

AL-BABTAIN POWER AND TELECOMMUNICATIONS COMPANY
(A Saudi Joint Stock Company)
Interim Condensed Consolidated Financial Statements
For the three-month and six month periods ended 30 June 2022
Together with the independent Auditor's Review Report

AL-BABTAIN POWER AND TELECOMMUNICATIONS COMPANY

(A Saudi Joint Stock Company)

Interim Condensed Consolidated Financial Statements**For the three-month and six-month periods Ended 30 June 2022**

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

(1 / 1)

TO THE SHAREHOLDERS OF AL-BABTAIN POWER AND TELECOMMUNICATIONS COMPANY**INTRODUCTION**

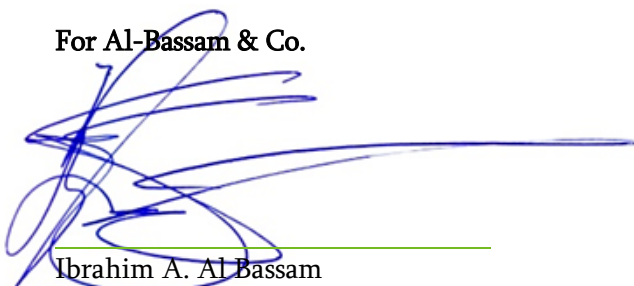
We have reviewed the accompanying interim consolidated statement of financial position of Al-babtain Power and Telecommunications Company (the "Company") and its subsidiaries (collectively referred to as the "Group") as at 30 June 2022 and the related interim consolidated statement of profit or loss and interim consolidated statement of comprehensive income for the three and six-month periods then ended, and interim consolidated statements of changes in equity and cash flows for the six-month period then ended and a summary of significant accounting policies and other explanatory notes (the "interim condensed consolidated financial statements"). Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

SCOPE OF REVIEW

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

CONCLUSION

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

For Al-Bassam & Co.**Ibrahim A. Al Bassam**

Certified Public Accountant

License No. 337

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Corresponding to: 31 August 2022

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AL-BABTAIN POWER AND TELECOMMUNICATIONS COMPANY

(A Saudi Joint Stock Company)

Interim Consolidated Statement of Financial Position**As at 30 June 2022**

(All amounts in Saudi Riyals unless otherwise stated)

	Note	31 June 2022 (unaudited)	31 December 2021 (audited)
ASSETS			
Non-current assets			
Property, Plant and equipment		391,334,721	396,136,751
Intangible assets		26,607,125	27,573,686
Investment properties		29,077,079	29,077,079
Financial assets at fair value through other comprehensive income (FVOCI)	6	91,926,004	85,614,196
Investment in a non-consolidated subsidiary	7	205,000	205,000
Investment in joint venture		8,788,856	9,335,550
Investment in associate	8	5,419,425	25,000
Right-of-use assets		26,374,647	27,918,093
Total Non-current assets		579,732,857	575,885,355
Current assets			
Inventory	9	1,056,189,960	697,875,882
Trade receivables	10	678,644,634	648,491,964
Due from related parties	11-a	55,829,264	53,788,354
Prepaid expenses and other receivables	12	112,964,912	90,302,904
Contract assets		196,778,043	208,153,276
Investment at fair value through profit or loss		432,720	379,800
Cash and cash equivalents		239,817,697	210,709,260
Total current assets		2,340,657,230	1,909,701,440
Total assets		2,920,390,087	2,485,586,795
Equity and liabilities			
Equity			
Share capital	13	426,313,120	426,313,120
Statutory reserve		127,893,936	127,893,936
Foreign currency translation reserve		(65,425,867)	(60,265,098)
Revaluation losses of investment at fair value through FVTOCI		(28,944,864)	(35,256,672)
Actuarial losses		(1,288,761)	(1,288,761)
Retained earnings		376,607,678	377,767,089
Total equity attributable to the company's shareholders		835,155,242	835,163,614
Non-controlling interest		14,391,284	15,427,262
Total Equity		849,546,526	850,590,876
Non-current liabilities			
Long term loans – non-current portion	15-1	470,039,834	465,766,896
Lease obligation – non-current portion		21,603,305	21,803,224
Employees' post-employment benefits		82,779,215	78,218,261
Total Non-current liabilities		574,422,354	565,788,381
Current liabilities			
Short term loans	15-2	889,092,996	572,609,037
Long term loans - current portion	15-1	216,196,236	228,583,341
Lease obligation – current portion		4,166,222	4,795,360
Trade payables		79,700,330	117,638,987
Due to related parties	11-b	16,091,323	16,131,833
Accrued expenses and other payables	16	288,591,069	117,250,257
Provision for Zakat and income tax	17-1	2,583,031	12,198,723
Total current liabilities		1,496,421,207	1,069,207,538
Total liabilities		2,070,843,561	1,634,995,919
Total Shareholder's equity and liabilities		2,920,390,087	2,485,586,795
Contingent liabilities and capital commitments	21		

The accompanying notes 1 to 27 form an integral part of these interim condensed consolidated financial statements.

