

NATIONAL ENVIRONMENTAL RECYCLING COMPANY
A SAUDI JOINT STOCK COMPANY

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 National Environmental Recycling Company
A Saudi Joint Stock Company

Opinion

We have audited the financial statements of National Environmental Recycling Company (A Saudi Joint Stock Company) (the "Company"), which comprise the statement of financial position as at 31 December 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity, and the statement of cash flows for the year then ended, and notes to the financial statements, including summary of material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards 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 Financial Statements" section of our report. We are independent from the Company in accordance with the International Code of Ethics for Professional Accountants (the Code) (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 financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the matter was addressed in our audit
<p>Revenue Recognition</p> <p>During the year ended 31 December 2024, the Company recognized total revenue of SR 806 million.</p> <p>Revenue recognition has been identified as a key audit matter given the significant amount involved, the factors associated with the revenue recognition and the presumed inherent risk of material misstatement.</p> <p>Refer to Material accounting policies in note 4 for revenue and note 22 for more details on revenue in the financial statements.</p>	<p>We have performed the following procedures to address this matter:</p> <ul style="list-style-type: none"> Assessed the appropriateness of the Company's accounting policies for recognition and measurement of revenue in line with the requirements of IFRS 15 "Revenue from contracts with customers. Assessed the design and implementation of relevant key controls over the revenue cycle. Performed the cut-off test to ensure that the revenue is recorded in the appropriate year. Tested, on a sample basis, individual sales transactions and traced them to sales invoices, and other related documents. Further, in respect of the samples tested, we checked that the revenue has been recognized as per the shipping terms. Assessed the adequacy of the disclosures in the Company's financial statements in line with the requirements of applicable accounting standards.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Shareholders of National Environmental Recycling Company
A Saudi Joint Stock Company

Key audit Matters (CONTINUED)

Key audit matter	How the matter was addressed in our audit
<p>Valuation and Existence of Inventory</p> <p>The value of the Company's inventory as of 31 December 2024 amounted to SR 163 million.</p> <p>We consider this as a key audit matter since due to the nature of inventory, significant judgement is required to estimate the quantity and to value the inventory on hand using a variety of valuation techniques.</p> <p>Refer to Material accounting policies in note 4 for Inventory and note 8 for the related disclosures in the financial statements.</p>	<p>We have performed the following procedures to address this matter:</p> <ul style="list-style-type: none"> Assessed the appropriateness of the Company's accounting policies for recognition and measurement of inventory in line with the requirements of applicable accounting standards. Evaluating management's processes for determining the existence and quantity of inventory on hand including understanding relevant controls; Testing the existence of inventory by attending counts conducted by management at material locations at or around year end and observing and challenging management's process to determine the quantities on hand; Reviewed and analyzed the net realizable value calculation for finished goods inventory and tested the valuation of finished goods inventories on sample basis by comparing their costs to their net realizable value at year-end Assessed the adequacy of the disclosures in the Company's financial statements in line with the requirements of applicable accounting standards.

Other Matter

The financial statements of the Company for the year ended 31 December 2023 were audited by another auditor who issued an unmodified opinion on those financial statements on 18 Ramadhan 1445 H (corresponding to 28 March 2024 G).

Other Information

Management is responsible for the other information. The other information comprises the annual report but does not include the financial statements and our auditor's report thereon, which is expected to be made available to us after the date of this auditor's report.

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

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

When we read the Annual Report of the Company, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Shareholders of National Environmental Recycling Company
A Saudi Joint Stock Company

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

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

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance i.e Board of Director are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 ISAs 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs 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 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 Company'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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Shareholders of National Environmental Recycling Company
A Saudi Joint Stock Company

Auditor's Responsibilities for the Audit of the Financial Statements (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, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year 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 Alzoman, Alfahad and Alhajjaj Professional Services

Zaher Abdullah Alhajjaj
Certified Public Accountant
License No (562)



Riyadh, Kingdom of Saudi Arabia

Date: 27 Ramadan 1446H

Corresponding to: 27 March 2025G

NATIONAL ENVIRONMENTAL RECYCLING COMPANY

A SAUDI JOINT STOCK COMPANY

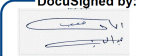
STATEMENT OF FINANCIAL POSITION

AS OF 31 DECEMBER 2024

	Notes	31 December 2024 Saudi Riyals	31 December 2023 Saudi Riyals (Restated-note 33)
Assets			
Non-Current Assets			
Property, plant and equipment	6	155,292,894	114,283,917
Right of use assets	7	4,987,732	4,213,066
Total Non - Current Assets		160,280,626	118,496,983
Current Assets			
Inventories	8	163,409,855	96,733,607
Trade receivables	9	51,822,512	53,126,061
Prepayments and other receivable	10	28,786,347	51,682,767
Cash and cash equivalents	11	16,493,223	9,803,459
Total Current Assets		260,511,937	211,345,894
Total Assets		420,792,563	329,842,877
Equity and Liabilities			
Equity			
Share capital	12	116,160,000	58,080,000
Treasury shares	13	(4,000,000)	(2,000,000)
Statutory reserve	14	10,040,024	6,459,719
Share based payment reserve	15	404,026	201,730
Share premium	16	67,838,889	67,838,889
Retained earnings		47,743,261	71,341,348
Total Equity		238,186,200	201,921,686
Liabilities			
Non - current liabilities			
Loans and borrowings	17	26,744,986	19,655,440
Lease liabilities	7	2,331,436	1,850,048
Employees' benefit obligations	19	2,093,309	1,598,753
Total non - current liabilities		31,169,731	23,104,241
Current Liabilities			
Short term loans	17	127,704,144	64,462,420
Loans and borrowings – current portion	17	10,924,775	10,574,130
Lease liabilities – current portion	7	1,458,805	1,338,136
Trade payables		1,938,654	21,846,572
Accrued expenses and other liabilities	18	6,364,826	4,275,977
Zakat provision	20	3,045,428	2,319,715
Total current liabilities		151,436,632	104,816,950
Total liabilities		182,606,363	127,921,191
Total equity and liabilities		420,792,563	329,842,877

Chairman of Board of Director

Eyad Abdulaziz Alnafei

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Chief Executive Officer

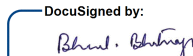
Nasser Mohammed Al Dueb

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Chief Financial Officer

Bharat Bhatnagar

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The accompanying notes form an integral part of these financial statements.

NATIONAL ENVIRONMENTAL RECYCLING COMPANY

A SAUDI JOINT STOCK COMPANY


STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	31 December 2024 Saudi Riyals	31 December 2023 Saudi Riyals (Restated-note 33)
Continuing operations			
Revenues	22	806,045,768	631,908,928
Cost of revenues	23	(747,754,641)	(590,463,373)
Gross profit		58,291,127	41,445,555
General and administrative expenses	24	(10,878,619)	(10,205,750)
Expected credit loss	9	(1,303,672)	(118,593)
Operating profit		46,108,836	31,121,212
Other income	25	896,360	330,465
Finance cost	26	(7,968,073)	(3,511,136)
Profit before zakat from continuing operations		39,037,123	27,940,541
Zakat	20	(2,872,565)	(2,386,479)
Profit for the year from continuing operations		36,164,558	25,554,062
Discontinued operations			
Profit from discontinued operations	27	-	241,793
Profit for the year		36,164,558	25,795,855
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss			
Actuarial gains / (losses) on re-measurement of Employee benefit obligations	19	(102,340)	33,418
Total comprehensive income for the year		36,062,218	25,829,273
Earnings per share attributable to the shareholders	28		
Basic		0.63	0.43
Diluted		0.60	0.42

