THE NATIONAL SHIPPING COMPANY OF SAUDI ARABIA

(A Saudi Joint Stock Company)

Consolidated Financial Statements

and Independent Auditor's Report

For the year ended 31 December 2024

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF THE NATIONAL SHIPPING COMPANY OF SAUDI ARABIA
(A SAUDI JOINT STOCK COMPANY)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of The National Shipping Company of Saudi Arabia (the "Company"), and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia that is relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with that Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

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Key Audit Matters (Continued)

Key audit matter	How our audit addressed the key audit matter
Revenue recognition During the year the Group has recognized revenue primarily from voyage charter, time charter and freight forwarding amounting to SR 9.5 billion (2023: SR 8.8 billion). We considered revenue recognition as a key audit matter considering the materiality of the amounts involved, volume of transactions, and the inherent risk due to the time-based measure used by the Group that the revenue for unfinished voyages is not accurately recognized in respect of the cut-off reporting date, which could significantly impact the consolidated financial statements. *Refer to note 4 for the accounting policy relating to revenue recognition, notes 21 and 27 for the related disclosures.*	Our audit procedures included, among others, the following: • Obtained an understanding of the process used by the management in recognizing various revenue flows; • Evaluated the Group's accounting policy, relating to revenue recognition for compliance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia; • Assessed the design, implementation and tested the operating effectiveness of key IT control implemented by the Group relating to revenue, with the involvement of our IT specialist; • Performed cut-off testing procedures on a sample basis, to assess whether revenue is recognized in proper accounting period; • Tested on sample basis, the amounts recorded for different streams of revenue considering the relevant documentation and agreement with the customers; • Performed analytical procedures for different streams of revenue by comparing expectations of revenue with the actual results and analysed the variance; • Performed recalculation of the revenue recorded for the voyage in transit to evaluate whether revenue was recognized in the proper accounting period; and • Assessed the adequacy of the relevant disclosures in the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF THE NATIONAL SHIPPING COMPANY OF SAUDI ARABIA
(A SAUDI JOINT STOCK COMPANY) (Continued)

Other matter

The consolidated financial statements of the Group for the year ended 31 December 2023 were audited by another auditor who expressed unmodified opinion on those consolidated financial statements on 11 Ramadhan 1445H (corresponding to 21 March 2024).

Other information included in The Group's 2024 Annual Report

Other information consists of the information included in the Group's 2024 annual report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information in its annual report. The Group's 2024 annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants and the applicable provisions of the Regulations for Companies and Company's By-laws, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance i.e, the Audit Committee is responsible for overseeing the Group's financial reporting process.

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

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

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF THE NATIONAL SHIPPING COMPANY OF SAUDI ARABIA (A SAUDI JOINT STOCK COMPANY) (Continued)

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF THE NATIONAL SHIPPING COMPANY OF SAUDI ARABIA
(A SAUDI JOINT STOCK COMPANY) (Continued)

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

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

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

for Ernst & Young Professional Services

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CR. 1010383821
شركة إرنست ويونغ للخدمات المهنية
(مهنية ذات مسؤولية محدودة)
Ernst & Young Professional Services
(Professional LLC)

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

Riyadh: 26 Ramadhan 1446
26 March 2025

THE NATIONAL SHIPPING COMPANY OF SAUDI ARABIA
(A Saudi Joint Stock Company)
Consolidated statement of financial position
As at 31 December 2024
(All amount in thousands of Saudi Riyals unless otherwise stated)

	Note	2024	2023
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	6	**16,616,175**	14,009,488
Projects under construction	7	**2,291,663**	905,035
Right of use assets	18	**948,623**	661,384
Intangible assets	8	**283,205**	324,537
Equity accounted investees	9	**2,175,143**	1,833,985
Other non-current financial assets	10	**49,346**	74,958
TOTAL NON-CURRENT ASSETS		**22,364,155**	17,809,387
CURRENT ASSETS			
Inventories	11	**468,063**	498,376
Trade receivables and contract assets	12	**1,273,381**	1,298,001
Prepayments and other current asset	13	**681,834**	587,364
Cash and cash equivalents	14	**1,821,500**	2,913,117
TOTAL CURRENT ASSETS		**4,244,778**	5,296,858
TOTAL ASSETS		**26,608,933**	23,106,245
EQUITY AND LIABILITIES			
EQUITY			
Share capital	15	**7,382,812**	7,382,812
Share premium		**1,489,103**	1,489,103
Other reserves		**37,793**	14,493
Retained earnings		**4,715,506**	2,952,169
Equity attributable to equity holders of the Parent Company		**13,625,214**	11,838,577
Non-controlling interests	31	**960,008**	803,659
TOTAL EQUITY		**14,585,222**	12,642,236
LIABILITIES			
NON-CURRENT LIABILITIES			
Loans and borrowings	16	**8,288,484**	7,060,164
Employees' end of service benefits	17	**131,579**	100,325
Lease liabilities	18	**540,215**	498,840
Derivative financial instruments		**2,943**	4,168
TOTAL NON-CURRENT LIABILITIES		**8,963,221**	7,663,497
CURRENT LIABILITIES			
Loans and borrowings	16	**459,585**	609,117
Lease liabilities	18	**436,317**	188,028
Trade and other payables	19	**1,938,914**	1,752,378
Provision for Zakat and income tax	20	**225,674**	250,989
TOTAL CURRENT LIABILITIES		**3,060,490**	2,800,512
TOTAL LIABILITIES		**12,023,711**	10,464,009
TOTAL EQUITY AND LIABILITIES		**26,608,933**	23,106,245

Chief Financial Officer	**Chief Executive Officer**	**Authorized Board Member**

The accompanying notes 1 to 33 form an integral part of these consolidated financial statements.

THE NATIONAL SHIPPING COMPANY OF SAUDI ARABIA
(A Saudi Joint Stock Company)
Consolidated statement of profit or loss
For the year ended 31 December 2024
(All amount in thousands of Saudi Riyals unless otherwise stated)

	Note	2024	2023
Revenue	21	9,482,387	8,777,500
Operating costs	22	(7,119,252)	(6,861,726)
Gross profit before bunker subsidy		2,363,135	1,915,774
Bunker subsidy		337,222	157,352
Gross profit		2,700,357	2,073,126
General and administrative expenses	23	(321,167)	(241,175)
Provision on trade receivables and contract assets	12	(20,390)	(2,564)
Other income	24	245,191	340,323
Operating profit		2,603,991	2,169,710
Finance cost	25	(621,649)	(621,648)
Finance income	14	86,076	79,618
Share of results of equity accounted investees	9	432,563	266,168
Profit before Zakat and income tax		2,500,981	1,893,848
Zakat and income tax	20	(115,180)	(100,836)
Profit for the year		2,385,801	1,793,012
Profit for the year attributable to:			
Equity holders of the Parent Company		2,169,392	1,613,428
Non-controlling interests	31	216,409	179,584
		2,385,801	1,793,012
Earnings per share:			
Basic & diluted	26	2.94	2.19

Chief Financial Officer **Chief Executive Officer** **Authorized Board Member**

The accompanying notes 1 to 33 form an integral part of these consolidated financial statements.

THE NATIONAL SHIPPING COMPANY OF SAUDI ARABIA
(A Saudi Joint Stock Company)
Consolidated statement of comprehensive income
For the year ended 31 December 2024
(All amount in thousands of Saudi Riyals unless otherwise stated)

	Note	2024	2023
Profit for the year		2,385,801	1,793,012
Items that will not be subsequently reclassified to profit or loss			
Change in fair value of investment through OCI		11,644	-
Items that are or may be reclassified subsequently to profit or loss			
Equity accounted investees-share of OCI	9	11,079	(12,333)
Re-measurement gain / (loss) of employees' end of service benefits	17	517	(7,698)
Total comprehensive income for the year		2,409,041	1,772,981
Total comprehensive income attributable to:			
Equity holders of the Parent Company		2,192,692	1,593,518
Non-controlling interests		216,349	179,463
Total comprehensive income for the year		2,409,041	1,772,981

Chief Financial Officer | **Chief Executive Officer** | **Authorized Board Member**

The accompanying notes 1 to 33 form an integral part of these consolidated financial statements.

THE NATIONAL SHIPPING COMPANY OF SAUDI ARABIA
(A Saudi Joint Stock Company)
Consolidated statement of cash flows
For the year ended 31 December 2024
(All amount in thousands of Saudi Riyals unless otherwise stated)

	Note	2024	2023
OPERATING ACTIVITIES			
Profit for the year before zakat and income tax		**2,500,981**	1,893,848
Adjustments for non-cash items:			
Depreciation of property and equipment	6	**1,167,756**	1,151,064
Depreciation of right-of-use assets	18	**452,163**	198,783
Amortization of intangible assets	8	**50,527**	55,805
Provision on trade receivables and contract assets	12	**20,390**	2,564
Finance cost	25	**621,649**	621,648
Finance income	14	**(86,076)**	(79,618)
Share of results of equity accounted investees	9	**(432,563)**	(266,168)
Gain on disposal of property and equipment	24	**(215,924)**	(214,084)
Employees' end of service benefits	17	**37,710**	16,056
		4,116,613	3,379,898
Changes in operating assets and liabilities:			
Inventories		**30,313**	12,822
Trade receivables and contract assets		**4,230**	768,460
Prepayments and other current assets		**(81,156)**	(111,730)
Trade and other payables		**59,407**	207,125
Cash from operating activities		**4,129,407**	4,256,575
Finance cost paid		**(577,450)**	(587,978)
Zakat and income tax paid	20	**(140,495)**	(105,293)
Employees' end of service benefits paid	17	**(5,939)**	(2,744)
Net cash flows generated from operating activities		**3,405,523**	3,560,560
INVESTING ACTIVITIES			
Additions of property and equipment	6	**(245,972)**	(253,138)
Additions of projects under construction	7	**(5,223,356)**	(1,387,637)
Additions of intangible assets	8	**(9,195)**	(6,445)
Proceeds from disposal of property and equipment		**524,181**	685,205
Investment in equity accounted investee	9	**-**	(90,260)
Dividends from equity accounted investee	9	**225,450**	85,227
Proceeds from finance income		**84,343**	82,359
Other non-current financial assets		**1,536**	2,247
Net cash flows used in investing activities		**(4,643,013)**	(882,442)
FINANCING ACTIVITIES			
Proceeds from loans and borrowings	16	**2,526,873**	886,800
Repayment of loans and borrowings	16	**(1,459,666)**	(2,755,014)
Dividends paid	30	**(406,055)**	(246,095)
Payment of lease liabilities		**(455,279)**	(180,050)
Dividends paid to non-controlling interests by subsidiary		**(60,000)**	-
Net cash flows generated from/ (used in) financing activities		**145,873**	(2,294,359)
Net (decrease)/ increase in cash and cash equivalents		**(1,091,617)**	383,759
Cash and cash equivalents at beginning of the year		**2,913,117**	2,529,358
Cash and cash equivalents at end of the year	14	**1,821,500**	2,913,117
Details of other non-cash transactions:			
Projects under construction transferred to property and equipment	6&7	**3,836,728**	1,418,114
Additions to right-of-use assets	18	**739,402**	439,755

Chief Financial Officer **Chief Executive Officer** **Authorized Board Member**

The accompanying notes 1 to 33 form an integral part of these consolidated financial statements.

