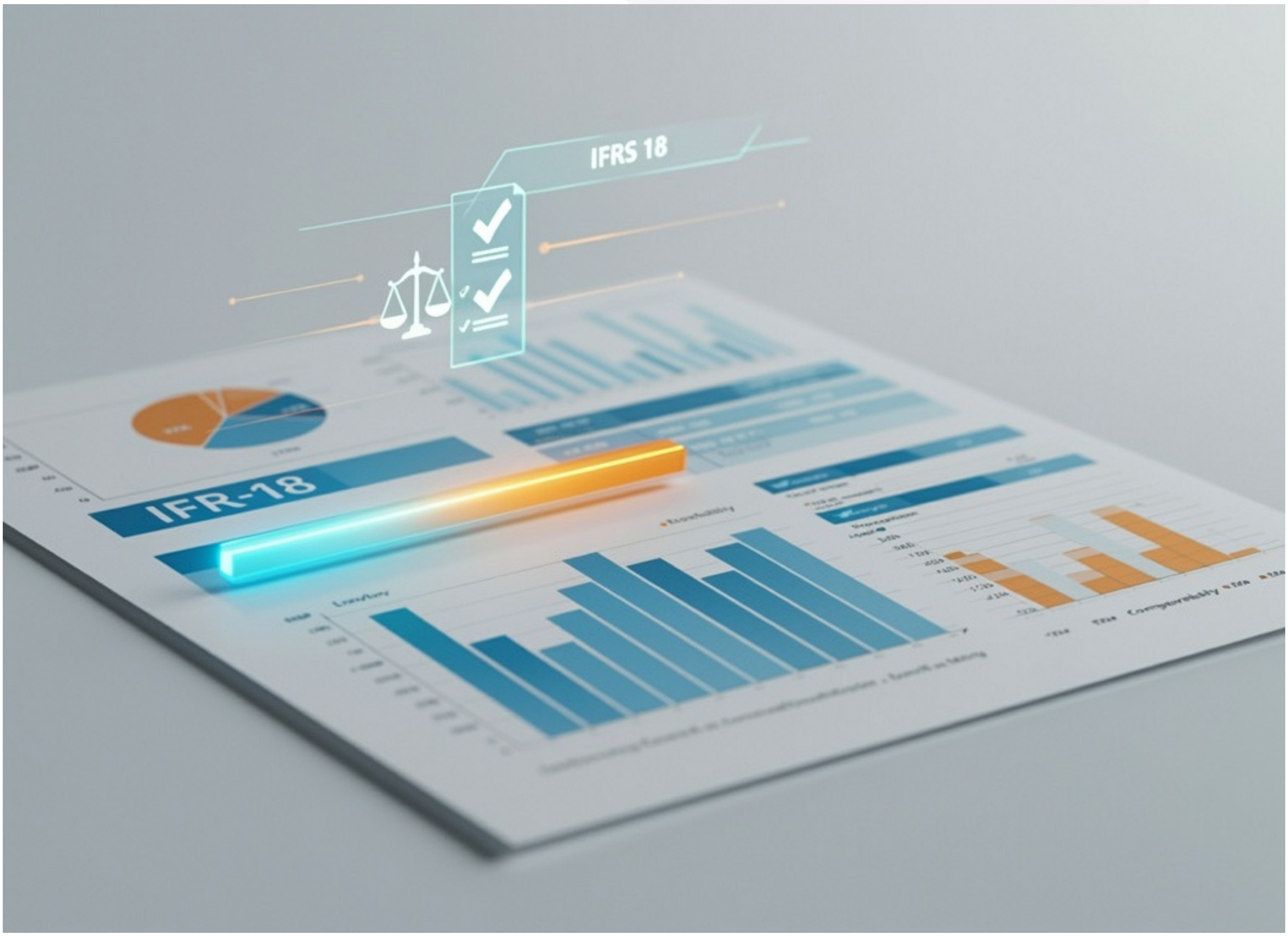
March 2025

IFRS 18
Presentation and Disclosure in Financial Statements



FOREWORD

The landscape of financial reporting has been evolving rapidly, driven by the increasing demand from investors and stakeholders for transparent, fit-for-purpose information that provides clear, reliable, and actionable insights into an entity's financial health enabling stakeholders to place reliance on the financial information for decision-making. This has led to the introduction of IFRS 18 Presentation and Disclosure in Financial Statements ("IFRS 18"), by the International Accounting Standards Board ("IASB").

IFRS 18 is a new accounting standard designed to enhance financial reporting practices across the globe and sets out standardized categories for income and expenses (operating, investing and financing), along with improved disclosures and refinements for how the financial information should be presented. The standard achieves this by requiring entities to specify their main business activities, disclose management-defined performance measures, aggregate and/or disaggregate the information presented in their financial statements. These changes aim to provide more transparent information to investors, allowing them to assess an entity's performance more clearly.

The introduction of IFRS 18 aligns closely with Kingdom of Saudi Arabia's Vision 2030 ("Saudi Vision 2030") and the strategic initiatives led by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"), to enhance financial reporting in the Kingdom of Saudi Arabia ("KSA"). Saudi Vision 2030 aims to modernize the economy, attract foreign investment, and position Saudi Arabia as a global financial hub. In support of this transformation, SOCPA has been actively working to enhance the current accounting practices, ensuring transparency, consistency, and comparability in financial reporting. IFRS 18 will play a pivotal role in this journey by enhancing investor confidence in Saudi capital markets and strengthen the KSA's appeal as a competitive investment destination.

