



باتك للإستثمار والأعمال اللوجستية
Batic Investments & Logistics Company

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

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)**

**REVIEW REPORT FOR THE THREE-MONTHS PERIOD
ENDED 31 MARCH 2023**

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

**THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND
REVIEW REPORT (UNAUDITED)**
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF BATIC INVESTMENTS AND LOGISTICS COMPANY (A SAUDI JOINT STOCK COMPANY)

Introduction:

We have reviewed the accompanying interim condensed consolidated statement of financial position Batic Investments and Logistics Company– a Saudi Joint Stock Company (“the Company”) and its subsidiaries (collectively referred to as “the Group”) as at 31 March 2023, and the related interim condensed consolidated statements of comprehensive income, for the three months period ended 31 March 2023, interim condensed consolidated statement of changes in equity and cash flows for the three-months 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” 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 Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” endorsed in the Kingdom of Saudi Arabia. A review of interim financial statements consists of making inquiries, primarily to 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.

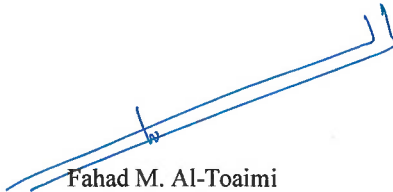
Other Matter:

The interim condensed consolidated financial statements (unaudited) of the Group for the three-months period ended 31 March 2022 were reviewed by another auditor who expressed unmodified review conclusion on those interim condensed financial statements on 21 Shawwal 1443H (corresponding to 22 May 2022).

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 endorsed in the Kingdom of Saudi Arabia.

for Ernst & Young Professional Services



Fahad M. Al-Toaimi
Certified Public Accountant
License no. (354)

Riyadh: 28 Shawwal 1444H
(18 May 2023)



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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 MARCH 2023

(All amounts are in Saudi Riyals unless otherwise stated)

		<i>As at 31 March 2023 (Unaudited)</i>	<i>As at 31 December 2022 (Audited)</i>
	<i>Note</i>		
ASSETS			
Non-current assets			
Property and equipment	4	177,957,849	161,035,744
Right-of-use assets		39,300,565	42,352,804
Investment properties	5	193,832,127	194,461,685
Intangible assets	6	661,993,546	634,473,683
Investments measured at FVPL		2,042,704	2,042,704
Other debit balances- non-current portion		4,129,085	4,404,357
Total non-current assets		1,079,255,876	1,038,770,977
Current assets			
Inventory		9,150,541	8,817,262
Trade receivables, prepayments, and other receivables	7	175,910,799	166,443,944
Due from related parties	12	1,151,262	1,436,168
Short-term financial assets measured at FVPL	8	82,433,477	81,191,135
Cash and cash equivalents	9	36,853,021	57,738,920
Total current assets		305,499,100	315,627,429
Total assets		1,384,754,976	1,354,398,406
EQUITY AND LIABILITIES			
Equity			
Share capital	1	600,000,000	600,000,000
Statutory reserve		48,996,657	48,996,657
Accumulated losses		(39,858,081)	(39,913,752)
Business combination reserve	17	(147,141,015)	(143,926,868)
TOTAL EQUITY ATTRIBUTE TO THE COMPANY'S SHAREHOLDERS		461,997,561	465,156,037
Non-controlling interest		13,699,929	12,946,140
TOTAL EQUITY		475,697,490	478,102,177
LIABILITIES			
NON-CURRENT LIABILITIES			
Bank borrowings - long-term	10	174,990,934	163,989,260
Lease liabilities – long-term		26,175,584	29,040,883
Obligation under the service concession agreement	11	495,170,591	463,651,326
Employees' defined benefit liabilities		35,372,926	36,539,072
Total non-current liabilities		731,710,035	693,220,541
Current liabilities			
Current portion of long-term and short-term bank borrowings	10	31,228,836	28,016,540
Current portion of obligation under the service concession agreement	11	24,814,290	23,521,813
Lease liabilities – Current portion		11,990,348	12,528,608
Shareholders' accruals		35,766,455	35,781,423
Trade payables, accruals, and other payables	13	66,955,023	78,133,513
Provision for zakat	14	6,592,499	5,093,791
Total Current liabilities		177,347,451	183,075,688
Total liabilities		909,057,486	876,296,229
TOTAL LIABILITIES AND EQUITY		1,384,754,976	1,354,398,406

Chief Financial Officer



Managing Director



The accompanying notes 1 through 22 form an integral part of these interim condensed consolidated financial statements.