Chairman of Board of Director

Eyad Abdulaziz Alnafei

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Chief Executive Officer

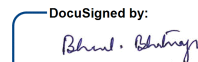
Nasser Mohammed Al Dueb

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Chief Financial Officer

Bharat Bhatnagar

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NATIONAL ENVIRONMENTAL RECYCLING COMPANY

A SAUDI JOINT STOCK COMPANY

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital	Treasury shares	Statutory reserve	Share based payment reserve Saudi Riyals	Share premium	Retained earnings	Total equity
For the year ended 31 December 2024							
As of 1 January 2024 (before restatement)	58,080,000	(2,000,000)	6,261,941	201,730	67,838,889	69,561,350	199,943,910
As of 1 January 2024 (after restatement)	58,080,000	(2,000,000)	6,459,719	201,730	67,838,889	71,341,348	201,921,686
Net Profit for the year	-	-	-	-	-	36,164,558	36,164,558
Other comprehensive loss	-	-	-	-	-	(102,340)	(102,340)
Total comprehensive income for the year						36,062,218	36,062,218
Share-based payment (note 15)	-	-	-	202,296	-	-	202,296
Transfer from retained earnings (note 12)	58,080,000	(2,000,000)	-	-	-	(56,080,000)	-
Transfer to the statutory reserve (note 14)			3,580,305	-	-	(3,580,305)	-
As at 31 December 2024	116,160,000	(4,000,000)	10,040,024	404,026	67,838,889	47,743,261	238,186,200
For the year ended 31 December 2023							
As at 1 January 2023	58,080,000	(5,000,000)	3,880,133	-	67,838,889	31,674,267	156,473,289
Net profit for the year	-	-	-	-	-	23,818,079	23,818,079
Other comprehensive income	-	-	-	-	-	33,418	33,418
Total comprehensive income (before restatement)						23,851,497	23,851,497
Treasury shares reissued during the year (note 13)	-	3,000,000	-	-	-	16,417,394	19,417,394
Transfer to the statutory reserve	-	-	2,381,808	-	-	(2,381,808)	-
Share-based payment (note 15)	-	-	-	201,730	-	-	201,730
Balance as at 31 December 2023 (before restatement)	58,080,000	(2,000,000)	6,261,941	201,730	67,838,889	69,561,350	199,943,910
Restatement (Note 33)	-	-	197,778	-	-	1,779,998	1,977,776
As at 31 December 2023	58,080,000	(2,000,000)	6,459,719	201,730	67,838,889	71,341,348	201,921,686

Chairman of Board of Director

Eyad Abdulaziz Alnafe

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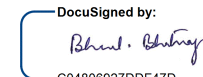

Chief Executive Officer

Nasser Mohammed Al Dueb

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Chief Financial Officer

Bharat Bhatnagar

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The accompanying notes form an integral part of these financial statements.

NATIONAL ENVIRONMENTAL RECYCLING COMPANY

A SAUDI JOINT STOCK COMPANY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	31 December 2024 Saudi Riyals	31 December 2023 Saudi Riyals (Restated-note 33)
Operating activities		
Profit before zakat from continuing operations	39,037,123	27,940,541
Profit from discontinued operations	-	241,793
Adjustments for non-cash items:		
Depreciation of property, plant, and equipment	7,394,323	4,497,834
Depreciation of right of use assets	1,394,138	367,726
Expected credit loss	1,303,672	118,593
Reversal slow-moving inventory provision	-	(5,244,990)
Gain from sale of property, plant and equipment	(10,167)	-
Profit from sale of investment in subsidiary	-	(743,984)
Finance cost	7,968,073	3,511,136
Share based payment expense	202,296	201,730
Employees' defined benefits provision	441,453	395,297
	57,730,911	31,285,676
Changes in working capital:		
Trade receivables	(123)	(14,615,205)
Inventories	(66,676,248)	(23,605,724)
Prepayments and other receivables	22,896,420	(27,660,996)
Trade payables	(19,907,918)	15,093,895
Accrued expenses and other liabilities	2,088,849	647,127
	(3,868,109)	(18,855,227)
Zakat paid (note 20)	(2,146,852)	(2,756,191)
Employees' defined benefits paid (note 19)	(121,980)	(108,952)
Net cash used in operating activities	(6,136,941)	(21,720,370)
Investing activities		
Purchase of property, plant, and equipment (note 6)	(48,412,099)	(37,936,917)
Proceeds from sale of property, plant, and equipment	18,966	-
Proceeds from sale of an investment in a subsidiary	-	792,580
Net cash used in investing activities	(48,393,133)	(37,144,337)
Financing activities		
Proceeds from loans and borrowings	239,197,414	95,878,994
Repayments of loans and borrowings	(171,272,872)	(46,442,178)
Finance costs paid	(4,875,209)	(1,498,966)
Repayments of lease liabilities (note 7)	(1,829,495)	(1,996,762)
Proceeds from reissuance of treasury shares	-	19,417,394
Net cash generated from financing activities	61,219,838	65,358,482
Net changes in cash and cash equivalents during theyear	6,689,764	6,493,775
Cash and cash equivalents at the beginning of the year	9,803,459	3,309,684
Cash and cash equivalents at the end of the year	16,493,223	9,803,459
Non-cash items:		
Additions to right of use assets	2,168,804	3,860,792
Additions to lease liabilities	2,168,804	3,720,192

Chairman of Board of Director

Eyad Abdulaziz Alnafei

Chief Executive Officer

Nasser Mohammed Al Dueb

Chief Financial Officer

Bharat Bhatnagar

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The accompanying notes form an integral part of these financial statements.

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NATIONAL ENVIRONMENTAL RECYCLING COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2024

1. ORGANIZATION AND ACTIVITY

National Environmental Recycling Company (hereinafter the "Company") is a Saudi joint stock Company, established under the Commercial Register No. 1010465140 dated 27 Jumada Al-Akhira 1436 AH (corresponding to 16 April 2015) in Riyadh, Kingdom of Saudi Arabia.

The principal activities of the Company are represented in the wholesale of waste, scrap and materials for recycling, including collection, classification, segregation, stripping, storage, and delivery.

The Company carries out its activities through the factory of National Environmental Recycling Company (the Branch), which is registered in Riyadh, Kingdom of Saudi Arabia under Commercial Registration No. 1010432838 on Muharram 29, 1438H (corresponding to October 30, 2016). The Branch is engaged in the production of copper, aluminium and iron blocks, plastic granules and blocks containing precious metals under industrial license No. 381343.

The registered address of the Company is P.O. Box 3431, Riyadh 13524, Al-Malqa District, Riyadh Kingdom of Saudi Arabia.

These financial statements include the Company's assets, liabilities, activities and the Branch:

CR Number	IssuanceLocation	Trade name	Registration date
1010432838	Riyadh	National Environmental Recycling Factory	29 Muharram 1438 AH

As mentioned in Note 27 in 2023, the Company sold its subsidiary, "Safe Information Modern Systems," accordingly, no consolidated financial statements were prepared for the current fiscal and prior year.

2. BASIS OF FINANCIAL STATEMENTS PREPARATION

The Company's financial statements for the year ended 31 December 2024 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"). The material accounting policies that are adopted by the Company have been set out in note (4).

The financial statements have been prepared on a historical cost basis, except for the Employees' defined benefits obligations that are measured using the Project Credit Unit Method as shown in the respective accounting policy. The financial statements are presented in Saudi Riyal ("SR") which is the functional currency for the Company. All amounts are rounded to the nearest Saudi Riyals unless otherwise indicated.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions at the date of preparing the financial statements that may affect the amounts of revenues, expenses, assets and liabilities recognized, the accompanying disclosures and the disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amounts of assets or liabilities that will be affected in future periods.

- Financial instruments risks management, (note 31).