Chief Financial Officer

Chief Executive Officer

Chairman of Board of Directors

AL-BABTAIN POWER AND TELECOMMUNICATIONS COMPANY

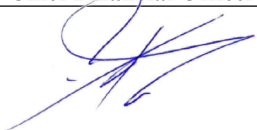
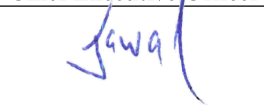
(A Saudi Joint Stock Company)

Interim Consolidated Statement of Profit or Loss**For the three-month and six-month periods Ended 30 June 2022**

(All amounts in Saudi Riyals unless otherwise stated)

	Note	For the three-month period ended 30 June		For the six-month period ended 30 June	
		2022	2021	2022	2021
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue		358,605,060	385,767,728	770,119,901	707,807,401
Cost of Revenue		(312,183,635)	(338,645,490)	(686,576,144)	(617,383,455)
Gross profit		46,421,425	47,122,238	83,543,757	90,423,946
Selling and Marketing expenses		(7,643,764)	(5,366,821)	(13,706,788)	(11,145,013)
General And Administrative expenses		(28,943,181)	(18,228,111)	(48,254,268)	(38,355,718)
Other income	18	13,756,743	8,882,145	23,831,447	16,333,585
Operating Profit		23,591,223	32,409,451	45,414,148	57,256,800
Finance Cost	19	(15,654,896)	(7,541,093)	(28,067,981)	(13,955,945)
Profit / (loss) from investments in joint venture		1,103,860	1,204,315	1,164,493	(131,333)
Share of investment in associate	8	5,394,425	--	5,394,425	--
Net profit before Zakat and income tax		14,434,612	26,072,673	23,905,085	43,169,522
Zakat and estimate income tax	17-1	(3,936,879)	(11,598,117)	(4,784,817)	(12,537,030)
Net profit for the period		10,497,733	14,474,556	19,120,268	30,632,492
Profit for the period attributable to:					
Shareholders of the parent company		11,430,493	15,530,928	20,156,246	30,998,327
Non-controlling interest		(932,760)	(1,056,372)	(1,035,978)	(365,835)
Earnings per share:					
Earnings per share Basic and diluted earnings per share as per profit for the period attributable to the shareholders of the Company	20	0.27	0.36	0.47	0.73

The accompanying notes 1 to 27 form an integral part of these interim condensed consolidated financial statements.

Chief Financial Officer**Chief Executive Officer****Chairman of Board of Directors**

AL-BABTAIN POWER AND TELECOMMUNICATIONS COMPANY

(A Saudi Joint Stock Company)

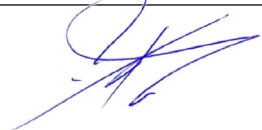
Interim Consolidated Statement of Comprehensive Income**For the three-month and six-month periods Ended 30 June 2022**

(All amounts in Saudi Riyals unless otherwise stated)

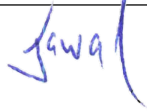
	Note	For the three-month period ended 30 June		For the six-month period ended 30 June	
		2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Unaudited)
Net profit of the period		10,497,634	14,474,556	19,120,268	30,632,492
Items that not reclassified to profit or loss					
Changes in the fair value of financial assets through comprehensive income		6,311,808	--	6,311,808	--
Actuarial gains from remeasurement of end benefits Service to employee		--	160,861	--	160,861
Items that can be reclassified to profit or loss					
Reserve foreign currency translation		(1,202,484)	(12,377,760)	(5,160,770)	(12,463,391)
Total comprehensive income for the period		5,109,324	(12,216,899)	1,151,038	(12,302,530)
Total comprehensive income for the period after zakat and tax		15,606,958	2,257,657	20,271,306	18,329,962
Comprehensive income for the period attributable to					
Shareholders of the parent company		16,539,718	3,314,119	21,307,284	18,695,797
Non-controlling interest		(932,760)	(1,056,462)	(1,035,978)	(365,835)
		15,606,958	2,257,657	20,271,306	18,329,962

The accompanying notes 1 to 27 form an integral part of these interim condensed consolidated financial statements.