THE NATIONAL SHIPPING COMPANY OF SAUDI ARABIA
(A Saudi Joint Stock Company)
Consolidated statement of changes in equity
For the year ended 31 December 2024
(All amount in thousands of Saudi Riyals unless otherwise stated)

	Attributable to equity holders of the Parent Company							
	Share capital	Statutory reserve	Share premium	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2023	4,921,875	351,750	1,489,103	34,403	3,694,023	10,491,154	624,196	11,115,350
Profit for the year	-	-	-	-	1,613,428	1,613,428	179,584	1,793,012
Other comprehensive loss	-	-	-	(19,910)	-	(19,910)	(121)	(20,031)
Total comprehensive income for the year	-	-	-	(19,910)	1,613,428	1,593,518	179,463	1,772,981
Transferred to share capital	2,460,937	(351,750)	-	-	(2,109,187)	-	-	-
Dividends (note 30)	-	-	-	-	(246,095)	(246,095)	-	(246,095)
Balance at 31 December 2023	7,382,812	-	1,489,103	14,493	2,952,169	11,838,577	803,659	12,642,236
Balance at 1 January 2024	**7,382,812**	**-**	**1,489,103**	**14,493**	**2,952,169**	**11,838,577**	**803,659**	**12,642,236**
Profit for the year	**-**	**-**	**-**	**-**	**2,169,392**	**2,169,392**	**216,409**	**2,385,801**
Other comprehensive income	**-**	**-**	**-**	**23,300**	**-**	**23,300**	**(60)**	**23,240**
Total comprehensive income for the year	**-**	**-**	**-**	**23,300**	**2,169,392**	**2,192,692**	**216,349**	**2,409,041**
Dividends (note 30)	**-**	**-**	**-**	**-**	**(406,055)**	**(406,055)**	**-**	**(406,055)**
Dividends paid to non-controlling interest	**-**	**-**	**-**	**-**	**-**	**-**	**(60,000)**	**(60,000)**
Balance at 31 December 2024	**7,382,812**	**-**	**1,489,103**	**37,793**	**4,715,506**	**13,625,214**	**960,008**	**14,585,222**

Chief Financial Officer **Chief Executive Officer** **Authorized Board Member**

The accompanying notes 1 to 33 form an integral part of these consolidated financial statements.

1. CORPORATE INFORMATION

The National Shipping Company of Saudi Arabia (the "Company" or "Bahri" or "Parent Company"), a Saudi Joint Stock Company, was established under the Royal Decree No. M/5 dated 12 Safar 1398H (corresponding to 21 January 1978) and registered under Commercial Registration No. 1010026026 dated 1 Dhul Hijjah 1399H (corresponding to 22 October 1979) issued in Riyadh. The Company's head office is located in Olaya district, Olaya Towers (Tower B), Floors 12-15, P.O Box 8931, Riyadh 12213, Kingdom of Saudi Arabia.

The Company and its subsidiaries listed below (the "Group") are primarily engaged in purchasing, selling and operating vessels for the coordination of transport & storage on board vessels, transportation of cargo, cargo clearance, agencies for maritime shipping companies and all marine transport activities. The Group performs its operations through four distinct segments which are crude oil transportation, chemicals transportation, logistics and dry bulk transportation. The Group is also engaged in the ownership of land, properties inside or outside the Kingdom, ownership of shares in other existing companies or merging with them and participating with others in establishing companies with similar activities or complementary activities.

The Company's share capital amounting to SAR 7,382,812,500 as at 31 December 2024 is divided into 738,281,250 shares (31 December 2023: SAR 7,382,812,500 divided into 738,281,250 shares) with a par value of SAR 10 each (note 15).

The subsidiary companies whose financial information are incorporated into these consolidated financial statements are as follows:

Subsidiary	Date of incorporation	Effective Ownership % 2024	2023	Principal Activity	Location
National Chemical Carriers Company limited ("NCC")	1990	**80**	80	Petrochemical transportation	KSA
NSCSA Inc. – USA	1991	**100**	100	Company's ship agent	USA
Mideast Ship Management Limited ("JLT")	2010	**100**	100	Ships technical management	UAE
Bahri Dry Bulk Company ("BDB")	2010	**60**	60	Dry bulk transportation	KSA
Bahri Logistics Company	2017	**100**	100	Logistics services	KSA
Bahri Logistics Company DWC-LLC*	2024	**100**	-	Logistics services	UAE
Bahri Logistics Company ("SILZ") LLC*	2024	**100**	-	Logistics services	KSA

*The Group holds an effective equity ownership interest of 100% in Bahri Logistics Company DWC-LLC and Bahri Logistics Company ("SILZ") LLC through shareholding in Bahri Logistics Company. The legal formalities for the establishment of Bahri Logistics Company ("SILZ") LLC are currently in progress.
The equity accounted investees whose financial information is incorporated in these consolidated financial statements are as follows:

Equity accounted investees	Nature of relationship	Date of incorporation	Effective Ownership % 2024	2023	Principal Activity	Location
Petredec' group limited (note a)	Joint Venture	2012	**40.08**	40.08	Liquefied petroleum gas transportation	BVI
International Maritime Industries Company (note b)	Associate	2017	**19.9**	19.9	Maritime industries	KSA
National Grain Company (note c)	Joint Venture	2021	**50**	50	Packing and storage of grain	KSA

1. CORPORATE INFORMATION (continued)

a) During October 2023, Petredec Group Limited entered into a buy back transaction with one of its shareholders and cancelled the same against its share capital. This resulted in an increase in Bahri's effective ownership percentage from 30.3% to 40.08%. During the year ended 31 December 2024, the Group completed the Purchase Price Allocation (PPA) exercise. The final allocation did not result in any material adjustments to the provisional amounts previously recognized. Consequently, no retrospective adjustments have been made to the prior year financial statements.

As a result of change in Petredec structure, the Group reviewed the classification of its investment and determined that it should be classified as an investment in a joint venture, in accordance with the IFRS Accounting Standards endorsed in KSA.

The Group share of Petredec results for the financial period are recorded as per the latest financial statements prepared by Petredec. The difference between the latest financial statements prepared by Petredec and the Group consolidated financial statements is two months.

b) International Maritime Industries Company (IMI) was established in KSA with capital of SAR 1,107 million between the Company, ARAMCO, Maritime Offshore Limited (Lamprell), and Korea Shipbuilding & Offshore Engineering Company Ltd.

c) During August 2020, the Company entered into a joint venture ("JV") agreement to establish the National Grain Company with United Farmers Investment Company ("UFIC"). The JV aims to build and establish a terminal for handling grains at Yanbu Commercial Port, to meet the future needs of the Kingdom of Saudi Arabia for major crops and cereals. The legal formalities were finalized, and the commercial register was issued on 18 Shaaban 1442H (equivalent to 31 March 2021). During Q4 2024, the project was inaugurated, marking the commencement of commercial production.

The Company operates through the following branches:

Trade Name	Registration No.	Registration Date	City
The National Shipping Company of Saudi Arabia	1010026026	23/10/1979	Riyadh
The National Shipping Company of Saudi Arabia	4030033402	21/2/1982	Jeddah
The National Shipping Company of Saudi Arabia	2050013881	30/7/1983	Dammam
The National Shipping Company of Saudi Arabia	2055001309	25/7/1984	Jubail
The National Shipping Company of Saudi Arabia	JLT-65807	06/12/2010	Dubai
The National Shipping Company of Saudi Arabia	F06135	26/08/2016	New Delhi

Group's fleet: As at 31 December 2024, the Group operated 93 owned vessels and 16 vessels under lease contract (31 December 2023: owned 88 vessels and 10 vessels under lease contract) operating in the following sectors:

Oil transportation sector: Consists of 41 vessels (31 December 2023: 39 vessels) all of which are very large crude carriers (VLCCs) operating in the spot market.

Chemicals transportation sector: This sector is fully operated by NCC. It owns 33 vessels and 16 vessels under lease contract (31 December 2023: owned 32 vessels and 10 vessels under lease contract). Specialized tankers distributed as follows:

- 40 tankers that operate in the spot market.
- 9 tankers are under charter agreements.

Logistics sector: This sector consists of 7 RoCon vessels (31 December 2023: 6 RoCon vessels) operating on commercial lines between North America, Europe, Middle East, the Indian Subcontinent and Asia.

Dry bulk transportation sector: This sector is fully operated by BDB and it owns 12 vessels (31 December 2023: 11 vessels) specialized in transporting dry bulk cargo. 5 of them are chartered to the Arabian Agricultural Services Company (ARASCO) and 7 vessels are operating in the spot market.

2. BASIS OF PREPARATION

2.1. Statement of Compliance

These consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards ("IFRS") and its interpretations as issued by the International Accounting Standards Board ("IASB") as endorsed in KSA and other standards and pronouncements that are endorsed by Saudi Organization for Chartered and Professional Accountants ("SOCPA") (collectively referred to as "IFRSs as endorsed in KSA"). The Group has prepared these consolidated financial statements on the basis that it will continue to operate as a going concern.

2.2. Preparation of financial statements

(i) Historical cost convention

These consolidated financial statements have been prepared on a historical cost basis, except for:

- Derivative financial instruments and quoted equity shares which are measured at fair value.
- Employees' end of service benefits are recognized at the present value of future obligations using the projected unit credit method.

(ii) Functional and presentation currency

These consolidated financial statements are presented in Saudi Riyal ("SAR"), which is the Company's functional and presentation currency. All amounts have been rounded to the nearest thousand, except when otherwise indicated.

3. BASIS OF CONSOLIDATION

The Company and its subsidiaries are referred to collectively as the "Group". Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed, 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. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement in the investee.
- The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in these consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets, liabilities, income, expenses and cash flows relating to transactions are eliminated in full on consolidation.

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:

- De-recognizes the assets and liabilities of the subsidiary;
- De-recognizes the carrying amount of any non-controlling interest;
- De-recognizes the cumulative translation differences, recorded in equity;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained;
- Recognizes any surplus or deficit in the consolidated statement of profit or loss;

The Company and its subsidiaries have the same reporting periods except Petredec Group (Equity accounted investee) as explained in note 1.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The Group has consistently applied the accounting policies to all periods presented in these consolidated financial statements.