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE IN-
COME – UNAUDITED

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023

(All amounts are in Saudi Riyals unless otherwise stated)

		<i>For the Three-month period ended</i>	
		<i>31 March</i>	
	<i>Note</i>	<i>2023</i>	<i>2022</i>
Revenues	15	114,203,718	109,663,021
Cost of revenue	15	(98,422,011)	(98,054,628)
Gross profit		<u>15,781,707</u>	<u>11,608,393</u>
General and administrative expenses		(12,064,450)	(11,041,565)
Provision of impairment of financial assets	7	(1,700,000)	(860,000)
Profit / (Loss) from operations		<u>2,017,257</u>	<u>(293,172)</u>
Gain from selling Investments		1,793,222	-
Unrealized gain from investments measured at FVPL	8	1,242,342	4,442,235
Gain from disposals of property & equipment and Intangible assets		151,342	276,341
Finance charge, net		(4,103,644)	(2,154,892)
Other income (loss), net		624,207	347,835
Profit before zakat		<u>1,724,726</u>	<u>2,618,347</u>
Zakat	14	(1,498,708)	(1,513,833)
Net profit for the period		<u>226,018</u>	<u>1,104,514</u>
Attribute to:			
Shareholders of the parent		55,671	842,232
Non-controlling interests		170,347	262,282
		<u>226,018</u>	<u>1,104,514</u>
Other Comprehensive Income		-	-
Total comprehensive Income for the period		<u>226,018</u>	<u>1,104,514</u>
Attribute to:			
Shareholders of the parent		55,671	842,232
Non-controlling interests		170,347	262,282
		<u>226,018</u>	<u>1,104,514</u>
Earning per share (EPS)			
Earnings per share attributable to shareholders of the parent (basic and diluted)	16	0.001	0.02

Chief Financial Officer

Managing Director

The accompanying notes 1 through 22 form an integral part of these interim condensed consolidated financial statements.

BATIC INVESTMENT AND LOGISTICS COMPANY

(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023

(All amounts are in Saudi Riyals unless otherwise stated)

	<i>Share capital</i>	<i>Statutory reserve</i>	<i>(Accumulated losses)</i>	<i>Business combination reserve</i>	<i>Total shareholders' equity</i>	<i>Non-controlling interest</i>	<i>Total</i>
For three months period ended 31 March 2023							
(Unaudited)							
Balance at 1 January 2023 (Audited)	600,000,000	48,996,657	(39,913,752)	(143,926,868)	465,156,037	12,946,140	478,102,177
Net profit for the period	-	-	55,671	-	55,671	170,347	226,018
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive Income for the period	-	-	55,671	-	55,671	170,347	226,018
Additions to Business combination reserve (Note 17)	-	-	-	(3,214,147)	(3,214,147)	-	(3,214,147)
Change in non-controlling interest	-	-	-	-	-	583,442	583,442
Balance at 31 March 2023 (Unaudited)	600,000,000	48,996,657	(39,858,081)	(147,141,015)	461,997,561	13,699,929	475,697,490
For three months period ended 31 March 2022							
(Unaudited)							
Balance at 1 January 2022 (Audited)	300,000,000	48,996,657	(416,709)	(122,747,412)	225,832,536	10,187,252	236,019,788
Share capital increase	300,000,000	-	-	-	300,000,000	-	300,000,000
Transaction cost of share capital increase	-	-	(5,175,000)	-	(5,175,000)	-	(5,175,000)
Net profit for the period	-	-	842,232	-	842,232	262,282	1,104,514
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	842,232	-	842,232	262,282	1,104,514
Balance as at 31 March 2022 (Unaudited)	600,000,000	48,996,657	(4,749,477)	(122,747,412)	521,499,768	10,449,534	531,949,302

Chief Financial Officer

Managing Director

The accompanying notes 1 through 22 form an integral part of these interim condensed consolidated financial statements.

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS – UNAUDITED

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023

(All amounts are in Saudi Riyals unless otherwise stated)

