

باتك batic

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-Month and
Six-Month Periods Ended 30 June 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 AND SIX-MONTH PERIODS ENDED 30 JUNE 2023

| <u>Index</u> | <u>Page</u> |
|------------------------------------------------------------------|--------------------|
| Independent Auditor's Review Report | 1 |
| Interim Condensed Consolidated Statement of Financial Position | 2 |
| Interim Condensed Consolidated Statement of Comprehensive Income | 3 |
| Interim Condensed Consolidated Statement of Changes in Equity | 4 |
| Interim Condensed Consolidated Statement of Cash Flows | 5-6 |
| Notes to the Interim Condensed Consolidated Financial Statements | 7 - 19 |



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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 30 June 2023, and the related interim condensed consolidated statements of comprehensive income, for the three and six months periods ended 30 June 2023, interim condensed consolidated statement of changes in equity and cash flows for the six-month period then ended, and explanatory notes. Board of directors are 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") 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" as endorsed in the Kingdom of Saudi Arabia. A review of interim financial statement 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 endorsed in the Kingdom of Saudi Arabia.

for Ernst & Young Professional Services

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

Riyadh: 16 Muharram1445H
(3 August 2023)



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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 JUNE 2023

(All amounts are in Saudi Riyals unless otherwise stated)

| | | <i>As at 30 June 2023 (Unaudited)</i> | <i>As at 31 December 2022 (Audited)</i> |
|----------------------------------------------------------------------|-------------|-----------------------------------------------|-------------------------------------------------|
| | <i>Note</i> | | |
| ASSETS | | | |
| Non-current assets | | | |
| Property and equipment | 4 | 187,561,494 | 161,035,744 |
| Right-of-use assets | | 50,650,030 | 42,352,804 |
| Investment properties | 5 | 190,587,500 | 194,461,685 |
| Intangible assets | 6 | 659,771,999 | 634,473,683 |
| Investments measured at FVPL | | 2,042,704 | 2,042,704 |
| Other debit balances- non-current portion | | 3,853,812 | 4,404,357 |
| Total non-current assets | | 1,094,467,539 | 1,038,770,977 |
| Current assets | | | |
| Inventory | | 9,222,625 | 8,817,262 |
| Trade receivables, prepayments, and other receivables | 7 | 189,711,612 | 166,443,944 |
| Due from related parties | 12 | 1,036,264 | 1,436,168 |
| Short-term financial assets measured at FVPL | 8 | 67,165,984 | 81,191,135 |
| Cash and cash equivalents | 9 | 44,766,796 | 57,738,920 |
| Total current assets | | 311,903,281 | 315,627,429 |
| Total assets | | 1,406,370,820 | 1,354,398,406 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | 1 | 600,000,000 | 600,000,000 |
| Statutory reserve | 1 | - | 48,996,657 |
| Retained earnings / (Accumulated losses) | | 9,619,000 | (39,913,752) |
| Business combination reserve | 17 | (147,141,015) | (143,926,868) |
| TOTAL EQUITY ATTRIBUTE TO THE COMPANY'S SHAREHOLDERS | | 462,477,985 | 465,156,037 |
| Non-controlling interest | | 13,777,983 | 12,946,140 |
| TOTAL EQUITY | | 476,255,968 | 478,102,177 |
| LIABILITIES | | | |
| NON-CURRENT LIABILITIES | | | |
| Bank borrowings - long-term | 10 | 160,049,505 | 163,989,260 |
| Lease liabilities - long-term | | 36,902,725 | 29,040,883 |
| Obligation under the service concession agreement | 11 | 497,748,651 | 463,651,326 |
| Employees' defined benefit liabilities | | 34,005,887 | 36,539,072 |
| Total non-current liabilities | | 728,706,768 | 693,220,541 |
| Current liabilities | | | |
| Current portion of long-term and short-term bank borrowings | 10 | 39,636,570 | 28,016,540 |
| Current portion of obligation under the service concession agreement | 11 | 24,814,290 | 23,521,813 |
| Lease liabilities - Current portion | | 13,563,169 | 12,528,608 |
| Shareholders' accruals | | 35,730,850 | 35,781,423 |
| Trade payables, accruals, and other payables | 13 | 83,296,006 | 78,133,513 |
| Provision for zakat | 14 | 4,367,199 | 5,093,791 |
| Total Current liabilities | | 201,408,084 | 183,075,688 |
| Total liabilities | | 930,114,852 | 876,296,229 |
| TOTAL LIABILITIES AND EQUITY | | 1,406,370,820 | 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 INCOME –
UNAUDITED**