4.1. Material accounting judgments, estimates and assumptions

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Therefore, actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.
In the process of applying the Group's accounting policies, management has made the following estimates and judgments, which are significant to the consolidated financial statements:

- Impairment assessment of vessels.
- Measurement of defined benefit obligations; key actuarial assumptions
- Measurement of ECL allowance for trade receivables and contract assets: key assumptions in determining the weighted average loss rate.
- Useful life of property and equipment
- Incremental borrowing rate on leases

4.2. Revenue from Contracts with Customers

The Group recognizes revenue from contracts with customers based on the five-step model as set out in IFRS 15 and is given below:

Step 1 – Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met;
Step 2 – Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer;
Step 3 – Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties;
Step 4 – Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
Step 5 – Recognize revenue when (or as) the entity satisfies a performance obligation.

The Group satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

- The Group's performance does not create an asset with an alternate use to the Group and the Group has an enforceable right to payment for performance completed to date;

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.2. Revenue from Contracts with Customers (continued)

For performance obligations where none of the above conditions are met, revenue is recognized at the point in time at which the performance obligation is satisfied.

Revenue is recognized when a customer receives the services.

Type of service	Nature, timing of satisfaction of performance obligations, significant payment terms
Time Charter arrangement (Time charter)	The Group measures its progress towards complete satisfaction of the performance obligation using a time-based measure. Further, because the Group charges a fixed amount for each day of service provided, the Group has an enforceable right to invoice the customer an amount that corresponds directly with the value of the Group's performance completed to date. Revenue is recognized based on percentage of completion over the period of time.
Voyage charter (Spot & charter hire)	In case of voyage charter arrangements including liner, revenue for shipping services is recognized over time as the customer benefits from the service received as it is being performed. The group identifies the performance obligation as the transport of goods from load port to discharge port. Thus, revenue is evenly accrued from the point of loading through to the point of completed discharge based upon the voyage days completed as a proportion of the expected total days of the voyage.
Logistics revenue (Freight forwarding)	Logistics revenue excluding liner primarily comprises order fulfilment and transportation services. Logistics revenue is recognized at the point in time when the services are rendered to the customer.
Desalination revenue	Revenue from desalination is recognized at a specific point in time when control of the goods is transferred to the customer. The group identifies the performance obligation in this arrangement as the delivery of desalinated water to the customer.

The voyage charter contract generally has "demurrage" clause. As per this clause, the charterer reimburses the Group for any potential delays exceeding the allowed laytime as per the charter party clause at the ports visited, which is recorded as voyage revenue. As such, demurrage is considered variable consideration under the contract. Estimates and judgements are required in ascertaining the most likely outcome of a particular voyage and actual outcomes may differ from estimates. Such estimates are reviewed and updated over the term of the voyage charter contract.

The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the services before transferring them to the customer.

4.2.1 Significant financing component

The Group applies the practical expedient for short-term advances received from customers. That is, the promised amount of consideration is not adjusted for the effects of a significant financing component if the period between the transfer of the promised good or service and the payment is one year or less.

4.2.2 Contract assets

A contract asset is the Group's right to consideration in exchange for services transferred by the Group to the customer. If the Group transfers services to a customer before the customer pays any consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

4.3. Financial Instruments

i- Recognition and initial measurement

Trade receivables are initially recognized at amortized cost when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.3. Financial Instruments (continued)

ii- Classification and subsequent measurement of financial assets and financial liabilities

On initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income ("FVOCI") – debt investment; FVOCI – equity investment; or FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The following accounting policies apply to the subsequent measurement of financial assets.

Financial assets at Fair Value Through Profit and Loss (FVTPL)	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Equity investments at Fair Value through Other Comprehensive Income (FVOCI)	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

The financial assets at amortized cost consist of trade receivables and contract assets, other non-current financial assets, other current financial assets and cash and cash equivalents.

Financial Liabilities – Classification, subsequent measurement and gain and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, it is a derivative or designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.3. Financial Instruments (continued)

ii- Classification and subsequent measurement of financial assets and financial liabilities (continued)

Derecognition
Financial assets
The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which either substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities
The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

Offsetting
Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Impairment of non-derivative financial assets
Under IFRS 9, loss allowances are measured on either of the following bases:
- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group recognizes loss allowances for ECLs on financial assets measured at amortized cost and contract assets. The Group measures loss allowances at an amount equal to lifetime ECLs.

Credit-impaired financial assets
At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 4 years past due from government and semi-government, and 2 years past due from commercial customers;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of impairment
Allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. Impairment losses related to trade receivables and contract assets, are presented separately in the statement of profit or loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.4. Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash on hand, cash at banks, short-term highly liquid deposits, and Murabaha with original maturity of three months or less, that are held for the purpose of meeting short-term cash commitments and are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

4.5. Inventories

Inventories consist of bunker fuel, lubricating oils and other supplies. Inventories are measured at the lower of cost or net realizable value. Costs of the used bunker inventory are measured by using the First-in-First-out method while the costs of lubricating oil and other supplies are measured using weighted average method.

Cost includes the net purchase price (after trade discounts) and any shipping, transportation, insurance, custom duties and other direct expenses related to the acquisition of the inventory.

4.6. Property and equipment

Property and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing parts of the property and equipment and borrowing costs for long-term construction projects (qualifying assets) if the recognition criteria are met.

When significant parts of property and equipment are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.

Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the equipment if the recognition criteria are satisfied. All other repairs and maintenance costs are recognized in the consolidated statement of profit or loss as incurred.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Property and equipment	**Useful lives (in years)**
Buildings and improvements	3 to 20
Fleet and equipment	2.5 to 30
Containers and trailers	5 to 12
Furniture and fixtures	10
Tools and office equipment	2 to 4
Motor vehicles	2 to 4
Computer equipment	4 to 6
Container yards - equipment	5 to 12.5

If an item of property and equipment comprises individual components for which different depreciation methods or rates are appropriate, then each component is depreciated separately. A separate component may either be a physical component or a non-physical component that represents a major inspection or overhaul (such as dry docking of vessels).

For recognition of the Group’s vessels, first dry-docking costs are considered as a major component of a vessel which are recorded as a separate asset and depreciated separately. Subsequent dry-docking costs are capitalized as a separate asset and depreciated over the years until the next scheduled dry docking.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.6. Property and equipment (continued)

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Spare parts and capitalized machines, meeting the definition of property and equipment, are accounted as per the principles of IAS 16.

4.7. Projects under construction

Projects under construction at year end includes certain assets that have been acquired but are not ready for their intended use. Construction in progress is stated at cost, net of accumulated impairment losses, if any. These assets are transferred to relevant asset categories and are depreciated once they are available for their intended use.

4.8. Intangible assets

Intangible assets (excluding goodwill) are measured at cost, less accumulated amortization and accumulated impairment losses, if any. Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the amount can be measured reliably.

Intangible assets with finite lives are amortized on a straight-line basis over the useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization expense is recognized in the consolidated statement of profit or loss in the expense category consistent with the function of the intangible asset.

The amortization methods and useful lives are reviewed at each financial year end and adjusted prospectively, if considered necessary. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the useful life or amortization method, as appropriate.

Intangible assets mainly represent software and long-term substantial transportation contracts, which are amortized over a period of 4 to 17 years.

An intangible asset is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss.

4.9. Equity accounted investees

An equity accounted investee is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. A Joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to net assets to the arrangement, rather than right to its assets and obligations for its liabilities.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Interests in associates and joint ventures are accounted using the equity method. They are initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the equity accounted investee. When the Group's share of losses of an equity accounted investee exceeds the Group's interest in that equity accounted investee (which includes any long-term interests that, in substance, form part of the Group's net investment in equity accounted investees), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the equity accounted investee. If the equity accounted investee subsequently reports profits, the Group resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.9. Equity accounted investees (continued)

On acquisition of the equity accounted investee, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment.

Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately. Thus, reversals of impairments may effectively include reversal of goodwill impairments. Impairments and reversals are presented within 'Share of results of equity accounted investees' in the consolidated statement of profit or loss. Any excess of the Group's share of the net fair value of equity accounted investee's identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in consolidated statement of profit or loss in the period in which the investment is acquired.

When a Group entity transacts with an equity accounted investee of the Group, profits or losses resulting from the transactions are recognized in the Group's consolidated financial statements only to the extent of interests in the equity accounted investee that are not related to the Group.

4.10. Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
  - ✓ the Group has the right to operate the asset; or
  - ✓ the Group designed the asset in a way that predetermines how and for what purpose it will be used.

Group as a lessee

1) Right-of-use assets

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The Group mainly leases vessels, head office and administrative buildings. The useful lives of the right of use assets ranges between 2 – 6 years.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.10. Leases (continued)

2) Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying assets.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Group as a lessor

As a lessor, the Group determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group recognizes lease payments received under operating leases as income on a straight- line basis over the lease term.

4.11. Classification of assets and liabilities to "current" and "non-current"

The Group present assets and liabilities in the consolidated statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.11. Classification of assets and liabilities to “current” and “non-current” (continued)

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- It does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

4.12. Zakat and tax

The Company and its subsidiaries in the Kingdom of Saudi Arabia are subject to regulations issued by the Zakat, Tax and Customs Authority ("ZATCA") in the Kingdom of Saudi Arabia, which is subject to interpretations. Zakat is levied at a fixed rate of 2.5% on the higher of adjusted Zakat profit or Zakat base. Management establishes provisions where appropriate on the basis of amounts expected to be paid to the ZATCA and annually evaluates positions taken in the Zakat returns with respect to any Zakat differences. Zakat is charged to the consolidated statement of profit or loss. Additional Zakat liability, if any, related to prior years’ assessments arising from ZATCA are accounted for in the year in which the final assessments are raised.

For subsidiaries outside Kingdom of Saudi Arabia, income tax is provided for in accordance with the regulations applicable in the respective countries and is charged to the consolidated statement of profit or loss. Provision is made for withholding tax on payments to non-resident parties and is charged to the consolidated statement of profit or loss.

Value Added Tax (“VAT”)
Expenses and assets are recognized net of the amount of VAT, except:

- When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and/or
- When receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

4.13. Borrowing costs
Borrowing costs directly attributed to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the year in which they occur. Borrowing costs consist of finance and other costs that an entity incurs in connection with the borrowing of funds.

The Group has elected to classify cashflow from finance cost as operating activities and cashflow from finance income as investing activities.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.14. Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that a non-financial asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

4.15. Cash dividends to shareholders

The Group recognizes a liability to make cash distributions to the shareholders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the company's regulations of Saudi Arabia, a distribution is authorized when it is approved by the shareholders or when interim dividends are approved by the General Assembly. A corresponding amount is recognized directly in equity.

The Group has elected to classify cashflow from dividend received as investing activities and cashflows from dividend paid as financing activities.

4.16. Employees' end of service benefits

The calculation of defined benefit obligation is performed by a qualified actuary using the projected unit credit method.

i. *Short-term employee benefits*

   Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of the past service provided by the employee and the obligation can be estimated reliably.

ii. *Defined benefit plan*

   A provision is made for amounts payable to employees under the Saudi Labor Law and employee contracts. This liability, which is unfunded, represents the amount payable to each employee.