		<i>For the three-month period ended 31 March</i>	
	<i>Note</i>	<i>2023</i>	<i>2022</i>
OPERATING ACTIVITIES			
Profit before zakat for the period		1,724,726	2,618,347
<i>Adjustments to reconcile profit before zakat to net cash flows:</i>			
Depreciation of property and equipment	4	6,392,767	6,818,183
Depreciation of right-of-use assets		3,109,863	1,555,666
Amortization of intangible assets	6	5,087,552	2,746,858
Depreciation of investment properties	5	137,924	104,875
Unrealized gain from investments measured at FVPL		(1,242,342)	(4,442,235)
Gain from Investment fund		(73,967)	-
Provision of impairment of financial assets	7	1,700,000	860,000
Finance charge		4,103,644	2,154,892
Gains from sale of property and equipment, intangible assets (net)		(151,342)	(276,341)
Gain from disposal of investments in subsidiaries		(1,793,222)	-
Post-employment benefits obligation		3,585,185	3,828,245
<i>Working capital adjustments:</i>			
Inventory		(397,510)	(504,885)
Trade receivables, prepayments, and other receivables		(10,303,894)	14,006,823
Trade payables, accruals, and other payables		(9,889,088)	(4,015,664)
Cash flows from operating activities		1,990,296	25,454,764
Profit from a deposit and interest income received		(256,836)	-
Zakat paid	14	-	(816,365)
Employees' defined benefits obligation paid		(4,715,419)	(2,699,232)
Net cash used in/ generated from operating activities		(2,981,959)	21,939,167
INVESTING ACTIVITIES			
Additional shares of a subsidiary		(3,000,000)	-
Additions to property and equipment	4	(21,345,509)	(2,332,231)
Additions to investments properties	5	(2,075,248)	(5,100)
Additions of intangible assets	6	(1,091,869)	(2,065,919)
Proceed from investment fund and profit from deposit		330,803	-
Proceeds from disposal of property and equipment		645,571	2,345,824
Net cash out from selling investment in subsidiary		(401,491)	-
Additions to financial assets measured at FVPL		-	(82,000,000)
Net cash used in investing activities		(26,937,743)	(84,057,426)
FINANCING ACTIVITIES			
Payment of lease liabilities		(3,558,774)	(1,249,210)
Share capital increase	1	-	300,000,000
Transaction cost of share capital increase		-	(5,175,000)
Proceeds from loans	10	16,061,475	1,336,859
Repayment of loans	10	(1,847,505)	(142,763,350)
Repayment of finance costs		(383,713)	(1,157,702)
Repayment of notes payable and finance cost		(1,222,713)	(1,276,133)
Change in shareholders accruals		(14,967)	17,041,895
Net cash generated from financing activities		9,033,803	166,757,359
Net change in cash and cash equivalents		(20,885,899)	104,639,100
Cash and cash equivalent at the beginning of the period		57,738,920	37,271,833
Cash and cash equivalents at ending of the period		36,853,021	141,910,933
Significant non-cash transactions were as follows:			
Right of use assets		646,381	25,688,886
Lease liability		771,110	25,688,886
Additions to obligation under service concession agreement		30,254,517	-
Adjustment on obligation under service concession agreement (note 11)		-	(44,564,401)

Chief Financial Officer

Managing Director

The accompanying notes 1 through 22 form an integral part of these interim condensed consolidated financial statements.

BATIC INVESTMENT AND LOGISTICS COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023

(All amounts are in Saudi Riyals unless otherwise stated)

1. ORGANIZATION AND PRINCIPAL ACTIVITIES

Batic Investments and Logistics Company (the “Company” or “Batic”) - a Saudi Joint Stock Company - the previous name (Saudi Transport and Investment Company - Mubarrad) formed under the Regulations for Companies and is registered in the Riyadh, Kingdom of Saudi Arabia (“KSA”) under Commercial Registration No. 1010052902 dated 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 Investments and Logistics Company).

The principal activities of the Company are in the purchase and sale of land and real estate and its division, construction of residential buildings and general construction of non-residential buildings, including (schools, hospitals, hotels, etc.), restoration of residential and non-residential buildings, construction and repair of roads, streets, sidewalks, road accessories, and 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 for each calendar year.

Capital

The shareholders of the Company in their meeting held on to 2 Jumada al-Awal 1443H (corresponding to 6 December 2021) decided to increase the share capital of the Company from SR 300,000,000 to SR 600,000,000 (divided into 60,000,000 shares of SR 10 each). The legal formalities for the increase in share capital including approval by the Capital Market Authority which was obtained on 26 Rabi' Al-Awal 1443H (corresponding to 2 November 2021) were completed during the period 2022.

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:

	Country of Domicile	31 March 2023		31 December 2022	
		% of direct investment	% of indirect investment	% of direct investment	% of indirect investment
Arab Security & Safety Services Company (AM-NCO) (LLC)	Saudi Arabia	94.89%	-	94.89%	-
Saudi Transport and Investment Company (Mubarrad) (One person company -LLC)	Saudi Arabia	100%	-	100%	-
Batic Real Estate (One person company -LLC)	Saudi Arabia	100%	-	100%	-
Abeen Healthcare (One person company -LLC)	Saudi Arabia	100%	-	100%	-
AMNCO Facility Management Company (LLC)	Saudi Arabia	-	66.42%	-	66.42%
Smart Cities ICT Solutions Company (note 1.1) (LLC)	Saudi Arabia	80.4%	5.31%	79.4%	5.31%
Moshrat Al-Estijabah Company (note 1.2) (LLC)	Saudi Arabia	-	-	-	90.14%

1-1 During the period, the company acquired additional shares represent 1% from other shareholders, through a purchase agreement, as of 11 Rajab 1444 H (corresponding to 12 February 2023). The company completed the legal procedures.

1-2 During the period, the group sold all its ownership rights, which represent 90.14% of the total shares of Moshrat Al-Estijabah Company. The statutory procedures were completed after obtaining the approval of the company's board of directors as of 18 Rajab 1444 H (corresponding to 09 February 2023).