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2023

(All amounts are in Saudi Riyals unless otherwise stated)

| | Not e | <i>For the Three-month period ended 30 June</i> | | <i>For the Six-month period ended 30 June</i> | |
|-----------------------------------------------------------------------------------------|----------|---------------------------------------------------------|--------------|-------------------------------------------------------|---------------|
| | | 2023 | 2022 | 2023 | 2022 |
| Revenues | 15 | 117,367,854 | 100,268,955 | 231,571,572 | 209,569,581 |
| Cost of revenue | 15 | (98,987,006) | (91,827,878) | (197,409,017) | (189,928,468) |
| Gross profit | | 18,380,848 | 8,441,077 | 34,162,555 | 19,641,113 |
| General and administrative expenses | | (11,419,311) | (12,533,982) | (23,483,762) | (23,575,547) |
| Provision of impairment of financial assets | 7 | (3,400,000) | (2,350,000) | (5,100,000) | (3,210,000) |
| Profit / (Loss) from operations | | 3,561,537 | (6,442,905) | 5,578,793 | (7,144,434) |
| Gain from selling Investments | | - | - | 1,793,222 | - |
| Dividend income | | - | 150,000 | - | 150,000 |
| Unrealized gain (loss) from investments measured at FVPL | 8 | 2,732,506 | (2,356,288) | 3,974,849 | 2,085,947 |
| Gain from disposals of property & equipment and Intangible assets | | 431,941 | 7,517 | 583,283 | 383,154 |
| Finance charge, net | | (4,420,998) | (3,074,544) | (8,524,642) | (5,229,436) |
| Profit from Investment in deposits and interest income | | 47,719 | - | 298,529 | - |
| Gain from investment funds | | 75,721 | - | 149,688 | - |
| Other income (loss), net | | 51,255 | (54,728) | 350,685 | 602,169 |
| Profit before zakat | | 2,479,681 | (11,770,948) | 4,204,407 | (9,152,600) |
| Zakat | 14 | (1,921,203) | (1,410,999) | (3,419,911) | (2,924,833) |
| Net profit / loss for the period | | 558,478 | (13,181,947) | 784,496 | (12,077,433) |
| Attribute to: | | | | | |
| Shareholders of the parent | | 480,424 | (12,723,520) | 536,095 | (11,881,290) |
| Non-controlling interests | | 78,054 | (458,427) | 248,401 | (196,143) |
| | | 558,478 | (13,181,947) | 784,496 | (12,077,433) |
| Other Comprehensive Income | | - | - | - | - |
| Total comprehensive Income / loss for the period | | 558,478 | (13,181,947) | 784,496 | (12,077,433) |
| Attribute to: | | | | | |
| Shareholders of the parent | | 480,424 | (12,723,520) | 536,095 | (11,881,290) |
| Non-controlling interests | | 78,054 | (458,427) | 248,401 | (196,143) |
| | | 558,478 | (13,181,947) | 784,496 | (12,077,433) |
| Earning / loss per share (EPS) | | | | | |
| Earning / loss per share attributable to shareholders of the parent (basic and diluted) | 16 | 0.001 | (0,023) | 0.001 | (0,021) |

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 SIX-MONTH PERIOD ENDED 30 JUNE 2023

(All amounts are in Saudi Riyals unless otherwise stated)

| | <i>Share capital</i> | <i>Statutory reserve</i> | <i>Retained earnings/ (Accumulated losses)</i> | <i>Business combination reserve</i> | <i>Total shareholders' equity</i> | <i>Non-controlling interest</i> | <i>Total</i> |
|-------------------------------------------------------------------|----------------------|--------------------------|----------------------------------------------------|-------------------------------------|-----------------------------------|---------------------------------|--------------------|
| For six months period ended 30 June 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 | - | - | 536,095 | - | 536,095 | 248,401 | 784,496 |
| Other comprehensive income for the period | - | - | - | - | - | - | - |
| Total comprehensive Income for the period | - | - | 536,095 | - | 536,095 | 248,401 | 784,496 |
| Transfer from the statutory reserve to retained earnings (Note 1) | - | (48,996,657) | 48,996,657 | - | - | - | - |
| 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 30 June 2023 (Unaudited) | 600,000,000 | - | 9,619,000 | (147,141,015) | 462,477,985 | 13,777,983 | 476,255,968 |
| For six months period ended 30 June 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 loss for the period | - | - | (11,881,290) | - | (11,881,290) | (196,143) | (12,077,433) |
| Other comprehensive income for the period | - | - | - | - | - | - | - |
| Total comprehensive loss for the period | - | - | (11,881,290) | - | (11,881,290) | (196,143) | (12,077,433) |
| Additions to Business combination reserve | - | - | - | (21,179,456) | (21,179,456) | - | (21,179,456) |
| Change in non-controlling interest | - | - | - | - | - | 1,542,155 | 1,542,155 |
| Balance as at 30 June 2022 (Unaudited) | 600,000,000 | 48,996,657 | (17,472,999) | (143,926,868) | 487,596,790 | 11,533,264 | 499,130,054 |

