



BATIC INVESTMENT AND LOGISTICS COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

FOR THE THREE AND NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021
ALONG WITH
INDEPENDENT AUDITOR'S REVIEW REPORT

BATIC INVESTMENT AND LOGISTICS COMPANY
(A Saudi Joint Stock Company)
THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021

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**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS**

**TO THE SHAREHOLDERS OF BATIC INVESTMENT AND LOGISTIC COMPANY
(A SAUDI JOINT STOCK COMPANY)**

INTRODUCTION

We have reviewed the accompanying interim consolidated statement of financial position of Batic Investment and Logistic Company (the "Company") and its subsidiaries (collectively referred to as the "Group") as at 30 September 2021 and the related interim consolidated statement of comprehensive income for the three month and nine-month periods then ended, and the interim consolidated statements of changes in equity and cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

SCOPE OF REVIEW

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

CONCLUSION

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

**For Al-Bassam & Co.
Riyadh, Kingdom of Saudi Arabia**


**Ibrahim Ahmed Al-Bassam
Certified Public Accountant
License No. 337**



**4 Rabie Al Akhar 1443H
9 November 2021G**

BATIC INVESTMENT AND LOGISTICS COMPANY
(A Saudi Joint Stock Company)
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 September 2021
(Saudi Riyals)

	Note	30 September 2021 (Unaudited)	31 December 2020 (Audited)
ASSETS			
Non-current assets			
Property and equipment, net		194,510,060	202,608,670
Investment properties, net		38,428,563	41,236,189
Intangible assets, net		84,531,869	83,980,652
Projects under progress	4-1	28,867,533	14,474,118
Advances to purchase a share in subsidiary	4-2	6,647,250	-
Right-of-use assets		369,211,158	198,101,088
Investments at FVPL		2,042,704	2,042,704
Total non-current assets		724,239,137	542,443,421
Current assets			
Inventory		9,823,175	9,858,125
Trade receivables, net	4-3	163,835,949	160,774,160
Prepayments and other receivables, net	4-3	40,509,335	56,500,230
Investments at FVPL	4-4	10,853,352	-
Cash and cash equivalents		28,743,998	55,916,657
Total current assets		253,765,809	283,049,172
Total assets		978,004,946	825,492,593
EQUITY AND LIABILITIES			
Equity			
Share capital	1	300,000,000	300,000,000
Statutory reserve		48,996,657	48,996,657
Retained earnings		12,549,741	12,201,017
Remeasurement losses on employees' benefits		(3,152,210)	(3,152,210)
TOTAL EQUITY ATTRIBUTE TO THE COMPANY'S SHAREHOLDERS		358,394,188	358,045,464
Non-controlling interest		(34,662)	13,472,288
TOTAL EQUITY		358,359,526	371,517,752
LIABILITIES			
NON-CURRENT LIABILITIES			
Long-term loans	4-5	102,963,392	94,144,894
Long-term Notes payable		4,748,400	8,309,700
Long-term Lease liabilities		356,068,494	180,586,418
Employees' post-employment benefits obligation		36,336,151	35,984,569
Total non-current liabilities		500,116,437	319,025,581
Current liabilities			
Current portion of long-term loans	4-5	20,969,597	13,894,203
Short term loans	4-5	15,570,164	42,000,000
Notes payable		4,748,400	4,748,400
Lease liabilities		3,361,593	3,363,986
Shareholder's accruals		18,844,381	18,893,933
Trade payables		14,335,134	12,847,467
Accrued expenses and other payable		36,778,119	32,895,161
Provision for zakat	4-7	4,921,595	6,306,110
Total Current liabilities		119,528,983	134,949,260
Total liabilities		619,645,420	453,974,841
TOTAL LIABILITIES AND EQUITY		978,004,946	825,492,593
Contingent liabilities and capital commitments	4-11	-	-

The accompanying notes 1 through 5 form an integral part of these interim condensed consolidated financial statements.

Chief Financial Officer
M. Mahmoud Tantawy



Managing Director
M. Saud Al-Zamil



BATIC INVESTMENT AND LOGISTICS COMPANY
(A Saudi Joint Stock Company)
INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE AND NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021
(Saudi Riyals)

	Note	For the three-month period ended 30 September		For the nine-month period ended 30 September	
		2021 (unaudited)	2020 (unaudited)	2021 (unaudited)	2020 (unaudited)
Revenues	4-8	112,392,007	190,748,346	330,277,721	394,430,327
Cost of revenue	4-8	(99,647,619)	(159,704,240)	(297,577,210)	(344,091,096)
Gross profit		12,744,388	31,044,106	32,700,511	50,339,231
General and administrative expenses		(12,074,683)	(9,940,708)	(33,820,176)	(31,655,602)
Operating profit / (loss)		669,705	21,103,398	(1,119,665)	18,683,629
Investment's dividends		-	-	150,000	90,000
Unrealized income from investments at FVPL		170,733	-	853,352	-
Reversal / (provision) expected credit loss	4-3	2,230,000	(1,748,916)	4,594,862	(8,729,272)
Finance cost		(3,308,002)	(1,923,911)	(7,581,328)	(4,540,237)
Other (expenses) / income, net		(33,321)	953,873	830,805	2,006,386
Net (loss) / profit for the period before zakat		(270,885)	18,384,444	(2,271,974)	7,510,506
Zakat expense	4-7	(2,024,962)	(2,045,014)	(4,444,960)	(4,125,547)
Net (loss) / profit for the period after zakat		(2,295,847)	16,339,430	(6,716,934)	3,384,959
Net (loss) / profit attribute to:					
Company's shareholders		258,011	9,164,018	348,724	(1,148,795)
Non-controlling interest		(2,553,858)	7,175,412	(7,065,658)	4,533,754
		(2,295,847)	16,339,430	(6,716,934)	3,384,959
Other Comprehensive Income:		-	-	-	-
Total (comprehensive loss) / comprehensive income for the period		(2,295,847)	16,339,430	(6,716,934)	3,384,959
(Comprehensive loss) / Comprehensive income attribute to:					
Company's shareholders		258,011	9,164,018	348,724	(1,148,795)
Non-controlling interest		(2,553,858)	7,175,412	(7,065,658)	4,533,754
		(2,295,847)	16,339,430	(6,716,934)	3,384,959
Basic and diluted share Profit / (loss) attributable to Company's shareholders	4-9	0.01	0.31	0.01	(0.04)

The accompanying notes 1 through 5 form an integral part of these interim condensed consolidated financial statements.