This publication is designed to guide readers through the key provisions of IFRS 18, providing insights into its impact on financial statement presentation, disclosure requirements, and overall reporting practices. We sincerely hope you find the this publication informative. We will be happy to take part in any discussions required to clarify our views, which are enclosed in the attached publication. We look forward to hearing from you.

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INTRODUCTION TO IFRS 18

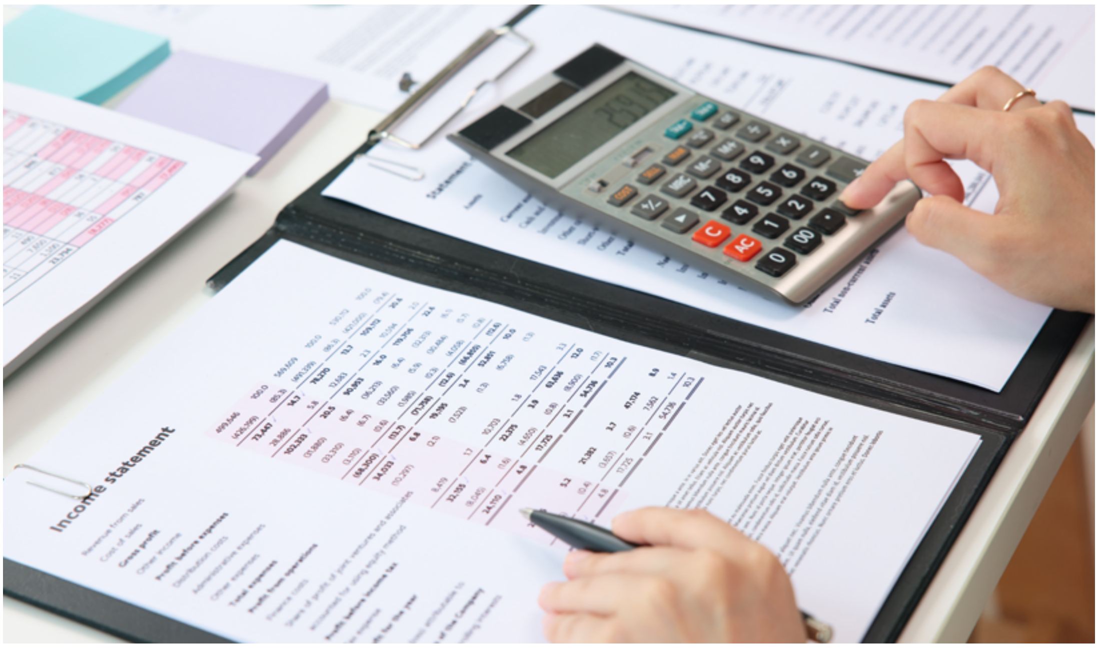
IFRS 18 is a newly issued standard by the IASB, replacing IAS 1 Presentation of Financial Statements ("IAS 1"). It introduces significant changes to the structure and presentation of financial statements, aiming to enhance transparency, consistency, and comparability globally. Whilst IFRS 18 is applicable from annual periods commencing 01 January 2027, SOCPA has permitted organisations to early adopt the said standard voluntarily in KSA.

The implementation of IFRS 18 will not only increase investor confidence but also improve the entity's reporting process and controls. The revised financial statements will present standardized income statements with more disaggregated information and add management-defined performance measures as part of the financial statements. This will lead to more transparency, clarity and comparability between industries globally.

IFRS 18 has laid down the following concepts to standardise the presentation and disclosure of the income statement:

- Classification of all income and expenses into 5 categories (i.e. Operating, Investing, Financing, Taxes, Discontinued operations).
- New subtotals on the face of income statement (i.e., Operating Profit, Profit/ (loss) before financing and taxes).
- Management-defined Performance Measures – Metrices reported by management for internal or external communication will be part of the Income Statement / disclosures.
- Aggregation v. Disaggregation – Assets / Liabilities / Income / Expenses to be segregated basis function or nature or combination of both.
- Other disclosures required by the specific IFRS Standard will continue as before.

The revised classification will provide a better and meaningful understanding of the financial statements for easy decision making for investors and other stakeholders. While IFRS 18 will not directly affect a company's net profit, it will result in a new presentation of financial statements, particularly the income statement. Whilst IFRS 18 is effective for annual period beginning on or after 01 January 2027, preparing for the transition will require careful planning as entities will need to adopt new classifications and disclosure formats, which will lead to modification in existing systems, processes, judgements and presentation. The application of IFRS 18 is expected to evolve over time with businesses gradually refining their reporting practices.



KEY CONCEPTS INTRODUCED IN IFRS 18

Classification of Income and Expenses

Income and expenses are categorized into five sections: Operating, Investing, Financing, Taxes, and Discontinued Operations. Of these, Operating, Investing, and Financing are newly introduced and consequently, defined below:

- **Operating**
  Income and expenses related to the entity's main business activities, including cost of sales, operating expenses, expected credit loss provisions, etc.
- **Investing**
  Income and expenses from assets that generate returns independently of the entity's main business, such as interest, dividends, gains/losses from investments, impairments, disposal of non-current assets, etc.
- **Financing**
  Income and expenses related to raising finance, such as interest costs, processing fees, dividends paid, etc.