Chief Financial Officer



Chief Executive Officer



Chairman of Board of Directors



AL-BABTAIN POWER AND TELECOMMUNICATIONS COMPANY

(A Saudi Joint Stock Company)

Interim Consolidated Statement of Changes in Equity

For the three-month and six-month periods Ended 30 June 2022

(All amounts in Saudi Riyals unless otherwise stated)

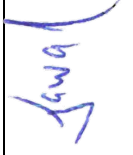
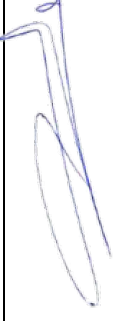
	Share capital	Statutory reserve	Reserve foreign currency translation	Reserve of investment at fair value through FVTOCI	Actuarial losses	Retained earnings	Total equity attributable to the main shareholders of company	Non-controlling interest	Total equity
For the six-month period ending on June 30, 2022									
Balance at January 1, 2022 (audited)	426,313,120	127,893,936	(60,265,098)	(35,256,672)	(1,288,761)	377,767,089	835,163,614	15,427,262	850,590,876
Net profit for the period	-	-	-	-	-	20,156,246	20,156,246	(1,035,978)	19,120,268
Other comprehensive income items	-	-	(5,160,769)	6,311,808	-	-	1,151,039	-	1,151,039
Net comprehensive income for the period	-	-	(5,160,769)	6,311,808	-	20,156,246	21,307,285	(1,035,978)	20,271,307
Dividends declared (note 14)	-	-	-	-	-	(21,315,657)	(21,315,657)	-	(21,315,657)
Balance as at 30 June 2022 (unaudited)	426,313,120	127,893,936	(65,425,867)	(28,944,864)	(1,288,761)	376,607,678	835,155,242	14,391,284	849,546,526

For the six-month period ending on June 30, 2021

Balance at January 1, 2021 (audited)	426,313,120	127,893,936	(82,394,050)	(65,897,134)	(4,033,740)	374,596,224	776,478,356	15,239,798	791,718,154
Adjustments	-	-	-	-	-	-	-	(1,284,343)	(1,284,343)
Net profit for the period	-	-	-	-	-	30,998,327	30,998,327	(365,835)	30,632,492
Other comprehensive income items	-	-	(12,463,391)	-	160,861	-	(12,302,530)	-	(12,302,530)
Net comprehensive income for the period	-	-	(12,463,391)	-	160,861	30,998,327	18,695,797	(365,835)	18,329,962
Dividends declared (note 14)	-	-	-	-	-	(42,631,312)	(42,631,312)	-	(42,631,312)
Balance as at 30 June 2021 (unaudited)	426,313,120	127,893,936	(94,857,441)	(65,897,134)	(3,872,879)	362,963,239	752,542,841	13,589,620	766,132,461

The accompanying notes 1 to 27 form an integral part of these interim condensed consolidated financial statements.

Chief Financial Officer Chief Executive Officer Chairman of Board of Directors

AL-BABTAIN POWER AND TELECOMMUNICATIONS COMPANY

(A Saudi Joint Stock Company)

Interim Consolidated Statement of Cash Flows**For six-month periods Ended 30 June 2022**

(All amounts in Saudi Riyals unless otherwise stated)