Chief Financial Officer
M. Mahmoud Tantawy



Managing Director
M. Saud Al-Zamil



BATIC INVESTMENT AND LOGISTICS COMPANY
(A Saudi Stock Company)
INTERIM CONSOLIDATED STATEMENT OF CHANGE IN EQUITY
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021
(Saudi Riyals)

	Note	Share capital	Statutory reserve	Retained earnings	losses from remeasurement employee benefits	Total shareholders' equity	Non-controlling interest	Total
For nine months period ended 30 September 2021								
Balance at 1 January 2021 (Audited)		300,000,000	48,996,657	12,201,017	(3,152,210)	358,045,464	13,472,288	371,517,752
Net profit / (loss) for the period		-	-	348,724	-	348,724	(7,065,658)	(6,716,934)
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive profit / (loss) for the period		-	-	348,724	-	348,724	(7,065,658)	(6,716,934)
Non-controlling interest dividend in a subsidiary	4-12	-	-	-	-	-	(6,401,792)	(6,401,792)
Non-controlling interest disposed during the period		-	-	-	-	-	(52,000)	(52,000)
Non-controlling interest acquired during the period		-	-	-	-	-	12,500	12,500
Balance at 30 September 2021 (Unaudited)		300,000,000	48,996,657	12,549,741	(3,152,210)	358,394,188	(34,662)	358,359,526
For nine months period ended 30 September 2020								
Balance at 1 January 2020 (Audited)		300,000,000	48,996,657	25,066,150	(464,952)	373,597,855	14,544,195	388,142,050
Net (loss) / profit for the period		-	-	(1,148,795)	-	(1,148,795)	4,533,754	3,384,959
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive (loss) / income for the period		-	-	(1,148,795)	-	(1,148,795)	4,533,754	3,384,959
Non-controlling interest acquired during the period		-	-	-	-	-	40,000	40,000
Balance as at 30 September 2020 (Unaudited)		300,000,000	48,996,657	23,917,355	(464,952)	372,449,060	19,117,949	391,567,009

The accompanying notes 1 through 5 form an integral part of these interim condensed consolidated financial statements.

Chief Financial Officer
M. Matmoud Tantawy

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Managing Director
M. Saud Al-Zamil

BATIC INVESTMENT AND LOGISTICS COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021
(Saudi Riyals)

	Note	30 September 2021 (Unaudited)	30 September 2020 (Unaudited)
Cash flows from operating activities			
Net (loss) / profit for the period before zakat		(2,271,974)	7,510,506
Adjustments for:			
Depreciation of property and equipment		21,834,092	19,531,027
Depreciation right-of-use assets		6,585,676	961,158
Amortization of intangible assets		976,805	1,323,384
Depreciation investment property		692,963	400,627
Investment's dividends		(150,000)	(90,000)
Unrealized revenue from investments at FVPL		(853,352)	-
(Reverse) / provision expected credit loss	4-3	(4,594,862)	8,729,272
Finance costs		7,581,328	4,540,237
Gains from sale of property and equipment		(41,897)	(227,457)
Post-employment benefits obligation		9,433,103	10,149,201
Changes in:			
Inventory		34,950	28,566
Trade receivables		3,665,792	(102,098,818)
Prepayments and other receivables		7,837,080	(7,219,040)
Trade payables		1,487,667	18,520,571
Accrued expenses and other payables		3,231,091	2,211,791
Zakat paid		(5,829,475)	(4,881,244)
Employees' post-employment benefits obligation paid		(9,169,880)	(11,444,403)
Net cash generated from / (used in) operating activities		40,449,107	(52,054,622)
Cash flows from investing activities			
Additions of investments in FVPL		(10,000,000)	(147,529)
Advance to purchase share in subsidiary		(6,647,250)	-
Paid to purchase investments		(89,500)	-
Proceed from investments dividends		150,000	90,000
Additions to property and equipment		(12,066,449)	(26,164,738)
Additions to investments properties		-	(326,816)
Additions to projects under progress		(14,393,415)	(23,325,596)
Additions of intangible assets		-	(491,234)
Cash flow from the acquisition of subsidiaries, net cash acquired	4-10	84,917	-
Proceeds from sale of property and equipment		632,626	694,009
Net cash used in investing activities		(42,329,071)	(49,671,904)
Cash flows from Financing Activities			
Proceeds from loans	4-5	33,885,983	84,621,883
Repayment of loans and finance interest		(47,014,506)	(464,474)
Repayment of notes payable		(3,948,591)	(386,280)
Repayment of shareholders accruals		(49,552)	(7,544)
Repayment of lease liabilities		(1,764,237)	(1,105,108)
Change in non-controlling equity		(6,401,792)	40,000
Net cash (used in) / generated from financing activities		(25,292,695)	82,698,477
Net change in cash and cash equivalents		(27,172,659)	(19,028,049)
Cash and cash equivalent at the beginning of the period		55,916,657	34,172,399
Cash and cash equivalents at ending of the period		28,743,998	15,144,350
Non cash transactions:	4-14		

The accompanying notes 1 through 5 form an integral part of these interim condensed consolidated financial statements.

Chief Financial Officer
M. Mahmoud Tantawy



Managing Director
M. Saud Al-Zamil



BATIC INVESTMENT AND LOGISTICS COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021
(Saudi Riyals)

1. ORGANIZATION AND PRINCIPAL ACTIVITIES

Batic Investment and Logistics Company (the "Company") - a Saudi Joint Stock Company - the previous name (Saudi Transport and Investment Company - Mubarrad) was established and registered in Riyadh under Commercial Registration No. 1010052902 on 13, Rabi' Al-Akhir ,1404H corresponding to 16 January 1984.