3.1 Judgements

In the context of applying the Company's accounting policies, management has adopted the following judgments that have a material impact on the amounts included in the financial statements:

Determining control and significant effect

Subsidiaries are all the investees that are controlled by the Company. Management considers that the Company controls an entity when the Company is exposed to risks or it has rights in the variable returns due to its involvements with investee, as well as when it has the ability to use its power over the investee to affect the value of those returns through its ability to direct the activities related to the investee.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)**3.1 Judgements (continued)****Determining control and significant effect (continued)**

Generally, there is an assumption that owning majority of the voting rights leads to control. Supporting to that assumption, when the Company has voting rights equal or less than the majority in the investee, the Company considers all other facts and circumstances related to that, when assuring whether it has exercised a control over the investee, and that includes the contractual arrangements and others that have impact on the activities that effect the returns of the investees. Determining control is ceased also over those related activities and way of taking decisions related to the relevant activities and the Company's rights in the investees. During the 2023, the Company has fully sold its share in the subsidiary along with all its rights and liabilities, accordingly, the Company no longer has any control over the subsidiary.

3.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk that may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below. The Company based its assumptions and estimates on the data available when the financial statements were prepared. However, current conditions and assumptions about future developments may change due to market changes or circumstances arising beyond the Company's control. These changes are reflected in the assumptions when they occur.

(A) Long-term assumptions of employees' benefits obligations

Defined benefits payments of the post-employment and end of service benefits represent the obligations which will be paid in the future. Assumptions of the expected liabilities and fair value of the plans shall be set, if any. Management has to make additional assumptions about the variables such as discount rates, salary increase rate, return to the assets, mortality rates, employees' turnover and future healthcare costs. The Company's management periodically takes advice from external actuaries on these assumptions. Changes in key assumptions could materially affect the expected obligations and /or the periodic employees' defined benefits obligations costs incurred.

(B) Impairment of trade receivables

The Company uses a specific matrix to calculate the provision of the expected credit losses of the trade receivables. Provision rates are based on the days since the accrual of different customer sectors' groups that have identical loss modules (i.e. as per the customer type, coverage with collateral and other insurance forms on credit).

Provision matrix is initially based on historical default rates of the Company, provision calculation reflects the weights of possibilities related to the results and money time value and the reasonable information at the date of reporting on the prior events the future economic circumstances. At each reporting date, default rates are updated and changes in the future estimates are analyzed.

The relationship between the observable default rates, expected economic circumstances and the expected credit losses is a material estimation. The expected credit losses are sensitive to the changes in the economic conditions and expectations. The Company's historical credit loss and its expectation of the economic conditions may not also reflect the actual default of the customers in the future. Information about the expected credit losses of trade receivables is disclosed in (note 31).

(C) Useful lives of the property, plant and equipment

Management determines the estimated useful lives of property, plant and equipment to calculate depreciation. This estimate is determined after considering the expected use of the asset. Management annually reviews the residual value and useful lives of these assets and future depreciation is considered when management believes that there is a difference between the useful lives and previous estimates.

4. MATERIAL ACCOUNTING POLICES**PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. When a major review is made, its cost is recognized in the carrying amount of the properties, plants and equipment as an alternative if the recognition criteria are met. Repair and maintenance costs are recognized in the statement of profit or loss and other comprehensive income as incurred. Land and capital works in progress are not depreciated. The present value of the expected cost to cancel an asset after using it, is included in the respective asset cost if the provision recognition criteria are met.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Asset	Years
Leasehold improvements	The useful life of the improvements or the lease period, whichever is shorter
Building	10-25 Years
Equipment	1-15 Years
Containers and prefabricated houses	10 Years
Computers and Printers	2-3 Years
Vehicles	2-10 Years
Furniture and fixtures	1-5 Years
Machines	1-15 Years

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the assets is calculated as the difference between the net disposal proceeds and the net book value of the asset and is included in the statement of profit or loss and other comprehensive income when the asset is derecognized.

The residual values, useful lives, and methods of depreciation of property, plant and equipment are reviewed at each financial year end and accounted for any changes in the estimations prospectively, if required.

Capital work-in-progress are stated at cost less accumulated impairment losses, if any. Capital work-in-progress are not depreciated until the asset under construction or development is ready for use for the purpose which it was created for or developed by management where the cost of the asset is transferred to its line item.

Borrowing costs

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

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash generating units (CGU) 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 Company's 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.

Impairment losses of continuing operations are recognized in the statement of profit or loss and other comprehensive income from continuing operations.

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Such reversal is recognized in the statement of profit or loss and other comprehensive income.

4. MATERIAL ACCOUNTING POLICES (CONTINUED)**Foreign Currency**

Transactions in foreign currencies are initially recorded by the Company at the spot rate ruling at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the spot rate of exchange ruling at the reporting date. Differences arising on settlement or translation of monetary items are recognized in the statement of profit or loss and other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value in the item (i.e., the translation differences on items whose fair value gain or loss is recognized in other comprehensive income (OCI)), as well as items that their fair value changes are recognized in profit or loss are also recognized in profit or loss.

Financial assets**Initial recognition and measurement**

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost or fair value through OCI, and fair value through profit or loss.

All financial assets are recognized upon the initial recognition at fair value plus the transaction cost unless the financial assets not at fair value through profit or loss.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described below:

Financial assets at amortized cost

After initial measurement, financial assets at amortized cost are measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in the statement of profit or loss and other comprehensive income when the asset is derecognized, modified or impaired.

Derecognition of the financial assets

A financial asset is primarily derecognized when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

If the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

4. MATERIAL ACCOUNTING POLICES (CONTINUED)**Financial assets (continued)****Impairment of financial assets**

When the expected credit losses of the trade receivables are assessed, the Company applies a simplified approach in accordance with IFRS 9. The simplified approach for recognition of the expected credit losses does not require tracking changes in the credit risks. Instead of that, the Company recognizes the loss provision based on the expected credit loss over life at each financial statement date.

The objective evidence of the financial assets impairment may include indicators that the debtor or a group of debtors encountering significant financial difficulties, not paying, default or failed to repay the original amount or commission, or may entered into bankruptcy or financial restructuring, and when the observable data indicate to the existence of a measurable shortage in the estimated future cash flows, such as the economic conditions associating to not paying.

The financial assets are written off when there is no reasonable expectation to refund the contractual cash flows.

Financial liabilities**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as financial derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as described below:

Loans and Borrowings

After initial recognition, loans and borrowings are measured at amortized cost using the EIR method. Gains and losses are recognized in the statement of profit or loss and other comprehensive income when the liabilities are derecognized as well as through the EIR amortization process.

Derecognition of the financial liabilities

Financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Offsetting of financial instruments

Financial assets and financial liabilities are offset with the net amount reported in the statement of financial position only if there is a current enforceable legal right to offset the recognized amounts and an intent to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Cash and cash equivalent

Cash and cash equivalents comprise cash at banks and on hand and time deposits with a maturity of three months or less from the acquiring date, which are subject to an insignificant risk of changes in value and available without restriction

Inventories**Recognition and measurement**

Inventories (ferrous and nonferrous metals) are stated at the lower of cost and net realizable value. Cost is based on weighted average and comprises direct materials, and other related cost.

Stores and spare parts consist of consumable and maintenance stores and spare parts when they do not meet the definition of property, plant and equipment.

Critical accounting estimates and judgement existence of inventories

Quantities of inventories are determined using various estimation techniques, including observation, weighing and other industry methods and are subject to periodic physical verification.

4. MATERIAL ACCOUNTING POLICES (CONTINUED)**Inventories (continued)****Valuation of inventories**

The Company evaluates its inventory at the end of each reporting period to ensure it is properly stated at the lower of cost or net realizable value (NRV). NRV is determined based on estimated future selling prices. If changing market conditions require management to revise its NRV estimates, impairment losses on inventory may be recognized. Additionally, at the end of each reporting period, the Company engages an independent external valuation entity to verify the quantities and estimate the value of the inventory (for non-ferrous materials).