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023

(All amounts are in Saudi Riyals unless otherwise stated)

2. BASIS OF PREPARATION

2-1 Statement of compliance

The interim consolidated financial statements are prepared in accordance with International Accounting Standard 34 (“IAS 34”) “Interim Financial Reporting” that is endorsed in KSA and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements in accordance with International Financial Reporting Standards and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2021.

2-2 Basis of measurement

The condensed consolidated interim financial statements have been prepared on the historical cost basis, except for short-term financial assets through profit or loss, which are measured at fair value, and employee end-of-service benefits obligations, which are measured at the present value of future obligations using the projected unit credit method.

2-3 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.

2-4 Significant accounting policies

Business combination

For business combinations involving entities under common control (“combining entities”) are accounted for using the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts. Adjustments are made to the carrying amounts in order to incorporate any differences arising due to differences in accounting policies used by the combining entities. No goodwill or gain is recognized as a result of the combination and any difference between the consideration paid/transferred and the equity acquired is reflected within the equity of the Group. The consolidated statement of comprehensive income reflects the results of the combining entities from the date when the combination took place.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2022.

New and amended standards adopted by the Group

There are no new standards or interpretations effective as of January 1, 2023. There are amendments to the standards that are effective from January 1, 2023, but they do not have any material impact on the interim condensed consolidated financial statements of the Group.

Amendments and interpretations

IFRS 17: Insurance Contracts.

Amendments to IAS 1: Classification of Liabilities as Current and Non-current.

Amendments to IAS 8: Definition of Accounting Estimates.

Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies.

Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

Amendments to IAS 16: Property, Plant, and Equipment: Proceeds before Intended Use.

Amendments to IAS 10: Sale or contribution of assets between an investor and a partner or joint venture

3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of the Group’s interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses and assets and liabilities at the reporting date. Actual results may differ from these estimates. The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those described in the latest annual consolidated financial statements.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023

(All amounts are in Saudi Riyals unless otherwise stated)

4. PROPERTY AND EQUIPMENT

	<i>31 March 2023</i> <i>(Unaudited)</i>	<i>31 December 2022</i> <i>(Audited)</i>
1 January - net book value	161,035,744	172,321,834
Additions for the period / year	12,253,317	25,389,168
Additions to projects under process period / year*	9,092,192	1,572,347
Transferred from investments properties	2,566,882	19,324
Depreciation charge for the period / year	(6,392,767)	(26,241,640)
Disposals, net - for the period / year	(597,519)	(12,025,289)
Closing balance - net book value	177,957,849	161,035,744

Projects Under Process conclude the followings:

- An amount of 3.4 million SR for one of the group companies, representing the cost of purchasing transportation trucks, and it was received in the first quarter of 2023, and the formal procedures to start entering into the operation process have not been completed.
- An amount of 5.6 million SR for one of the group companies, which represents construction work for operational buildings (cash centers)

5. INVESTMENT PROPERTIES

	<i>31 March 2023</i> <i>(Unaudited)</i>	<i>31 December 2022</i> <i>(Audited)</i>
1 January - net book value	194,461,685	38,317,753
Additions for the period / year	2,075,248	156,647,988
Transfers / reclass to property and equipment	(2,566,882)	(19,324)
Depreciation charge for the period / year	(137,924)	(484,732)
Closing balance - net book value	193,832,127	194,461,685

6. INTANGIBLE ASSETS

	<i>31 March 2023</i> <i>(Unaudited)</i>	<i>31 December 2022</i> <i>(Audited)</i>
Smart parking concession rights (IFRIC 12)	579,981,946	552,266,644
Goodwill	78,245,709	78,245,709
Other	3,765,891	3,961,330
	661,993,546	634,473,683

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023

(All amounts are in Saudi Riyals unless otherwise stated)

7. TRADE RECEIVABLES, PREPAYMENTS, AND OTHER RECEIVABLES

	Note	31 March 2023 (Unaudited)	31 December 2022 (Audited)
<u>Trade receivables</u>			
Trade receivables	7-1	146,677,187	135,211,332
Expected credit loss allowance on trade receivables	7-2	(15,522,986)	(14,472,986)
Trade receivables, net		131,154,201	120,738,346
<u>Prepayments & Other debit balances</u>			
Custody receivables	7-3	13,190,868	13,088,386
Less: Provision for custody receivables		(7,471,738)	(6,821,738)
Custody receivables, net		5,719,130	6,266,648
Prepaid expenses		21,954,129	23,361,334
Proceed from sale of subsidiaries		1,102,908	1,101,089
VAT receivable		867,588	427,746
Letters of guarantee – insurance		2,224,359	4,748,694
Advance Payment to suppliers		5,941,375	5,407,926
Others		6,947,109	4,392,161
Total Prepayments & Other debit balances		44,756,598	45,705,598
Total Trade receivables, Prepayments & Other debit balances		175,910,799	166,443,944

Trade receivables

- Trade receivables are non-interest bearing and are generally due within 30-90 working days.
- One of the Group's subsidiaries has a mortgage guarantee, which is a building with land retained as guarantee as part of the trade receivables of one of its customers.