Based on the approval of the extraordinary general assembly of the shareholders of the Company on 6/7/1438H corresponding to 3/4/2017, the second article of the Company's by-law has been amended to change the name of the company from (Saudi Transport and Investment Company - Mubarrad) to (Batic Investment and Logistics Company).

The principal activities of the Company are in general construction of residential buildings and general constructions of non-residential buildings, including (schools, hospitals, hotels, etc.), restoration of residential and non-residential buildings, construction and repair of roads, streets, sidewalks and road accessories, finishing buildings.

The Company's head office is located in Riyadh - Al-Olaya District - Al-Arz Street - PO Box 7939.

The Company's financial year begins on the first of January and ends at the end of December of each calendar year.

Capital

The authorized capital of the Company is 300 million Saudi riyals, divided into 30 million ordinary shares of equal value and fully paid, and the nominal value of the share is 10 Saudi riyals.

Group structure

The interim condensed consolidated financial statements include the financial statements of the parent Company and its subsidiaries (collectively referred to as the "Group") as follows:

	Entity	Country of incorporation	30 September 2021		31 December 2020	
			Direct investment %	Indirect investment %	Direct investment %	Indirect investment %
Arab Security & Safety Services Company (AMNCO)	Limited liability	Saudi Arabia	94.88%	-	94.88%	-
Saudi Transport and Investment Company – Mubarrad	Limited liability	Saudi Arabia	100%	-	100%	-
Batic Real Estate Co.	Limited liability	Saudi Arabia	100%	-	100%	-
Cure-Tech medical Co.	Limited liability	Saudi Arabia	100%	-	60%	-
Amnco Facilities Management Co.	Limited liability	Saudi Arabia	-	66.42%	-	66.42%
Smart City Solutions for Communications and Information Technology Co.	Limited liability	Saudi Arabia	-	38.5%	-	38.5%
Jusoor Al-Taawin Medical Company	Limited liability	Saudi Arabia	-	56.92%	-	-
Communications And Information Technology response indicators Co.	Limited liability	Saudi Arabia	-	75%	-	-

2. BASIS OF PREPARATION

2-1 Statement of compliance

The accompanying interim condensed consolidated financial statements are prepared in accordance with the International Accounting Standards No. (34) "interim financial reporting" that is endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA). The interim condensed consolidated financial statements should be read with the financial statements for the annual year of the Group as of 31 December 2020. The interim condensed consolidated financial statements do not include all the information required to prepare a complete set of financial statements; however, accounting policies and explanatory notes are mentioned to explain significant transactions to understand the changes in the Company's financial position and performance since the Company's last consolidated financial statements.

The results for the nine-month period ended on 30 September 2021 are not necessarily indicative of the results that may be expected for the financial year ended on 31 December 2021.

BATIC INVESTMENT AND LOGISTICS COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021
(Saudi Riyals)

2. BASIS OF PREPARATION (CONTINUED)

2-2 Functional and presentation currency

The accompanying condensed consolidated interim financial statements are presented in Saudi Riyals, which is the functional currency of the Group, and the presented financial statements are rounded to the nearest Saudi riyal.

2-3 Significant accounting estimates and assumptions

In preparing interim condensed consolidated financial statements requires management to exercise judgment in using judgments, estimates and assumptions that affect the application of accounting policies and the assessed amounts of assets, liabilities, revenues and expenditures. Given the significant impact of the uncertainties associated with key estimates, results that differ from current assumptions over the next financial year may require a material adjustment to the carrying amount of the asset or liability affected.

When preparing these condensed consolidated interim financial statements, the significant judgments made by management when applying the Group's accounting policies, and the main sources of estimates and uncertainty matters are the same as those applied to the Group's annual financial statements for the year ended 31 December 2020.

On 11 March 2020, the World Health Organization declared COVID-19 a global pandemic. In light of the rapid spread throughout the Kingdom of Saudi Arabia, many economies and business segments have faced great consequences in light of the uncertainty raised by the circumstances of the emerging corona virus and the associated precautionary measures taken by governments to contain or delay the spread of the epidemic.

The Group has reviewed the important sources of uncertainties set forth in the interim condensed consolidated financial statements in being of the Covid 19 pandemic, and management continues to update its assessment to in line with any changes in the future that may be reflected in the following financial periods.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in preparing the interim condensed consolidated financial statements are in line with the policies used in preparing the Company's annual financial statements for the year ended 31 December 2020.

New standards, amendments and interpretations

There are no new standards that have been issued, however, a number of amendments to the standards are effective from January 1, 2021, which were explained in the annual financial statements of the Group but do not have a material impact on the interim condensed consolidated financial statements of the Group.

4. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4-1 Projects under progress

The projects under progress represents equipment and apparatus for establishing and operating the smart parking project in the cities of Khobar, Dhahran and Dammam, the balance of these payments is 28,867,533 Saudi riyals made as on 30 September 2021 (31 December 2020: 14,474,118 Saudi riyals)

4-2 Advances to purchase subsidiary shares.

	30 September 2021	31 December 2020
	(Unaudited)	(Audited)
Advances to purchase subsidiary shares "Smart Cities Solution"	<u>6,647,250</u>	-
	<u>6,647,250</u>	-

The company dated 1/5/2021 entered in to purchase agreement to acquiring 35.8% of Smart parking holding company in to capital of Smart city solutions company "Subsidiary", Until September 30, 2021, the statutory procedures to complete the purchase of these shares had not been completed.

4-3 Trade receivables and other debit balances, net

		30 September 2021	31 December 2020
	Note	(Unaudited)	(Audited)
Trade receivables			
Trade receivables	4-3-2	173,520,194	182,408,646
ECL provision	4-3-1	<u>(9,684,245)</u>	<u>(21,634,486)</u>
Trade receivables balance, net		<u>163,835,949</u>	<u>160,774,160</u>

Management believes that overdue balances are not impaired in value and are still fully collectible based on past payment behavior and a comprehensive analysis of the customer's credit risk, including the customer's basic and pre-existing credit ratings. The Group has calculated the estimated provisions ratios for each (time period / category of customers), according to the simplified expected credit loss method in the International Financial Reporting Standard No. (9).

