ended 30 September 2024 Unaudited SR	*For the three-month period ended 30 September 2023 Unaudited SR*	***For the nine-month period ended 30 September 2024 Unaudited SR***	*For the nine-month period ended 30 September 2023 Unaudited SR*
(Loss)/profit for the period attributable to ordinary equity holders of the parent	**(9,427,445)**	23,716,648	**(20,062,955)**	64,397,147
Weighted average number of ordinary shares in issue	**81,335,498**	81,580,298	**81,335,498**	81,580,298
Basic and diluted (loss) / earnings per Share	**(0.12)**	0.29	**(0.25)**	0.79

The diluted earnings / (loss) per shares is same as the basic earnings / (loss) per shares as the Group does not have any dilutive instruments.

7. PROPERTY, PLANT AND EQUIPMENT

	30 September 2024 Unaudited SR	*31 December 2023 Audited SR*
Property, plant and equipment - Others	**188,171,164**	176,595,092
Property, plant and equipment - Bonded and re-export project	**22,363,920**	23,871,025
Property, plant and equipment - Port terminal operations	**46,518,562**	56,413,173
	257,053,646	256,879,290

a) The Group's property, plant and equipment – port terminal operations have been pledged against the Ijara Facility.

b) The buildings and leasehold improvements are situated on a plot of land leased from the Saudi Ports Authority (MAWANI) for a nominal annual rental. The initial lease agreement was for 20 Hijra years starting from 15 Muharram 1419H (corresponding to 11 May 1998) with a grace period of two Hijra years. On 22 Ramadan 1424H (corresponding to 16 November 2003) the lease agreement was extended to 40 Hijra years.

8. INTANGIBLE ASSETS

	30 September 2024 Unaudited SR	*31 December 2023 Audited SR*
Port concession rights and assets (note 8.1)	**2,030,534,077**	2,073,666,184
Intangible asset related to fixed and guaranteed variable fee payable (note 8.2)	**1,508,152,853**	1,411,674,556
Other intangible assets	**1,496,993**	1,446,869
	3,540,183,923	3,486,787,609

8. INTANGIBLE ASSETS (continued)

8.1 Port concession rights and assets

	30 September 2024 Unaudited SR	*31 December 2023 Audited SR*
Cost		
Balance at the beginning of the period / year	**3,225,437,075**	2,605,576,600
Additions during the period / year	**11,754,740**	43,154,326
Transfer from capital work in progress	**52,862,988**	576,923,449
Disposals during the period / year	**(1,272,650)**	(217,300)
Balance at the end of the period / year	**3,288,782,153**	3,225,437,075
Amortisation		
Balance at the beginning of the period / year	**1,151,770,891**	1,043,316,703
Charge for the period / year	**107,749,835**	108,524,570
Disposals during the period / year	**(1,272,650)**	(70,382)
Balance at the end of the period / year	**1,258,248,076**	1,151,770,891
Net book value	**2,030,534,077**	2,073,666,184

8.2 Intangible assets related to fixed and guaranteed variable fee payable

	30 September 2024 Unaudited SR	*31 December 2023 Audited SR*
Intangible assets recorded in accordance with IFRIC 12		
Cost:		
Balance at the beginning of the period / year	**1,534,457,606**	1,534,457,606
Additions during the period / year	**124,572,972**	-
Balance at the end of the period / year	**1,659,030,578**	1,534,457,606
Accumulated amortisation:		
At the beginning of the period / year	**122,783,050**	88,342,832
Charge for the period / year	**28,094,675**	34,440,218
At the end of the period / year	**150,877,725**	122,783,050
Net book value	**1,508,152,853**	1,411,674,556

8. INTANGIBLE ASSETS (continued)

8.2 Intangible assets related to fixed and guaranteed variable fee payable (continued)

Tusdeer, a subsidiary of the Group, had entered into a Build-Operate-Transfer (the "BOT Agreement") agreement with Saudi Ports Authority ("MAWANI" or the "Grantor") for the construction of a container terminal at the Re-export Zone of Jeddah Islamic Port. The BOT Agreement was, subsequently, novated by Tusdeer to RSGT another subsidiary of the Group, effective from 22 Shawal 1428H (corresponding to 3 November 2007). The period of the BOT Agreement originally was for 32 years. On 23 December 2019, RSGT, entered into a new concession agreement (the New Concession Agreement) with MAWANI whereby RSGT acquired rights to build, update and operate North Container Terminal in addition to the terminal operated under the BOT Agreement, effective from 1 April 2020 (the effective date) for a period of 30 years from this date and has an option to renew the term before the expiry based on mutual agreement.