7-1 The following is an analysis of receivables aging and expected credit losses:

31 March 2023	Total	Current	0-90 days	91-180 days	181-270 days	271-360 days	More than 360 days
Book value	146,677,187	56,417,614	49,486,869	2,499,441	2,547,962	3,092,162	32,633,138
ECL	15,522,986	554,699	1,417,754	245,259	312,396	619,380	12,373,498
ECL rate	11%	1%	3%	10%	12%	20%	38%
31 December 2022	Total	Current	0-90 days	91-180 days	181-270 days	271-360 days	More than 360 days
Book value	135,211,332	57,020,144	32,773,704	4,189,383	4,152,449	6,793,032	30,282,620
ECL	14,472,986	1,235,006	710,046	162,668	132,906	673,227	11,559,133
ECL rate	11%	2%	2%	4%	3%	10%	38%

7-2 The movement in the allowance for expected credit losses of trade receivables was as follows:

	31 March 2023 (Unaudited)	31 December 2022 (Audited)
1 January	14,472,986	11,329,863
Charged during the period / year	1,050,000	7,010,000
Write off during the period/ year	-	(2,423,460)
Transferred to Other debit balances provision	-	(1,443,417)
Closing balance	15,522,986	14,472,986

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7. TRADE RECEIVABLES, PREPAYMENTS, AND OTHER RECEIVABLES (continued)

Custody receivables

7-3 The majority of custody receivables are receivables for more than one year. Management make provisions according to the ageing of these balances. The balance includes around SR 5,746,730 represents court decisions issued in the favor of the Group, the management are confident that these amounts will be collected in near future, therefore, no provision has been made against these balances.

The movement in the provision for custody receivables was as follows:

	<i>31 March 2023</i> <i>(Unaudited)</i>	<i>31 December 2022</i> <i>(Audited)</i>
1 January	6,821,738	29,128,692
Charged during the period / year	650,000	8,650,000
Write off during the period / year	-	(32,400,371)
Transferred from provision of trade receivables.	-	1,443,417
Closing balance	7,471,738	6,821,738

8. FINANCIAL ASSETS MEASURED AT FVPL

	<i>31 March 2023</i> <i>(Unaudited)</i>	<i>31 December 2022</i> <i>(Audited)</i>
Portfolio Management investments (note 8-1)	78,675,977	77,433,635
Barak GCC fund limited (note 8-2)	3,757,500	3,757,500
	82,433,477	81,191,135

8-1 Portfolio Management investments are managed by Alistithmar Capital under Discretionary Portfolio Management (DPM) agreement between the Group and Alistithmar Capital. The investment is classified (short-term investment) at fair value through profit and loss as the Group held it for sale in short term period, the unrealized gain or loss of the portfolio is recorded in the statement of comprehensive income.

The movement for the period was as follows:

	<i>31 March 2023</i> <i>(Unaudited)</i>	<i>31 December 2022</i> <i>(Audited)</i>
1 January	77,433,635	10,930,023
Addition during the period / year	-	80,000,000
Disposals during the period/ year	-	(15,049,597)
Unrealized gains	1,242,342	1,553,209
Closing balance	78,675,977	77,433,635

8-2 Investment in Barak GCC fund limited

During the year 2022, the group invested in 33.33% of the Barrack Gulf Fund Limited, located in the Cayman Island, with an amount of 1 million US dollars.

The movement for the period was as follows:

	<i>31 March 2023</i> <i>(Unaudited)</i>	<i>31 December 2022</i> <i>(Audited)</i>
1 January	3,757,500	-
Addition during the period / year	-	3,757,500
Closing balance	3,757,500	3,757,500

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9. CASH AND CASH EQUIVALENT

	<u>31 March 2023</u> <i>(Unaudited)</i>	<u>31 December 2022</u> <i>(Audited)</i>
Cash in bank	35,127,505	35,205,573
Cash in hand	1,725,516	2,533,347
Short term deposits (90 days)	-	20,000,000
Closing balance	36,853,021	57,738,920

9.1 Short term deposit earns interest at 5% per annum. Short-term deposit are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

10. LOANS

a) Short-term Loans

The Group has obtained facility agreements under tawarruq from local banks to finance the Group's working capital requirements. The loans are secured by a mortgage, promissory notes and a guarantee from the parent company.