Treasury shares

Treasury shares are recorded at cost and shown as a deduction from equity after being adjusted for transaction costs, dividends and gains or losses on sale of these shares. After purchase, these shares are recognized at an amount equal to the amount paid.

The Company buys these shares after obtaining the approval of the General Assembly in order to discharge its obligations under the incentive programs for the payments paid on the basis of shares, and it also includes shares for the purpose of exchange for the acquisition of shares or the purchase of assets.

Employees' Defined benefits obligations

The cost of employees' benefits under the defined benefit plans is determined separately for each plan using the Projected Credit Unit Method.

Re-measurements, comprising actuarial gains and losses, are recognized immediately in the statement of financial position within the retained earnings through OCI in the period in which they occur. Re-measurement is not reclassified to the profit or loss in subsequent periods.

Leases

The determination of whether an arrangement is, or contains, a lease is decided at the inception date. An arrangement is, or contains, a lease if it grants the right to control a particular asset or assets for a period of time in exchange for compensation.

Company as a lessee**A- Right-of-use assets**

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The recognized right-of-use assets are depreciated on a straight-line basis over its estimated useful life.

B- Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

4. MATERIAL ACCOUNTING POLICES (CONTINUED)**Company as a lessee (continued)****C- Short-term leases and leases of low-value assets**

Short-term leases are leases with a lease term of 12 months or less. Low value assets are items that do not meet the Company's capitalization threshold and are considered to be insignificant for the statement of financial position for the Company as a whole. Payments of short-term leases and leases of low value assets are recognized on a straight-line basis in the statement of profit or loss and other comprehensive income.

Expenses

Expenses are recorded as occur in accordance with the accrual basis, cost of revenues consist of cost of purchased materials and the direct costs related to the cost of revenues. All other expenses are classified as general and administrative expenses. Common expenses are allocated between the cost of revenues and general and administrative expenses, when required, on a reasonable basis, in accordance with the function nature of those expenses.

Zakat

The Company establishes zakat provision in accordance with the regulations of the Zakat, Tax and Customs Authority (ZATCA) in KSA. The provision is charged to the statement of profit or loss and other comprehensive income.

Value Added Tax ("VAT")

Revenues, expenses and assets are recognized net of the amount of value added tax, except:

- Where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable,
- Receivables and payables are stated with the amount of value added tax included.

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

Revenue Recognition

Revenue is recognized when the Company fulfills its obligations in contracts with customers in an amount that reflects the financial compensation that the Company expects in exchange for the goods or services. Specifically, the standard provides a five-step approach for revenue recognition:

First step: Determine the contract or contracts with customers.

Step Two: Identify the performance obligations in the contract.

Step Three: Determine the transaction price.

Step Four: Allocate the transaction price to the performance obligations in the contract.

Step Five: Recognize revenue when the Group meets performance requirements.

Revenue is recognized when contractual obligations are performed, that is, when control of the goods or services entrusted with the performance of a specific obligation is transferred to the customer, enabling him to use them for the purpose for which they were purchased without restrictions or to benefit from the services provided to him under the contract.

If the Company makes a difference between the selling price of the product at the delivery location at its headquarters and the selling price of the same product delivered to the customer's location, the resulting difference will be treated as transportation revenue and the corresponding cost will be included in revenue costs.

Sales of goods

Revenue is recognized when the significant risks and rewards are transferred to the customer, and it is probable to recover the consideration, the related costs and the likelihood of returning the goods can be estimated reliably, and there is no longer any continuous interference from management in the matter of the goods, and the amount of revenue can be measured reliably. Revenue is measured at net after deducting the returns, rebates, and quantities discounts.

4. MATERIAL ACCOUNTING POLICES (CONTINUED)**Fair value measurement**

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

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilize the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities,
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable,
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Provisions

Provisions are recognized when the Company 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 Company 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 profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities

Obligations that are likely to arise from past events and their existence is confirmed only by the occurrence or non-occurrence of one or more uncertain future events that are not within the Company's full control, or a current obligation that is not recorded because it is unlikely that a flow of resources will be needed to settle the obligation. If the amount of the liability cannot be reliably measured, it is not included in the contingent liabilities but is disclosed in the financial statements.

Segment reporting

An operating segment is a component of a Company that engages in business activities and from which revenues are generated, and expenses are incurred, and include revenues and expenses related to the transactions with any of other Company's components. All operating results of the operating segments are reviewed by the Company's operational decision makers to make decisions on the resources to be allocated to the sector and evaluate their performance for which separate financial information is available.

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5. NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS

5.1 Standards issued but not yet effective.

Following are the new standards and amendments to standards which are effective for annual periods beginning on or after 1 January 2025 and earlier application is permitted for certain new standards and amendments; however, the Company has not early adopted them in preparing these Financial Statements. The Company is currently evaluating the impact of the adoption of these standards on the financial statements.

New standards	Description	Summary of the standards
IAS 21	Lack of exchangeability	An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose.
IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	<ul style="list-style-type: none">clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities,with a new exception for some financial liabilities settled through an electronic cash transfer system.clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion.add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); andmake updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).
IFRS 18	Presentation and Disclosure in Financial Statements	<p>This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:</p> <ul style="list-style-type: none">the structure of the statement of profit or loss.required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

5.2 Amended standards and interpretations

The Company has applied the following standards and amendments, where applicable, for the first time for their annual reporting period commencing 1 January 2024.

Amendments to standards	Description	Summary of the amendments
IAS 1	Classification of liabilities as current or non-current	The amendment has clarified what is meant by a right to defer settlement, that a right to defer must exist at the end of the reporting period, that classification is unaffected by the likelihood that an entity will exercise its deferral right, and that only if an embedded derivative in a convertible liability is itself an equity instrument the terms of liability would not impact its classification.
IFRS 16	Leases on sale and leaseback	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
IAS 7 and IFRS 7	Supplier finance arrangements	These amendments require to add disclosure requirements to enhance transparency of supplier finance arrangements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

The adoption of the above amendments does not have any material impact on the financial statements during the year.

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6. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Leasehold improvement	Equipment	Container and ready house	Computers and printers	Vehicles	Furniture and fixtures	Machines	Work in progress*	Total
	Saudi Riyals										
Cost											
As at 1 January 2023	25,257,532	-	4,516,459	4,776,066	144,950	333,877	973,320	539,215	15,621,984	28,128,079	80,291,482
Additions	1,869,829	-	738,538	2,079,332	24,000	47,271	1,551,279	40,345	513,209	31,073,114	37,936,917
Disposals	-	-	(283,641)	(479,700)	-	(66,146)	-	(80,644)	-	-	(910,131)
Prior year restatement (note 33)	-	-	-	3,304,457	-	-	-	-	7,858,824	-	11,163,281
Transfers from WIP	-	-	1,484,394	46,738	-	-	-	-	5,727,485	(7,258,617)	-
As at 31 December 2023	27,127,361	-	6,455,750	9,726,893	168,950	315,002	2,524,599	498,916	29,721,502	51,942,576	128,481,549
As at 1 January 2024	27,127,361	-	6,455,750	9,726,893	168,950	315,002	2,524,599	498,916	29,721,502	51,942,576	128,481,549
Additions	-	474,870	276,177	3,245,410	-	227,912	1,411,020	135,160	2,322,435	40,319,115	48,412,099
Disposals	-	-	-	-	-	(4,140)	(55,990)	-	-	-	(60,130)
Transfers from WIP	-	49,075,049	-	9,792,995	-	3,600	3,483,902	-	28,812,030	(91,167,576)	-
As at 31 December 2024	27,127,361	49,549,919	6,731,927	22,765,298	168,950	542,374	7,363,531	634,076	60,855,967	1,094,115	176,833,518
Accumulated depreciation											
As at 1 January 2023	-	-	1,593,922	1,828,469	53,906	190,237	442,485	248,921	5,143,465	-	9,501,405
Depreciation for the year	-	-	640,358	1,170,485	16,115	63,997	236,136	144,937	2,225,805	-	4,497,833
Prior year restatement (note 33)	-	-	-	460,274	-	-	-	-	440,656	-	900,930
Disposals	-	-	(283,641)	(299,906)	-	(36,892)	-	(82,097)	-	-	(702,536)
As at 31 December 2023	-	-	1,950,639	3,159,322	70,021	217,342	678,621	311,761	7,809,926	-	14,197,632
As at 1 January 2024	-	-	1,950,639	3,159,322	70,021	217,342	678,621	311,761	7,809,926	-	14,197,632
Depreciation for the year	-	985,284	638,002	1,504,775	16,895	72,401	544,020	100,293	3,532,653	-	7,394,323
Disposals	-	-	-	-	-	(2,931)	(48,400)	-	-	-	(51,331)
As at 31 December 2024	-	985,284	2,588,641	4,664,097	86,916	286,812	1,174,241	412,054	11,342,579	-	21,540,624
Net book value											
As at 31 December 2023	27,127,361	-	4,505,111	6,567,571	98,929	97,660	1,845,978	187,155	21,911,576	51,942,576	114,283,917
As at 31 December 2024	27,127,361	48,564,635	4,143,286	18,101,201	82,034	255,562	6,189,290	222,022	49,513,388	1,094,115	155,292,894