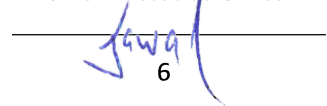
	Notes	30 June 2022 (unaudited)	30 June 2021 (audited)
Cash flows from operating activities			
Net profit for the period before Zakat		23,905,085	43,169,522
Adjustments for:			
Depreciation		14,098,279	13,476,242
Gain on disposal of property plans, and equipment		(115,459)	-
Depreciation on right-of-use assets		1,999,211	3,466,374
Amortization of intangible assets		966,561	--
Interest on obligations against right of use assets	19	950,980	2,106,466
Foreign currency translation differences		(5,160,769)	(12,463,391)
Provision for employee's benefits		7,096,503	4,483,448
Provision for expected credit losses	10	2,120,655	-
Loss in investment in joint venture		546,694	131,333
Share of profits from investing in associate	8	(5,394,425)	-
Gain on investments at fair value through profit and loss		(52,920)	-
Reverse provision on non-moving inventory		(286,277)	-
		<u>40,674,118</u>	<u>54,369,994</u>
Changes in operating assets and liabilities			
Trade receivables		(32,273,325)	(31,360,462)
Inventory		(358,027,801)	(93,189,148)
Prepaid expenses and other receivables		(22,662,008)	(11,771,380)
Contracts assets		11,375,233	--
Trade payables		(37,938,657)	50,090,850
Accrued expenses and other payables		171,340,811	72,867,735
Due from related parties		(2,040,910)	(2,931,689)
Due to related parties		(40,510)	21,716
Cash flow (used in) generated from working capital		<u>(229,593,049)</u>	<u>38,097,616</u>
Employees' post-employment benefits paid		(2,535,549)	(5,395,190)
Zakat and income tax paid	1-17	(14,400,509)	(19,462,543)
Net cash (used in) / generated from operating activities		<u>(246,529,107)</u>	<u>13,239,883</u>
Cash flows from investing activities			
Investment in unconsolidated subsidiaries		--	(211,608)
Addition of property plant, and equipments		(9,411,708)	(11,857,377)
Proceeds from disposal of property, plant and equipment		230,918	--
Net cash used in investing activities		<u>(9,180,790)</u>	<u>(12,068,985)</u>
Cash flows from financing activities			
Net movement in short term loans		316,483,959	94,546,066
Net movement in long term loans		(8,114,167)	(11,540,421)
Lease liabilities paid		(2,235,801)	(5,014,486)
Dividend paid	14	(21,315,657)	(42,631,312)
Net cash generated from financing activities		<u>284,818,334</u>	<u>35,359,847</u>
Net change in cash and cash equivalents		<u>29,108,437</u>	<u>36,530,745</u>
Cash and cash equivalents at beginning of the period		210,709,260	143,358,837
Cash and cash equivalents at the ending of the period		<u>239,817,697</u>	<u>179,889,582</u>
Non-monetary transaction	23		

The accompanying notes 1 to 27 form an integral part of these interim condensed consolidated financial statements.

Chief Financial Officer



Chief Executive Officer


Chairman of Board of
Directors


AL-BABTAIN POWER AND TELECOMMUNICATIONS COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the periods Ended 30 June 2022

(All amounts in Saudi Riyals unless otherwise stated)

1- Legal Status and Activity

Al-Babtain Power and Telecommunications Company - a Saudi joint stock company (hereinafter referred to as "the company") was established under Commercial Registration No. 1010063868 issued at Riyadh on 19/2/1407 H corresponding to 23/10/1986. The Company practice its activity pursuant to the resolution of Ministry of Trade and Industry No.1304 dated 27 Jumada Al-Awal 1424 H corresponding to 27 July 2003.

The Company's activity represents in establishing and repairing of stations and towers of wired and wireless communication and radars.

The current period of Company starts on January 1, 2022, and ends on 30 June, 2022 and the fiscal year of the Group start from January 1st of each calendar year and ends at end of December of the same year.

On June 30, 2022, the Company owns, directly or indirectly, majority interests that enable it to control subsidiaries collectively known as the "Group." The Company's business and its subsidiaries, set forth below, is focused on the production of lighting poles, power transmission and accessories, power transmission towers and accessories, telecommunication towers, as well as operation and maintenance of communication software and systems, and the following are the subsidiaries and their shareholding percentages:

<u>Company Name</u>	<u>Headquarter</u>	<u>Percentage of shareholding</u>	
		30 June 2022	31 December 2021
<u>First: directly owned companies</u>			
Al-Babtain Power and Telecommunication Company	Egypt	100%	100%
Al Babtain LeBlanc Telecommunication Systems Ltd.	KSA	100%	100%
Al-Babtain Operation and Maintenance Co. Ltd	KSA	100%	100%
Integrated Lighting Co., Ltd.	KSA	100%	100%
Al Babtain Contracting Company (1/1/1)	Qatar	100%	100%
International Wind Energy Company	KSA	100%	100%
Al-Babtain Metalgalva Co. Ltd. (1/1/2)	KSA	60%	60%
<u>Second: indirectly owned companies</u>			
Al-Babtain Leblanc Egypt Telecommunication Engineering Co.	Egypt	85%	85%
Al Babtain LeBlanc Emirates Telecommunication Systems LLC	UAE	100%	100%
Al-Babtain Middle East for the Installation of Communications Systems	UAE	70%	70%

1/1/1 -The financial statements have not been consolidated because the Company is under restructuring.