As per the New Concession Agreement there is no explicit requirement to replace the concession assets, however, there is a requirement of serviceability for 4 years at the end of the arrangement. Under the terms of the Concession, MAWANI stipulates the Tariffs to be applied by the Operator when providing services and has the right to review the published tariff structure. The Group has a right to charge users of the port for services provided in accordance with the New Concession Agreement. Intangible assets – port concession rights are secured against the Ijara facilities obtained from local banks.

The New Concession Agreement stipulates payment of the fixed and guaranteed variable fees to the Grantor on the specified rates over the life of the agreement. These fees have been recorded as intangible asset at the present value under the guidance of IFRIC 12 'Service Concession Arrangements', with a corresponding liability recognized as obligation. All other variable fees under the New Concession Agreement are charged to consolidated statement of profit or loss as and when incurred.

Further, RSGT Bangladesh Limited ("RSGTB"), a subsidiary of the Group, has entered into an Equip-Operate and Transfer (the "EOT Agreement") agreement on 6 December 2023 with Chittagong Port Authority ("CPA" or the "grantor") for the upgrading and operating of a Patenga Container Terminal ("PCT") at the Bangladesh's primary port. Under the EOT Agreement, RSGTB will develop and operate a 500,000 Twenty Foot Equivalent Unit ('TEU') container terminal facility.

The period of the EOT Agreement is for 22 years, effective from 11 June 2024 (the effective date) and has an option to renew the term before the expiry based on mutual agreement. As per the EOT Agreement, there is no explicit requirement to replace the concession assets. Under the terms of the EOT Agreement, CPA stipulates the Tariffs to be applied by the Operator when providing services and has the right to review the published tariff structure. The Group has a right to charge users of the port for services provided in accordance with the EOT Agreement.

The EOT Agreement stipulates payment of upfront fee, the fixed and guaranteed variable fees on the specified rates over the life of the agreement. These fees have been recorded as intangible asset at the present value under the guidance of IFRIC 12 'Service Concession Arrangements', with a corresponding liability recognized as obligation. All other variable fees under the EOT Agreement are charged to consolidated statement of profit or loss as and when incurred.

9. WORK IN PROGRESS ASSETS

Work in progress assets mainly comprise of Jeddah Logistic Park Projects and work in progress in respect of port terminal operations. The carrying amount of work in progress assets represents amount paid to contractors and suppliers for the civil works, equipment and contract assets related to concession agreement. Once complete, these assets and their carrying amount will be transferred to respective asset category.

The movement in the work in progress assets is summarized below:

	30 September 2024 Unaudited SR	*31 December 2023 Audited SR*
Balance at the beginning of the period / year	**203,734,674**	317,731,977
Additions during the period / year	**88,166,857**	616,862,934
Transfer to property and equipment	**(11,462,896)**	(13,175,750)
Transfer to intangibles port concession rights (note 8.1)	**(52,862,989)**	(576,923,449)
Transfer to investment properties (note 14)	**(94,298,286)**	(140,528,150)
Transfer to other intangibles	**-**	(232,888)
Balance at the end of the period / year	**133,277,360**	203,734,674

As at reporting date, work in progress assets include investment properties and expansion work on container terminal amounting to SR 95.5 million and SR 33.6 million respectively (31 December 2023: SR 162.9 million and 30 million respectively).