   The cost of providing benefits is determined using the projected unit credit method as amended by IAS 19.

   Remeasurements, comprising of actuarial gains and losses, excluding amounts included in interest on the defined benefit liability are recognized immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the year in which they occur. Remeasurements may be reclassified to profit or loss in subsequent years.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.16. Employees' end of service benefits (continued)

Past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognizes related restructuring costs

Interest is calculated by applying the discount rate to the defined benefit liability. The Group recognizes the following changes in the defined benefit obligation under 'operating cost', and 'general and administrative expenses' in the consolidated statement of profit or loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Interest expense

4.17. Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit or loss net of any reimbursement.

4.18. Contingent assets and liabilities

Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefits is probable. Contingent liabilities are not recognized in the consolidated financial statements; it is disclosed unless the outflow of economic benefits is remote.

4.19. Earnings per share – EPS

The Group determines basic earnings per share by dividing profit or loss attributable to ordinary equity holders (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the year. The weighted average number of ordinary shares outstanding during the year is the number of ordinary shares outstanding at the beginning of the year, adjusted by the number of ordinary shares bought back or issued during the year multiplied by a time-weighting factor. The time-weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders of the Parent by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

4.20. Bunker subsidy

A bunker subsidy is recognized when all attached conditions are complied with and it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. The Group recognizes unconditional government subsidy related to bunker purchases in the consolidated statement of profit or loss as bunker subsidy income.

4.21. Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorization for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognizes in its consolidated financial statements. The Group will adjust the amounts recognized in its consolidated financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions considering the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognized in its consolidated financial statements but will disclose the nature of the non-adjusting event and an estimate of its financial effect, or a statement that such an estimate cannot be made, if applicable.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.22. Segment reporting

A reporting segment is a component of the Group that engaged in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's chief operating decision makers about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the President of the respective business unit that makes strategic decisions. All operating segments' results are reviewed regularly by the Chief Executive Officer, the Group's chief operating decision maker about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

The Group is organized into business units based on their operations and has the following reportable segments:

- Transportation of oil which is provider of crude oil transportation services.
- Transportation of chemicals which transport a wide range of chemicals, including liquids, clean petroleum products, and vegetable oils.
- Logistics which provides door-to-door freight forwarding and logistics services.
- Transportation of dry bulk which is engaged in transportation of grains, coal, iron ore, barley and other dry bulk cargoes.

The Group's management reviews the above segments for quantitative thresholds as well as criteria for presenting the revenues and expenses for the segments at the end of every reporting year.

4.23. Amendments to Standards and Interpretations:

The adoption of the following amendments to the existing standards had no significant financial impact on the consolidated financial statements of the Group:

Summary of the amended standards:

- Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7.
- Amendments to IFRS 16: Lease Liability in Sale and Leaseback.
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current.

4.24. New standards, Amendment to Standards and Interpretations issued but not yet effective

The new standards, amended to standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Summary of the new standards:

- Lack of exchangeability – Amendments to IAS 21 (effective on or after 1 January 2025).
- IFRS 18 Presentation and Disclosure in Financial Statements – Amendments to IAS 1 (effective on or after 1 January 2027).
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective on or after 1 January 2027), the Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

(All amount in thousands of Saudi Riyals unless otherwise stated)

5. OPERATING SEGMENTS

The Group has the following four strategic divisions, which are its reportable segments. These divisions offer different services and are managed separately because they have different economic characteristics – such as trends in sales growth, rates of return and level of capital investment – and have different marketing strategies.

a) The following schedule illustrates the Group's activities according to the operating segments for the year ended 31 December:

31 December 2024	**Transportation of oil**	**Transportation of chemicals**	**Logistics**	**Transportation of dry bulk**	**Subtotal**	**Others**	**Total**
Revenue	**4,603,578**	**3,252,244**	**1,083,833**	**489,345**	**9,429,000**	**53,387**	**9,482,387**
Operating costs	**(3,445,044)**	**(2,194,807)**	**(968,374)**	**(407,535)**	**(7,015,760)**	**(103,492)**	**(7,119,252)**
Bunker subsidy	**278,225**	**33,710**	**23,175**	**2,112**	**337,222**	**-**	**337,222**
Gross profit	**1,436,759**	**1,091,147**	**138,634**	**83,922**	**2,750,462**	**(50,105)**	**2,700,357**
General and administrative expenses	**(16,375)**	**(17,946)**	**(25,407)**	**(18,969)**	**(78,697)**	**(242,470)**	**(321,167)**
Reversal/ (provision) on trade receivables and contract assets	**14,446**	**(15,791)**	**(18,173)**	**(869)**	**(20,387)**	**(3)**	**(20,390)**
Other income	**81,415**	**141,499**	**3,626**	**571**	**227,111**	**18,080**	**245,191**
Finance costs	**(267,571)**	**(141,573)**	**(8,798)**	**(38,389)**	**(456,331)**	**(165,318)**	**(621,649)**
Finance income	**131**	**23,770**	**-**	**793**	**24,694**	**61,382**	**86,076**
Share of results of equity accounted investees	**-**	**-**	**-**	**-**	**-**	**432,563**	**432,563**
Profit before Zakat and income tax	**1,248,805**	**1,081,106**	**89,882**	**27,059**	**2,446,852**	**54,129**	**2,500,981**

The Group's vessels are deployed throughout the world and are not concentrated in certain geographical areas. The Group's management does not consider the geographical distribution of the group's operations to be relevant for their internal management analysis and therefore no geographical segment information has been disclosed.

All operating segment results are reviewed regularly by the Group's management to make decisions about resources to be allocated to the segment and assess the performance of segments for which discrete financial information is available.

Revenue from the major customers (related parties) represented around 48.2% of the Groups total revenue (31 December 2023: 47.4%).

(All amount in thousands of Saudi Riyals unless otherwise stated)

5. OPERATING SEGMENTS (continued)

31 December 2023	Transportation of oil	Transportation of chemicals	Logistics	Transportation of dry bulk	Subtotal	Others	Total
Revenue	4,795,823	2,723,197	963,304	280,908	8,763,232	14,268	8,777,500
Operating costs	(3,761,224)	(1,938,974)	(898,861)	(184,916)	(6,783,975)	(77,751)	(6,861,726)
Bunker subsidy	133,861	10,437	13,054	-	157,352	-	157,352
Gross profit	1,168,460	794,660	77,497	95,992	2,136,609	(63,483)	2,073,126
General and administrative expenses	(12,324)	(16,587)	(21,100)	(15,574)	(65,585)	(175,590)	(241,175)
Reversal/ (provision) on trade receivables and contract assets	535	(4,829)	1,931	(201)	(2,564)	-	(2,564)
Other income	141,066	184,492	1,654	1,902	329,114	11,209	340,323
Finance cost	(365,735)	(154,906)	(14,078)	(27,689)	(562,408)	(59,240)	(621,648)
Finance income	-	15,249	-	4,842	20,091	59,527	79,618
Share of results of equity accounted Investees	-	-	-	-	-	266,168	266,168
Profit before Zakat and income tax	932,002	818,079	45,904	59,272	1,855,257	38,591	1,893,848

(All amount in thousands of Saudi Riyals unless otherwise stated)

5. OPERATING SEGMENTS (continued)

b) The following schedule illustrates the distribution of the Group's assets and liabilities according to the operating segments:

31 December 2024	**Transportation of oil**	**Transportation of chemicals**	**Logistics**	**Transportation of dry bulk**	**Others**	**Total**
Property and equipment	**9,885,804**	**3,742,526**	**1,153,105**	**1,208,141**	**626,599**	**16,616,175**
Other assets	**3,089,735**	**2,187,020**	**753,198**	**418,851**	**3,543,954**	**9,992,758**
Total assets	**12,975,539**	**5,929,546**	**1,906,303**	**1,626,992**	**4,170,553**	**26,608,933**
Total liabilities	**5,505,475**	**2,410,344**	**484,456**	**986,572**	**2,636,864**	**12,023,711**

31 December 2023	Transportation of oil	Transportation of chemicals	Logistics	Transportation of dry bulk	Others	Total
Property and equipment	8,575,811	3,235,740	1,073,962	1,112,292	11,683	14,009,488
Other assets	1,696,716	1,624,300	587,561	191,760	4,996,420	9,096,757
Total assets	10,272,527	4,860,040	1,661,523	1,304,052	5,008,103	23,106,245
Total liabilities	5,540,888	2,093,172	507,658	678,339	1,643,952	10,464,009

(All amount in thousands of Saudi Riyals unless otherwise stated)

6. PROPERTY AND EQUIPMENT

31 December 2024	Buildings and improvements	Fleet and equipment	Containers and trailers	Furniture and fixtures	Tools and office equipment	Motor vehicles	Computer equipment	Container yards - equipment	Total
Cost									
At 1 January 2024	**29,030**	**22,854,930**	**7,962**	**7,775**	**1,376**	**3,067**	**20,295**	**5,954**	**22,930,389**
Additions*	**9,347**	**4,064,962**	**5**	**2,181**	**9**	**-**	**6,176**	**20**	**4,082,700**
Disposals	**-**	**(1,287,879)**	**-**	**(114)**	**(5)**	**-**	**(2,538)**	**-**	**(1,290,536)**
Transfer	**-**	**-**	**(1,757)**	**-**	**-**	**-**	**-**	**1,757**	**-**
At 31 December 2024	**38,377**	**25,632,013**	**6,210**	**9,842**	**1,380**	**3,067**	**23,933**	**7,731**	**25,722,553**
Accumulated depreciation									
At 1 January 2024	**19,865**	**8,867,425**	**4,133**	**5,040**	**1,135**	**2,902**	**14,515**	**5,886**	**8,920,901**
Charge for the year	**2,521**	**1,160,437**	**507**	**953**	**120**	**52**	**2,804**	**362**	**1,167,756**
Disposals	**-**	**(979,632)**	**-**	**(104)**	**(5)**	**-**	**(2,538)**	**-**	**(982,279)**
Transfer	**-**	**-**	**599**	**-**	**-**	**-**	**-**	**(599)**	**-**
At 31 December 2024	**22,386**	**9,048,230**	**5,239**	**5,889**	**1,250**	**2,954**	**14,781**	**5,649**	**9,106,378**
Net book value:									
At 31 December 2024	**15,991**	**16,583,783**	**971**	**3,953**	**130**	**113**	**9,152**	**2,082**	**16,616,175**

* During 2024, 11 vessels were received, and other projects were completed with total capitalized amount SAR 3,837 million which was transferred from projects under construction (refer note 7).

During the year ended 31 December 2024 the Group have disposed vessels and equipment at net book value of SAR 308 million (31 December 2023: SAR 462 million) and this has resulted in a gain of SAR 216 million (31 December 2023: SAR 214 million).