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

(Continued)

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

(All amounts are in Saudi Riyals unless otherwise stated)

| | | <i>For the six-month period ended 30 June</i> | |
|--------------------------------------------------------------------------|-------------|---------------------------------------------------|----------------------|
| | <i>Note</i> | <i>2023</i> | <i>2022</i> |
| OPERATING ACTIVITIES | | | |
| Profit / loss before zakat for the period | | 4,204,407 | (9,152,600) |
| Adjustments to reconcile profit before zakat to net cash flows: | | | |
| Depreciation of property and equipment | 4 | 12,472,644 | 13,250,308 |
| Depreciation of right-of-use assets | | 6,587,977 | 3,913,548 |
| Amortization of intangible assets | | 10,223,146 | 6,558,678 |
| Depreciation of investment properties | 5 | 747,201 | 210,223 |
| Unrealized gain from investments measured at FVPL | 8 | (3,974,849) | (2,085,947) |
| Gain from Investment funds | | (149,688) | - |
| Provision of impairment of financial assets | 7 | 5,100,000 | 3,210,000 |
| Finance charge | | 8,524,642 | 5,377,255 |
| Gains from sale of property and equipment, intangible assets (net) | | (583,283) | (383,153) |
| Gain from disposal of investments in subsidiaries | | (1,793,222) | - |
| Dividend income | | - | (150,000) |
| Post-employment benefits obligation | | 6,406,072 | 6,125,709 |
| Working capital adjustments: | | | |
| Inventory | | (469,594) | (475,141) |
| Trade receivables, prepayments, and other receivables | | (27,614,385) | 10,352,552 |
| Trade payables, accruals, and other payables | | 10,523,172 | (5,027,954) |
| Cash flows from operating activities | | 30,204,240 | 31,723,478 |
| Profit from a deposit and interest income received | | (298,529) | - |
| Zakat paid | 14 | (4,146,503) | (6,579,554) |
| Employees' defined benefits obligation paid | | (8,880,727) | (6,226,186) |
| Net cash generated from operating activities | | 16,878,481 | 18,917,738 |
| INVESTING ACTIVITIES | | | |
| Additional shares of a subsidiary | | (3,000,000) | (19,800,000) |
| Additions to property and equipment | 4 | (31,437,010) | (3,565,564) |
| Additions to investments properties | 5 | (5,693,339) | (151,554,983) |
| Additions of intangible assets | | (4,005,924) | (4,196,808) |
| Additions to financial assets short term measured at FVPL | | - | (80,000,000) |
| Proceed from investment fund and profit from deposit and interest income | | 448,217 | - |
| Proceeds from disposal of property and equipment and intangible assets | | 1,738,933 | 3,018,309 |
| Proceeds from the sale of investments and dividends | | - | 150,000 |
| Proceeds from disposal of short-term financial assets at FVPL | 8 | 18,000,000 | 6,049,597 |
| Net cash out from selling investment in subsidiary | | (401,491) | - |
| Net cash used in investing activities | | (24,350,614) | (249,899,449) |
| FINANCING ACTIVITIES | | | |
| Payment of lease liabilities | | (6,743,122) | (4,065,487) |
| Share capital increase | 1 | - | 300,000,000 |
| Transaction cost of share capital increase | | - | (5,175,000) |
| Proceeds from loans | 10 | 16,061,475 | 101,336,859 |
| Repayment of loans | 10 | (8,381,200) | (160,578,434) |
| Repayment of finance costs | | (3,954,500) | (2,796,819) |
| Repayment of notes payable and finance cost | | (2,432,071) | (2,538,910) |
| Change in shareholders accruals | | (50,573) | 17,013,328 |
| Net cash used in / generated from financing activities | | (5,499,991) | 243,195,537 |
| Net change in cash and cash equivalents | | (12,972,124) | 12,213,826 |
| 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 | | 44,766,796 | 49,485,659 |

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

(Continued)

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

(All amounts are in Saudi Riyals unless otherwise stated)

| | Note | <i>For the six-month period ended 30 June</i> | |
|-------------------------------------------------------------|------|---------------------------------------------------|--------------|
| | | <i>2023</i> | <i>2022</i> |
| Significant non-cash transactions were as follows: | | | |
| Right of use assets | | 15,347,402 | 28,984,977 |
| Lease liability | | 15,347,402 | 28,984,977 |
| Transfer from statutory reserve to retained earnings | 1 | 48,996,657 | - |
| Prepaid expenses and other debit balances | | 1,261,027 | - |
| Capitalized finance costs on investment properties | | (3,920,048) | - |
| Adjustment on obligation under service concession agreement | 11 | - | (44,564,401) |
| Additions to obligation under service concession agreement | | 30,254,517 | - |

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 SIX-MONTH PERIOD ENDED 30 JUNE 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 Company's head office is located in Riyadh - Batic tower- 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.