Exception for Specified Main Business Activities

Specific requirements have been introduced for entities with specified main business activities. Entities primarily engaged in investing in assets and/or financing customers (e.g., banks) will classify some investing or financing income/expenses as part of their operating category.

Segregation of Operating Expenses in the Income Statement

Operating expenses can be classified using three methods: by nature, by function, or a mixed method. The entity must choose a method that provides a useful and structured summary. If the function or mixed method is used, further segregation is required in the notes to the financial statements (except, when grouped by nature).

New Subtotals Introduced on the Income Statement

IFRS 18 introduces two new subtotals:

1. Operating Profit

2. Profit/(Loss) before Financing and Taxes

Management-Defined Performance Measures ("MPMs")

Non-GAAP measures used for internal and/or for external reporting must be included either on the face of the income statement or as part of the disclosures.

Reconciliation with the most directly comparable reported subtotal is required, if MPMs is forming part of disclosures.

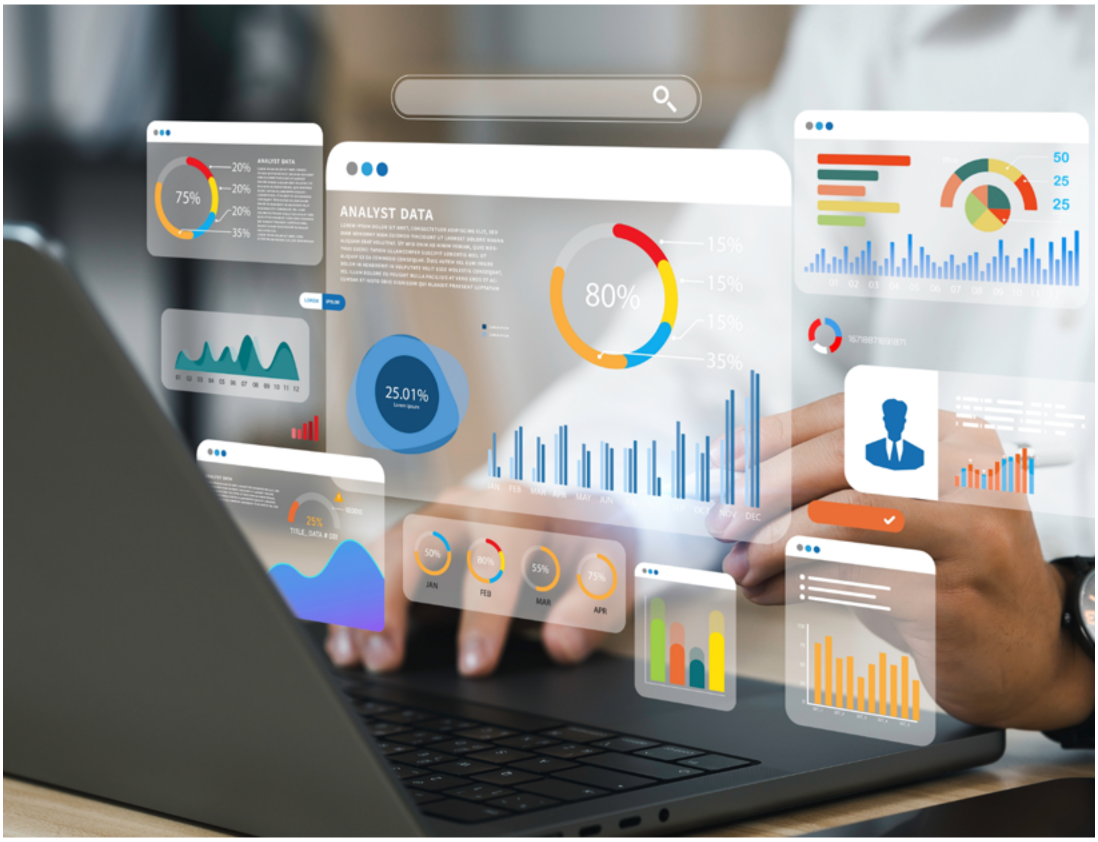
Aggregation and Disaggregation

IFRS 18 guides entities on presenting material financial information in the primary financial statements or the notes to accounts.

- Line items should be aggregated or disaggregated based on similar characteristics.
- The use of generic terms like "Others" is discouraged. If used, entities must provide explanatory notes detailing the nature of the items.

Foreign exchange ("Forex") gain/ loss

Foreign exchange gains or losses should be presented under the same category as the income or expense that gave rise to the forex gain or loss. This ensures consistency in classification.



KEY ENHANCEMENTS IN IFRS 18: IN-DEPTH ANALYSIS

In this section, we delve into some of the most significant and critical changes introduced by IFRS 18, focusing on concepts that require deeper understanding and practical application. While the new classifications enhance financial reporting, certain aspects demand closer attention due to their complexity and impact on financial statements.

We will specifically explore the Specified Main Business Activities, Management-Defined Performance Measures (MPMs), and Aggregation and Disaggregation of information. These elements introduce new reporting requirements that influence how financial data is presented, ensuring greater transparency and comparability. To provide clarity, we will also illustrate each concept with a detailed case study, helping readers understand their practical implications.