- Certain vessels and tankers of the Group under fleet and equipment with a carrying value of SAR 5.7 billion at 31 December 2024, are pledged against certain long-term loans. Refer (note 16) for further details.

- Certain vessels of the Group under fleet and equipment with a carrying value of SAR 872 million at 31 December 2024, are subject to operating leases (Time charter agreements).

(All amount in thousands of Saudi Riyals unless otherwise stated)

6. PROPERTY AND EQUIPMENT (continued)

31 December 2023	Buildings and improvements	Fleet and equipment	Containers and trailers	Furniture and fixtures	Tools and office equipment	Motor vehicles	Computer equipment	Container yards - equipment	Total
Cost									
At 1 January 2023	64,138	22,725,081	11,963	9,342	1,968	2,916	22,638	14,264	22,852,310
Additions *	4,553	1,660,842	193	287	231	209	4,937	-	1,671,252
Disposals	(39,661)	(1,530,993)	(4,194)	(1,854)	(823)	(58)	(7,280)	(8,310)	(1,593,173)
At 31 December 2023	29,030	22,854,930	7,962	7,775	1,376	3,067	20,295	5,954	22,930,389
Accumulated depreciation									
At 1 January 2023	48,724	8,791,014	7,462	5,998	1,789	2,916	19,790	14,196	8,891,889
Charge for the year	2,157	1,145,102	865	766	169	44	1,961	-	1,151,064
Disposals	(31,016)	(1,068,691)	(4,194)	(1,724)	(823)	(58)	(7,236)	(8,310)	(1,122,052)
At 31 December 2023	19,865	8,867,425	4,133	5,040	1,135	2,902	14,515	5,886	8,920,901
Net book value:									
At 31 December 2023	9,165	13,987,505	3,829	2,735	241	165	5,780	68	14,009,488

* During 2023, 5 new vessels were received, and other projects were completed and capitalized amounting to SAR 1,418 million which was transferred from projects under construction (refer note 7).

- Certain vessels and tankers of the Group under fleet and equipment with a carrying value of SAR 6.3 billion at 31 December 2023, are pledged against certain long-term loans. Refer (note 16) for further details.

- Certain vessels of the Group under fleet and equipment with a carrying value of SAR 759 million at 31 December 2023, are subject to operating leases (Time charter agreements).

(All amount in thousands of Saudi Riyals unless otherwise stated)

7. PROJECTS UNDER CONSTRUCTION

The movement in projects under construction is as follows:

	2024	2023
Beginning balance	**905,035**	935,512
Additions	**5,223,356**	1,387,637
Transferred to property and equipment (note 6)	**(3,836,728)**	(1,418,114)
Ending balance	**2,291,663**	905,035

During 2019, the Company signed an agreement with Saudi Water Authority ("SWA") ("Arrows project") for supplying desalinated water from floating mobile stations for a period of 20 years. In this respect, the Company engaged an Engineering, Procurement, and Construction ("EPC") contractor for the purposes of constructing 3 floating stations for water desalination with a total cost of SAR 760 million. The construction commenced in January 2020, one station commenced operations and was capitalized during Q2 2024 and the second one during Q4 2024, the remaining station will be completed during 2025.

On 19 August 2024, the Company signed an agreement to acquire nine second hand Very Large Crude Carriers (VLCCs) from Capital Maritime and Trading Corporation for an approximate amount of SAR 3.75 billion (USD 1 billion). The VLCCs will be delivered to Bahri in multiple batches before the end of Q1 2025, two of these vessels were received and capitalized during the year ended 31 December 2024.

Projects under construction include SAR 85 million of borrowing costs capitalized during the year (31 December 2023: SAR 20 million).

8. INTANGIBLE ASSETS

Intangible assets significantly represent long-term transportation contracts, which resulted from purchasing the operations and assets of Vela Company (a subsidiary of ARAMCO) in 2014. The value of those intangible assets is amortized over the estimated total average remaining useful life of the purchased vessels. As at 31 December 2024 the carrying value of such contract amounted to SAR 263 million (2023: SAR 308 million).

	2024	2023
Cost		
Opening balance	**724,172**	740,083
Additions	**9,195**	6,445
Derecognition	**(382)**	(22,356)
Ending balance	**732,985**	724,172
Accumulated amortization		
Opening balance	**399,635**	366,186
Charge for the year	**50,345**	55,648
Derecognition	**(200)**	(22,199)
Ending balance	**449,780**	399,635
Net book value	**283,205**	324,537

(All amount in thousands of Saudi Riyals unless otherwise stated)

9. EQUITY ACCOUNTED INVESTEES

The balance of equity accounted investees as at 31 December contains investments in the following companies:

	Note	**2024**	2023
Petredec' group limited	9.1	**2,138,202**	1,731,033
International Maritime Industries Company ("IMI")	9.2	**-**	49,214
National Grain Company ("NGC")	9.3	**36,941**	53,738
		2,175,143	1,833,985

Liabilities associated with equity accounted investees

	Note	**2024**	2023
International Maritime Industries Company ("IMI")	9.2 & 19	**122,966**	-

The share of results of equity accounted investees is as follows:

	Note	**2024**	2023
Share of profit in Petredec group limited	9.1	**619,340**	406,039
Share of loss in IMI	9.2	**(170,005)**	(132,269)
Share of loss in NGC	9.3	**(16,772)**	(7,602)
		432,563	266,168

9.1. Petredec group limited

The movement of investment in Petredec group limited is as follows:

	2024	2023
Beginning balance	**1,731,033**	1,421,284
Share of profit	**619,340**	406,039
Share of other comprehensive income/ (loss)	**13,279**	(11,063)
Dividends received	**(225,450)**	(85,227)
Ending balance	**2,138,202**	1,731,033

The table reconciles the summarized financial information to the carrying amount of the Group's interest in Petredec' group limited as at 31 October:

	31 October 2024	31 October 2023
Current assets	**4,178,836**	4,075,024
Non-current assets	**7,669,089**	8,161,620
Current liabilities	**(2,631,373)**	(3,398,880)
Non-current liabilities	**(3,806,641)**	(4,419,188)
Net assets before non-controlling interest	**5,409,911**	4,418,576
Non-controlling interest	**(75,076)**	(92,138)
Net assets	**5,334,835**	4,326,438
Group's share of net assets	**2,138,202**	1,311,042
Group's share in the consideration paid for buy back shares (note 1)	**-**	340,908
Goodwill	**-**	79,083
Carrying amount of investment in equity accounted investee	**2,138,202**	1,731,033
Revenue	**14,573,498**	19,005,304
Profit before non-controlling interest	**1,737,559**	1,346,305
Non-controlling interest	**(159,169)**	(42,885)
Total comprehensive income	**1,578,390**	1,303,420
Group's share of total comprehensive income	**632,619**	394,976

(All amount in thousands of Saudi Riyals unless otherwise stated)

9. EQUITY ACCOUNTED INVESTEES (continued)

9.2. International Maritime Industries Company ("IMI")

The movement of investment in IMI is as follows:

	2024	2023
Beginning balance	**49,214**	114,989
Additional paid in capital	**-**	67,760
Share of loss for the year	**(170,005)**	(132,269)
Share of other comprehensive loss for the year	**(2,175)**	(1,266)
Ending balance	**(122,966)**	49,214

The table reconciles the summarized financial information to the carrying amount of the Group's interest in IMI as at 31 December:

	2024	2023
Current assets	**594,323**	1,036,834
Non-current assets	**3,760,616**	2,900,738
Current liabilities	**(933,330)**	(573,836)
Non-current liabilities	**(3,617,183)**	(2,779,264)
Net assets	**(195,574)**	584,472
Group's share of net assets	**(38,919)**	116,310
Reconciling adjustment (relating to Zakat)	**(84,047)**	(67,096)
Carrying amount of investment in equity accounted investee	**(122,966)**	49,214
Revenue	**84,653**	262,384
Total comprehensive loss for the year	**(859,721)**	(690,619)
Group's share of total comprehensive loss	**(172,182)**	(133,535)

9.3. National Grain Company ("NGC")

The movement of investment in NGC is as follows:

	2024	2023
Beginning balance	**53,738**	38,844
Additional paid in capital	-	22,500
Share of loss) for the year	**(16,772)**	(7,602)
Share of other comprehensive loss for the year	**(25)**	(4)
Ending balance	**36,941**	53,738

The table reconciles the summarized financial information to the carrying amount of the Group's interest in NGC as at 31 December:

	2024	2023
Current assets	**76,460**	17,437
Non-current assets	**530,369**	374,049
Current liabilities	**(142,830)**	(77,677)
Non- current liabilities	**(390,117)**	(206,334)
Net assets	**73,882**	107,475
Group's share of net assets	**36,941**	53,738
Carrying amount of investment in equity accounted investee	**36,941**	53,738
Revenue	**49,060**	-
Total comprehensive loss for the year	**(33,594)**	(15,214)
Group's share of total comprehensive loss	**(16,797)**	(7,606)

(All amount in thousands of Saudi Riyals unless otherwise stated)

10. OTHER NON-CURRENT FINANCIAL ASSETS

The balance of other non-current financial assets is as follows:

	2024	2023
Equity securities at FVOCI	**26,461**	16,352
Derivatives	**22,802**	58,523
Investment in government bonds	**83**	83
	49,346	74,958

11. INVENTORIES

The balance of inventory, located on the vessels, is as follows:

	2024	2023
Fuel	**407,496**	441,000
Lubricant	**52,615**	49,784
Others	**7,952**	7,592
	468,063	498,376

12. TRADE RECEIVABLES AND CONTRACT ASSETS

Trade receivables and contract assets include the following items:

	2024	2023
Trade receivables	**648,272**	531,095
Due from related parties (note 27)	**505,259**	537,516
	1,153,531	1,068,611
Contract assets	**302,675**	393,016
	1,456,206	1,461,627
Less: Provision on trade receivables and contract assets (note a)	**(182,825)**	(163,626)
Trade receivables and contract assets, net	**1,273,381**	1,298,001

a- The movement of provision on trade receivables and contract assets is as follows:

	2024	2023
Opening balance	**163,626**	168,843
Charge for the year	**20,390**	2,564
Write-off	**(1,191)**	(7,781)
Ending balance	**182,825**	163,626

Trade receivables balances from Government entities amounted to SAR 182 million as at 31 December 2024 (31 December 2023: SAR 166 million), 44% (31 December 2023: 58%) of these balances are outstanding for more than 12 months. These amounts represent 12% of the gross trade receivables (31 December 2023: 11%).
Please refer to note 28.4.1 for aging of trade receivables and contract assets.