On June 21, 2023, the extraordinary general assembly of company shareholders approved amending the company's by-law in accordance with the new companies' law and the amended corporate governance regulations issued by the Capital Market Authority and their implementing regulations. The most important of these amendments are:

- Dividing the nominal value of shares from (10) ten riyals per share to (1) one riyal per share, so the number of company shares becomes (600,000,000) six hundred million shares instead of (60,000,000) sixty million shares.
- Cancel the limitation of the company duration that identified at the company by-law to (50) years.
- Cancel of the statutory reserve item in the company by-law and transfer the total balance of the reserve on the date of the Assembly to the accumulated losses.

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 | 30 June 2023 | | 31 December 2022 | |
|-----------------------------------------------------------------------------|---------------------|------------------------|--------------------------|------------------------|--------------------------|
| | | % of direct investment | % of indirect investment | % of direct investment | % of indirect investment |
| Arab Security & Safety Services Company (AMNCO) (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) (Continued)

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 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 2022.

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 Liabilities with Covenants

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: Lease Liability in a Sale and Leaseback.

Amendments to IAS 10 and IAS 28: Sale or contribution of assets between an investor and its Associate or Joint Venture

Amendments to IAS 7 and IFRS 7: Disclosures: Supplier Finance Arrangements

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 SIX-MONTH PERIOD ENDED 30 JUNE 2023
 (All amounts are in Saudi Riyals unless otherwise stated)

4. PROPERTY AND EQUIPMENT

| | <i>30 June 2023 (Unaudited)</i> | <i>31 December 2022 (Audited)</i> |
|----------------------------------------------------|-----------------------------------------|-------------------------------------------|
| 1 January - net book value | 161,035,744 | 172,321,834 |
| Additions for the period / year | 16,052,237 | 25,389,168 |
| Additions to projects under process period / year* | 15,384,773 | 1,572,347 |
| Transferred from investments properties | 8,820,323 | 19,324 |
| Depreciation charge for the period / year | (12,472,644) | (26,241,640) |
| Disposals, net - for the period / year | (1,258,939) | (12,025,289) |
| Closing balance - net book value | 187,561,494 | 161,035,744 |

Projects Under Process conclude the followings:

- An amount of 4,8 million SR for one of the group companies, representing the cost of purchasing transportation units (trailers), operation will begin during the third quarter.
- An amount of 10,6 million SR, which represents construction work for operational buildings for some group companies.

5. INVESTMENT PROPERTIES

| | <i>30 June 2023 (Unaudited)</i> | <i>31 December 2022 (Audited)</i> |
|-----------------------------------------------|-----------------------------------------|-------------------------------------------|
| 1 January - net book value | 194,461,685 | 38,317,753 |
| Additions for the period / year | 5,693,339 | 156,647,988 |
| Transfers / reclass to property and equipment | (8,820,323) | (19,324) |
| Depreciation charge for the period / year | (747,201) | (484,732) |
| Closing balance - net book value | 190,587,500 | 194,461,685 |

6. INTANGIBLE ASSETS

| | <i>30 June 2023 (Unaudited)</i> | <i>31 December 2022 (Audited)</i> |
|--------------------------------------------|-----------------------------------------|-------------------------------------------|
| Smart parking concession rights (IFRIC 12) | 578,028,560 | 552,266,644 |
| Goodwill | 78,245,709 | 78,245,709 |
| Other | 3,497,730 | 3,961,330 |
| | 659,771,999 | 634,473,683 |

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023
(All amounts are in Saudi Riyals unless otherwise stated)