10. EQUITY-ACCOUNTED INVESTEES

	30 September 2024 Unaudited SR	*31 December 2023 Audited SR*	*30 September 2023 Unaudited SR*
Balance at the beginning of the period/year	**263,225,190**	251,827,074	251,827,074
Investment made during the period / year	**8,080,676**	6,359,960	-
Share in results of associates, net	**(17,845,198)**	30,503,809	25,340,425
Share of actuarial losses of associates recognized in other comprehensive income	**-**	(503,360)	-
Share of effective portion of changes in fair value of cash flow hedges	**(6,703,279)**	57,136	18,208,963
Dividend received during the period / year	**(12,272,699)**	(25,019,429)	(12,337,666)
Balance at the end of the period/year	**234,484,690**	263,225,190	283,038,796

10. EQUITY-ACCOUNTED INVESTEES (continued)

Associates	***Principal activities***	***Country of incorporation***	***Effective shareholding percentage***		***Carrying amount***	
			30 September 2024 Unaudited	*31 December 2023 Audited*	***30 September 2024 Unaudited SR***	*31 December 2023 Audited SR*
International Water Distribution Company Limited (note a)	Water/waste works, water treatment and lease of water equipment	Kingdom of Saudi Arabia	**50%**	50%	**117,244,270**	141,840,731
Saudi Water and Environmental Services Company (note b)	Electrical, water and mechanical works and related operation and maintenance	Kingdom of Saudi Arabia	**31.85%**	31.85%	**1,740,810**	1,740,810
Saudi Al Jabr Talke Company Limited (note c)	Contracting, construction, operation and maintenance of factories and warehouses	Kingdom of Saudi Arabia	**33.3%**	33.3%	**72,437,827**	66,188,268
Xenmet SA, Vaduz (note d)	Trading, storage and brokerage of commodities	Principality of Liechtenstein	**19%**	19%	**1,601,573**	2,653,107
Green Dome (note e)	Investment and management of companies providing logistic services	United Arab Emirates	**31.67%**	31.67%	**41,460,210**	50,802,274
					234,484,690	263,225,190

a) The Parent Company has joint control over the investee through its shareholding and representation on the Board of Directors and therefore it is classified as a joint venture and accounted for as equity accounting and recorded as equity accounted investment.

10. EQUITY-ACCOUNTED INVESTEES (continued)

b) Saudi Water and Environmental Services Company is 49% owned by Kindasa Water Services Company (a subsidiary), which is 65% owned by the Parent Company, accordingly, it is classified as an associate.

c) Saudi Al Jabr Talke Company Limited is 33.34% owned by Sustained Infrastructure Holding Company (the Company), accordingly, it is classified as an associate.

d) Xenmet SA, Vaduz is 25% owned by Saudi Trade and Export Development Company Limited (a subsidiary), which is 76% owned by the Parent Company, accordingly, it is classified as an associate.

e) The Parent Company does not have any direct control over management and operations of Green Dome Holdings Limited ("Green Dome") accordingly, it is classified as an associate. During the period, upon capital call additional SR 8 million (30 September 2023: SR Nil) was invested.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial assets at FVOCI comprise of equity investment in shares of Growth Gate Capital Corporation B.S.C (a company based in Bahrain). As of the statement of financial position date, management believes that the carrying amount of the investment approximates its fair value.

12. TRADE RECEIVABLES, PREPAYMENTS AND OTHER RECEIVABLES

	30 September 2024 Unaudited **SR**	*31 December 2023 Audited* SR
Trade receivables, net	**182,486,203**	124,157,411
Prepayments and other receivables	**98,612,707**	62,772,950
Margin deposits	**31,306,700**	12,968,501
Advances to suppliers	**14,228,398**	14,373,640
	326,634,008	214,272,502

13. RIGHT-OF-USE ASSETS AND LEASE LIABILITIE

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period**:**

	For the nine-month period ended 30 September 2024 Unaudited SR	*For the year ended 31 December 2023 Audited SR*
Cost:		
At the beginning of the period / year	**66,366,028**	57,598,172
Additions during the period / year	**3,482,409**	8,767,856
Modification during the period / year	**11,603,153**	-
	81,451,590	66,366,028
Depreciation:		
At the beginning of the period / year	**17,728,369**	12,101,616
Depreciation for the period / year	**4,074,227**	5,626,753
	21,802,596	17,728,369
Net value at the end of period / year	**59,648,994**	48,637,659