(All amount in thousands of Saudi Riyals unless otherwise stated)

13. PREPAYMENTS AND OTHER CURRENT ASSETS

The balance of prepayments and other current assets includes the following:

	2024	2023
Recoverable bunker cost	**264,756**	163,242
Advances to suppliers	**239,625**	230,177
VAT refundable	**68,155**	44,887
Prepaid expenses	**50,476**	54,714
Insurance claims	**9,778**	24,343
Refundable deposits	**7,542**	31,508
Employees advances	**5,326**	4,068
Others	**36,176**	34,425
	681,834	587,364

14. CASH AND CASH EQUIVALENTS

Cash and cash equivalents represent bank balances, cash, investments in Murabaha and short-term deposits.
For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise of the following:

	2024	2023
Bank balances and cash	**889,711**	711,485
Murabaha and short-term deposits (Note 14.1)	**931,789**	2,201,632
Cash and cash equivalents in consolidated statement of cash flows	**1,821,500**	2,913,117

14.1 Murabaha and Short-Term Deposits

Murabaha and short-term deposits comprise of the following:

	2024	2023
Murabaha and short - term deposits in USD	**786,375**	1,654,951
Murabaha and short - term deposits in Saudi Riyals	**145,414**	546,681
	931,789	2,201,632

Murabaha and short-term deposits yield finance income at prevailing market rates and maturity date of less than three months. The finance income on Murabaha and short-term deposits during the year amounted to SAR 86.1 million (2023: SAR 79.6 million)

15. SHARE CAPITAL

The Company's share capital amounting to SAR 7,382,812,500 as at 31 December 2024 is divided into 738,281,250 shares (31 December 2023: SAR 7,382,812,500 divided into 738,281,250 shares) with a par value of SAR 10 each.

16. LOANS AND BORROWINGS

	Note	**2024**	2023
Sukuk	16.1	**3,900,000**	3,900,000
Murabaha loans	16.2	**4,869,569**	3,802,362
Total loans and borrowings		**8,769,569**	7,702,362
Less: Total current portion		**(459,585)**	(609,117)
Non-current loan and borrowings		**8,309,984**	7,093,245
Less: prepaid financing		**(21,500)**	(33,081)
Net non-current loans and borrowings		**8,288,484**	7,060,164
Current portion of long-term loans		**459,585**	609,117
Loans and borrowings - Current liabilities		459,585	609,117
Loans and borrowings - Non-current liabilities		8,288,484	7,060,164
		8,748,069	7,669,281

(All amount in thousands of Saudi Riyals unless otherwise stated)

16. LOANS AND BORROWINGS (continued)

16.1 Sukuk

On 6 Dhul-Hijjah 1443H (corresponding to 5 July 2022), the Company completed the issuance and offering of a local Sukuk denominated in Saudi Riyal for public offering with nominal value amounting to SAR 3,900 million, and a nominal value of SAR 1 million for each Suk. The Sukuk issuance bears a variable rate of return at SIBOR plus a predetermined margin, payable semi-annually. The Sukuk is due to mature at par value on its expiry date of 27 Safar 1451H (corresponding to 5 July 2029). The balance in the prepaid financing account related to Sukuk at the end of 31 December 2024 is SAR 5.2 million (31 December 2023: SAR 5.8 million).

16.2 Murabaha borrowings

The Group obtained Murabaha long term loans during the year ended 31 December 2024 for a total of SAR 2,527 million (31 December 2023: SAR 887 million). Loans are secured by promissory notes and mortgages against vessels. These loans are repayable over 10 years on a quarterly or semi-annual basis and a repayment of SAR 1,460 million was made during the year ended 31 December 2024 (31 December 2023: SAR 2,755 million). The loans carry commission at normal commercial rates. The balance of loans against which profit is to be paid based on SOFR as of 31 December 2024 is SAR 1,919 million (31 December 2023: Nil) and the balance of loans against which profit is to be paid based on SIBOR as at 31 December 2024 totaled to SAR 2,950 million (31 December 2023: SAR 3,802 million). The balance in the prepaid financing account related to Murabaha loans as at 31 December 2024 is SAR 16.3 million (31 December 2023: SAR 27.2 million).

16.3 Covenants

Borrowing agreements include covenants mainly related to maintaining certain ratios of leverage and debt to equity ratio. Under the terms of these agreements, lenders are entitled to demand immediate repayment of loans if these covenants are not met. As at 31 December 2024, one of the subsidiaries was not in compliance with certain loan covenants. However, during the year ended 31 December 2024, management has obtained a waiver of covenant from the bank that the loan will not be called due to breach of the covenant.

17. EMPLOYEES' END OF SERVICE BENEFITS

The Group has a post-employment defined benefit plan for its own employees. The benefits are required by Saudi Arabia labor law. The benefits are recognized at the present value of future obligations using the projected unit credit method.

	2024	2023
Opening balance	**100,325**	79,315
Current service cost	**33,139**	12,830
Interest cost	**4,571**	3,226
Total cost charged to profit or loss for the year	**37,710**	16,056
Benefits paid	**(5,939)**	(2,744)
Re-measurement (gain)/ loss on defined benefit plan	**(517)**	7,698
Ending balance	**131,579**	100,325

The significant assumptions used in determining employees' end of service benefit for the Group's plan are shown below:

	2024	2023
Discount rate	**5.45%**	4.70%
Withdrawal rate – for the first two years of service	**20.00%**	13.05%
Withdrawal rate – third year of service and after	**9% - 18%**	13.05%
Future salaries increase - for the first three years	**8.10%**	7.20%
Future salaries increase - fourth year and after	**8.10%**	7.20%

(All amount in thousands of Saudi Riyals unless otherwise stated)

17. EMPLOYEES' END OF SERVICE BENEFITS (continued)

A quantitative sensitivity analysis for significant assumptions on the defined benefit plan is shown below:

	2024	2023
Discount rate		
0.5 % increase	**(4,872)**	(7,366)
0.5% decrease	**5,284**	8,443
Withdrawal rate		
10% increase	**(2,042)**	(1,316)
10% decrease	**2,316**	1,424
Future salary increases		
1% increase	**11,382**	8,802
1% decrease	**(10,043)**	(7,840)

The sensitivity analysis above has been determined based on a method that extrapolates the impact on the defined benefit plans as a result of reasonable changes in key assumptions occurring at the end of the reporting year. The sensitivity analysis may not be representative of an actual change in the defined benefit plans as it is unlikely that changes in assumptions would occur in isolation from one another.

18. LEASES

Leases in which the Group is a lessee
Information about leases for which the Group is a lessee is presented below:

i. Right of use assets

	2024	2023
Balance at 1 January	**661,384**	420,412
Additions	**739,402**	456,582
Modifications	**-**	(16,827)
Depreciation charge for the year	**(452,163)**	(198,783)
Balance at 31 December	**948,623**	661,384

ii. Lease liabilities

	2024	2023
Balance at 1 January	**686,868**	438,367
Additions	**739,402**	456,582
Lease interest	**62,938**	28,509
Payment	**(518,217)**	(208,559)
Modifications	**5,541**	(28,031)
Balance at 31 December	**976,532**	686,868
Non-current	**540,215**	498,840
Current	**436,317**	188,028
	976,532	686,868

(All amount in thousands of Saudi Riyals unless otherwise stated)

18. LEASES (continued)

iii. Amounts recognized in consolidated statement of profit or loss

	2024	2023
Interest on lease liabilities (note 25)	**62,938**	28,509
Expenses relating to short-term leases (note 23)	**4,382**	4,839

19. TRADE AND OTHER PAYABLES

	2024	2023
Accrued expenses	**565,837**	492,620
Trade payables	**488,434**	392,274
Due to related parties (note 27)	**387,057**	526,031
Accrued finance cost	**215,323**	206,844
Liabilities associated with equity accounted investees (note 9.2)	**122,966**	-
Dividends payable	**65,592**	64,798
Others	**93,705**	69,811
	1,938,914	1,752,378

20. ZAKAT AND INCOME TAX

The Company's zakat is based on the financial statements of the Company and its wholly owned subsidiaries (excluding Bahri Logistics Company, which submit its zakat return separately), in accordance with the regulations of Zakat, Tax and Customs Authority ("ZATCA"). Partially owned subsidiaries submit their zakat and tax returns separately.

The movement in the provision for Zakat and income tax is as follows:

	2024	2023
Opening balance	**250,989**	255,446
Charge for the year	**115,180**	100,836
Payments during the year	**(140,495)**	(105,293)
Ending balance	**225,674**	250,989

Zakat and tax status of the Parent and its wholly owned subsidiaries

The Company has filed its Zakat returns up to 2023 and obtained the Zakat certificate for the year 2023.

ZATCA has issued a Zakat assessment for the years from 2015 to 2018 claiming additional liability of SAR 95.7 million. The Company has submitted an appeal against the assessment before ZATCA and escalated it to the General Secretariat of Tax Committees ("GSTC"). The Appellate Committee for Tax Violations and Disputes Resolution "ACTVDR" has issued its decision with partial acceptance which reduced the claim to SAR 37.9 million. The Company settled the claimed amount and closed the case.

ZATCA has issued a Zakat assessment for the years from 2019 to 2020 claiming additional liability of SAR 27.2 million. The Company submitted an appeal against the assessment before ZATCA which issued its decision with partial acceptance and reduced the claim to SAR 24.5 million. The Company settled the claimed amount and closed the case.

ZATCA has issued a Zakat assessment for the years 2021 and 2022, claiming an additional Zakat of SAR 18.2 million. The Company has settled the claimed amount in the subsequent period and closed the case.

The Company did not receive the Zakat assessments for the year 2023 from ZATCA. Management believes that adequate provisions have been made against any potential Zakat and tax liabilities.

(All amount in thousands of Saudi Riyals unless otherwise stated)

20. ZAKAT AND INCOME TAX (continued)

Zakat and tax status for National Chemical Carriers Company (NCC)
NCC has filed its Zakat returns up to 2023 and obtained the Zakat certificate for the year 2023.

ZATCA has issued a Zakat assessment for the years from 2015 to 2017 claiming additional liability of SAR 6.1 million. The Company has submitted an appeal against the assessment before ZATCA and escalated it to the General Secretariat of Tax Committees ("GSTC"). The Appellate Committee for Tax Violations and Disputes Resolution "ACTVDR" has issued its decision with partial acceptance which reduced the claim to SAR 1.6 million. The Company settled the claimed amount and closed the case.

ZATCA has issued a Zakat assessment for the years from 2018 claiming additional liability of SAR 2.9 million. The Company has submitted an appeal against the assessment before ZATCA which reduced the claim to SAR 982 thousand. The Company settled the claimed amount and closed the case.

NCC did not receive the Zakat assessments for the years 2019 to 2023 from ZATCA. Management believes that adequate provisions have been made against any potential Zakat and tax liabilities.

Zakat and Tax status for Bahri Dry Bulk (BDB)
BDB submitted its Zakat returns up to 2023 and obtained the Zakat certificate for the year 2023.