BATIC INVESTMENT AND LOGISTICS COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021
(Saudi Riyals)

4. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4-3 Trade receivables and other debit balances, net (continued)

4-3-1 The movement in the allowance for expected credit losses of trade receivables was as follows:

	30 September 2021 (Unaudited)	31 December 2020 (Audited)
Balance at the beginning of the period / year	21,634,486	8,133,010
(Reverse) / Charged during the period / year	(6,694,861)	13,501,476
Write-Off the period / year	(5,255,380)	-
Balance end of the period / year	<u>9,684,245</u>	<u>21,634,486</u>

4-3-2 The following is an analysis of receivables aging and credit risk:

	Total	Current	0-90 days	91-180 days	181-270 days	271-360 days	More than 360 days
30 September 2021							
Book value	173,520,194	54,091,447	48,498,710	26,817,403	5,797,356	7,255,241	31,060,037
ECL	9,684,245	369,461	607,132	629,700	200,121	314,668	7,563,163
ECL rate	%6	%1	%1	2%	3%	4%	24%
31 December 2020							
Book value	182,408,646	17,012,403	80,300,828	22,264,633	7,205,617	8,572,492	47,052,673
ECL	21,634,486	8,585	1,173,836	487,488	493,947	1,181,143	18,289,487
ECL rate	%12	-	%1	%2	%7	%14	%39

	30 September 2021 (Unaudited)	31 December 2020 (Audited)
Prepayments and other debit balances		
Cashiers' receivables*	31,681,639	28,881,161
Prepaid expenses	9,901,472	9,538,528
Letters of guarantee - insurance	5,275,704	9,188,213
Retention with clients	1,498,992	10,771,653
Advance Payment to suppliers	2,509,137	1,328,356
Prepaid rents to Eastern Province Municipality	6,673,158	10,649,741
Other debit balances **	11,406,490	12,963,120
Total	68,946,592	83,320,772
ECL provision for other debit balance	(28,437,257)	(26,820,542)
Advances and other debit balances, net	<u>40,509,335</u>	<u>56,500,230</u>

*The majority of cashiers' receivables are accumulated receivables for more than a year, and the management creates a provision for them according to the ages of those balances using previous collection practices.

**Other debit balances include amounts paid to the Ministry of Interior for violations, most of which are accumulated from the previous year and the management establishes a provision for it in light of the aging of those receivables and the previous collection practices.

The movement in the allowance for expected credit losses of other debit balances was as follows:

	30 September 2021 (Unaudited)	31 December 2020 (Audited)
Balance at the beginning of the period / year	26,820,542	23,887,272
Charged during the period / year	2,100,000	4,250,000
Write-Off the period / year	(483,285)	(1,316,730)
Balance at the end of the period / year	<u>(28,437,257)</u>	<u>26,820,542</u>

BATIC INVESTMENT AND LOGISTICS COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021

(Saudi Riyals)

4. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4-4 Investments measured at FVPL

These investments represent the value of the investment portfolio managed by Alistithmar Capital, and the short-term investment has been classified according to the decision of the Board of Directors of 9/3/2021.

4-5 Loans

Short-term Loans

A) On 5/1/2020, Batic Investment and Logistic signed a credit facility agreement for Islamic Tawarruq with a local bank, which expires on 5/1/2023. The maximum limit of the agreement is 20 million Saudi riyals and is used to finance the working capital requirements. The facility is secured by a real estate mortgage for the Company's land on the Riyadh-Al-Kharj road under the deed No. 711524003191 and as on September 30, 2021, the Company used an amount of 17,000,000 Saudi riyals to finance the working capital requirements. About 7 million riyals were paid during the second quarter of 2021, and the remaining is due to be paid during the fourth quarter of 2021.

B) On 5/9/2019, the Arab Company for Security and Safety Services (AMNCO) - a subsidiary company signed a credit facility agreement for Islamic Tawarruq with a local bank, and the maximum limit of the agreement is 55 million Saudi riyals, and the terms and conditions for using credit facilities are as follows: -

- Murabaha to finance the purchase and sale of goods to refinance letters of credit through the bank.
- Short-term Murabaha financing the purchase and sale of commodities to finance working capital requirements.
- Guarantees facilities to issue initial guarantees / good performance guarantees / payment guarantees for the benefit of acceptable beneficiaries to the bank.

Amnco has used an amount of 30,570,164 Saudi riyals to finance its working capital requirements and paid 25 million during the third quarter of 2021 and the remaining is due for payment during the fourth quarter of 2021 and the first quarter of 2022, the agreement was renewed, with a maximum limit of 30 million Saudi riyals, and it will end on 30/9/2022.

C) On 8/12/2019, AMNCO - a subsidiary company signed a credit facility agreement with one of the local banks. The maximum limit of the agreement is 80 million Saudi riyals, and the terms and conditions for the use of credit facilities are as follows:

- General facilities including guarantees facilities to issue guarantees with a maximum of 10 million Saudi riyals, and short-term loan facilities up to a maximum of 5 million Saudi riyals (with a SAIBOR commission + 1.75% annually) to finance working capital.
- Specific facilities, including payment guarantees, up to a maximum of 25 million Saudi riyals for the Dammam Parking Project.
- Specific facilities, including payment guarantees, up to a maximum of 40 million Saudi riyals for the Khobar Parking Project.
- The company has used an amount of 5 million Saudi riyals to finance its working capital requirements and is paid during the third quarter of 2021.

Long-term Loans

A) Batic Company for Investment and Logistics signed a fixed-term securitization credit facility agreement with a local bank on 18/12/2018 and this agreement ends on 31/12/2023 (sixty months), with an amount of 34,000,000 Saudi riyals to finance the purchase of a property representing administrative offices in Al-Maather district in the center of Riyadh, part of which will be used as the main center of the Group, and until 30 September 2021. The Company used the total amount from the financing agreement and the financing is paid in semi-annual installments for a period of 4 years. The loan is secured by a real estate mortgage, a promissory note in the amount of 34,000,000 Saudi riyals and a guarantee signed by AMNCO - a subsidiary company and a principal assignment in favor of the bank by AMNCO - a subsidiary of the rental returns of the property subject of financing and an insurance policy where the bank is the first beneficiary, and the Company paid two installments of the loan during the last quarter of 2020 and the second quarter 2021, the value of each installment is 3,400,000 Saudi riyals.