7. TRADE RECEIVABLES, PREPAYMENTS, AND OTHER RECEIVABLES

| | Note | 30 June 2023 (Unaudited) | 31 December 2022 (Audited) |
|------------------------------------------------------|------|--------------------------------|----------------------------------|
| <u>Trade receivables</u> | | | |
| Trade receivables | 7-1 | 158,427,050 | 135,211,332 |
| Expected credit loss allowance on trade receivables | 7-2 | <u>(16,572,986)</u> | <u>(14,472,986)</u> |
| Trade receivables, net | | 141,854,064 | 120,738,346 |
| <u>Prepayments & Other debit balances</u> | | | |
| Custody receivables | 7-3 | 15,534,150 | 13,088,386 |
| Less: Provision for custody receivables | | <u>(9,466,738)</u> | <u>(6,821,738)</u> |
| Custody receivables, net | | 6,067,412 | 6,266,648 |
| Prepaid expenses | | 21,580,232 | 23,361,334 |
| Proceed from sale of subsidiaries | | 1,192,847 | 1,101,089 |
| VAT receivable | | 1,605,130 | 427,746 |
| Letters of guarantee – insurance | | 2,356,969 | 4,748,694 |
| Advance Payment to suppliers | | 7,451,926 | 5,407,926 |
| Others | | 7,603,032 | 4,392,161 |
| Total Prepayments & Other debit balances | | 47,857,548 | 45,705,598 |
| | | 189,711,612 | 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:

| 30 June 2023 | Total | Current | 0-90 days | 91-180 days | 181-270 days | 271-360 days | More than 360 days |
|---------------------|-------------|------------|------------|-------------|--------------|--------------|-----------------------|
| Book value | 158,427,050 | 74,801,861 | 35,559,955 | 12,938,278 | 1,493,387 | 513,585 | 33,119,984 |
| ECL | 16,572,986 | 2,176,940 | 1,828,754 | 1,110,956 | 225,622 | 85,038 | 11,145,676 |
| ECL rate | 10% | 3% | 5% | 9% | 15% | 17% | 34% |
| 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:

| | 30 June 2023 (Unaudited) | 31 December 2022 (Audited) |
|-----------------------------------------------|--------------------------------|----------------------------------|
| 1 January | 14,472,986 | 11,329,863 |
| Charged during the period / year | 2,100,000 | 7,010,000 |
| Write off during the period/ year | - | (2,423,460) |
| Transferred to Other debit balances provision | - | (1,443,417) |
| Closing balance | 16,572,986 | 14,472,986 |

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
 FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023
 (All amounts are in Saudi Riyals unless otherwise stated)

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>30 June 2023 (Unaudited)</i> | <i>31 December 2022 (Audited)</i> |
|-----------------------------------------------|-----------------------------------------|-------------------------------------------|
| 1 January | 6,821,738 | 29,128,692 |
| Charged during the period / year | 3,000,000 | 8,650,000 |
| Write off during the period / year | (355,000) | (32,400,371) |
| Transferred from trade receivables provision. | - | 1,443,417 |
| Closing balance | 9,466,738 | 6,821,738 |

8. FINANCIAL ASSETS MEASURED AT FVPL

| | <i>30 June 2023 (Unaudited)</i> | <i>31 December 2022 (Audited)</i> |
|---------------------------------------------|-----------------------------------------|-------------------------------------------|
| Portfolio Management investments (note 8-1) | 63,408,484 | 77,433,635 |
| Barak GCC fund limited (note 8-2) | 3,757,500 | 3,757,500 |
| | 67,165,984 | 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 compliant with Islamic sharia rules. 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>30 June 2023 (Unaudited)</i> | <i>31 December 2022 (Audited)</i> |
|-----------------------------------|-----------------------------------------|-------------------------------------------|
| 1 January | 77,433,635 | 10,930,023 |
| Addition during the period / year | - | 80,000,000 |
| Disposals during the period/ year | (18,000,000) | (15,049,597) |
| Unrealized gains | 3,974,849 | 1,553,209 |
| Closing balance | 63,408,484 | 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 under agreement compliant with Islamic sharia rules.

The movement for the period was as follows:

| | <i>30 June 2023 (Unaudited)</i> | <i>31 December 2022 (Audited)</i> |
|-----------------------------------|-----------------------------------------|-------------------------------------------|
| 1 January | 3,757,500 | - |
| Addition during the period / year | - | 3,757,500 |
| Closing balance | 3,757,500 | 3,757,500 |

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023
(All amounts are in Saudi Riyals unless otherwise stated)

9. CASH AND CASH EQUIVALENT

| | <i>30 June 2023 (Unaudited)</i> | <i>31 December 2022 (Audited)</i> |
|-------------------------------|-----------------------------------------|-------------------------------------------|
| Cash in bank | 42,960,462 | 35,205,573 |
| Cash in hand | 1,806,334 | 2,533,347 |
| Short term deposits (90 days) | - | 20,000,000 |
| Closing balance | 44,766,796 | 57,738,920 |

9.1 Short term deposit earns interest at 5% per annum compliant with Islamic sharia rules. Short-term deposits 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 Islamic tawarruq system from local banks to finance the Group's working capital requirements all is compliant with Islamic sharia rules the loans are secured by a mortgage, promissory notes and a guarantee from the parent company.