- The land at 31 December 2024 with a net book value of SR 25,257,532 (2023: SR 25,257,532) are pledged as security against banks borrowing (note 17)

* Work in process at 31 December 2024 represents cost incurred in plant expansion and installation for a new production line.

* The amount of borrowing costs capitalized during the year ended 31 December 2024, amounts SR 757,183 (2023: SR 1,602,215).

The value of property, plant and equipment that were fully depreciated but still in use as of 31 December 2024 amounted to SR 1,931,228 (2023: SR 1,926,919).

The following is the allocation depreciation expenses based on the expense nature:

	2024	2023
		(Restated-note 33)
Cost of revenues (note 23)	7,303,107	4,079,646
General and administrative expenses (note 24)	91,216	84,829
Depreciation expense of discontinued operations - (note 27)	-	333,359
	7,394,323	4,497,834

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7. RIGHT OF USE ASSETS AND LEASE LIABILITIES

The lease contracts primarily include land, equipment and machinery, and administrative offices. With the Lease terms ranging from 2 to 5 years.

Right of Use Assets

	2024	2023
	Saudi Riyals	Saudi Riyals
Cost		(Restatement note 33)
Balance at 1 January	6,917,241	15,633,836
Additions	2,168,804	3,860,783
Prior year restatement (note 33)	-	(10,284,463)
Disposals	-	(2,292,915)
Balance at 31 December	9,086,045	6,917,241
Accumulated depreciation		
Balance at 1 January	2,704,175	4,145,330
Depreciation for the year	1,394,138	678,262
Prior year restatement (note 33)	-	(485,655)
Additions to discontinued operations – (note 27)	-	175,119
Disposals from discontinued operations – (note 27)	-	(1,808,881)
Balance at 31 December	4,098,313	2,704,175
Net book value		
31 December	4,987,732	4,213,066

Lease Liabilities

	2024	2023
	Saudi Riyals	Saudi Riyals
		(Restatement note 33)
Balance at 1 January	3,188,184	11,166,272
Additions	2,168,804	3,720,192
Prior year restatement (note 33)		(9,511,017)
Disposals from discontinued operations – (note 27)		(336,539)
	5,356,988	5,038,908
Finance costs (note 26)	262,748	146,038
Payments	(1,829,495)	(1,660,223)
Paid for discontinued operations – (note 27)		(336,539)
Balance at 31 December	3,790,241	3,188,184
Leases:		
Non-current portion of lease liabilities	2,331,436	1,850,048
Current portion of lease liabilities	1,458,805	1,338,136
Lease liabilities	3,790,241	3,188,184

The following is the depreciation expenses' allocation based on the expense nature:

	2024	2023
	Saudi Riyals	Saudi Riyals
		(Restatement note 33)
Cost of revenues - (note 23)	1,233,327	24,329
General and administrative expenses (note 24)	160,811	168,279
Depreciation expense of discontinued operations – (note 27)	-	175,118
	1,394,138	367,726

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8. INVENTORIES

	2024	2023
	Saudi Riyals	Saudi Riyals
Finished goods	29,128,525	7,467,874
Raw materials	131,991,677	88,492,053
Spare parts	2,289,653	773,680
	163,409,855	96,733,607
Less: slow-moving inventory provision *	-	-
	163,409,855	96,733,607

* The movement of slow-moving inventory provision is as the follows:

	2024	2023
	Saudi Riyals	Saudi Riyals
Balance at 1 January	-	5,244,990
Reversal- slow-moving inventory provision	-	(5,244,990)
Balance at 31 December	-	-

9. TRADE RECEIVABLES

	2024	2023
	Saudi Riyals	Saudi Riyals
Trade receivables	54,057,721	54,057,598
Less: Provision for expected credit losses *	(2,235,209)	(931,537)
	51,822,512	53,126,061

*The movement in the provision for expected credit loss

	2024	2023
	Saudi Riyals	Saudi Riyals
Balance at 1 January	931,537	882,597
Charged during the year	1,388,366	118,593
Disposals from discontinued operations – (note 27)	-	(69,653)
Written off	(84,694)	-
Balance at 31 December	2,235,209	931,537

10. PREPAYMENTS AND OTHER RECEIVABLES

	2024	2023
	Saudi Riyals	Saudi Riyals
Advance to suppliers	18,506,932	41,500,889
Value added tax	6,757,240	6,653,892
Prepaid expenses	1,249,968	1,085,103
Refundable deposits	1,217,622	946,229
Other receivables	1,000,000	1,200,000
Employee receivable	54,585	296,654
	28,786,347	51,682,767

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11. CASH AND CASH EQUIVALENTS

	2024	2023
	Saudi Riyals	Saudi Riyals
Cash at banks	16,299,727	9,491,712
Cash on hand	193,496	311,747
	<u>16,493,223</u>	<u>9,803,459</u>

12. SHARE CAPITAL

On Ramadan 14, 1444 H (corresponding to 5 April 2023), the Extraordinary General Assembly of the Company's shareholders has approved the recommendations of the Board of Directors to divide the nominal value of the share from SR 10 per share to SR. 1 per share, as a result of that the Company's shares number increased from 5,808,000 shares to 58,080,000 shares.

On 17 Jumada Al-Akhira 1446H (corresponding to December 18, 2024), the Extraordinary General Assembly of the Company's shareholders approved the Board of Directors' recommendation to increase the Company's capital by 100% through the issuance of bonus shares to shareholders, granting one bonus share for each share owned. This resulted in an increase in the Company's capital to SR 116,160,000, with a nominal value of SR 1 per share. The regulatory procedures for the capital increase had not been completed in the Company's commercial register during the year 2024.

	2024	2023
	Saudi Riyals	Saudi Riyals
Number of shares	116,160,000	58,080,000
Share capital (Saudi Riyals)	<u>116,160,000</u>	<u>58,080,000</u>

13. TREASURY SHARES

	2024	2023
	Saudi Riyals	Saudi Riyals
1 January	2,000,000	5,000,000
Reissued during the year	-	(3,000,000)
Bonus share issued	2,000,000	-
31 December	<u>4,000,000</u>	<u>2,000,000</u>

13.1 The number of treasury shares held by the Company increased by 2 million ordinary shares as a result of the issuance of bonus shares during 2024 (2023: Nil) (Note 12).