As of March 31, 2023, the Group obtained short-term facilities agreements amounting to 106.7 million Saudi riyals (2022: 66.7 million Saudi riyals), and 17.5 million Saudi riyals were used as letters of guarantee only (2022: 14.8 million Saudi riyals).

b) Long-term Loans

The Group has obtained facilities from local banks in the form of short-term loans, long term project financing, letters of credit and letters of guarantee. The following table summarizes details and outstanding balances of the Groups facilities:

<i>Bank</i>	<i>Entity</i>	<i>Currency</i>	<i>Maturity</i>	<u>31 March</u> <u>2023</u> <i>(Unaudited)</i>	<u>31 December</u> <u>2022</u> <i>(Audited)</i>
Local bank (note 10.2.1)	Batic Investment and Logistic Company	SR	30 June 2024	17,000,000	17,000,000
Local bank	Smart Cities ICT Solutions Company	SR	7 years	55,306,060	55,306,060
Local bank	Saudi Transport and Investment company	SR	11 November 2025	6,980,126	7,740,422
Local bank	Saudi Transport and Investment company	SR	17 March 2025	10,872,109	11,959,318
Local bank	Saudi Transport and Investment company	SR	11 February 2028	16,061,475	-
Local bank (note 10.2.2)	Batic Real Estate	SR	9 May 2025	100,000,000	100,000,000
Total Long-term loans				206,219,770	192,005,800
Less: Current portion of long-term loans				(31,228,836)	(28,016,540)
Long-term loans				174,990,934	163,989,260

10-2-1 The loan is secured by a mortgage with a net book value of 34.4 million SAR (December 31, 2022: 34.7 million SAR), a promissory note in the amount of 34 million SAR signed by the subsidiary AMNCO, a legal assignment of proceeds from AMNCO, and an insurance policy The bank will be the first beneficiary.

10-2-2 The credit facilities agreement is secured by a promissory note and a mortgage with a book value of 142.9 million Saudi riyals (December 31, 2022: 140.8 million)

10-2-3 These loans carry expenses ranging from 3% to 8% (December 31, 2022: 3% to 8%).

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10. LOANS (continued)

b) Long-term Loans (continued)

As of March 31, 2023, the Group obtained facilities agreements in the amount of SAR 292.5 million (December 31, 2022: SAR 337.50 million) and used as of March 31, 2023, amounting to SAR 206.2 million (December 31, 2022: SAR 192 million).

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

	31 March 2023 <i>(Unaudited)</i>	31 December 2022 <i>(Audited)</i>
1 January	192,005,800	265,255,647
Additions during the period / year	16,061,475	101,336,857
Paid during the period / year	(1,847,505)	(174,586,704)
Closing balance	206,219,770	192,005,800
Non-current balance	174,990,934	163,989,260
Current balance	31,228,836	28,016,540

The loans maturity schedule was as follows:

	31 March 2023 <i>(Unaudited)</i>	31 December 2022 <i>(Audited)</i>
Less than a year	31,228,836	28,016,540
From one to two years	34,253,836	31,416,541
More than two years to five years	140,737,098	132,572,719
Total	206,219,770	192,005,800

11. OBLIGATION UNDER THE SERVICE CONCESSION AGREEMENT

The current and non-current portion of the obligation under the Service Concession Agreement was as follows (IFRIC 12):

	31 March 2023 <i>(Unaudited)</i>	31 December 2022 <i>(Audited)</i>
1 January	487,173,139	329,746,251
Additions for the period / year	30,254,517	193,694,396
Adjustment for the period / year	-	(44,564,402)
Finance costs (IFRIC 12)	2,557,225	8,296,894
Closing balance	519,984,881	487,173,139
Non-current balance	495,170,591	463,651,326
Current balance	24,814,290	23,521,813

12. SIGNIFICANT RELATED PARTIES TRANSACTION AND BALANCES

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.

12-1 Related parties' transactions

During the three months period, there were no significant transactions with related parties' entities.

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12. SIGNIFICANT RELATED PARTIES TRANSACTION AND BALANCES (continued)

12-2 Due from related parties comprises of the following:

	Note	<i>31 March 2023</i> <i>(Unaudited)</i>	<i>31 December 2022</i> <i>(Audited)</i>
Jasara Holding Company (LLC)		1,036,215	1,036,215
Family Investment Company (One person company)		115,047	-
Other (Subsidiary's Partners)		-	399,953
		<u>1,151,262</u>	<u>1,436,168</u>

12-3 Due to a related party comprises of the following:

	Note	<i>31 March 2023</i> <i>(Unaudited)</i>	<i>31 December 2022</i> <i>(Audited)</i>
Other (Subsidiary's Partners)	13	-	180,000

12-4 Key management personnel compensation

Key management personnel include members of the Board of Directors and executive managers who have the authority and responsibility for planning, directing and controlling the activities of the group at the company level. The following is a summary of the compensation of senior management personnel:

	<i>For the three-month period ended</i> <i>31 March</i> <i>(Unaudited)</i>	
	2023	2022
Key management employee's compensations		
Salaries and short-term benefit	2,085,246	1,913,973
End of service benefit	70,256	64,977
Total	<u>2,155,502</u>	<u>1,978,950</u>

The following amounts are payable in respect of end of service benefits to Key management personnel:

	<i>For the three-month period ended</i> <i>31 March</i> <i>(Unaudited)</i>	
	2023	2022
End of service and other benefits	<u>2,111,471</u>	<u>2,039,690</u>