3.1 Specified Main Business Activities

IFRS 18 introduces new requirements for entities having specified main business activities, i.e., those entities that are primarily engaged in investing in assets or providing financing to customers. Unlike other entities, these businesses must classify certain investments and financing income and expenses under the Operating category, reflecting their core revenue-generating activities. This requirement ensures that financial statements accurately represent the entity's primary business operations.

Exceptions to the Classification Rules

While IFRS 18 generally requires reclassification for specified business, there are specific exceptions where certain transactions must follow a fixed classification, regardless of business activities:

A. Equity-Accounted Investments – Always classified under the Investing Category, even if the entity's primary business involves investing.

B. Investment Contracts with Participation Features – Always classified under Operating Category, ensuring consistency in financial reporting for insurance-related transactions.

The determination of whether an entity falls under specified main business activities under IFRS 18 requires significant judgment due to the inherent complexities of business structures. Many companies operate across multiple business lines, engaging in both core operational activities and financial/investment activities. As a result, their classification of income and expenses under Operating, Investing, or Financing Categories may not be straightforward. Entities must clearly disclose the basis of classification, judgements applied, etc. to ensure transparency, clarity and compliance. Entities should set up robust internal controls to ensure consistent classification across subsidiaries, regularly reassess classification as business models evolve and engage auditors and advisors for alignment with IFRS 18. IFRS 18 provides guidance but leaves room for management judgment.
This means two companies with similar financial activities might classify transactions differently based on their interpretation of core operations. The classification assessment will have significant impact on a few performance indicators such as EBITDA, Debt to Equity Ratios, etc.

Standalone vs Group Level Assessment:

A key challenge in this assessment is that entities must conduct this classification at both the standalone entity level and at the Group level, where their conclusions may differ. IFRS 18 requires entities to assess the nature of their activities and transactions in detail to ensure accurate representation in financial statements.

At the standalone entity level, businesses must evaluate their core activities independently, without considering their group structure. This means that even if a subsidiary operates within a diversified conglomerate, it must classify its revenue-generating activities based on its own operations. At the Group level, the classification may change if it is part of the larger diversified group.

At the Group Level, the classification might differ, as financial statements consolidate multiple entities operating in diverse industries. When assessing whether the Group falls under specified main business activities, entities must consider aggregation of multiple subsidiaries and their respective business models, and contribution of financing/investing activities to the Group's overall revenue and impact of intercompany transactions on financial reporting.

Case Study: Classification Challenges in a Diversified Business

A company ABC operates in three business segments through subsidiaries, viz. consumer good sales (Retail Business), Loans and Investment (Non-banking Financial Corporation, ["NBFC"]) and Rental Income from Properties (Investment).

IFRS 18 Assessment for the Standalone Financial Statements:

Retail Business - classifies revenue from product sales as Operating, while interest income from short-term cash deposits stays Investing.

NBFC - classifies loan interest and financial fees as Operating, aligning with its core business.

Investment - classifies rental income under Operating but gains from property sales under Investing.

IFRS 18 Assessment for the Consolidated Financial Statements:

At the consolidated level, the Group does not meet the criteria for specified main business activities because financing and investing activities are not the primary operations. Therefore:

NBFC – Interest income is Operating at a standalone level but Investing at the Group level.

Investment – Rental income is Operating at a standalone level but Investing at the Group level.

Deciding whether an entity qualifies for specified main business activities under IFRS 18 requires a deep understanding of the business model, judgment in classification, and a clear distinction between Standalone and Group level perspectives. This assessment impacts how financial information is presented and interpreted by stakeholders, affecting transparency, comparability, and financial performance indicators. To navigate these complexities, companies must carefully evaluate their revenue-generating activities, set up strong internal controls, and ensure transparent disclosures.

Additional Considerations and Changes in Classification

At the consolidated level, the Group does not meet the criteria for specified main business activities because financing and investing activities are not the primary operations. Therefore:

NBFC – Interest income is Operating at a standalone level but Investing at the Group level.

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Deciding whether an entity qualifies for specified main business activities under IFRS 18 requires a deep understanding of the business model, judgment in classification, and a clear distinction between Standalone and Group level perspectives. This assessment impacts how financial information is presented and interpreted by stakeholders, affecting transparency, comparability, and financial performance indicators. To navigate these complexities, companies must carefully evaluate their revenue-generating activities, set up strong internal controls, and ensure transparent disclosures.

An added complexity arises when management changes its classification judgment from an earlier reporting period. If such a change occurs:

The entity must prospectively adjust the presentation of affected financial statement items.

- The financial statements must disclose:
- The date of change.
- The items of income and expenses affected.
- The amounts and classification before and after the change for the current and prior period.
- If determining prior-period amounts is impracticable, the entity must disclose this fact in the financial statements.

These classification requirements emphasize the need for robust documentation and consistent application of judgment in financial reporting under IFRS 18.

3.2 Management-defined performance measures (MPMs)

The introduction of MPMs in IFRS 18 marks a significant step towards enhancing transparency for investors. MPMs refer to metrics that management uses in public communications, such as press releases, management commentaries, and investor presentations. These may include alternative performance measures like Adjusted EBITDA, internally monitored figures like gross profit, or other key financial indicators beyond standard IFRS measures.

Presentation of MPMs – Income Statement vs. Disclosures

MPMs can be presented as additional sub-totals on the face of the income statement, if they meet the following criteria:

- They are derived from amounts recognized and measured in accordance with IFRS.
- Their inclusion aligns with the structure of the income statement, enhancing its clarity and usefulness.
- They are displayed without undue prominence compared to required subtotals and totals.
- They are labelled appropriately to avoid any misleading interpretations.