13.2 The shareholders waived shares in the amount of SR 2 million (2 million shares / previously 200,000 shares prior shares split), in order to allocate as follows:

- One million shares (previously 100,000 shares prior shares split) for the purpose of exchange for the acquisition of shares or the purchase of assets.
- One million shares (previously 100,000 shares prior shares split) for the purpose of allocating them to the long-term Employee Incentive Program (Taqdeer) which was approved by the Board of Directors

13.3 During 2021, the shareholders waived 3 million shares (previously 300,000 shares prior the shares split) at a value of SR 3 million, in order to sell them to a strategic shareholder or other purpose determine by the Company. The shares have been registered with one of the managements, arranging, advising and custody companies in the securities business, where the benefit and ownership devolve in favor of the Company. During the year 2023, the Company reissued them and resulted in gains with an amount of SR 16,417,394 and have been recorded immediately in the retained earnings.

14. STATUTORY RESERVE

In accordance with the Company's By-laws, the Company transfers 10% of its annual profit to the statutory reserve until it reaches 30% of its share capital. This reserve is not available for distribution of dividends.

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15. SHARE BASED PAYMENT RESERVE

Payment on share basis represents one of the employees' incentive programs ("Taqdeer"). Such a program provides a payment plan on share basis for the qualified employees participating in the program, where they are being granted shares in the Company when the criteria of service term and performance are met. Expenses associated with the program are included in the item of general and administrative expenses while registering the corresponding amount within the payment reserve on share basis within equity. The vesting period the incentive program was 31 December 2024, however, actual grant of shares will be decided after the approval of financial statement for 2024 followed by Board of Directors decision.

16. SHARE PREMIUM

At 20 September 2021, the Company issued 1,308 million shares as part of the capital increase process, where the nominal value was SR. 10 per share and with a market value of SR 55 per share as a share premium, which resulted in SR 67,838,889 after excluding related expenses.

17. LOANS AND BORROWINGS

A- Loans and Borrowings – long term

	2024	2023
	Saudi Riyals	Saudi Riyals (Restated-note 33)
Loans from local banks (A)	25,514,633	11,845,057
Loans from Saudi Industrial Development Fund (C)	1,428,423	4,028,459
Loan from a finance Company (D)	10,726,705	14,356,054
Balance at the year end	37,669,761	30,229,570
Non-current portion	26,744,986	19,655,440
Current portion	10,924,775	10,574,130
	37,669,761	30,229,570

B- Short term loans

	2024	2023
	Saudi Riyals	Saudi Riyals (Restated-note 33)
Loans from Saudi Export and Import Bank (B)	49,180,511	35,508,485
Loans from local banks (A)	78,523,633	28,953,935
	127,704,144	64,462,420

A) The Company is entered into an agreement to obtain Islamic facilities from Riyadh Bank during years 2022, 2023 and 2024 where SR 120 million were utilized at a predetermined profit rate from those facilities to finance the Capital expenditures and working capital. As a guarantee for the financing, a promissory note and real estate guarantee mortgage has been provided.

B) The Company entered into an agreement with the Saudi Export-Import Bank in 2023 to obtain Murabaha financing, securing SR 36 million to fund its working capital. Furthermore, on 3 November 2024, the Company entered into another agreement, obtaining SR 50 million for the same purpose. As a guarantee for the financing, a promissory note equivalent to the agreement's value has been provided.

C) On 25 April 2017, the Company agreed with (Saudi Industrial Development Fund) to obtain a loan amounting to SR 13.8 million to finance the purchase of machinery and equipment at a predetermined rate. During the year 2021, the Company agreed with the fund to modify a loan amounting to SR 10.141 million.

D) The Company entered into an agreement with a finance Company in 2022 and 2023 to obtain financing facilities amounting to SR 16 million at an agreed-upon Murabaha rate to fund capital expenditures.

All working capital financing is revolving in nature, with a maturity of less than 12 months, whereas capital expenditure financing has a maturity of 3 to 7 years. All financing is secured by either promissory notes or land as collateral.

The agreements include covenants that require, among other conditions, the maintenance of specific financial ratios, a designated level of capital expenditures, and other obligations. As of 31 December 2024, the Company was compliance with these covenants.

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18. ACCRUED EXPENSES AND OTHER LIABILITIES

	2024	2023
	Saudi Riyals	Saudi Riyals (Restated-note 33)
Employee related accrual	3,588,379	2,796,829
Accrued labor cost	1,074,646	937,937
Advance from customers	171,125	382,252
Other	1,530,676	158,959
	6,364,826	4,275,977

19. EMPLOYEES' BENEFITS OBLIGATIONS

	2024	2023
	Saudi Riyals	Saudi Riyals
Balance at 1 January	1,598,753	1,334,522
Service cost	441,453	395,297
Finance cost (note 26)	72,743	57,285
Disposal from discontinued operations	-	(45,981)
Actuarial re-measurement loss / (gains)	102,340	(33,418)
Benefits paid	(121,980)	(65,733)
Benefits paid from discontinued operations	-	(43,219)
Balance at 31 December	2,093,309	1,598,753

Key actuarial assumptions

The following significant actuarial assumptions have been used by the Company to assess the employment termination benefits provision:

	2024	2023
	Saudi Riyals	Saudi Riyals
Discount rate	5.50%	4.55%
Expected salary increase rate level	3.25%	4.55%

Sensitivity analysis of actuarial assumptions

	2024	2023
	Saudi Riyals	Saudi Riyals
Valuation discount rate		
1% increase	1,951,125	1,468,658
1% decrease	2,258,617	1,752,483
Expected salary increase rate level		
1% increase	2,260,759	1,759,556
1% decrease	1,946,936	1,460,214

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19. EMPLOYEES' DEFINED BENEFITS OBLIGATIONS (CONTINUED)**Key actuarial assumptions**

Sensitivity analysis of the employees' benefits have been prepared based on methodology that extrapolates the effect on the provision for employment termination benefits as a result of reasonable changes in key assumptions occurring at the end of the reporting period. Sensitivity analyses are based on the change in the underlying assumption, assuming that all other assumptions are constant. Sensitivity analysis may not be reflective of an actual change in the provision for employment termination benefit nor is it likely that changes in assumptions will occur in isolation from each other.

Distribution of timing of benefit payments

Time in years	2024	2023
	(Saudi Riyals)	(Saudi Riyals)
Year 1	227,554	117,033
Year 2	132,355	90,777
Year 3	254,594	100,157
Year 4	664,254	73,148
Year 5	111,678	636,239
Year 6 and above	2,075,864	1,576,351

20. ZAKAT PROVISION**20.1 Zakat base components**

The Company is subject to zakat at 2.5% of the approximate zakat base or revised net profit, whichever is greater. The most significant zakat base components in accordance with the zakat regulations mainly consist of equity, provisions and long-term loans as at the year beginning and the revised net profit less the net book value of the non-current assets.

20.2 Zakat calculation

	2024	2023
	(Saudi Riyals)	Saudi Riyals
Adjusted net profit	36,164,558	42,976,109
Total additions	273,705,578	231,888,630
Less: total deductions	(162,570,280)	(147,300,074)
Zakat base	111,135,298	84,588,556
Zakat charge for the year	2,872,565	2,386,479

Zakat expenses are calculated based on the zakat base in accordance with the regulations enforced by the Zakat, Tax, and Customs Authority. The zakat provision for the current year has been determined based on the zakat base, as per the Zakat Regulations issued in the year 1445H.

When calculating zakat based on the zakat base, the zakat rate of 2.5% is divided by the number of days in the Hijri year (354 days) and then multiplied by the number of days in the Gregorian year (366 days), while considering the minimum and maximum thresholds of the zakat base.