As of June 30, 2023, the Group obtained short-term facilities agreements amounting to 121.8 million Saudi riyals (2021: 81.7 million Saudi riyals), and the outstanding balance is 17.5 million Saudi riyals were used as letters of guarantee only (2021: 14.8 million Saudi riyals).

b) Long-term Loans

The Group has obtained facilities from local banks all is sharia compatible in the form of med-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> | <i>30 June 2023 (Unaudited)</i> | <i>31 December 2022 (Audited)</i> |
|-------------------------------------------------|---------------|-----------------|------------------|-----------------------------------------|-------------------------------------------|
| Local bank (note 10.2.1) | BATIC | SR | 30 June 2024 | 13,600,000 | 17,000,000 |
| Local bank | SMART CITIES | SR | 7 years | 54,019,873 | 55,306,060 |
| Local bank | MUBARRAD | SR | 11 November 2025 | 6,219,830 | 7,740,422 |
| Local bank | MUBARRAD | SR | 17 March 2025 | 9,784,897 | 11,959,318 |
| Local bank | MUBARRAD | SR | 11 February 2028 | 16,061,475 | - |
| | BATIC REALES- | | | | |
| Local bank (note 10.2.2) | TATE | SR | 9 May 2025 | 100,000,000 | 100,000,000 |
| Total Long-term loans | | | | 199,686,075 | 192,005,800 |
| Less: Current portion of long-term loans | | | | (39,636,570) | (28,016,540) |
| Long-term loans | | | | 160,049,505 | 163,989,260 |

10-2-1 The loan is secured by a mortgage with a net book value of 34.1 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 146.5 million Saudi riyals (December 31, 2022: 140.8 million)

10-2-3 These loans carry expenses ranging from 3% to 8.5% (December 31, 2022: 3% to 8%).

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
 FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023
 (All amounts are in Saudi Riyals unless otherwise stated)

10. LOANS (continued)

b) Long-term Loans (continued)

As of June 30, 2023, the Group obtained facilities agreements in the amount of SAR 282.5 million (December 31, 2022: SAR 327.50 million) and the outstanding balance as of June 30, 2023, amounting to SAR 200 million (December 31, 2022: SAR 192 million).

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

| | <i>30 June 2023 (Unaudited)</i> | <i>31 December 2022 (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 | (8,381,200) | (174,586,704) |
| Closing balance | 199,686,075 | 192,005,800 |
| Non-current balance | 160,049,505 | 163,989,260 |
| Current balance | 39,636,570 | 28,016,540 |

The loans maturity schedule was as follows:

| | <i>30 June 2023 (Unaudited)</i> | <i>31 December 2022 (Audited)</i> |
|-----------------------------------|-----------------------------------------|-------------------------------------------|
| Less than a year | 39,636,570 | 28,016,540 |
| From one to two years | 25,286,570 | 31,416,541 |
| More than two years to five years | 134,762,935 | 132,572,719 |
| Total | 199,686,075 | 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):

| | <i>30 June 2023 (Unaudited)</i> | <i>31 December 2022 (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) | 5,135,285 | 8,296,894 |
| Closing balance | 522,562,941 | 487,173,139 |
| Non-current balance | 497,748,651 | 463,651,326 |
| Current balance | 24,814,290 | 23,521,813 |

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023
(All amounts are in Saudi Riyals unless otherwise stated)

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 six months period, there were no significant transactions with related parties' entities.

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

| | <i>Note</i> | <u>30 June 2023 (Unaudited)</u> | <u>31 December 2022 (Audited)</u> |
|-------------------------------|-------------|-----------------------------------------|-------------------------------------------|
| Jasara Holding Company (LLC) | | 1,036,264 | 1,036,215 |
| Other (Subsidiary's Partners) | | - | 399,953 |
| | | <u>1,036,264</u> | <u>1,436,168</u> |

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

| | <i>Note</i> | <u>30 June 2023 (Unaudited)</u> | <u>31 December 2022 (Audited)</u> |
|-------------------------------|-------------|-------------------------------------|-------------------------------------------|
| 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 six-month period ended 30 June (Unaudited)</i> | |
|------------------------------------------------|-------------------------------------------------------------------|------------------|
| | <u>2023</u> | <u>2022</u> |
| Key management employee's compensations | | |
| Salaries and short-term benefit | 3,766,219 | 3,855,398 |
| End of service benefit | 135,370 | 129,955 |
| Total | <u>3,901,589</u> | <u>3,985,353</u> |