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	For the nine-month period ended 30 September 2024 Unaudited SR	*For the year ended 31 December 2023 Audited SR*
At the beginning of the period / year	**108,323,544**	105,278,187
Addition during the period / year	**3,482,409**	8,767,856
Interest charge for the period / year	**2,722,018**	3,409,285
Interest cost capitalised during the period / year	**1,850,177**	2,522,776
Modification during the period	**11,603,153**	-
Payment of lease liabilities during the period / year	**(9,559,146)**	(11,654,560)
At the end of the period / year	**118,422,155**	108,323,544

The classification of lease liabilities is as follows:

	30 September 2024 Unaudited SR	*31 December 2023 Audited SR*
Current lease liabilities	**11,279,987**	12,872,045
Non-current lease liabilities	**107,142,168**	95,451,499
	118,422,155	108,323,544

14. INVESTMENT PROPERTIES

	30 September 2024 Unaudited SR	*31 December 2023 Audited SR*
Cost		
At the beginning of the period / year	**452,991,939**	314,408,430
Transfers from work in progress assets (note 9)	**94,298,286**	140,528,150
Additions during the period / year	**1,554,696**	1,058,367
Disposals	**-**	(3,003,008)
At the end of the year	**548,844,921**	452,991,939
Accumulated depreciation		
At the beginning of the year	**164,372,749**	150,576,705
Depreciation for the period / year (capitalized in work in progress assets)	**263,457**	350,956
Charge for the period / year	**15,547,803**	16,448,095
On disposals	**-**	(3,003,007)
At the end of the year	**180,184,009**	164,372,749
Net book value	**368,660,912**	288,619,190

Investment properties represent warehouses rented to customers for storage and warehousing purposes.

The buildings and leasehold improvements are situated on a plot of land leased from the Saudi Ports Authority (MAWANI) for a nominal annual rental. The initial lease agreement was for 20 Hijra years starting from 15 Muharram 1419H (corresponding to 11 May 1998) with a grace period of two Hijra years. On 22 Ramadan 1424H (corresponding to 16 November 2003) the lease agreement was extended to 40 Hijra years.

Investment properties under construction amounting to SR 95.5 million (31 December 2023: SR 162.9 million is presented under note 9.

15. CASH AND CASH EQUIVALENTS

	30 September 2024 Unaudited SR	*31 December 2023 Audited SR*
Cash on hand	**588,416**	299,366
Cash at banks	**698,508,265**	520,738,301
Murabaha deposits (15.1 & 15.2)	**316,500,003**	645,367,989
	1,015,596,684	1,166,405,656

15.1 Murabaha deposits are placed with local commercial banks and yield finance income at prevailing market rates.

15.2 Murabaha deposits with original maturities up to 90 days are included in cash and cash equivalents.

16. SHARE CAPITAL, STATUTORY RESERVE AND DIVIDENDS

a) Share capital

	30 September 2024 Unaudited SR	*31 December 2023 Audited SR*
Ordinary share of Saudi Riyals 10 each *	**816,000,000**	816,000,000

As at 30 September 2024, the authorised and paid-up capital of the Group is divided into 81.6 million shares (31 December 2023: 81.6 million shares) of SR 10 each.

(*) It includes 264,502 treasury shares (31 December 2023: 264,502 treasury shares) acquired by the Company with a value of SR 6,622,592.

b) Statutory reserve

In accordance with the previous Companies' Law and Company's By-laws, the Company was required to set aside 10% of its net income in each year as a statutory reserve until such reserve equals to 30% of the share capital. According to the new Companies' Law, the mandatory statutory reserve requirement had been removed. On 21 November 2023G (corresponding to 7 Jumada Al-Ula 1445H), the Company's extraordinary general assembly ("EGA") approved the amendment of the Company's Bylaws to comply with the new Companies' Law, and the Company's Bylaws has been amended accordingly.

c) Dividend

On 1 Ramadan 1445H (corresponding to 11 March 2024), the Board of Directors of the Company approved and paid dividend amounting to SR 32.53 million (30 September 2023: SR 65.2 million) at SR 0.4 (2023: SR 0.8) per share.

17. LONG-TERM LOANS

	30 September 2024 Unaudited SR	*31 December 2023 Audited SR*
Long-term loans	**1,271,887,377**	1,343,613,540
Less: current portion	**(162,865,897)**	(145,169,030)
Non-current portion	**1,109,021,480**	1,198,444,510

a) On 3 December 2007, RSGT (a subsidiary of the Company) entered into an Ijara arrangement with two local commercial banks to obtain a loan of SR 1,271 million. The Ijara facility was secured against the property and equipment / port concession rights of RSGT. The loan was repayable in semi-annual instalments ending in December 2023.The loan carried special commission rate of SIBOR plus an agreed margin (see note(c) below).