20.3 Zakat movement

	2024	2023
	(Saudi Riyals)	(Saudi Riyals)
Balance at 1 January	2,319,715	2,689,427
Zakat charged for the current year	2,872,565	2,386,479
Paid during the year	(2,146,852)	(2,756,191)
Balance at 31 December	3,045,428	2,319,715

20.4 Zakat status

The Company submitted its zakat returns up to the year ending on 31 December 2023 to the Zakat, Tax and Customs Authority and obtained the zakat certificate during the year 2024. The Company received the Zakat assessment for the year 2021 and concluded its position with the Authority. It also concluded its zakat position during the year 2020 for the years 2016, 2017, and 2018 with the ZATCA and while the years 2019, 2020, 2022 and 2023 are under review by the Zakat, Tax and Customs Authority.

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21. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The Company has transactions with other related parties. The relevant parties in senior management are the members of the Board of Directors and senior management employees of the Company, where senior management employees are considered the persons who exercise authority and responsibility in planning, managing and monitoring the activities of the Company directly or indirectly, including managers. Prices and payment terms are approved and authorized by the Company's management.

	Nature of Transaction	Nature of relationship	Transaction Amount		Balance At	
			2024	2023	2024	2023
			Saudi Riyals	Saudi Riyals		
Al Nafea Building Materials Factory Company	Purchases	Related to one of the directors of the Board	128,554	-	-	-
Mqayes Al-Deqah Factory for equipment	Purchases	Related to one of the directors of the Board	16,301	16,100		
Total			144,855	16,100	-	-

The remuneration of members of the Board of Directors and key management personnel is as follows:

Short-term benefits and rewards	2024	2023
	(Saudi Riyals)	(Saudi Riyals)
Board of Director	866,616	457,500
Key Management	1,824,699	1,738,627
	2,691,315	2,196,127

22. REVENUES

	2024	2023
	(Saudi Riyals)	(Saudi Riyals)
Export sales	505,972,814	505,612,650
Local sales	300,072,954	126,296,278
	806,045,768	631,908,928

Revenues are recognized at a point in time.

22.1 Revenues by Geographical Markets

	2024	2023
	(Saudi Riyals)	(Saudi Riyals)
Asia	388,239,141	287,791,729
Middle East	357,228,995	281,321,141
East Asia / Japan	45,326,483	38,549,484
Europe	15,251,149	24,246,574
	806,045,768	631,908,928

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23. COST OF REVENUE

	2024	2023
	(Saudi Riyals)	(Saudi Riyals)
		(Restated-note 33)
Cost of goods sold	670,171,167	544,754,096
Production cost	59,859,960	35,120,913
Depreciation of property, plant and equipment (note 6)	7,303,107	4,079,646
Spare parts	4,045,483	265,278
Repair and maintenance	3,064,186	3,847,343
Depreciation of right of use assets (note 7)	1,233,327	24,329
Insurance Cost	833,103	450,375
Other	1,244,308	1,921,393
	747,754,641	590,463,373

24. GENERAL AND ADMINISTRATIVE EXPENSES

	2024	2023
	(Saudi Riyals)	(Saudi Riyals)
Salaries, wages and other benefits	6,990,245	6,304,255
Professional consulting fee*	2,627,850	1,501,188
Office expenses	524,648	191,998
Depreciation of right of use (note 7)	160,811	168,279
Medical expenses	112,149	172,064
Government expenses	237,756	117,778
Depreciation of property, plant, and equipment (note 6)	91,216	84,829
Other	133,944	1,665,359
	10,878,619	10,205,750

* Professional and consulting fee includes audit fee amounting to SR 395,000 (2023: SR265,0000) and half year review fee amounting to SR 55,000 (2023: SR 35,000)

25. OTHER INCOME, Net

	2024	2023
	(Saudi Riyals)	(Saudi Riyals)
		(Restated-note 33)
Loss from currency exchange	(80,728)	(53,776)
Other	977,088	384,241
	896,360	330,465

26. FINANCE COST

	2024	2023
	(Saudi Riyals)	(Saudi Riyals)
		(Restated-note 33)
Loans and borrowings	7,632,582	3,307,813
Lease liabilities (note 7)	262,748	146,038
Employment termination benefits provision (note 19)	72,743	57,285
	7,968,073	3,511,136

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27. DISCONTINUED OPERATIONS

During 2023, the Company has sold an investment in the subsidiary "Safe Information Modern Systems" at an amount of SR 2 million, which resulted in a gain on sale of investment in the amount of SR 241,793. Accordingly, the results of the subsidiary for the year ended 31 December 2023 have been included within the discontinued operations in the statement of profit or loss and other comprehensive income as follows:

	2023 (Saudi Riyals)
Revenues	328,986
Cost of revenues	(80,406)
Gross profit	248,580
General and administrative expenses	(898,028)
Finance costs	-
Operating loss	(649,448)
Other income	147,257
Loss for the year	(502,191)
Other comprehensive income items:	
Items will not be subsequently reclassified to profit or loss	
Employees' defined benefits obligations	-
Total comprehensive loss for the year	(502,191)
Add:	
Gains on disposal	743,984
Net profit from discontinued operations	241,793

The following are the details of subsidiary's assets and liabilities "Safe Information Modern Systems" at the disposal date:

	2023 (Saudi Riyals)
Assets	
Properties, plants and equipment	207,596
Right of use assets	484,034
Inventory	328,134
Trade receivables	119,528
Prepayments and other receivables	561,499
Cash and cash equivalent	7,420
Total assets	1,708,211
Liabilities	
Employees' defined benefits obligations	45,981
Lease liabilities	336,539
Trade payables	157,931
Due to related party	2,367,689
	2,908,140
Net asset book value	1,199,929
Against sale	2,000,000
Less: accruals reconciliation	(2,455,945)
Gains on disposal	743,984

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28. EARNING PER SHARE

Basic and diluted earnings per share are calculated by dividing the annual profit attributable to shareholders on the weighted average number of ordinary shares outstanding during the year.

	2024	2023 (Restated note 33)
Net profit continuing operations (Saudi Riyals)	36,164,558	25,554,062
Net profit discontinued operations (Saudi Riyals)	-	241,793
Profit for the year	36,164,558	25,795,855
Number of shares:		
Weighted average number of shares for the purpose of calculating the basic earnings per share (share)	57,770,082	59,090,301
Weighted average number of the repurchased shares (Shares)	2,060,274	2,369,863
Weighted average number of shares for the purpose of calculating the diluted earnings per share (share)	59,830,356	61,460,164
Earnings per share from continued operations:		
Basic	0.63	0.43
Diluted	0.60	0.42

The number of shares for the year ended 31 December 2023, has been modified retroactively to reflect the shares bonus in 2024 (note 12), where represents a change in the number of the basis shares with no change against the resources.

29. CONTINGENT LIABILITIES

	2024	2023
Letters of guarantee	766,666	716,666
	766,666	716,666

30. OPERATING SEGMENTS

The Company has one business sector mainly represented in the import, export, wholesale and retail trade in scrap, aluminum, copper, plastic, electrical and electronic appliances, spare parts, tires, glass and all types of iron, sorting, storage and distribution. Local sales, export sales, and the geographical segment have been disclosed in Revenue Note No. 22.

31. FAIR VALUE AND FINANCIAL INSTRUMENT RISKS MANAGEMENT

31.1 Financial instrument fair value measurement

As of 31 December 2024, the Company has had no financial instruments measured at fair value (2023: Nil).

31.2 Financial instruments risks management

The Company's activities expose it to various financial risks, such as credit risks, liquidity risks and market prices risk, which includes currency risks and interest rate risks.

Credit risks

Credit risks are represented in inability of one party to the financial instruments to fulfil his obligations, causing to incur the other party a financial loss. The Company is exposed to credit risks on the trade receivables and bank balances. The carrying amount of the financial assets represents the maximum exposure to credit risks. The Company does not retain guarantees for these instruments.