1/1/2- The commercial register of Al-Babtain Advanced Energy Solutions Company was cancelled in order to transfer its headquarters to the city of Dammam, and its trade name was changed to become (Al-Babtain Metalgalva Company Limited) a mixed limited liability Company.

2- BASIS OF PREPARATION

2-1 Statement of compliance

The interim condensed consolidated financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' that is endorsed in Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by Saudi Organization for Chartered and Professional Accountants ("SOCPA") and should be read in conjunction with the Group's annual financial statements for year ended 31 December 2021. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual statements to prepare a complete set of financial statements; however, the accounting policies and explanatory notes are mentioned to explain events and the important transaction to understand the changes in the Group's financial position and its performance since the last annual financial statement of the Group.

The results for the period six-month ended 30 June 2022 are not necessarily indicative of the results that can be expected for the financial year ended 31 December 2022.

AL-BABTAIN POWER AND TELECOMMUNICATIONS COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the periods Ended 30 June 2022

(All amounts in Saudi Riyals unless otherwise stated)

2- BASIS OF PREPARATION (continued)

2-2 Basis of consolidation

The interim condensed consolidated financial statements include the financial statements of Al-Babtain Power and Telecommunications Company and its subsidiaries (collectively the “Group”) as disclosed within note (1).

Accordingly, comprises of the financial statements of the parent company and its subsidiaries as at 30 June 2022. Subsidiaries are entities which are controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group maintains less than the majority of voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the over voting holders of the investee
- Rights arising from other contractual arrangements
- The Groups voting rights and potential rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses its control the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed during the year are included in the consolidated financial statements from the date that the Group gains until the date the Group ceases to control over subsidiary.

Profit or loss and each component of consolidated comprehensive income are attributed to shareholders of the parent company of the Group and to the non-controlling interest, even if this results in the non-controlling interest having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group accounting policies. All intra-group asset and liabilities, equity, income, expenses and cash flows relating to transaction between members of the Group are eliminated in full upon consolidation.

A change in the ownership interest of subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group losses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interest
- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in consolidated statement of profit or loss
- Reclassifies the parent company share of components previously recognized in the comprehensive income to consolidated statement of profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

AL-BABTAIN POWER AND TELECOMMUNICATIONS COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the periods Ended 30 June 2022

(All amounts in Saudi Riyals unless otherwise stated)

2- BASIS OF PREPARATION (continued)

2-3-Basis of measurement

These financial statements have been prepared in accordance with the historical cost principle, except for:

- a- Investments measured at fair value.
- b- Employees' end of service benefits is recognized at the present value of future obligations using the expected unit credit method.

2-4-Currency Presentation and activity

These financial statements are presented in Saudi Riyals, which is the functional and presentation currency of the Company. All amounts have been rounded to the nearest Saudi Riyal, unless otherwise indicated.

3- New standards, amendments to standards and interpretations

No new standards have been issued, but there are amendments to the standards, and these amendments are effective as of January 1, 2022 that have been disclosed in the Group consolidated financial statements but don't have material effect the interim condensed consolidated financial statements the group did not have to change its accounting policies or make retrospective adjustments as a result of adoption these amended standards.

4- Significant accounting estimates and judgments

The preparation of these interim condensed consolidated financial statements required management to make judgments, estimates and assumptions that affect the application of policies and reported amounts, liabilities, revenues, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. A revision of accounting estimates is recognized in the period in which the estimate is revised if the revision affects only that period, or in the revision period and future periods if the revision affects both current and future periods.

The significant estimates made by management when applying the Group accounting policies and the significant sources of estimation uncertainties were the same as those shown in the last annual financial statements.

5- Significant accounting policies

The accounting policies used in preparing the interim condensed consolidated financial statements are in line with the policies followed in preparing the annual consolidated financial statements of the Company for the year ended 31 December 2021.

AL-BABTAIN POWER AND TELECOMMUNICATIONS COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**For the periods Ended 30 June 2022**

(All amounts in Saudi Riyals unless otherwise stated)

6- Financial assets at fair value through other comprehensive income

	Ownership percentage		June 30, 2022 (unaudited)	December 31, 2021 (audited)
	2022	2021		
Qatar Engineering and Minerals Company**	77.78 %	21.65 %	14,150,889	15,601,741
Mina Juice Limited - Turkey**	9.60 %	9.60 %	72,450,000	64,773,675
Pasta World Limited - Turkey **	6.023 %	6.023 %	5,325,115	5,238,780
			91,926,004	85,614,196

The investments referred to above represent investments in unlisted securities. This portfolio is managed by Venture Financial Bank, and according to the latest report issued by the bank, it appears at fair value for the period ended on June 30, 2022, and there are no indications of impairment in value.