17. LONG-TERM LOANS (continued)

b) On 28 September 2016, RSGT entered into an Ijara arrangement with two local commercial banks to obtain a loan of SR 260 million for expansion of its existing berths. This facility was also secured against the port concession rights of RSGT (note 8.1). The loan was to be repaid in semi-annual instalments ending in December 2023. The loan carried special commission rate of SIBOR plus an agreed margin (see note (c) below).

c) During the year ended 31 December 2020, RSGT and the banks mutually agreed to amend the terms of the loan agreements above. These amendments, among others, included modification of the applicable rate from nine months SIBOR to three months SIBOR, lowered the agreed margin, modified the repayment frequency from biannual to quarterly payment and extended the maturity period from year 2023 to 2030. The Ijara facilities are secured against property and equipment of RSGT. The modifications of the terms were assessed qualitatively and quantitively in accordance with IFRS 9 "Financial Instruments" and, as a result, the management concluded that the changes in terms of agreement did not result in substantial modification under the requirements of IFRS 9 "Financial Instruments".

d) The unamortised portion of the advance rentals and other fees paid to the banks, are amortised over the remaining period of the Ijara facility, using effective interest rate approach.

e) During the year ended 31 December 2020, RSGT obtained a facility with sanctioned limit of SR 750 million towards its consolidation and expansion works which was fully drawn during prior period. RSGT paid an agreed commitment fee on the undrawn balance and an agreed profit payable at SIBOR plus a margin on the drawn balance. The commitment fee paid has been deferred and amortised as part of effective interest rate. The loan will be repaid in quarterly instalments starting from 2024 and ending in 2033. The loan is secured against assets relating to the consolidation and expansion works.

f) The current and non-current portion of the loans of RSGT as at the period end is as follows:

	30 September 2024 Unaudited SR	*31 December 2023 Audited SR*
Long-term loans	**1,141,994,405**	1,240,655,288
Less: current portion	**(144,080,183)**	(140,437,002)
Non-current portion	**997,914,222**	1,100,218,286

17. LONG-TERM LOANS (continued)

g) During 2022, Tusdeer (a subsidiary of the Company) obtained a long-term loan facility with sanctioned limit of SR 290 million from a commercial bank towards the construction of new warehouse. The loan carries commission at commercial rates (SIBOR plus an agreed margin) and is repayable in quarterly instalments commencing 9 months after the first drawdown.

	30 September 2024 Unaudited SR	*31 December 2023 Audited SR*
Long-term loan	**129,892,972**	102,958,252
Less: current portion	**(18,785,714)**	(13,461,285)
Long-term portion	**111,107,258**	89,496,967

h) All the above loans carry certain financial covenants, which had been complied with as of the reporting date.

i) All long-term loans of the Group are denominated in Saudi Arabian Riyal.

18. ZAKAT AND INCOME TAX

Parent Company

The Parent Company has filed its Zakat returns up to year 2023 and assessments up to the year 2022 are finalized with the Zakat, Tax and Customs Authority ("ZATCA"). ZATCA is yet to raise the assessments for the year 2023.

During the nine-month period ended 30 September 2024, the Parent Company paid additional zakat of SR 17.4 million in respect of assessments for the years ended 31 December 2021 and 31 December 2022.

Subsidiaries

Red Sea Gateway Terminal Company Limited and Red Sea Ports Development Company ("the Subsidiaries")

RSGT has finalized its Zakat and income tax assessments with ZATCA up to 2013 and has filed its Zakat and income tax returns up to the year 2023. Tax / Zakat assessment for the year 2014 is considered as finalized under the statute of limitation. During the year ended 31 December 2023, RSGT received assessments for the years 2015, 2016, 2017 and 2018 which was accepted and settled under protest. ZATCA is yet to raise the assessments for the years from 2019 through 2023.