13. TRADE PAYABLES, ACCRUALS, AND OTHER PAYABLES

	Note	<i>31 March 2023</i> <i>(Unaudited)</i>	<i>31 December 2022</i> <i>(Audited)</i>
Trade payables		18,519,910	20,138,668
Accrued expenses		36,353,571	29,111,568
Notes payable – Current portion		2,374,200	3,561,300
VAT payable		4,579,465	5,100,937
Employees related cost		2,015,447	17,393,896
Due to a related party	12	-	180,000
Other		3,112,430	2,647,144
		<u>66,955,023</u>	<u>78,133,513</u>

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14. ZAKAT PROVISION

A- Zakat status

The Company and its subsidiaries submitted separate zakat declarations to Zakat, Tax and Customs Authority (ZATCA) for all the year till end of the year ended on 31 December 2022 and obtained the final zakat certificate and obtained a final certificate valid until 30 April 2024.

Starting from 2020, the Company and two subsidiaries (Saudi Transport and Investment Company “Mubarrad” and Batic Real Estate Company) submitted a consolidated Zakat declaration.

Batic Investments and Logistics

The Company received the final Zakat assessments that have been agreed with ZATCA for the years from 2008 to 2014 and for the year 2018 up to 2020.

On 21 October 2020, the Company received Zakat assessments for the years ended 31 December 2015, 2016 and 2017, with additional amount of SR 2,520,796. The Company paid SR 105,573 and submitted an objection for the remaining claim. On 20 December 2020, ZATCA rejected the objection. On 11 February 2021, the objection was escalated to the General Secretariat of Zakat, tax, and customs Committees (GSZTC). GSZTC rejected the Company's objection to the Zakat assessments. As a result, the Company appealed against the decision that has not been issued up to financial statement's date.

Arab Security & Safety Services Company (AMNCO)

The Company received the final Zakat assessments that have been agreed with ZATCA for the years up to 2018. Zakat assessments for the years 2018 to 2022 have not yet been raised by ZATCA.

Saudi Transport and Investment Company (Mubarrad)

The Company received the final Zakat assessments that have been agreed with ZATCA for the years up to 2018 and for the year 2020. Zakat assessments for the years 2019 and 2022 has not yet been raised by ZATCA.

Batic Real Estate

The Company received the final Zakat assessments that have been agreed with ZATCA for the year 2020 only.

AMNCO Facility Management Co. Ltd.

The Company received the final Zakat assessments that have been agreed with ZATCA for the years up to 2021.

B- Zakat movement provision

	<i>31 March 2023</i> <i>(Unaudited)</i>	<i>31 December 2022</i> <i>(Audited)</i>
1 January	5,093,791	6,890,949
Charged for the period / year	1,498,708	4,782,397
Paid during the period / year	-	(6,579,555)
Closing balance	6,592,499	5,093,791

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15. 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 8 business units based on their services, and the following are the operating segments of the Group:

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.

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 Group's entities and third development parties, establishing and operating commercial and industrial projects.

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.

Facility management 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.

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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15. SEGMENT INFORMATION (continued)

The table below represents the segments information for the period ended 31 March 2023 (Unaudited)

	<i>Investment property</i>	<i>Transportation sector</i>	<i>Security guard sector</i>	<i>ATM feeding sector</i>	<i>Secured money transfer and correspondence sector</i>	<i>Facility management sector</i>	<i>Smart parking solutions</i>	<i>Supply of medical equipment</i>	<i>Other and settlements</i>	<i>Total</i>
Revenue	1,027,921	25,034,964	33,450,590	19,614,409	11,777,328	11,779,962	13,524,119	0	(2,005,575)	114,203,718
Cost of revenue	(638,264)	(22,575,539)	(31,042,549)	(16,591,308)	(10,370,532)	(10,695,242)	(8,050,894)	(1,333)	1,543,650	(98,422,011)
Gross profit / (Loss)	389,657	2,459,425	2,408,041	3,023,101	1,406,796	1,084,720	5,473,225	(1,333)	(461,925)	15,781,707
Total assets	236,656,745	178,156,317	87,915,145	77,929,911	48,265,072	18,942,118	607,418,083	5,515,674	123,955,911	1,384,754,976
Total liabilities	160,349,330	67,754,367	33,188,476	19,126,365	15,439,526	16,188,456	629,040,631	5,302,416	(37,332,081)	909,057,486

The table below represents the segments information for the period ended 31 March 2022 (Unaudited)