If MPMs cannot be presented directly on the income statement, they must be disclosed in the notes to the financial statements, along with:

- A reconciliation to the most directly comparable IFRS-defined subtotal in the income statement.
- An explanation of each reconciling item.
- The tax impact and the effect on non-controlling interests, if applicable.

These requirements ensure that MPMs are not only transparent but also comparable, reinforcing investor confidence in financial reporting. In our view, the application of MPMs across various reporting channels by different stakeholders presents challenges in ensuring completeness and consistency. Management will need to set up robust processes and controls to identify and report all relevant MPMs. Additionally, auditors will require a broader set of documentation to verify the accuracy and completeness of reported MPMs. We believe that this change will likely be welcomed by investors, as it addresses the long-standing issue of reconciling management-reported metrics with GAAP-reported figures. Under IFRS 18, MPMs must now be included in financial statements, with mandatory reconciliation to reported financial numbers, promoting greater clarity and comparability.

Case Study: Adjusted EBITDA (before ESOP and after Rental outflow)

Company ABC is engaged in the manufacturing of automobiles and has leased a manufacturing facility for a period of 10 years. Additionally, the Company grants ESOP to employees as both time-linked and performance-linked incentives to drive employee motivation and company growth. Company ABC reports Adjusted EBITDA in its monthly, quarterly, and annual MIS reports, which are shared with investors for review. Since management tracks this metric for reporting purposes, it qualifies as a MPMs under IFRS 18.

Disclosure Considerations in Financial Statements

The reconciliation of Adjusted EBITDA cannot be directly derived using the prescribed IFRS 18 format because leases impact both financing activities (interest on lease liabilities) and operating activities (depreciation on Right-of-Use ["ROU"] assets).

To ensure transparency, management must disclose this reconciliation in the notes to the financial statements, linking Adjusted EBITDA to the closest reported figure in the primary financial statements (Profit before taxes). A simple illustrative reconciliation is presented as follows:

Particulars	For the year ended 31 December 20XX	Tax effect	Effect on NCI
Adjusted EBITDA	XX		
Add: Rental expenses*	XX	XX	XX
Less: Depreciation on ROU Assets*	(XX)	(XX)	(XX)
Less: Interest on Lease Liabilities*	(XX)	(XX)	(XX)
Less: ESOP#	(XX)	(XX)	(XX)
Less: Depreciation on PPE^	(XX)	(XX)	(XX)
Less: Interest expense on borrowings^	(XX)	(XX)	(XX)
Add: Interest income^	XX	XX	XX
Profit before taxes	XX		

** While IFRS 16 requires leases to be accounted for under financing (interest on lease liabilities) and operating activities (depreciation on ROU assets), management considers actual rental expenses paid in its Adjusted EBITDA computation.*

#ESOP costs are recognized as per IFRS 2 - Share-Based Payments but are excluded from Adjusted EBITDA as they do not involve actual cash outflows.

^Assuming that Company ABC has PPE, Borrowings, and Investments on its books, resulting in respective income and expenses which are adjusted in the above table. There are no other items in the income statement between Operating Profit and Profit Before Taxes, except as outlined above in the table.

3.3 Aggregation and Disaggregation

The purpose of financial statements is to provide users with essential information about entities' assets, liabilities, income, expenses, equity and cashflow. To achieve this, entity will need to assess appropriate level of details on the primary financial statements and in the notes to the financial statements. IFRS 18 has introduced the concept of 'Aggregation' and 'Disaggregation' for presenting the information in the financial statements.

Management will need to apply professional judgement to figure out how to group financial statement items. This involves assessing whether items have similar characteristics and should be aggregated or whether disaggregation is necessary due to differences in nature, function, measurement basis, size, or regulatory environment.

Principle of Aggregation and Disaggregation

Aggregation is needed when items share similar characteristics, and their combination provides a meaningful structured summary. This applies to assets, liabilities, equity, income, expenses, and cash flows. However, aggregation should not obscure material information.

Disaggregation is necessary when items have dissimilar characteristics, and their separation provides more relevant information. This ensures that material financial information is clearly presented rather than being combined with other figures, which could reduce transparency.

In our view, IFRS 18 aims to align financial reporting across jurisdictions, reducing inconsistencies in how entities present financial data. Entities should commence their review on existing financial statement structures and evaluate whether their current approach to aggregation and disaggregation aligns with IFRS 18's principles. This may require changes in accounting policies and internal controls. Entities will require to aggregate and disaggregate items to present line items in the primary financial statements that provide useful structured summaries or disclose material information in the notes. Auditors will also need to assess whether aggregation and disaggregation are applied correctly, ensuring material items are neither obscured nor misclassified.

Case Study: Aggregation and Disaggregation in Financial Statements

Company ABC has an operating expense of SAR 800 million. Management wants to use the new Standard to disaggregate the number for better visibility of cost structure. The below is a simple illustrative reflecting the likely nature/ function that may be applicable to Company ABC. In reality, the effect of aggregation or disaggregation could result in different impacts to the line items.