ZATCA has issued a Zakat assessment for the years from 2015 to 2016 claiming additional liability of SAR 4.7 million. BDB has submitted an appeal against the assessments, which have been further escalated to GSTC. BDB suspended the case before ACTVDR and initiated an internal settlement with ZATCA.

ZATCA has issued a Zakat assessment for the years from 2017 to 2018 claiming additional liability of SAR 6.9 million. The Company has submitted an appeal against the assessment before ZATCA and escalated it to the General Secretariat of Tax Committees ("GSTC"). The Appellate Committee for Tax Violations and Disputes Resolution "ACTVDR" has issued its decision with partial acceptance which reduced the claim to SAR 2.7 million. BDB is waiting for the relevant invoice to be issued by ZATCA based on the committee's decision to be settled.

BDB has finalized the Zakat status for the year 2020 with ZATCA.

BDB did not receive a Zakat assessment for the year 2019 and the years 2021 to 2023 from ZATCA. Management believes that adequate provisions have been made against any potential Zakat and tax liabilities.

Zakat and tax status for Bahri Logistics Company (BLC)
BLC submitted its Zakat returns up to 2023 and obtained the Zakat certificate for the year 2023.

BLC did not receive a Zakat assessment for the years 2019 to 2023 from ZATCA. Management believes that adequate provisions have been made against any potential Zakat and tax liabilities.

21. REVENUE

	2024	2023
Spot	**6,581,626**	5,987,755
Charter hire	**2,013,004**	1,810,511
Freight forwarding	**483,388**	441,162
Time charter (note 29)	**338,749**	498,101
Desalination operations	**42,188**	-
Others	**23,432**	39,971
	9,482,387	8,777,500

(All amount in thousands of Saudi Riyals unless otherwise stated)

22. OPERATING COSTS

	2024	2023
Fuel & lubricants	**1,948,529**	1,908,270
Depreciation and amortization	**1,656,265**	1,392,060
Ship running expenses	**1,170,258**	1,482,626
Employees' salaries and benefits	**807,147**	756,865
Ports and agencies charges	**741,078**	630,305
Freight forwarding expenses	**277,669**	164,223
Repairs and maintenance	**194,951**	179,921
Desalination cost	**21,596**	-
Others	**301,759**	347,456
	7,119,252	6,861,726

23. GENERAL AND ADMINISTRATIVE EXPENSES

	2024	2023
Employees' salaries and benefits	**195,556**	155,494
Professional, legal and consultation fees (refer note 23.1)	**51,752**	30,681
Marketing and communication	**27,818**	17,308
Maintenance	**21,838**	17,284
Depreciation and amortization	**13,999**	10,687
Rent	**4,382**	4,839
Others	**5,822**	4,882
	321,167	241,175

23.1 Auditors' remuneration for the statutory audit of the Group's consolidated financial statements and the financial statements of its subsidiaries for the year ended 31 December 2024 amounted to SR 2.2 million (2023: SR 2.1 million). Auditors' remuneration for the review of the Group's consolidated financial statements during the year ended 31 December 2024 amounted to SR 460 thousand (2023: SR 400 thousand). Fee for other statutory and related services provided by the auditors to the Group amounted to SR 172 thousand (2023: SR 190 thousand).

24. OTHER INCOME

	2024	2023
Gains on disposal of property and equipment	**215,924**	214,084
Recovered claims	**15,283**	106,915
Others	**13,984**	19,324
	245,191	340,323

25. FINANCE COSTS

	2024	2023
Saudi riyal Sukuk	**285,305**	273,783
Murabaha financing	**237,685**	333,155
Lease interest	**62,938**	28,509
Derivatives revaluation	**35,721**	(13,834)
Commercial loans	**-**	35
	621,649	621,648

26. EARNINGS PER SHARE

	2024	2023
Profit for the year attributable to equity holders of the Parent Company	**2,169,392**	1,613,428
Weighted average number of ordinary shares outstanding during the year	**738,281**	738,281
Earnings per share - Basic and Diluted (Saudi Riyals)	**2.94**	2.19

(All amount in thousands of Saudi Riyals unless otherwise stated)

26. EARNINGS PER SHARE (continued)

The basic and diluted earnings per share is calculated by dividing the profit of the period for ordinary shareholders of the parent company by the weighted average number of ordinary shares in place during the year. The calculation of the basic and diluted earnings per share for the year ended 31 December 2024 and 31 December 2023 was adjusted retrospectively based on the number of shares issued after the increase of the company's capital shares to 738,281 thousand shares (note 15).

27. RELATED PARTIES

Related parties represent major shareholders, government related entities, directors and key management personnel of the Group, and companies of which they are principal owners and any other entities controlled, jointly controlled or significantly influenced by them. The Group has claimed exemption from the requirements of para 18 of IAS 24 ("Related Party Disclosure").

A government-related entity is an entity that is controlled, jointly controlled or significantly influenced by a government. The Group's majority shareholder, PIF and Aramco, are fully/majorly owned by the Government of the Kingdom of Saudi Arabia. PIF and Aramco exercises significant influence over the Group. Transactions and balances with related parties and government related entities are listed below:

Trading transactions and balances with related parties

The Group transacts with related parties in the ordinary course of its activities, as many of the Group's transactions and arrangements are based on signed agreements between the Group and those companies. The balances are unsecured, interest-free, and repayable on demand unless otherwise stated.

The transactions with related parties during the year were as follows:

Related parties	**Nature of the transaction**	**2024**	2023
ARAMCO and its subsidiaries – shareholder	Operating revenue	**4,238,859**	3,598,582
Al-Inma Bank – affiliate	Drawdown of loan	**1,729,088**	-
Al-Inma Bank – affiliate	Repayment of loan	**91,060**	-
ARAMCO and its subsidiaries – shareholder	Bunker purchase	**789,794**	429,758
SABIC and its subsidiaries – government related entities	Operating revenue	**319,730**	554,396
International Maritime Industries ("IMI") - associate	Operating revenue	**8,163**	3,481

Related party balances included in trade receivables and contract assets (note 12) is as follows:

	2024	2023
ARAMCO and its subsidiaries	**495,237**	496,065
SABIC and its subsidiaries	**5,959**	37,931
International Maritime Industries ("IMI")	**4,063**	3,520
	505,259	537,516

Long-term loan and payable due to related parties are as follows:

	2024	2023
Al-Inma Bank	**2,223,778**	-
ARAMCO and its subsidiaries (note 19)	**387,057**	526,031

(All amount in thousands of Saudi Riyals unless otherwise stated)

27. RELATED PARTIES (continued)

Compensation of key management personnel:

	2024	2023
Salaries and compensations – short term employee benefits	**33,074**	26,456
End of service award– post-employement benefits	**4,252**	3,280
Total compensation	**37,326**	29,736

The Board of Directors remuneration for the year ended 31 December 2024 amounted to SAR 9.5 million (2023: SAR 8 million).

Trade transactions and related parties' balances with government and government related entities
Revenues related to transactions with government and government related entities for the year ended 31 December 2024 amounted to SAR 399 million (2023: SAR 343 million), in addition to the amounts disclosed in above note.

As at 31 December 2024, accounts receivable from government and government entities totaled SR 185 million (2023: SR 232 million).

28. FINANCIAL INSTRUMENTS

28.1. Financial Assets

	Note	**2024**	2023
Financial assets at fair value			
Derivatives not designated as hedging instruments:			
CAP commission options	10	**22,802**	58,523
Financial assets at fair value through OCI			
Quoted equity shares	10	**26,461**	16,352
Total financial assets at fair value		**49,263**	74,875
Financial assets at amortized cost			
Other non-current financial assets	10	**83**	83
Trade receivables and contract assets	12	**1,273,381**	1,298,001
Other current financial assets		**282,076**	219,093
Cash and cash equivalents	14	**931,789**	2,201,632
Total financial assets at amortized cost		**2,487,329**	3,718,809
Total financial assets		**2,536,592**	3,793,684

28.2. Financial Liabilities

	Note	**2024**	2023
Financial liabilities at fair value			
Derivative financial instruments		**2,943**	4,168
Financial liabilities at amortized cost			
Loans and borrowings	16	**8,748,069**	7,669,281
Trade and other payables		**1,298,373**	1,209,161
Lease liabilities	18	**976,532**	686,868
Total financial liabilities at amortized cost		**11,022,974**	9,565,310
Total financial liabilities		**11,025,917**	9,569,478

28.3. Fair values 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 in an arm's length transaction. Financial instruments are comprised of financial assets and financial liabilities.

(All amount in thousands of Saudi Riyals unless otherwise stated)

28. FINANCIAL INSTRUMENTS (continued)

28.3 Fair values of financial instruments (continued)

When measuring the fair value of an asset or a liability, the Group uses observable market 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.
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 Group has derivative financial instruments consisting of commission rate options agreements to hedge against fluctuations in commission rates. The gain or loss from revaluation of these agreements is recognized in the consolidated statement of profit or loss (note 25).

The fair value hierarchy is as follows:

	2024			
	Quoted prices in the active market (Level 1)	**Significant observable inputs (Level 2)**	**Significant Unobservable inputs (Level 3)**	**Total**
FVOCI – equity instrument:				
Quoted equity shares	**26,461**	**-**	**-**	**26,461**
Financial instruments measured at FVTPL				
CAP commission option				
Assets	**-**	**22,802**	**-**	**22,802**
Liabilities	**-**	**2,943**	**-**	**2,943**

	2023			
	Quoted prices in the active market (Level 1)	Significant observable inputs (Level 2)	Significant Unobservable inputs (Level 3)	Total
FVOCI – equity instrument:				
Unquoted equity shares	-	-	16,352	16,352
Financial instruments measured at FVTPL				
CAP commission option				
Assets	-	58,523	-	58,523
Liabilities	-	4,168	-	4,168

There was a transfer from Level 3 to Level 1 during 2024 for the investment made in Arbian United Float Glass Company since the investee Company became listed on the parallel market “Nomu” on 18 September 2024.

Derivative financial instruments include interest rate cap and floor. These derivatives are valued using widely recognized valuation models. The Group relies on the counterparty for the valuation of these derivatives. The valuation techniques applied by the counterparties include the use of standard models using present value calculations and mid-market valuations. Where applicable, these models project future cash flows and discount the future amounts to a present value using market-based observable inputs including cap/floor volatility, interest rate curves, credit spreads, foreign exchange rates, and forward and spot prices.

Management believes that the fair value of other assets and liabilities approximate to their carrying values.

(All amount in thousands of Saudi Riyals unless otherwise stated)

28. FINANCIAL INSTRUMENTS (continued)

28.4. Financial Risk Management

The Group's activities expose it to a variety of financial risks, including market risk (comprised of currency risk, price risk and commission rate risk), credit risk and liquidity risk. The Group's risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

The financial instruments in the consolidated statement of financial position are comprised primarily of cash and cash equivalents, other non-current financial assets, trade receivables and contract assets, loans and borrowings, trade and other payables, lease liabilities, derivative financial instruments.