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

| | <i>For the six-month period ended 30 June (Unaudited)</i> | |
|-----------------------------------|---------------------------------------------------------------|-------------|
| | <u>2023</u> | <u>2022</u> |
| End of service and other benefits | 1,857,091 | 2,139,495 |

13. TRADE PAYABLES, ACCRUALS, AND OTHER PAYABLES

| | <i>Note</i> | <u>30 June 2023 (Unaudited)</u> | <u>31 December 2022 (Audited)</u> |
|---------------------------|-------------|-----------------------------------------|-------------------------------------------|
| Trade payables | | 23,067,217 | 20,138,668 |
| Accrued expenses | | 32,252,406 | 29,111,568 |
| Notes payable | | 1,187,100 | 3,561,300 |
| VAT payable | | 5,062,974 | 5,100,937 |
| Accrued employee salaries | | 19,767,673 | 17,393,896 |
| Due to a related party | 12 | - | 180,000 |
| Other | | 1,958,636 | 2,647,144 |
| | | <u>83,296,006</u> | <u>78,133,513</u> |

BATIC INVESTMENT AND LOGISTICS COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023
(All amounts are in Saudi Riyals unless otherwise stated)

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 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 and paid the differences and close these assessments.

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 and the appeal has been suspended to check the objection by (GSZTC) and until the date of the financial statement the decision has not been issued.

On 20 June 2023 the company received a request for additional information to examine the zakat declaration for years 2021 and 2022 the company delivered the required information and until the financial statements the examination decision has not been issued.

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 2019 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 year 2019 has not yet been raised by ZATCA.

On 20 June 2023 the company received a request for additional information to examine the zakat declaration for years 2021 and 2022 the company delivered the required information and until the financial statements the examination decision has not been issued.

Batic Real Estate

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

On 20 June 2023 the company received a request for additional information to examine the zakat declaration for years 2021 and 2022 the company delivered the required information and until the financial statements the examination decision has not been issued.

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>30 June</i> <i>2023</i> <i>(Unaudited)</i> | <i>31 December</i> <i>2022</i> <i>(Audited)</i> |
|-------------------------------|-----------------------------------------------------|-------------------------------------------------------|
| 1 January | 5,093,791 | 6,890,949 |
| Charged for the period / year | 3,419,911 | 4,782,397 |
| Paid during the period / year | (4,146,503) | (6,579,555) |
| Closing balance | 4,367,199 | 5,093,791 |

BATIC INVESTMENT AND LOGISTICS COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited) (Continued)

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

(All amounts are in Saudi Riyals unless otherwise stated)

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:

Real estate investment 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.

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.

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.

BATIC INVESTMENT AND LOGISTICS COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

(All amounts are in Saudi Riyals unless otherwise stated)

15. SEGMENT INFORMATION (continued)

The table below represents the segments information for the period ended 30 June 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>Others and settlements</i> | <i>Total</i> |
|------------------------------|----------------------------|------------------------------|------------------------------|---------------------------|---------------------------------------------------------|-----------------------------------|--------------------------------|------------------------------------|-------------------------------|----------------------|
| Revenue | 2,399,191 | 52,761,733 | 63,212,993 | 39,986,774 | 24,459,523 | 23,173,622 | 29,827,073 | - | (4,249,337) | 231,571,572 |
| Cost of revenue | (1,251,219) | (47,015,020) | (58,928,837) | (33,252,669) | (20,364,520) | (20,789,067) | (18,891,339) | (1,333) | 3,084,987 | (197,409,017) |
| Gross profit / (Loss) | <u>1,147,972</u> | <u>5,746,713</u> | <u>4,284,156</u> | <u>6,734,105</u> | <u>4,095,003</u> | <u>2,384,555</u> | <u>10,935,734</u> | <u>(1,333)</u> | <u>(1,164,350)</u> | <u>34,162,555</u> |
| Total assets | <u>244,477,719</u> | <u>190,615,146</u> | <u>93,931,388</u> | <u>82,979,926</u> | <u>51,551,326</u> | <u>18,635,491</u> | <u>607,651,018</u> | <u>5,048,614</u> | <u>111,480,192</u> | <u>1,406,370,820</u> |
| Total liabilities | <u>163,476,964</u> | <u>79,157,129</u> | <u>38,502,387</u> | <u>22,486,058</u> | <u>18,168,684</u> | <u>15,520,163</u> | <u>629,973,534</u> | <u>4,859,193</u> | <u>(42,029,260)</u> | <u>930,114,852</u> |