Entity can disaggregate the cost by:

1. Nature of expenses

- Employee Benefits Expense: SAR 300 million
- Depreciation & Amortization: SAR 200 million
- Raw Material & Production Costs: SAR 150 million
- Rent & Utilities: SAR 100 million
- Other Operating Expenses: SAR 50 million

2. Function of expenses

- Cost of Sales: SAR 500 million
- Selling & Distribution Expenses: SAR 150 million
- Administrative Expenses: SAR 100 million
- Research & Development (R&D): SAR 50 million

Additionally in Notes to financial statements, entity will have to give more detailed breakdown for line items mentioned under function of expenses to offer deeper insights into the expense composition. However, if an entity presents expenses by nature directly on the face of the income statement, no additional disclosure is required—except where the “Other” label is used, in which case detailed disclosures breaking down this category are necessary.

THE INCOME STATEMENT – REVISED PRESENTATION

Company ABC is engaged in the manufacturing of automotive equipment and does not provide any financing activities. For internal management reporting, the company presents key performance metrics such as Gross Profit in its monthly MIS report to investors.

The following is an illustrative income statement for Company ABC for the year ended 31 December 202X and revised presentation for the comparative period, i.e., 31 December 202Y:

Particulars	For the year ended 202X	For the year ended 202Y
Revenue		
Cost of goods sold		
Gross profit / (loss)		
Other Operating income		
Employee benefit expenses	**Operating Category***	
Selling and Distribution expenses		
Depreciation		
General and Administration expenses		
Impairment loss		
Operating profit / (loss)#		
Investing income		
Share of profit / (loss) from JV / Associates	**Investing Category***	
Investing expenses		
Profit / (loss) before financing and taxes#		
Financing income	**Financing Category***	
Financing expenses		
Profit / (loss) before taxes		
Income tax expenses	**Income tax expenses**	
Profit from continued operations		
Discontinued operations		
Profit from discontinued operations		
Taxes on profit from discontinued operations	**Discontinued operations**	
Profit after taxes from discontinued operations		
Profit for the year		

*New classifications as per IFRS 18
#New sub-totals as per IFRS 18

COMPARISON OF IFRS 18 AND IAS 1

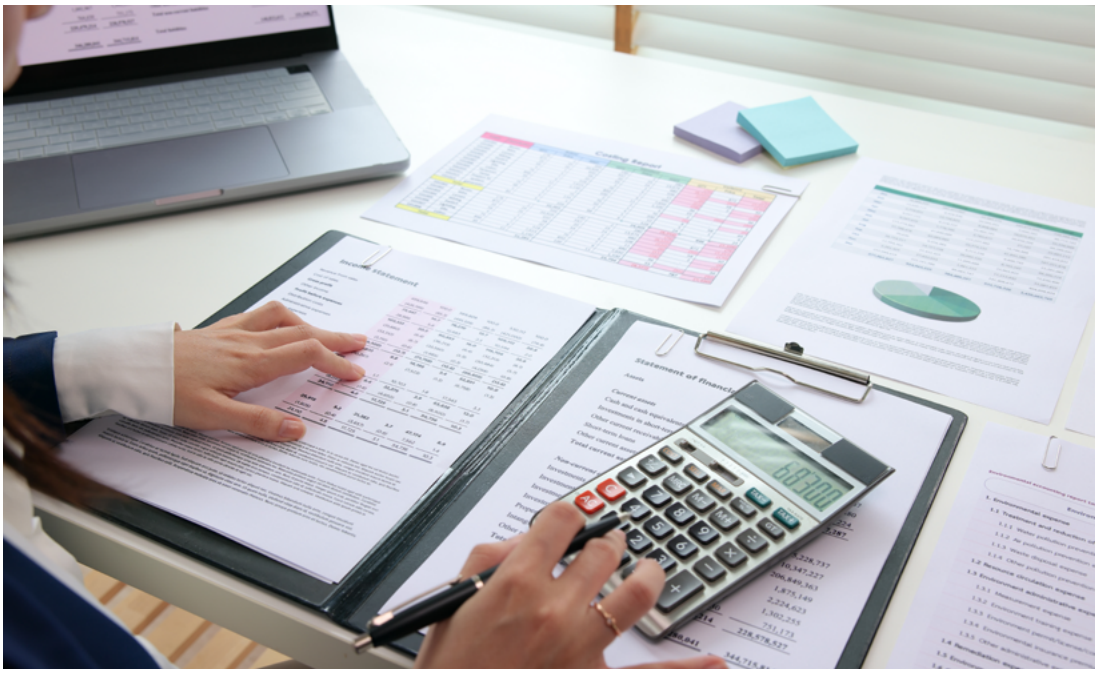
Particulars	IFRS 18	IAS 1
Standard Name	Presentation and Disclosure in Financial Statements	Presentation of Financial Statement
Effective Date	Effective from 01 January, 2027 (SOCPA has permitted early adoption in KSA)	Applicable prior to adoption of IFRS 18
Overall Structure	Introduces structured classifications for income and expenses	General framework for presenting financial statements
The Income Statement Structure	Introduces three additional key categories: Operating, Investing, and Financing	No specific classification for income and expenses
Presentation of Management Performance Measures (MPMs)	Entities must disclose and reconcile MPMs with IFRS-compliant figures	No specific requirement
Principles of Aggregation & Disaggregation	Establishes clearer guidelines on when and how to aggregate/disaggregate items for better transparency	General guidance, allowing discretion in presentation
Disclosure Requirements	Expanded and more structured disclosure requirements, particularly for income and expense categories	Broad and sometimes inconsistent requirements
Impact on Financial Reporting	Provides greater consistency, comparability, and transparency in financial reporting	Limited focus on detailed categorization and uniformity