The following is a summary of the movement of financial assets through other comprehensive income:

	June 30, 2022 (unaudited)	December 31, 2021 (audited)
Balance as at January 1, 2022	85,614,196	54,973,734
Gains on revaluation of assets at fair value through other comprehensive income	6,311,808	30,640,462
	91,926,004	85,614,196

7- Investment in a non-consolidated subsidiary

	Ownership percentage		June 30, 2022 (Unaudited)	December 31, 2021 (audited)
	2022	2021		
Al-Babtain Contracting - Qatar*	100%	100%	205,000	205,000
			205,000	205,000

With reference to the decision of the Board of Directors dated November 2, 2017, it was approved to restructure the company due to its economic impact resulting from the political crisis of the State of Qatar with the Kingdom of Saudi Arabia, which in turn reflected on the negative results of the group, and since the company still has clients and has dues, it has been reduced The number of employees to the minimum for the implementation of the restructuring process "The financial statements of the subsidiary were disclosed according to IFRS 12" Disclosure of interests in other entities, and the following is the list of financial position of Al-Babtain Contracting Company as follows:

	June 30, 2022 (unaudited)	December 31, 2021 (audited)
non-current assets	603	603
current assets	723,593	723,593
non-current liabilities	(124,001)	(124,001)
current liabilities	(17,482)	(17,482)
Owner Equity	582,713	582,713

8- Investing in associate

	Ownership percentage		June 30, 2022 (Unaudited)	December 31, 2021 (audited)
	2022	2021		
Masheed Saudi Arabia Company *	3.04%	3.04%	5,419,425	25,000
			5,419,425	25,000

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8- Investing in associate (continued)

The following table refer to the summary for the investment

	June 30, 2022 (unaudited)	December 31, 2021 (audited)
Balance as at January 1, 2022	25,000	25,000,000
The company's share of the profits from investments in associate	5,394,425	--
capital reduction	--	(24,975,000)
	5,419,425	25,000

* On November 22, 2021 AD, Masheed Arabia Company, in accordance with the amended Article of Association, converted from a closed joint stock company to a limited liability company, and the capital was reduced, which led to a reduction in the company's share of its share in the capital of the Arab Masheed Company by 24,975,000 Saudi riyals, and an amount of 10 million riyals was transferred Saudi cash to the company's current accounts and the remainder was recorded under the item of prepaid expenses and other receivables.

The company has reclassified the investment of the Arabian Masheed Company from financial assets at fair value through other comprehensive income to an investment in an associate company, as one of the board members in Al-Babtain Power and Telecommunications Company is represented in the membership of the Board of Directors of Masheed Arabia Company in accordance with International Accounting Standard No. 28 and the proof of settlements necessary on the investment balance during the period.

9- Inventory

	June 30, 2022 (unaudited)	December 31, 2021 (audited)
Raw material	603,267,660	373,547,193
Finished goods	160,838,929	59,599,822
Spare parts and consumables	12,252,804	13,293,430
Work in process	102,403,449	83,196,958
Goods in transit	184,666,822	175,447,340
Others	1,894,106	2,211,226
	1,065,323,770	707,295,969
Less: provision for non-moving items	(9,133,810)	(9,420,087)
	1,056,189,960	697,875,882

The following transaction for the provision

	June 30, 2022 (unaudited)	December 31, 2021 (audited)
Balance at the beginning of the period / year	9,420,087	11,921,648
Charge during the period / year	--	1,204,471
Used during the period / year	(286,277)	(3,706,032)
Balance at the end of the period / year	9,133,810	9,420,087

10- Trade receivables

	June 30, 2022 (unaudited)	December 31, 2021 (audited)
Trade receivables	688,449,368	653,918,398
Checks under collection and notes receivable	14,225,766	16,483,411
	702,675,134	670,401,809
Less: provision for expected credit losses	(24,030,500)	(21,909,845)
	678,644,634	648,491,964

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10- Trade receivables (continued)

The movement in the provision for expected credit losses is as follows:

	June 30, 2022 (unaudited)	December 31, 2021 (audited)
Balance at the beginning of the period / year	21,909,845	29,181,064
Charge during the period / year	2,120,655	1,578,915
Used during the period / year	-	(3,878,032)
Reverse of the provision during the period / year	-	(4,972,102)
Balance at the end of the period / year	24,030,500	21,909,845