RSPD has filed its Zakat and income tax returns with ZATCA up to the year 2023. RSPD has received an assessment for the year 2018 which was accepted under protest. Tax / Zakat assessments for the years up to 2017 and prior years are considered as finalized under the statute of limitation. ZATCA is yet to raise assessments for the years 2019 through 2023.

18. ZAKAT AND INCOME TAX (continued)

Subsidiaries (continued)

Saudi Trade and Export Development Company Limited ("the Subsidiary")
The Company has finalized its Zakat assessments with ZATCA up to 2016 and has filed its Zakat returns up to 2023. Zakat assessments for years 2017 and 2018 are considered as finalized under the statute of limitation. ZATCA is yet to raise the assessments for the years from 2019 through 2023.

Support Services Operation Company Limited ("the Subsidiary")
The Company has finalized its Zakat assessment with ZATCA for the years from 2007 up to 2008 and 2016 up to 2018. During the year ended 31 December 2022, ISNAD received the final assessment for year 2020 which was accepted under protest. ISNAD has filed its Zakat returns up to 2023. Zakat assessments from years 2009 up to 2015 are considered as finalized under the statute of limitation. ZATCA is yet to raise the assessments for years 2019 and 2021 through 2023.

Kindasa Water Service Company ("the Subsidiary")
The Subsidiary has finalized its Zakat assessments with ZATCA up to 2016 and has filed its Zakat returns up to 2023. Up to the date of these consolidated financial statements, ZATCA is yet to raise the assessment for the years from 2016 to 2023.

19. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent the shareholders, affiliates (the Company and the entities are members of the same group), joint venture, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. The significant transactions between the Company and its shareholders and affiliates (including associates and joint venture) are disclosed below. The pricing terms and conditions of the transactions are agreed by the management of the concerned parties and approved by the management of the Company.

a) Significant related party transactions for the period ended 30 September are as follows:

			Amount of transactions			
			Three-month period ended		**Nine-month period ended**	
Name	**Relationship**	**Nature of transactions**	**30 September 2024 Unaudited SR**	30 September 2023 Unaudited SR	**30 September 2024 Unaudited SR**	30 September 2023 Unaudited SR
International Water Distribution Company Limited	Associate	Sales of goods and services	**19,322,316**	17,386,691	**54,819,856**	51,645,957
		Expenses incurred on behalf of the associate	**39,018**	-	**66,952**	68,206
Al Jabr Talke Company Limited	Associate	Services rendered	**100,034**	34,500	**405,211**	451,657
		Dividend received	**3,787,842**	-	**10,866,449**	10,931,416
		Expenses incurred on behalf of Associate	**81,352**	-	**251,512**	97,440
Xenel Industries Limited	Shareholder	Payment made on behalf of the shareholder	-	71,029	**262,133**	216,467
		Expenses incurred on behalf of the Group	-	-	**(17,928)**	(92)
Al Karam Al Arabi Catering	Affiliate	Purchase of goods and services	**(5,373,969)**	-	**(15,382,899)**	(14,668,303)

19. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

b) Due from related parties

	30 September 2024 Unaudited SR	*31 December 2023 Audited SR*
International Water Distribution Company Limited	**16,955,204**	12,489,007
Xenel Industries Limited	**-**	461,382
Al Jabr Talke Company Limited	**181,386**	-
	17,136,590	12,950,389

c) Due to a related party

	30 September 2024 Unaudited SR	*31 December 2023 Audited SR*
Al Karam Al Arabi Catering	**1,522,000**	-

d) Short term loans due to related parties

	30 September 2024 Unaudited SR	*31 December 2023 Audited SR*
Short term loans due to NCI	**-**	148,843,578

(i) During the period, the shareholders of RSGTI and RSPDI, the subsidiaries of the Group, have approved to issue additional share capital in proportion to existing shareholdings. This includes shares issued to NCI against cash received and short-term loan due to NCI amounting to SR 33.5 million and SR 148.8 million, respectively.

e) Key management personnel remuneration and compensation comprised of the following:

	Three-months period ended 30 September 2024 Unaudited SR	*Three-months period ended 30 September 2023 Unaudited SR*	***Nine-months period ended 30 September 2024 Unaudited SR***	*Nine-months period ended 30 September 2023 Unaudited SR*
Short-term employee benefits	**2,393,300**	2,117,180	**13,553,335**	9,443,860
Post-employment benefits	**60,883**	44,533	**347,745**	478,521
	2,454,183	2,161,713	**13,901,080**	9,922,381

Short-term employee benefits of the Group's key management personnel include salaries and bonuses.

19. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

f) Board of Directors / Committee members remuneration and compensation comprised of the following:

	Three-months period ended 30 September 2024 Unaudited SR	*Three-months period ended 30 September 2023 Unaudited SR*	***Nine-months period ended 30 September 2024 Unaudited SR***	*Nine-months period ended 30 September 2023 Unaudited SR*
Meeting attendance fees	**185,000**	325,000	**535,000**	765,000
Other remuneration	**187,500**	1,350,000	**3,812,500**	3,553,000
	372,500	1,675,000	**4,347,500**	4,318,000

20. COMMITMENTS AND CONTINGENCIES

As at 30 September 2024, the Group's bankers have issued letters of guarantee amounting to SR 162.7 million (31 December 2023: SR 128.9 million) against which cash margin of SR 31.3 million (31 December 2023: SR 12.9 million) was deposited. Further, the Group's bankers have issued letters of credit amounting to SR 1.15 million (2023: nil).

As at 30 September 2024, the Group has commitments for capital work in progress amounting to SR 8 million (31 December 2023: SR 203.6 million) mainly relating to new logistic hub and park construction project, new desalination plant construction and consolidation and expansion work on the container terminal.

21. BUSINESS SEGMENTS

The Group has the following main business segments:

- Port development and operations
- Water desalination and distribution
- Logistic parks and support services
- Corporate office: Consists of investment activities and head office functions.

These business segments are located within the Kingdom of Saudi Arabia and Bangladesh and are the Group's strategic business units.

The Group's top management reviews internal management reports of each strategic business unit at least quarterly. Segment results that are reported to the top management include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment revenues, as included in the internal management reports that are reviewed by the top management.

21. BUSINESS SEGMENTS (continued)

The following table presents segment information related to revenue and net income for each of the business segments for the ninth-month period ended 30 September:

	Reportable Segments					
	Port development and operations	*Logistic parks and support services*	*Water desalination and distribution*	*Total*	*Unallocated*	*Total*
	SR 000'(Unaudited)					
30 September 2024 (Unaudited)						
External revenues						
Point in time	739,630	62,504	74,171	**876,305**	**-**	**876,305**
Over the period of time	49,956	48,797	-	**98,753**	**-**	**98,753**
Total external revenues	**789,586**	**111,301**	**74,171**	**975,058**	-	**975,058**
Inter-segment revenue	-	(21,781)	(1,459)	**(23,240)**	**-**	**(23,240)**
Segment revenue	**789,586**	**89,520**	**72,712**	**951,818**	**-**	**951,818**
Geographical markets						
Kingdom of Saudi Arabia	757,440	89,520	72,712	**919,672**	-	919,672
Bangladesh	32,146	-	-	**32,146**	-	32,146
Segment revenue	**789,586**	**89,520**	**72,712**	**951,818**	-	**951,818**
Direct costs	392,044	72,076	37,408	**501,528**	-	**501,528**
Inter-segment direct costs	(1,021)	(18,214)	-	**(19,235)**	-	**(19,235)**
Segment cost	**391,023**	**53,862**	**37,408**	**482,293**	-	**482,293**
Segment gross profit	**398,563**	**35,659**	**35,304**	**469,526**	**-**	**469,526**
Profit/(loss) attributable to shareholders of the Parent	25,083	9,391	12,933	**47,407**	(67,470)	**(20,063)**