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4. Notes to the interim condensed consolidated financial statements (continued)**4-5 Loans (continued)****Long-term Loans (continued)**

B) On 17/10/2019, AMNCO, which is a partner, signed a credit facility agreement, long-term financing "Tawarruq" and guarantees and hedging in compliance with the provisions of Islamic Sharia with a total of 74 million Saudi riyals, and the financing period is 7 years, with the purpose of financing Investing in the smart parking project in the Eastern Province of the Smart Cities Solutions Company for Communications and Information Technology (subsidiary company). On 3/12/2019, an agreement was signed to transfer the agreement and its terms, obligations and clauses to Smart City Solutions for Communications and Information Technology. Until 30 September 2021, the company received payments from the loan amounting to 67,795,717 Saudi riyals (to be paid semi-annually after the lapse of availability, which is one year from the date of the Facilitation Offer letter dated 17/10/2019 and grace period of one year) at a commission rate of SIBOR + 2.25%.

C) The Saudi Transport and Investment Company - Mubarrad (a subsidiary company) signed a credit facility agreement with the Islamic Tawarruq system with a local bank on 11/3/2018 and this agreement ends on 11/06/2023 to finance the company's operational operations with a maximum of 15 million Saudi riyals as of 30 September 2021, the company used an amount of 14,820,616 Saudi riyals from the financing agreement for the purpose of purchasing refrigerated trailers used in the operational process. The financing shall be paid in quarterly installments for a period of 5 years.

D) On 17/3/2020, the Saudi Transport and Investment Company - Mubarrad (a subsidiary company) signed a credit facility agreement in the Islamic Tawarruq system with a local bank on 17/3/2020 and this agreement ends on 17/3/2025 to finance the company's operations. Up to a maximum of 24,5 million Saudi riyals, as of 30 September 2021, the company has used an amount of 20,887,773 Saudi riyals, and the financing is paid in quarterly installments for a period of 5 years.

The following is the movement of loans during the period / year:

	30 September 2021 (Unaudited)	31 December 2020 (Audited)
Balance at the beginning of the period / year	153,357,299	75,655,839
Received during the period / year	33,885,983	85,448,454
Paid during the period / year	(45,545,496)	(7,746,994)
Total loan value	141,697,786	153,357,299
Less: deferred finance value	(2,194,633)	(3,318,202)
Net loan value	139,503,153	150,039,097
Non-current loan	102,963,392	94,144,894
Current portion of non-current loan & Short term loans	36,539,761	55,894,203

The following is the loan maturity schedule as in:

	30 September 2021 (Unaudited)	31 December 2020 (Audited)
During one year	36,539,761	55,894,203
Between one to two years	14,190,025	14,190,025
Between two years to 5 years	88,773,367	79,954,869
Total	139,503,153	150,039,097

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4. Notes to the interim condensed consolidated financial statements (continued)

4-6 Balances and transactions with related parties

The related parties consist of senior management employees, members of the board of directors, and members of committees, in which the members of the board of directors or the employees of senior management, directly or indirectly, have a significant influence. The Group has, during the normal course of business, concluded many transactions with the related parties. These transactions were concluded in accordance with the agreed terms and conditions.

	For the nine-month period ended 30 September 2021 (Unaudited)	For the nine-month period ended 30 September 2020 (unaudited)
Senior management employee's compensations		
Salaries and short-term benefit	3,586,782	3,249,750
End of service benefit	122,031	113,319
Total senior management employee's compensation	3,708,813	3,363,069

4-7 Zakat provision

A- Zakat status

Batic Investment and Logistics Co.

The company submitted its zakat return up to the year ending on 31 December 2020 and the company submitted a consolidated zakat return for the year 2020 with its subsidiary's companies (Saudi Transport and Investment Co. "Mubarak" and Batic real estate company), the Company has obtained final zakat certificate until 30 April 2022.

The company obtained the zakat assessments for the financial years from 2008 until 2014. The assessment and objection file were closed and the company paid the zakat differences due.

The company obtained the zakat assessment for the year 2018 on 31/12/2020, and the company was entitled to a zakat difference in the amount of 39,879 Saudi riyals. The company agreed to this assessment and paid the zakat due.

On 21 October 2020, the company was issued a zakat assessment for the financial years from 2015 to 2017 and the zakat differences due under this assessment amounted to 2,520,796 Saudi riyals. The company paid an amount of 105,573 Saudi riyals, which represents the unobjectionable items, and submitted an objection to the remaining amount due on 12/12/2020. The Authority rejected the objection on 11 February 2021, and the objection was sent to the General Secretariat of the Tax Committees.

The company obtained the zakat assessment for the years 2019 and 2020 on 14/9/2021, according to which the company was entitled to a zakat difference of 314,821 riyals and 623,690 Saudi riyals, respectively. The company objected to this assessment, Part of the objected items were accepted at a value of 122,146 riyals, and the company submitted an inquiry to the Authority about the reason for not accepting the remaining of the objected items.

The Arab Company for Security and Safety Services - AMNCO (subsidiary)

The company has committed to submit its zakat returns up to the year ending on 31 December 2020 and obtained final zakat certificate until 30 April 2022.

The company obtained zakat assessments for the financial years from 2008 to 2014. The assessment and objection file were closed and the company paid the due zakat differences.

On 29 March 2021 the company obtained the zakat assessments for the year 2015, with differences amounting to 513,721 Saudi riyals, and on 20 May 2021 the Company made an objection on zakat assessments to Zakat, Tax and Customs Authority.

On 10 August 2021, the objection was partially accepted, and the zakat assessment was reduced to 485,749 Saudi riyals, and the payment was made during October 2021.