AMENDMENTS TO OTHER ACCOUNTING STANDARDS

While several Accounting Standards will be amended as a result of IFRS 18, the most significant changes will be to the following Accounting Standards:

<table>
<tr><th>Accounting Standards</th><th>Amendments stemming from introduction of IFRS 18</th></tr>
<tr><td>IAS 7 - Statement of Cash Flows</td><td>Alignment with IFRS 18
Revised treatment of interest & dividend cash flows:
<table>
<tr><th>Particulars</th><th>Existing IAS 7</th><th>Amendment made to IAS 7</th></tr>
<tr><td>Interest paid</td><td>Operating / Financing</td><td>Financing (unless the core business is financing, e.g., banks and/or financial institutions)</td></tr>
<tr><td>Interest received</td><td>Operating / Investing</td><td>Investing (unless the core business is financing, e.g., banks and/or financial institutions)</td></tr>
<tr><td>Dividends received</td><td>Operating / Investing</td><td>Investing (unless core the business is investment in equities)</td></tr>
<tr><td>Dividends paid</td><td>Operating / Financing</td><td>Financing</td></tr>
</table></td></tr>
<tr><td>IAS 8 - Accounting Policies, Changes in Accounting Estimates, and Errors</td><td>Expanded Scope:
• New requirements for accounting policies and estimates previously covered under IAS 1.
• More detailed disclosure requirements for key accounting policies that impact financial statement presentation.
• Introduction of enhanced requirements for sources of estimation uncertainty to align with IFRS 18.
• Renamed IAS 8 to Basis of Preparation of Financial Statements.</td></tr>
<tr><td>IFRS 8 - Operating Segments</td><td>Enhanced Disclosure Requirements:
• Segment reporting must align with IFRS 18 categories.
• New reconciliation requirements between segment performance measures and IFRS financial statements.</td></tr>
</table>

Accounting Standards	Amendments stemming from introduction of IFRS 18
IFRS 9 - Financial Instruments	Expected Credit Losses (ECL) must be clearly grouped under Operating Expenses.
IFRS 10 - Consolidated Financial Statements	Aligns presentation of financial statements of subsidiaries with IFRS 18 categories.
IAS 33 - Earnings per share	**Entity can disclosure Additional amount per share in addition to Basic and Diluted EPS. Numerator can be following while computing Additional amount per share:** A required income and expenses total or subtotal · A common subtotal listed in IFRS 18 · MPM disclosed by the entity. Denominator stays same as used for normal EPS.
IAS 34 - Interim Financial Reporting	Aligns presentation of financial statements of subsidiaries with IFRS 18 categories.



TRANSITION TO IFRS 18

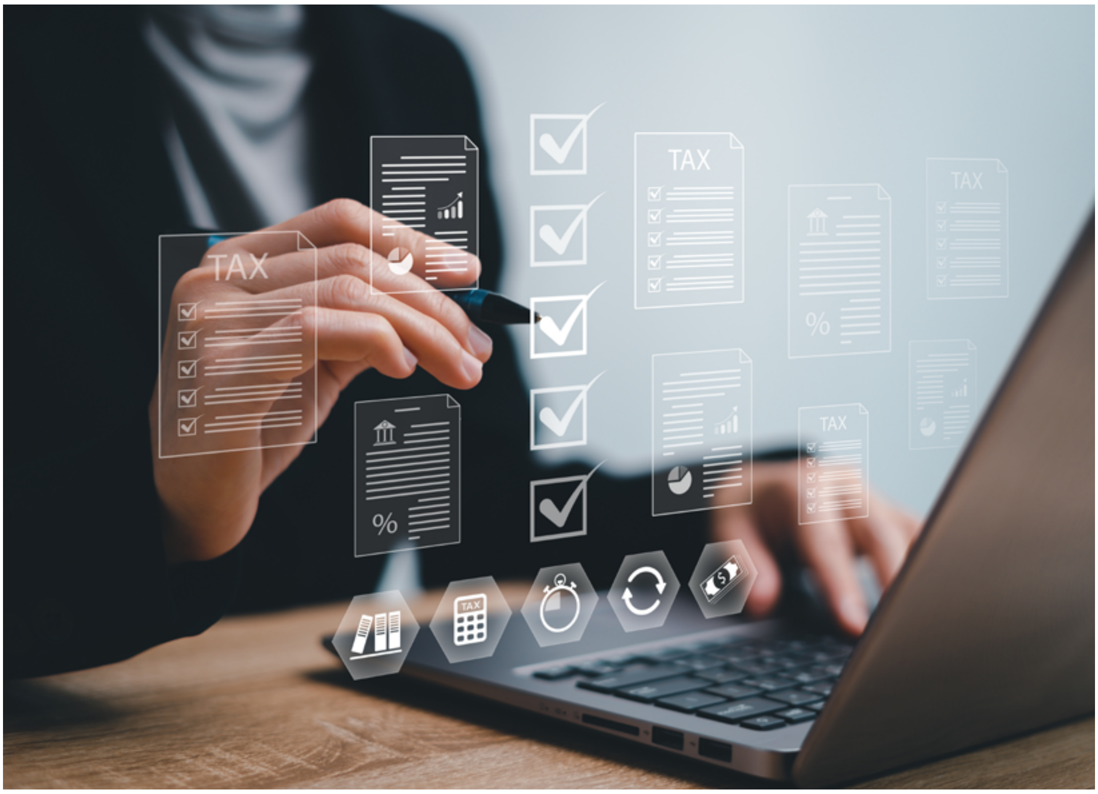
The transition to IFRS 18 is a critical step for companies aiming to align with global financial reporting standards. Compared to previous Standards, IFRS 18 places a greater emphasis on transparency, requiring businesses to provide more detailed and comprehensive financial disclosures. This shift offers organizations the opportunity to enhance the quality, consistency, and comparability of their financial reporting. However, it also presents significant challenges, including the need for system upgrades, better data management, and stronger internal controls.