The Company manages the credit risks in relation with the trade receivables by setting credit thresholds for each customer and monitoring the account receivables that are continually uncollected. Trade receivables are monitored as to prevent the Company incurring material bad debts.

Cash balances are placed at banks and financial institutes with a high credit rating.

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31. FAIR VALUE AND FINANCIAL INSTRUMENT RISKS MANAGEMENT (CONTINUED)**31.2 Financial instruments risks management (continued)****Assessing the expected credit losses of the trade receivables:**

Management performs an impairment analysis at each reporting date using a specific matrix for calculating the expected credit losses provision. The allowance rate is based on days past due per groupings at various customers segments with similar loss pattern.

The table below represents information on exposure to credit risks and the expected credit losses for the trade receivables from customers:

As of 31 December 2024	Days past due					Total
	Less than 90 days	91-190 days	191-270 days	271-360 days	More than 360 days	
	(Saudi Riyal)					
Lose rate	0.37%	4.38%	20.37%	85.44%	100%	4.13%
Exposure	46,645,819	4,942,840	778,540	30,373	1,660,149	54,057,721
Expected lose	173,873	216,671	158,565	25,951	1,660,149	2,235,209

As of 31 December 2023	Days past due					Total
	Less than 90 days	91-190 days	191-270 days	271-360 days	More than 360 days	
	(Saudi Riyal)					
Lose rate	0.78%	5.90%	18.77%	44.30%	100%	1.70%
Exposure	50,017,633	3,284,697	319,326	267,165	168,777	54,057,598
Expected lose	390,626	193,830	59,952	118,352	168,777	931,537

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risks may result from inability to sell a finance assets quickly at an amount close to its fair value. The following are the contractual maturities at the end of reporting period of financial liabilities.

31 December 2024

	Contracting value	Less than a year	More than a year
	(Saudi Riyal)		
Financial liabilities			
Loans and borrowings	43,704,199	12,419,353	31,284,846
Short term loans	130,106,488	130,106,488	-
Lease liabilities	4,306,662	1,703,079	2,603,583
Trade payables	1,938,654	1,938,654	-
Other accruals	6,364,826	6,364,826	-
Total	186,420,829	152,532,400	33,888,429

31 December 2023 - (Restated note 33)

	Contracting value	Less than a year	More than a year
	(Saudi Riyal)		
Financial liabilities			
Loans and borrowings	34,626,775	10,773,954	23,852,821
Short term loans	64,491,413	64,491,413	-
Lease liabilities	3,608,117	1,576,691	2,031,426
Trade payables	21,846,572	21,846,572	-
Accrued expenses and other liabilities	4,275,977	4,275,977	-
Total	128,848,854	102,964,607	25,884,247

31. FAIR VALUE AND FINANCIAL INSTRUMENT RISKS MANAGEMENT (CONTINUED)**31.2 Financial instruments risks management (continued)****Market price risks**

Market price risk is the risk that the value of financial instruments will fluctuate due to changes in market prices, such as foreign exchange rates and interest rates, which affect the Company's profit or the value of its financial assets. The objective of market risks management is to manage and to keep the exposure to the market risks with acceptable limits, while maximizing the return.

Currency risks

Currency risks are the risks resulting from the fluctuation of the value financial instruments due to the changes in foreign exchange rates. Currency risks arise from assets and liabilities recognized and denominated in currency other than the functional currency of the Company. The Company does not believe that it is exposed materially to the currency risks, where most of the Company's transactions and balances are denominated in Saudi Riyal, USD Dollar, or Euro. The Company's exposure to the currency risks associated to USD Dollar are limited, as the Saudi Riyal exchange rate is pegged with the USD Dollar. Management periodically monitors the change in Euro exchange rate in order to avoid any adverse effects on the Company's business results.

Interest rate risks

Interest rate risks arise from the fluctuation of fair value or future cash flows for a financial instrument, due to the changes in the market prices.

The financial liabilities of the variable rate as of 31 December 2024, amounted to SR 101,784,154 for (2023: SR 45,098,747).

32. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, share capital includes capital and all other equity reserves attributable to the Company's shareholders, less the treasury shares. The main objective of the Company's capital management is to maintain a sound capital rate in order to support its operations and maximize the benefits to the shareholders.

The Company manages its capital structure and performs amendments to it in light of changes in the economic conditions.

There were no changes to the objectives and policies of the capital management during the years ended December 31, 2024 and 2023.

33. RESTATEMENT FOR THE PRIOR YEAR

Management has restated the financial statements for the year 2023, which resulted from the prior period errors.

The errors were assessed, and their impact on prior years was evaluated, confirming that there was no material effect on periods before 2023. Errors have been disclosed as follows:

- A.** During the year 2022 and 2023 the Company treated the financing arrangements as sale and lease back and right of use assets, these do not meet the criteria for leases as per IFRS-16. As a result, the Company corrected this impact on property, plant and equipment, right of use assets, lease liabilities, loan and retained earnings and profit or loss. The management assessed that impact was in 2022 is not material therefore amounts are not restated.
- B.** The management of the Company has identified costs related to the right of use assets included in the prepayments and other receivables pertaining to prior year. Accordingly, the Company corrected this impact in right of use asset.
- C.** The presentation of the statement of financial position is changed retrospectively for better understanding and presentation by reclassifying the accrued interest to the loans and borrowings.

The total cash flows from operating, investing, and financing activities were not affected because of these restatements. The effects of the restatements in the statement of cash flows are primarily in adjustments for non-cash items and changes in working capital within cash flows from operating activities and hence, are not disclosed separately.

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33. RESTATEMENT (CONTINUED)**A- Summary of adjustments to the Statement of Financial Position as at 31 December 2023:**

		Before restatement	Restatement	Reclassification	As restated
		(Saudi Riyal)			
Property, plant and equipment	A	98,867,439	15,416,478	-	114,283,917
Right of use assets	A/B	14,101,830	(9,888,764)	-	4,213,066
Prepayments and other assets	B	52,034,267	(351,500)	-	51,682,767
Statutory reserve		6,261,941	197,778	-	6,459,719
Retained earnings	A	69,561,350	1,779,999	-	71,341,349
Loans and borrowings - noncurrent portion	A	9,898,014	9,757,426	-	19,655,440
Lease liability - noncurrent portion	A	8,652,281	(7,077,577)	275,344	1,850,048
Loans and borrowings - current portion	A/C	5,224,672	4,598,628	750,830	10,574,130
Short-term loan	C	63,290,233	-	1,172,187	64,462,420
Lease liability-current portion	A	5,693,521	(4,080,041)	(275,344)	1,338,136
Accrued expenses and other liabilities	C	6,198,992	-	(1,923,015)	4,275,977

B- Summary of Adjustments to the statement of profit or loss and other comprehensive income for the year ended 31 December 2023

		Before restatement	Restatement	Reclassification	As restated
		(Saudi Riyal)			
Cost of revenue	A	(592,968,825)	2,505,452	-	(590,463,373)
Other income	A	431,665	(101,200)	-	330,465
Finance cost	A	(3,084,660)	(426,476)	-	(3,511,136)
Profit before zakat		25,962,765	1,977,776	-	27,940,541
Earnings per share for the year:					
Basic		0.42	0.01	-	0.43
Diluted		0.41	0.01	-	0.42

34. SUBSEQUENT EVENTS

The Company has entered into an agreement with a local bank to secure a credit facility of SR 170 million to support its future project expansion and working capital needs.

In the opinion of the Company's management, except for what has been mentioned above and in Note No. 12, there have been no subsequent events since the end of the financial year that require additional disclosures in the financial statements.

35. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements have been approved by the Board of Directors on 27 Ramadan 1446 H (corresponding to 27 March 2025).