Smart City Solutions for Communications and Information Technology - (a subsidiary of the Arab Company for Security and Safety Services - AMNCO)

The company submitted its zakat returns up to the year ending on 31 December 2020 and obtained final zakat certificate until 30 April 2022, and the company has not received any zakat or tax assessments from the Zakat, Tax and Customs Authority.

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4. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4-7 Zakat status (Continued)

AMNCO Facilities Management Company - (a subsidiary of the Arab Company for Security and Safety Services - AMNCO)

The company submitted its zakat returns up to the year ending on 31 December 2020 and obtained a certificate valid until April 30, 2022.

The company obtained zakat assessments for the financial years from 2006 to 2016, the assessment file was closed and the company paid the due zakat differences.

On 17 September 2020, the company received a Zakat assessment for the year 2018, amounting to 35,508 riyals. The company submitted an objection to the full amount and the Authority approved the objection.

During September 2021, the zakat assessment was re-assessed by the Authority for the years 2017, 2019 and 2020, with a total of 53,218 Saudi riyals.

Communications And Information Technology response indicators Co - (a subsidiary of the Arab Company for Security and Safety Services - AMNCO)

The company has not received any zakat assessments since its establishment.

Cure-Tech medical company– (subsidiary)

The company submitted the zakat return for the financial year ended on 31 December 2020, and obtained a final certificate valid until 30 April 2022, and the company did not receive any zakat assessments from the Zakat, Tax and Customs Authority.

Jusoor Al-Taawin Medical Company - (a subsidiary of Cure-Tech medical company)

Jusoor Al-Taawin Medical Company submitted its zakat declaration for the financial period ending on 25/02/1442H and obtained a final zakat certificate valid until 25/06/1443H corresponding to 28/1/2022, prior to its conversion to Jusoor Al-Taawin Medical Company.

Batic Real Estate – (subsidiary)

The company submitted the zakat returns for the financial year ended on 31 December 2020, and obtained zakat certificate valid till 30 April 2022. The company obtained the zakat assessment for the year 2020 as part of the consolidated zakat declaration with the BATIC company, and BATIC company settles the assessment with the Zakat, Tax and Customs Authority.

Saudi Transport and Investment Co “Mubarak” – (subsidiary)

The company submitted its zakat return to the Zakat, Tax and Customs Authority until the year ended on 31 December 2020 and obtained final zakat certificate until 30 April 2022, and the company obtained the tax assessment for the financial period from 30 July 2017 until 31 December 2018. The differences of zakat and withholding tax were paid in the amount of 59,607 Saudi riyal.

The company obtained the zakat assessment in the year 2020 as part of the consolidated zakat declaration with the BATIC company, and BATIC company settles the assessment with the Zakat, Tax and Customs Authority.

A- Zakat movement provision

	30 September 2021 (Unaudited)	31 December 2020 (Audited)
Balance at the beginning of the period / year	6,306,110	5,027,342
Charged for the period / year	4,444,960	6,265,582
Paid during the period / year	(5,829,475)	(4,986,814)
Balance at the end of the period / year	4,921,595	6,306,110

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4. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4-8 Segment information

The Group's management has defined the operational segments based on the reports reviewed by the Board of Directors on the basis of which strategic decisions are taken. For administrative purposes, the Group is organized into 9 business units based on their services, and the following are the operating segments of the Group:

Real estate segment

The real estate segment is represented in buying and selling lands and constructing buildings on them and investing them by sale or rent for the benefit of the Group and establishing and operating commercial and industrial projects.

Transportation segment

The transport segment is represented in the transportation of goods and missions for a fee on the Kingdom's land roads, car and trailer rental services, rental of cold stores, fuel stations and maintenance workshops, and the purchase, sale and maintenance of equipment and machinery related to road transport.

Security guards' segment

It includes providing security guards and shift services to banks and companies.

ATM feeding

It includes feeding and maintenance services for banks' ATMs.

Insurance money transfer, Counting and sorting of money and correspondence segment

It includes transportation and insurance services for the transfer of money and valuables money counting and sorting services and postal correspondence.

Maintenance and operation segment

It includes maintenance and operation of buildings, property management and marketing for others.

Smart parking segment

It includes rent parking to others.

Medical equipment supply segment

It includes the supply of medical equipment to medical entities and institutions.

Home medical services and physiotherapy segment

It includes providing home medical services and physiotherapy for individuals and for others.

Management monitors the operating results of its business units separately for the purpose of making decisions regarding resource allocation and performance assessment. Segment performance is evaluated based on profit or loss from operations and is measured consistently with operating profit or loss in the interim condensed consolidated financial statements.

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4. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4-8 Segment information (continued)

The table below represents the segments information for the period ended 30 September 2021 (unaudited)

	Investment property	Transportation segment	Security guard segment	ATM feeding segment	Secured money transfer and correspondence segment	Maintenance and operation segment	Supply of medical equipment	Home medical services and physiotherapy segment	Smart parking	Other	Total
Revenue	2,927,726	51,688,589	120,467,044	98,135,754	44,266,417	13,635,352	-	463,548	7,352,036	(8,658,745)	330,277,721
Cost of Revenue	(1,114,943)	(49,785,475)	(110,253,499)	(85,545,072)	(36,874,626)	(11,429,863)	(55,365)	(392,638)	(9,042,661)	6,916,932	(297,577,210)
Gross income / (loss)	1,812,783	1,903,114	10,213,545	12,590,682	7,391,791	2,205,489	(55,365)	70,910	(1,690,625)	(1,741,813)	32,700,511
Total assets	38,428,562	150,352,993	72,489,706	72,066,941	44,922,334	12,432,723	1,735,730	413,185	420,294,928	164,867,844	978,004,946
Total liabilities	27,200,000	55,376,253	14,967,742	8,814,101	6,838,098	11,752,496	2,468,206	2,006,349	443,767,414	46,454,762	619,645,421

The table below represents the segments information for the period ended 30 September 2020 (unaudited)