For businesses with complex operations, such as subsidiaries, joint ventures, or multiple revenue streams gathering, organizing, and reporting the required data can be overwhelming. Existing accounting systems may not be equipped to oversee the level of detail needed by IFRS 18, necessitating costly system upgrades or the implementation of new financial reporting tools.

Equally important is the impact on internal controls. With the increased disclosure requirements, companies must reassess their control frameworks to ensure that all data is accurately captured and reported. Strengthening internal controls involves revising processes, redefining roles within finance teams, and enhancing communication across departments to ensure data accuracy.

Employee training also plays a crucial role in ensuring a smooth transition. Finance teams must be well-versed in IFRS 18's specific requirements to avoid errors and ensure compliance. Tailored training programs that cover both the technical aspects of the standard and practical steps for preparing compliant financial statements will help organizations manage the transition effectively.

When implementing IFRS 18, entities must produce a reconciliation for each line item in the income statement for the comparative period, outlining the adjustments from the amounts previously reported under IAS 1 to the restated amounts under IFRS 18. When it is impracticable to reclassify comparative amounts, an entity shall disclose the reason for not reclassifying the amounts; and the nature of the adjustments that would have been made if the amounts had been reclassified.



Effect of IFRS 18 adoption on the Income Statement for the year ended 31 December, 202Y (Simple Illustrative Format):

Particulars	Amount as per IFRS 18	Reconciling items	Amount as per IAS 1	Remarks
Revenue	XX	XX	XX	
Cost of goods sold	XX	XX	XX	
Gross profit / (loss)	**XX**	**XX**	**XX**	
Other Operating income	XX	XX	XX	
Employee benefit expenses	XX	XX	XX	
Selling and Distribution expenses	XX	XX	XX	
Depreciation	XX	XX	XX	
General and Administration expenses	XX	XX	XX	Ref. Note A
Impairment loss	XX	XX	XX	
Operating profit / (loss)	**XX**	**XX**	**XX**	
Investing income	XX	XX	XX	
Share of profit / (loss) from JV / Associates	XX	XX	XX	
Investing expenses	XX	XX	XX	
Profit / (loss) before financing and taxes	**XX**	**XX**	**XX**	
Financing income	XX	XX	XX	
Financing expenses	XX	XX	XX	
Profit / (loss) before taxes	**XX**	**XX**	**XX**	
Income tax expenses	XX	XX	XX	
Profit from continued operations	**XX**	**XX**	**XX**	
Discontinued operations				
Profit from discontinued operations	XX	XX	XX	
Taxes on profit from discontinued operations	XX	XX	XX	
Profit after taxes from discontinued operations	**XX**	**XX**	**XX**	
Profit for the year	**XX**	**XX**	**XX**	

Note A* - General and Administration expenses - reconciliation

Note A* - General and Administration expenses - reconciliation

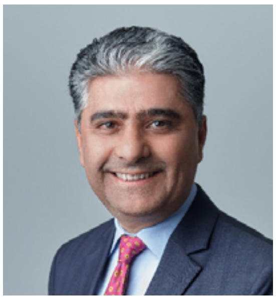
Particulars	Amount (SAR)	Reason for classification
Reported number as per IAS 1	**XX**	
Reconciling items		
Item A	(XX)	Classified as a separate line item in income statement
Item B	XX	Classified here from other caption basis similar characteristics
Item C	(XX)	Classified under other caption basis similar characteristics
Total of reconciling items	**XX**	
Reported number as per IFRS 18	**XX**	

The above table provides an illustrative format for presenting reconciling items of General and Administration expenses. If there are additional reconciliation differences in the income statement, separate tables will be provided for each relevant income statement caption.

Despite the complexities and costs, the benefits of IFRS 18, such as improved stakeholder confidence and enhanced financial insight are significant. With our years of experience navigating accounting standards, we are well-equipped to guide businesses through the IFRS 18 transition. We offer tailored support in system upgrades, data management, internal controls, and employee training, ensuring that your company meets compliance requirements and optimizes financial reporting for long-term success.

Our proven methodology for accounting change management provides a structure for this exercise, making the entire end to end process for our clientele seamless and easy to manage. We would love the opportunity to meet with you and discuss how Uniqus can collaborate with you on this journey.

A TEAM THAT
YOU CAN TRUST TO DELIVER



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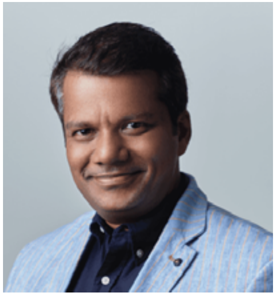

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