	<i>Investment property</i>	<i>Transportation sector</i>	<i>Security guard sector</i>	<i>ATM feeding sector</i>	<i>Secured money transfer and correspondence sector</i>	<i>Facility management sector</i>	<i>Smart parking solutions</i>	<i>Supply of medical equipment</i>	<i>Home medical services</i>	<i>Other and settlements</i>	<i>Total</i>
Revenue	968,347	19,332,292	32,916,862	27,361,281	11,402,345	8,881,862	11,604,242	-	428,644	(3,232,854)	109,663,021
Cost of revenue	(475,744)	(19,404,485)	(32,610,506)	(22,857,859)	(10,772,838)	(7,929,329)	(6,159,183)	(31,595)	(498,714)	2,685,625	(98,054,628)
Gross profit / (Loss)	492,603	(72,193)	306,356	4,503,422	629,507	952,533	5,445,059	(31,595)	(70,070)	(547,229)	11,608,393
Total assets	36,036,308	168,025,563	56,674,711	66,061,004	41,802,007	20,231,590	394,648,978	1,114,576	3,432,552	333,809,401	1,121,836,690
Total liabilities	23,800,000	76,329,388	21,736,475	12,800,027	9,930,432	16,668,268	415,549,822	3,539,795	5,311,281	4,221,902	589,887,390

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16. EARNINGS PER SHARE (EPS)

Basic profit / (loss) per share versus profit / (loss) relating to ordinary shares is calculated by dividing the net profit / (loss) attributable to common 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 issue diluted shares.

	<i>For the three-month period ended 31 March (unaudited)</i>	
	<i>2023</i>	<i>2022</i>
Net profit attributable to shareholders of the parent	55,671	842,232
Weighted average number of common shares	60,000,000	55,650,000
Profit of basic and diluted per share	0.001	0.02

17. Business combination reserve

	<i>31 March 2023 (Unaudited)</i>	<i>31 December 2022 (Audited)</i>
1 January	143,926,868	122,747,412
Additional shares in subsidiaries (17-1)	3,214,147	21,179,456
Closing balance	147,141,015	143,926,868

17-1 During the period, the company acquired additional shares amounting to 1% from other shareholders, through a purchase agreement, as of 11 Rajab 1444 H (corresponding to 12 February 2023). The company completed the legal procedures

18. LIQUIDITY RISK AND GOING CONCERN

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value.

The calculation of net debt was as follows:

	<i>31 March 2022 (Unaudited)</i>	<i>31 December 2022 (Audited)</i>
Obligation under the service concession agreement	519,984,881	487,173,139
Loans	206,219,770	192,005,800
Lease liabilities	38,165,932	41,569,491
Notes payable	2,374,200	3,561,300
Cash and cash equivalents	(36,853,021)	(57,738,920)
Short-term financial assets measured at FVPL	(82,433,477)	(81,191,135)
Net debt	647,458,285	585,379,675
Equity	475,697,490	478,102,177
Equity and net debt	1,123,155,775	1,063,481,852
Gearing ratio	58%	55%
Current ratio	1.72	1.75
Unused credit facilities (in SAR millions)	90.7	150.6

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18. LIQUIDITY RISK AND GOING CONCERN (continued)

The management believes that the Group has ability to meet its obligation as:

- (a) The Group's current assets are more than its current liabilities.
- (b) The Group manages its liquidity risk by ensuring that bank borrowing facilities from multiple banks are available (note 10).

The Group operates in diversified industries (see note 15). Management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources and borrowing facilities from multiple banks to continue in business for the foreseeable future. Moreover, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as going concern. Therefore, these condensed consolidated interim financial statements have been prepared on a going concern basis.

19. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

As at 31 March 2023, the Group has contingent liabilities in the form of bank guarantees uncovered in amount of SR 19.5 million issued in the normal course of business (31 December 2022: SR 27.2 million).

The Group also has capital commitments amounted to SR 165 K as at 31 March 2023 (31 December 2022: SR 26 million) mainly represent contracts for the purchase of property, equipment, and systems for the Group.

20. COMPARATIVES

Certain comparative period amounts have been reclassified for purpose of better presentation. However, the effect of those reclassification was not significant.

21. SUBSEQUENT EVENTS

On May 01, 2023, the company announced the Board of Directors' decision on April 30, 2023 regarding approving the recommendation of the extraordinary general assembly of the company's shareholders to amend the company's bylaws in line with the new corporate law, and the amended corporate governance regulations issued by the Capital Market Authority and their implementing regulations, the most important modifications:

- Split the nominal value of the share from (10) ten SR per share to (1) one SR per share, so that the number of shares of the company becomes (600,000,000) six hundred million shares instead of (60,000,000) sixty million shares.
- Cancellation of the Company tenure, which was stipulated in the Company's bylaws by (50) years.
- Cancellation of the statutory reserve item in the articles of association, with a referral to the General Assembly by transferring the entire balance of the statutory reserve on the date of the meeting to the accumulated profits (losses) account.

Other than the abovementioned, no events have arisen subsequent to 31 March 2023 and before the issuance of the interim condensed consolidated financial statements that could have a significant effect on the interim condensed consolidated financial statements as at 31 March 2023.

22. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim Condensed Consolidated Financial Statements were approved by the Board of Directors on 28 Shawwal 1444H (corresponding to 18 May 2023).