The table below represents the segments information for the period ended 30 June 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>Communications and information technology</i> | <i>Smart parking solutions</i> | <i>Supply of medical equipment</i> | <i>Home medical services</i> | <i>Others and settlements</i> | <i>Total</i> |
|------------------------------|----------------------------|------------------------------|------------------------------|---------------------------|---------------------------------------------------------|-----------------------------------|--------------------------------------------------|--------------------------------|------------------------------------|------------------------------|-------------------------------|----------------------|
| Revenue | 1,936,693 | 42,611,316 | 56,320,407 | 47,779,499 | 21,394,899 | 19,038,140 | - | 24,445,825 | - | 709,649 | (4,666,847) | 209,569,581 |
| Cost of revenue | (963,369) | (41,258,406) | (55,210,001) | (42,245,637) | (21,578,593) | (16,859,838) | (485,220) | (14,011,490) | (64,473) | (954,674) | 3,703,233 | (189,928,468) |
| Gross profit / (Loss) | <u>973,324</u> | <u>1,352,910</u> | <u>1,110,406</u> | <u>5,533,862</u> | <u>(183,694)</u> | <u>2,178,302</u> | <u>(485,220)</u> | <u>10,434,335</u> | <u>(64,473)</u> | <u>(245,025)</u> | <u>(963,614)</u> | <u>19,641,113</u> |
| Total assets | <u>186,147,081</u> | <u>165,832,083</u> | <u>83,025,498</u> | <u>82,541,286</u> | <u>51,451,431</u> | <u>20,882,823</u> | <u>143,759</u> | <u>390,019,251</u> | <u>4,271,850</u> | <u>1,169,069</u> | <u>175,827,271</u> | <u>1,161,311,402</u> |
| Total liabilities | <u>170,617,135</u> | <u>74,195,184</u> | <u>28,769,770</u> | <u>16,518,621</u> | <u>14,071,854</u> | <u>15,660,246</u> | <u>1,286,742</u> | <u>410,425,562</u> | <u>6,788,795</u> | <u>4,038,180</u> | <u>(80,190,741)</u> | <u>662,181,348</u> |

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

(All amounts are in Saudi Riyals unless otherwise stated)

16. EARNINGS PER SHARE (EPS)

The number of shares for the comparative periods, has been retroactively adjusted to reflect the division of shares (Note 1 – Capital). As this represents a change in the number of the basic shares, without a change in resources, the weighted average number of basic shares outstanding during all periods presented shall be adjusted retrospectively.

And the 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 30 June (unaudited)</i> | | <i>For the six-month period ended 30 June (unaudited)</i> | |
|--------------------------------------------------------------|---------------------------------------------------------------------|--------------|-------------------------------------------------------------------|--------------|
| | 2023 | 2022 | 2023 | 2022 |
| Net profit/(loss) attributable to shareholders of the parent | 480,424 | (12,723,520) | 536,095 | (11,881,290) |
| Weighted average number of common shares | 600,000,000 | 558,450,000 | 600,000,000 | 558,450,000 |
| Profit of basic and diluted per share | 0,001 | (0,023) | 0,001 | (0,021) |

17. Business combination reserve

| | <i>30 June 2023 (Unaudited)</i> | <i>31 December 2022 (Audited)</i> |
|----------------------------------------------|-----------------------------------------|-------------------------------------------|
| 1 January | 143,926,868 | 122,747,412 |
| Additional shares in subsidiaries (Note 1-1) | 3,214,147 | 21,179,456 |
| Closing balance | 147,141,015 | 143,926,868 |

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>30 June 2023 (Unaudited)</i> | <i>31 December 2022 (Audited)</i> |
|---------------------------------------------------|-----------------------------------------|-------------------------------------------|
| Obligation under the service concession agreement | 522,562,941 | 487,173,139 |
| Loans | 199,686,075 | 192,005,800 |
| Lease liabilities | 50,465,894 | 41,569,491 |
| Notes payable | 1,187,100 | 3,561,300 |
| Cash and cash equivalents | (44,766,796) | (57,738,920) |
| Short-term financial assets measured at FVPL | (67,165,984) | (81,191,135) |
| Net debt | 661,969,230 | 585,379,675 |
| Equity | 476,255,968 | 478,102,177 |
| Equity and net debt | 1,138,225,198 | 1,063,481,852 |
| Gearing ratio | 58% | 55% |
| Current ratio | 1.55 | 1.75 |
| Unused credit facilities (in SAR millions) | 82.0 | 150.6 |

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

(All amounts are in Saudi Riyals unless otherwise stated)

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 30 June 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 30 June 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

Other than the abovementioned, no events have arisen subsequent to 30 June 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 30 June 2023.

22. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim Condensed Consolidated Financial Statements were approved by the Board of Directors on 16 Muharram1445H (corresponding to 03 August 2023).