	Investment property	Transportation segment	Security guard segment	ATM feeding segment	Secured money transfer and correspondence segment	Maintenance and operation segment	Supply of medical equipment	Home medical services and physiotherapy segment	Smart parking	Other	Total
Revenue	2,788,145	49,142,623	119,945,973	96,196,972	39,882,954	7,360,602	85,755,600	-	-	(6,642,542)	394,430,327
Cost of Revenue	(999,596)	(42,456,949)	(111,969,907)	(87,684,687)	(36,266,003)	(6,029,604)	(63,932,310)	-	-	5,247,960	(344,091,096)
Gross income	1,788,549	6,685,674	7,976,066	8,512,285	3,616,951	1,330,998	21,823,290	-	-	(1,394,582)	50,339,231
Total assets	41,041,650	149,610,521	91,420,041	90,886,872	56,653,583	4,819,198	58,130,846	-	42,902,726	136,832,621	672,298,058
Total liabilities	34,000,000	52,564,902	54,785,479	31,455,955	26,796,643	2,747,046	38,278,937	-	48,133,922	(8,031,835)	280,731,049

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4. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4-9 Profit / (loss) basic and diluted share

Basic profit / (loss) per share versus profit / (loss) relating to ordinary shares is calculated by dividing the net profit / (loss) attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. The diluted profit / (loss) per share is the same as the basic profit / (loss) per share since the company does not have any convertible shares.

	For the three-month period ended 30 September (unaudited)		For the nine-month period ended 30 September (unaudited)	
	2021	2020	2021	2020
Net profit / (loss) attributable to company's shareholder	258,011	9,164,018	348,724	(1,148,795)
Weighted average number of common shares	30,000,000	30,000,000	30,000,000	30,000,000
Profit / (Loss) of basic and diluted per share	0.01	0.31	0.01	(0.04)

4-10 Acquisition of subsidiary

The acquisition has been accounted for using the acquisition method under IFRS 3- Business Combinations (the "Standard") in accordance with the following table:

Acquiring company	Relationship	Acquired company	Investment %
Al Shifa Technology Co.	Subsidiary	Jusoor Al-Taawin Medical Company	%75
Arab Company for Security and Safety Services	Subsidiary	Communications And Information Technology Commission	%60

As required by the standard, the acquiring companies are in the process of allocating the purchase consideration to the identifiable assets and liabilities up to the date of issuance of the consolidated financial statements. Accordingly, the acquiring companies have calculated the acquisition based on the temporary fair values of the acquired assets and liabilities as at the date of the acquisition as independent evaluations have not been completed. The adjustment to these provisional values will be completed within twelve months from the date of acquisition as permitted by the standard.

The acquiring companies are in the process of making a comprehensive purchase price allocation which is expected to be completed within twelve months from the date of acquisition and will focus, but is not limited to, the completion of valuation adjustments on the following:

- Recognition of intangible assets,
- Property and equipment;
- Recognized other financial and non-financial assets and liabilities.

The initial purchase price allocation is included in the consolidated financial statements. Subsequent adjustments will occur during the measurement period when the company completes its estimate of the fair values of the assets acquired and the liabilities assumed. Accounting for fair value of financial assets and financial liabilities acquired from acquired companies is provisional due to the inherent complexity and discretion associated with identifying intangible assets and determining fair value for intangible assets and items on the statement of financial position.

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4. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4-10 Acquisition of subsidiary (continued)

Jusoor Al-Taawin Medical Company

Cure-Tech medical company, acquired 75% of the capital of Jusoor Al-Taawin Medical Company in return for a payment of 37,500 Saudi riyals, according to the partnership contract and assignment of shares signed on 13 June 2021, after it was transferred from an institution to a company, on 19/11/1442H corresponding to 29/6/2021. The establishment of the Jusoor Al-Taawin Medical Company (limited liability) was approved.

Cure-Tech medical company, has become controlling of Jusoor Al-Taawin Medical Company after the decision of the Chairman of the Board of Directors of Cure-Tech medical company to appoint the directors and CEO to manage the company on 7/7/2021.

Jusoor Al-Taawin Medical Company is engaged in providing home medical services and physiotherapy and is qualified as a trading company as defined in IFRS 3. The company was acquired to grow the group's operations.

The book value of the identifiable assets and liabilities acquired amounted to (1,474,718) Saudi riyals. Goodwill was recognized in the amount of SR 1,524,718, which represents amounts in excess of the net book value of the identifiable net assets acquired.

The purchase was initially made based on the Face value at the time of acquisition.

The assets and liabilities recognized as a result of the acquisition are as follows:

	<u>Fair value</u>
Properties and equipment, net	148,486
Intangible assets, net	3,304
Prepaid expenses and other current assets	174,358
Trade receivables	32,719
Cash and cash equivalents	84,917
End of service provision	(88,359)
Trade Payable	(89,511)
Due to related party	(1,508,333)
Accrued expenses and other current liabilities	(232,299)
Total identifiable assets and liabilities acquired	<u>(1,474,718)</u>
Goodwill	1,524,718
Total	<u>50,000</u>
<u>Net cash used generated from acquisition</u>	
Due amounts	50,000
Cash and cash equivalents	(84,917)
Total	<u>(34,917)</u>

Communications and Information Technology response indicators Co.

The acquisition was calculated using the acquisition method under IFRS 3- Business Combinations (the "Standard") with the Arab Company for Security and Safety Services (AMNCO) being the acquiring party and the Communications and Information Technology response indicators Co. being the acquiring party. As required by the standard, the Arab Security and Safety Services Company (AMNCO) is in the process of allocating purchase consideration for identifiable assets and liabilities up to the date of issuance of the consolidated financial statements. Accordingly, the Arab Company for Security and Safety Services (AMNCO) has calculated the acquisition based on the temporary fair values of the acquired assets and liabilities as on the date of the acquisition as independent evaluations have not been completed. The adjustment to these provisional values will be completed within twelve months from the date of acquisition as permitted by the standard.

The Company is in the process of making a comprehensive allocation of the purchase price, which is expected to be completed within twelve months from the date of acquisition and will focus, without limitation, on the completion of valuation adjustments on the following:

- Recognized financial assets

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4. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**4-10 Acquisition of subsidiary (continued)**

The initial purchase price allocation is included in the consolidated financial statements. Subsequent adjustments will occur during the measurement period when the company completes its estimate of the fair values of the assets acquired and the liabilities assumed.