11- Related party transactions and balances

Transactions with related parties consist in selling some tools and materials from these companies in addition to selling final products to them and providing financing, salaries, bonuses, compensation and allowances for board members, senior executives and senior management that took place between the group and related parties, and between the group and, members of the board of directors, senior executives and management. These transactions are carried out in the course of the group's usual activity and according to the same principles of dealing with third parties. The most important transactions with related parties and the balances resulting from them are as follows:

11-a) Due from related parties

	Nature of relationship	June 30, 2022 (unaudited)	December 31, 2021 (audited)
Al-Babtain Company France SIS	Joint Venture Company	47,486,828	47,472,252
Al Babtain Contracting Company	Affiliate Company	8,060,221	6,033,884
Al-Babtain Engineering Industries Company	Affiliate Company	282,215	282,218
		55,829,264	53,788,354

11-b) Due to related parties

	Nature of relationship	June 30, 2022 (unaudited)	December 31, 2021 (audited)
Metalgalva Air Mouse Silvia IE – Portugal	Affiliate Company	15,806,832	15,649,811
Al Babtain Trading Company	Affiliate Company	31,609	145,003
Al-Babtain Contracting Company – Qatar	Affiliate Company	252,882	337,019
		16,091,323	16,131,833

11-c) Significant transactions with related parties

	Nature of Transactions	June 30, 2022 (unaudited)	June 30, 2021 (unaudited)
Al Babtain Contracting Company	Sales	1,493,816	1,426,732
Masheed Arabian company	Discounted Dividends	-	1,210,216
Al-Babtain Company France SIS	Financing	14,576	17,534
Al Babtain Contracting Company	Financing	2,026,334	2,672,675

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12- Prepaid expenses and other receivables

	June 30, 2022 (unaudited)	December 31, 2021 (audited)
Dividend declared	1,623,093	1,062,201
Prepaid expenses	23,807,413	22,187,106
Advance payments to suppliers	18,402,774	12,893,852
Accrued revenue from government loan	5,806,165	2,790,228
Indebtedness of Mashed Arabia Company (Note 8)	14,745,987	14,745,987
Indebtedness of Metalgalva Company – Portugal**	2,391,617	5,451,242
Purchase of land for the International Wind Energy Company project***	8,564,755	8,564,755
Advanced to employees	7,783,793	3,182,020
Others	29,839,315	19,425,513
	112,964,912	90,302,904

** The debt of Metalgalva - Portugal is represented by the purchase of 49% of the shares of Al-Babtain France, based on the decision of the Board of Directors held during the year 2019.

*** These are the amounts paid to Emaar the Economic City under the account of the purchase of the Industrial Valley land in King Abdullah City for the International Wind Energy Company project.

13- Capital

The authorized and paid-up capital of the Group is 426,313,120 SAR as on June 30, 2022 (December 31, 2020: 426,313,120 million SAR) divided into 42,631,312 shares (December 31, 2020: 42,631,312 shares) with a value of 10 SAR each.

14- Dividends declared

The Company, during the year 2022, and in accordance with the recommendation of the Board of Directors, distributed dividends amounting to 21,315,657 Saudi riyals at 0.5 Saudi riyals per share (2021: 42,631,312 Saudi riyals at (1) Saudi riyals per share), which is equivalent to 10% of the nominal value of the share, The Ordinary General Assembly approved the proposed dividends in its meeting held on shawal 10, 1443 H corresponding to May 11, 2022.

15- Loans**15-1 Long Term Loans**

	June 30, 2022 (unaudited)	December 31, 2021 (audited)
Saudi Industrial Development Fund Loan*	67,229,137	35,947,459
Long Term Tawarruq Loans - Local Commercial Banks **	619,006,933	658,402,778
	686,236,070	694,350,237

*The company entered into a loan agreement with the Saudi Industrial Development Fund in the amount of 29,800,000 Saudi riyals on May 30, 2018, for the purpose of producing power transmission and communication towers. The loan is repaid in twelve semi-annual installments, guaranteed against the issuance of promissory notes.

** The company obtained long-term bank finances from local banks for the purpose of repaying the amounts based on the company with other banks and restructuring the financial position, in addition to concluding new medium-term loan contracts during the period from local banks worth 698,229,167 Saudi riyals for the same previous purpose.