Senior management monitors the financial risk management department. The most important types of risk are summarized below:

28.4.1. Credit risk

Credit risk is the risk that one party will fail to discharge an obligation and cause the other party to incur a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Group uses an allowance matrix to measure the ECLs of trade receivables and contract assets from governments, semi-government and commercial customers.

Loss rates are calculated using a roll rate method based on the probability of receivable progress through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics - governments, semi-government and commercial.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets as at 31 December 2024 and 2023:

	Weighted average loss rate		**Gross carrying amount**		**Impairment allowance**	
	2024	2023	**2024**	2023	**2024**	2023
Less than 6 months*	**2%**	2%	**1,249,581**	1,208,249	**25,876**	19,572
From 6 months to 12 months	**24%**	16%	**50,650**	71,807	**10,332**	11,180
More than 12 months	**90%**	73%	**155,975**	181,571	**146,617**	132,874
Total			**1,456,206**	1,461,627	**182,825**	163,626

* This includes amount not yet due and amount due between 0 to 90 days amounting to SAR 863 million and SAR 286 million respectively (2023: SAR 879 million and SAR 255 million respectively).

As at 31 December 2024, the Group had trade receivable and contract assets from 3 major customers (related parties) that owed approximately 35% (2023: 41%) of the Group's total gross trade receivables and contract assets balances.

Cash and cash equivalents

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis. Limits are designed to minimize risk concentration and decrease financial loss through the inability of the counterparty to make the payments.

Cash balances, Murabaha and short - term deposits and derivative financial instruments are held with banks which are considered as Investment grade financial institutions (BBB and above rating).

(All amount in thousands of Saudi Riyals unless otherwise stated)

28. FINANCIAL INSTRUMENTS (continued)

28.4. Financial Risk Management (continued)

28.4.2. Liquidity risk

Liquidity risk represents the Group's difficulties in providing funds to meet commitments associated with financial instruments. The Group's liquidity risk management policy is to ensure that sufficient liquidity and financing are available to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Group's reputation. Accordingly, the Group ensures that sufficient bank facilities are always available.

As at 31 December 2024, the Group had unutilized credit facilities of SAR 2,732 million (2023: SAR 1,505 million) to meet liquidity requirements.

The amounts in the table below represent contractual undiscounted cash flows:

	2024					
	Carrying amount	**Total**	**Within 3 months**	**3 to 12 months**	**1 to 5 years**	**More than 5 years**
Long term borrowings	**4,848,069**	**6,354,387**	**151,304**	**526,824**	**2,722,480**	**2,953,779**
Sukuk	**3,900,000**	**5,179,866**	**3,110**	**141,516**	**5,035,240**	**-**
Lease liabilities	**976,532**	**1,082,627**	**127,427**	**361,206**	**555,361**	**38,633**
Trade and other payables	**1,298,373**	**1,298,373**	**215,762**	**1,082,611**	**-**	**-**
Derivative financial instrument	**2,943**	**2,943**	**-**	**-**	**2,943**	**-**
	11,025,917	**13,918,196**	**497,603**	**2,112,157**	**8,316,024**	**2,992,412**

	2023					
	Carrying amount	Total	Within 3 months	3 to 12 months	1 to 5 years	More than 5 years
Long term borrowings	3,769,281	5,245,801	284,093	592,687	2,155,709	2,213,312
Sukuk	3,900,000	5,685,914	146,653	151,542	1,190,338	4,197,381
Lease liabilities	686,868	758,181	96,667	198,958	407,852	54,704
Trade and other payables	1,209,161	1,209,161	-	1,209,161	-	-
Derivative financial instrument	4,168	4,168	-	-	4,168	-
	9,569,478	12,903,225	527,413	2,152,348	3,758,067	6,465,397

28.4.3. Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices. Market risk comprises of three types of risk: currency risk, commission rate risk and price risk.

Currency risk

Currency risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's principal transactions are carried in Saudi Riyal, United States Dollar, and United Arab Emirates Dirham. The Group's management believes that currency risk is not significant since the exchange rate of Saudi Riyal is pegged against those currencies.

(All amount in thousands of Saudi Riyals unless otherwise stated)

28. FINANCIAL INSTRUMENTS (continued)

28.4. Financial Risk Management (continued)

28.4.3. Market risk (continued)

Commission rate risk

Commission rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market commission rates. The Group is subject to commission rate risk on its commission rate bearing assets and liabilities, including bank deposits and loans. The Group manages its exposure to commission rate risk by continuously monitoring movements in commission rates. The Group had executed CAP commission options to hedge the fluctuation in the commission rates.

Sensitivity analysis for variable rate financial instruments

The following table demonstrates the sensitivity of income to reasonably possible changes in commission rate on Sukuk and long-term borrowings, with all variables held constant.

	2024	2023
Profit rate		
Increase by 100 base points	**87,696**	77,024
Decrease by 100 base points	**(87,696)**	(77,024)

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices, whether those changes are due to factors related to the instrument or its source, or which affect all instruments traded in the market. The Group diversifies its investment portfolio to manage price risk arising from its equity investments.

28.4.4. Capital management

For the purpose of the Group's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2024 and 2023.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a debt ratio, which is net debt divided by total capital plus net debt. The Group includes net debt, Sukuk and long-term borrowings, lease liabilities, less cash and short-term deposits.

	2024	2023
Loans and borrowings	**8,748,069**	7,669,281
Lease liabilities (note 18)	**976,532**	686,868
Less: Cash and cash equivalents (note 14)	**(1,821,500)**	(2,913,117)
Net Debt	**7,903,101**	5,443,056
Total equity	**14,585,222**	12,642,236
Total capital	**14,585,222**	12,642,236
Capital and net debt	**22,488,323**	18,085,292
Gearing ratio	**35%**	30%

(All amount in thousands of Saudi Riyals unless otherwise stated)

29. CAPITAL COMMITMENTS AND CONTINGENCIES

Capital commitments

The Group's capital commitment related to ships under construction and the purchase of property and equipment was SAR 3 billion as of 31 December 2024 (2023: SAR 65 million).

Contingencies

The Group has outstanding bank letters of guarantee for SAR 345 million as at 31 December 2024 (2023: SAR 333 million) issued for the Group's normal course of business.

The Group is involved in legal litigation claims in the ordinary course of business, and there are some claims which are under the process of final settlement. The Group's management does not expect that these claims will have a material adverse effect on the Group's consolidated financial statements.

Operating lease– Group as a lessor

The Group, as a lessor, leases certain vessels to a related party based on time charter agreements (note 1).
The future amounts receivable under this lease agreement are as follows:

	2024	2023
Within one year	**343,543**	302,480
After one year but not more than five years	**140,474**	388,838
	484,017	691,318

Income from time charter agreements under operating leases amounted to SAR 339 million for the year ended 31 December 2024 (2023: SAR 498 million) (note 21).

30. DIVIDENDS

The Board of Directors decided in its meeting held on 18 March 2024 to recommend to the General Assembly of the Company the distribution of cash dividends of SAR 406 million to the shareholders for the financial year ended 31 December 2023 amounting to SAR 0.55 per share. The Geneal Assembly had approved the recommendation in its meeting held on 4 June 2024. These dividends have been paid on 1 July 2024.

The Board of Directors decided in its meeting held on 14 March 2023 to recommend to the General Assembly of the Company the distribution of cash dividends of SAR 246 million to the shareholders for the financial year ended 31 December 2022 amounting to SAR 0.5 per share. The Geneal Assembly had approved the recommendation in its meeting held on 19 June 2023.These dividends have been paid on 16 July 2023.

(All amount in thousands of Saudi Riyals unless otherwise stated)

31. NON-CONTROLLING INTERESTS

Set out below is summarized financial information for each subsidiary that has non-controlling interests, shown in note 1:

2024	**National Chemical Carrier Company Limited**	**Bahri Dry Bulk**	**Total**
Non-controlling interest percentage	**20%**	**40%**	
Non-current assets	**4,578,470**	**1,341,024**	**5,919,494**
Current assets	**5,987,890**	**989,448**	**6,977,338**
Non-current liabilities	**(1,481,484)**	**(565,148)**	**(2,046,632)**
Current liabilities	**(5,565,673)**	**(1,124,904)**	**(6,690,577)**
Net assets	**3,519,203**	**640,420**	**4,159,623**
Net assets attributable to non-controlling interests	**703,840**	**256,168**	**960,008**
Revenue	**3,252,244**	**489,345**	**3,741,589**
Profit for the year	**1,052,141**	**14,953**	**1,067,094**
Profit attributable to non-controlling interests	**210,428**	**5,981**	**216,409**
Cash flows from/ (used in) operating activities	**1,688,711**	**49,702**	**(669)**
Cash flows used in investing activities	**(613,107)**	**(282,587)**	**(17,866)**
Cash flows (used in)/ from financing activities	**(798,075)**	**156,674**	**(25,357)**
Net increase/ (decrease) in cash and cash equivalents	**277,529**	**(76,211)**	**(43,892)**

2023	National Chemical Carrier Company Limited	Bahri Dry Bulk	Total
Non-controlling interest percentage	20%	40%	
Non-current assets	3,867,334	1,130,837	4,998,171
Current assets	3,555,211	429,331	3,984,542
Non-current liabilities	(1,535,872)	(424,061)	(1,959,933)
Current liabilities	(3,119,805)	(510,394)	(3,630,199)
Net assets	2,766,868	625,713	3,392,581
Net assets attributable to non-controlling interests	553,374	250,285	803,659
Revenue	2,723,197	280,908	3,004,105
Profit for the year	796,859	50,530	847,389
Profit attributable to non-controlling interests	159,372	20,212	179,584
Cash flows from operating activities	1,225,717	61,072	1,286,789
Cash flows from/ (used in) investing activities	72,902	(241,002)	(168,100)
Cash flows (used in)/ from financing activities	(1,008,246)	82,580	(925,666)
Net increase/ (decrease) in cash and cash equivalents	290,373	(97,350)	193,023

32. SUBSEQUENT EVENTS

Subsequent to the year end, the Board of Directors in their meeting held on 18 Ramadan 1446H (corresponding to 18 March 2025) recommended to increase the Company's share capital from SAR 7,382 million to SAR 9,228 million through the transfer of SAR 1,846 million from the account of retained earnings. Further, the Board of Directors recommended to the General Assembly to distribute cash dividends of SAR 738 million amounting to SAR 1 per share.

Other than mentioned above, no events have occurred subsequent to the reporting date and before the issuance of these consolidated financial statements which require adjustment or disclosure in these consolidated financial statements.

33. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors has approved the consolidated financial statements for the year ended 31 December 2024 in their meeting held on 18 Ramadan 1446H (corresponding to 18 March 2025).