The company acquired 60% of the capital of the Communications and Information Technology response indicators Co, for 60,000 Saudi riyals, and thus the company became the control of the Communications and Information Technology response indicators Co. It qualifies as a trade company as defined in IFRS 3. Communications And Information Technology response indicators Co was acquired to develop the group's operations. The net book value of the identifiable assets and liabilities acquired from Communications and Information Technology response indicators Co amounted to 100,000 Saudi riyals. It represents the net book value of the identifiable net assets acquired.

The Communications and Information Technology response indicators Co (limited liability) was established and registered in the commercial register 1010572268 and dated 7/2/1438H, and its founding contract is confirmed by the Ministry of Commerce on 9/15/1442H corresponding to 27 April 2021. AMNCO owns 60% of the company's capital amounting to 100,000 Saudi riyals.

On 22/8/2021, AMNCO became controlling the Communications and Information Technology response indicators Co after the decision of the Board of Directors of AMNCO to agree to enter as a partner in the Communications and Information Technology response indicators Co. with 60%.

The company's objectives are the installation of fire and burglary alarm systems, monitoring of electronic alarm systems, other security system service activities, integrated facilities support activities, building protection services activities, building maintenance services activities and other facilities support services activities.

The assets and liabilities recognized as a result of the acquisition are as follows:

	<u>Fair value</u>
Due from related party	100,000
Total identifiable assets and liabilities acquired	100,000
Goodwill	-
Total	<u>100,000</u>
Net cash used generated from acquisition	
Due amounts	100,000
Cash and cash equivalents	-
Total	<u>100,000</u>

4-11 Contingent liabilities and capital commitments

As at 30 September 2021, the Group has contingent liabilities in the form of bank guarantees in the amount of 105,080,211 Saudi Riyal issued on the normal course of business (31 December 2020: Saudi riyals 101,693,035). Included Bank guarantees as of 30 September 2021 an amount Saudi Riyals 70 million issued for Smart City Solutions for Communications and Information Technology (31 December 2020: 65 million Saudi riyal). its validity dates expire during the fourth quarter 2021 and the first quarter 2022.

These letters were issued in exchange for cash cover of 5.7 million Saudi riyal (31 December 2020: 7.8 million Saudi riyal).

The Group also has capital commitments with balances amounted as on 30 September 2021 to 51.2 million Saudi riyals (31 December 2020: 47.9 million Saudi riyals) mainly represented in contracts for the purchase of property, equipment, systems for the establishment and operation of the smart parking project of the Smart Cities Solutions for Communications and Information Technology Company. Advances payments have been paid amounting to 28.9 million Saudi riyals (31 December 2020: 14.5 million Saudi riyals).

Batik Investment and Logistic Business Company indirectly pledged through its subsidiary, the Arab Company for Security and Safety Services "AMNCO", to provide the necessary support to face the accumulated losses of each of AMNCO's subsidiaries represented in Smart City Solutions and AMNCO Facilities Management Ltd.

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4. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**4-12 Dividends**

These dividends represent the amounts distributed to the non-controlling equity from the distributable profits of Al-Shifa Technology Co. Ltd. "a subsidiary company", where a resolution of the General Assembly of the mentioned subsidiary company was issued on 6 Ramadan 1442H corresponding to April 18, 2021 approving these dividends in the amount of 6,401,792 Saudi riyals (It represents 40% of the total value of the dividends) (September 30, 2020: Nil).

4-13 Subsequent events

On October 4, 2021, the company completed the procedures for purchasing the shares of the Smart Standing Holding Company in the capital of the Smart Cities Solutions for Communications and Information Technology Company, for a cash consideration.

As of 4 October 2021, BATIC Investment and Logistics Company obtained short-term credit facilities in compliance with Islamic Sharia regulations from Bank Al-Jazira, with a credit ceiling of 140,000,000 Saudi riyals, part of these facilities has been used in the amount of 101,362,000 Saudi riyals, and the value of the financing and the profits are paid in one payment due within a maximum period of 12 months or upon receipt of the proceeds of the offering of priority rights (whichever is first) with a guarantee of assignment in favor of the Bank of the proceeds of the offering of priority rights and a promissory note in the amount of 140,000,000 Saudi riyals in order to finance BATIC's ownership of 35.8% of Smart Cities Solutions for Communications and Information Technology, and to finance capital and operating expenses.

As of 4 October 2021, the company purchased all of the shares owned by Hozoon Holding Company in the capital of Smart Cities Solutions for Communications and Information Technology, for an amount of 6,000,000 riyals.

As on October 31, 2021 AD, the previously signed memorandum of understanding regarding the formation of an alliance with Al-Murshed Holding Group and the Smart City Solutions Company was extended for the purpose of applying for qualification to enter the competition for the construction and management of car parks project in the Olaya district in Riyadh for the next three months ending on 29/1/2022.

On October 28, 2021, BATIC obtained a second tranche of facility agreement with Local Bank, worth 17,524,784 riyals, to be used to pay bills for part of the rent of the eastern region parking lots in the cities of Al-Khobar and Dammam in favor of the General Secretariat of the Eastern Region.

On 02/11/2021 AD, BATIC obtained a decision of the Capital Market Authority's approval of the company's request to increase its capital by offering rights issue shares at a value of (300,000,000) riyals.

4-14 Non cash transactions

	30 September 2021 (Unaudited)	30 September 2020 (Unaudited)
Write off- Trade receivables	5,255,379	-
Write off- other debit balances	483,285	-
Additions of right-of-use assets against lease liability	173,719,163	-
Reclassification from investment properties to property and equipment	2,454,499	-
Transferred from projects under progress to intangible assets	-	1,352,296

5. Approval of the Interim condensed consolidated financial statements

The interim Condensed Consolidated Financial Statements were approved by the Board of Directors on 29 Rabie Al-Awal 1443H (corresponding to 4 November 2021).