21. BUSINESS SEGMENTS (continued)

	Reportable segments					
	Port development and Operations	*Logistic parks and support services*	*Water desalination and distribution*	*Total*	*Unallocated*	*Total*
	SR 000'(Unaudited)					
30 September 2023 (Unaudited)						
External revenues						
Point in time	624,803	38,097	69,988	732,888	-	732,888
Over the period of Time	328,661	47,966	-	376,627	-	376,627
Total external Revenues	953,464	86,063	69,988	1,109,515	-	1,109,515
Inter-segment Revenue	-	(3,278)	(1,206)	(4,484)	-	(4,484)
Segment revenue	953,464	82,785	68,782	1,105,031	-	1,105,031
Geographical markets						
Kingdom of Saudi Arabia	953,464	82,785	68,782	1,105,031	-	1,105,031
Bangladesh	-	-	-	-	-	
Segment revenue	953,464	82,785	68,782	1,105,031	-	1,105,031
Direct costs	615,510	42,552	35,491	693,553	-	693,553
Inter-segment direct costs	(1,206)	-	-	(1,206)	-	(1,206)
Segment cost	614,304	42,552	35,491	692,347	-	692,347
Segment gross profit	339,160	40,233	33,291	412,684	-	412,684
Profit attributable to shareholders of the Parent	24,752	14,126	11,391	50,269	14,128	64,397

21. BUSINESS SEGMENTS (continued)

The following table presents segment information related to assets and liabilities for each of the business segments as at reporting date:

	Reportable Segments					
	Port development and operations	***Logistic parks and support services***	***Water desalination and distribution***	***Total***	***Unallocated***	***Total***
	SR 000'(Unaudited)					
30 September 2024 (Unaudited)						
Geographical segment						
Kingdom of Saudi Arabia	4,176,389	608,140	212,433	**4,996,962**	641,329	**5,638,291**
Bangladesh	191,994	-	-	**191,994**	-	**191,994**
United Kingdom	172,352	-	-	**172,352**	-	**172,352**
Segment assets	**4,540,735**	**608,140**	**212,433**	**5,361,308**	**641,329**	**6,002,637**
Geographical segment						
Kingdom of Saudi Arabia	3,093,139	268,446	51,678	**3,413,263**	31,431	**3,444,694**
Bangladesh	84,258	-	-	**84,258**	-	**84,258**
United Kingdom	38,818	-	-	**38,818**	-	**38,818**
Segment liabilities	**3,216,215**	**268,446**	**51,678**	**3,536,339**	**31,431**	**3,567,770**

21. BUSINESS SEGMENTS (continued)

The following table presents segment information related to assets and liabilities for each of the business segments as at reporting date:

	Reportable segments					
	Port development and operations	*Logistic parks and support services*	*Water desalination and distribution*	*Total*	*Unallocated*	*Total*
	SR 000'(audited)					
31 December 2023 (Audited)						
Geographical segment						
Kingdom of Saudi Arabia	4,285,287	551,817	178,563	5,015,667	717,456	5,733,123
Bangladesh	3,571	-	-	3,571	-	3,571
United Kingdom	253,287	-	-	253,287	-	253,287
Segment assets	4,542,145	551,817	178,563	5,272,525	717,456	5,989,981
Geographical segment						
Kingdom of Saudi Arabia	3,375,762	228,733	39,873	3,644,368	12,555	3,656,923
Bangladesh	4,050	-	-	4,050	-	4,050
United Kingdom	14,286	-	-	14,286	-	14,286
Segment liabilities	3,394,098	228,733	39,873	3,662,704	12,555	3,675,259

22. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

- In the accessible principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous accessible market for the asset or liability
- Fair value information of the Group's financial instruments is analysed below:

22. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: quoted prices in active markets for the same or identical instrument that an entity can access at the measurement date;

Level 2: quoted prices inactive markets for similar assets and liabilities or valuation techniques for which all significant inputs are based on observable market data; and

Level 3: valuation techniques for which any significant input is not based on observable market data.

The Group's Level 3 financial assets comprise investment in unquoted investee company.

There were no transfers between level 1 and level 3 during the nine-month period 30 September 2024 (31 December 2023: nil). There were no financial assets or financial liabilities classified under level 2.

There were no changes in valuation techniques during the period.

As at 30 September 2024, the financial assets of the Group comprised of trade and other receivables, due from related parties, cash and cash equivalents which are recorded at amortised cost and investment in equity securities whose carrying value approximates its fair value and the Group's financial liabilities include loans and bank facilities, obligation under service concession agreement, trade payables and other liabilities and derivative financial instruments.

23. APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved and authorised to issue by the Board of Directors on 02 November 2024G, corresponding to (30 Rabi' Al-Thani 1446H).