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15- Loans (continued)**Guarantees**

The long and medium-term bank finances from local banks are guaranteed against the issuance of bonds to order and the company's assignment of some of the proceeds of the contracts concluded by the company and other guarantees in accordance with the bank facility contracts. The banking agreements include restrictions and financial commitments on the company related to dividends and net equity, in addition to restrictions on some other financial ratios specified in these agreements

Details of long-term loans are presented in the consolidated statement of financial position as follows:

	June 30, 2022 (unaudited)	December 31, 2021 (audited)
Current portion	216,196,236	228,583,341
Non-current portion	470,039,834	465,766,896

15-2 Short Term Loans

The company obtained banking facilities from local and international commercial banks in the form of overdrafts, tawarruq loans and notes payable to finance working capital requirements, as well as documentary credits and letters of guarantee. These facilities are subject to a commission according to the prevailing market prices, the details of which are as follows:

	June 30, 2022 (unaudited)	December 31, 2021 (audited)
Short-term securitization bank loans	557,519,877	285,891,207
Notes payables	214,061,599	180,755,514
Overdraft	117,511,520	30,024,816
Transferred from long-term loans for non-compliance with bank commitments	--	75,937,500
	889,092,996	572,609,037

Guarantees

The tawarruq loans from the above-mentioned commercial banks are guaranteed against the issuance of bonds to order and the company's assignment of some of the proceeds of the contracts concluded by the company and which use these facilities to finance its operational work and other guarantees in accordance with the bank facility contracts. The above-mentioned banking agreements related to tawarruq loans include restrictions and financial commitments on the company related to dividends and net equity, in addition to restrictions on some other financial ratios specified in these agreements.

16- Accrued expenses and other payables

	June 30, 2022 (unaudited)	December 31, 2021 (audited)
Advanced payment from customers	184,770,963	51,680,831
Accrued expenses	81,419,636	33,472,920
Accrued dividend	1,315,657	--
Accrued remuneration of board members and committees	--	4,869,787
Others	21,084,813	27,226,719
	288,591,069	117,250,257

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17- Zakat and income tax provision**17-1-Zakat movement**

The movement in the provision for zakat is as follows:

	June 30, 2022 (unaudited)	December 31, 2021 (audited)
Balance at the beginning of the period /year	12,198,723	13,236,134
Component during the period /year	4,784,817	19,374,477
Paid during the period /year	(14,400,509)	(20,411,888)
Balance at the end of the period /year	2,583,031	12,198,723

17-2 Zakat assessment position

The group submitted its zakat return for the year ending on December 31, 2021 and obtained a final zakat certificate valid until April 30, 2023, following the submission of the financial statements and the zakat return for the same year.

The Zakat status was terminated with the Zakat, Tax and Customs Authority (the Authority) until the fiscal year ended on December 31, 2013.

18- Other revenue

	June 30, 2022 (unaudited)	June 30, 2021 (unaudited)
Scrap	17,721,490	14,916,413
Others	2,363,170	1,417,172
Reverse no longer required	3,746,787	--
	23,831,447	16,333,585

19- Financing costs

	June 30, 2022 (unaudited)	June 30, 2021 (unaudited)
Loan financing	27,117,001	11,849,479
Financing lease obligations	950,980	2,106,466
	28,067,981	13,955,945

20- Basic and diluted profit share

Basic earnings per share is calculated by dividing the income for the year attributable to shareholders of the company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share are the same as basic earnings per share as the Group does not have any dilutive instruments.

	June 30, 2022 (unaudited)	June 30, 2021 (unaudited)
profit for the period	20,156,246	30,998,327
Weighted average number of shares issued	42,631,312	42,631,312
Basic and diluted earnings per share (SAR)	.47	.73

21- Contingent liabilities and capital commitments

Contingent liabilities are letters of credit and letters of guarantee issued by commercial banks for the purpose of the group's purposes and are as follows:

	June 30, 2022 (unaudited)	December 31, 2021 (audited)
Letter of credit	360,005,283	339,736,781
Letter of guarantee	466,251,370	396,556,210
	826,256,653	736,292,991

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22- Segment information

A- Information related to the Group's operational and geographic segments, as shown below, is regularly submitted to the Group's operational decision makers and stated as follows:

- Towers and metal structures sector: It includes the production of power transmission towers, galvanized communication towers and their tests, and galvanized steel structures.
- Poles and lighting: It include the production and galvanization of electricity and lighting poles, masts and their accessories, in addition to the production of street lighting lanterns, stadiums and gardens, and the production of electricity distribution panels.
- Design, supply and installation sector: It includes the work of supplying, installing and maintaining communication systems.
- Solar energy sector: It includes the production of mobile metal components for solar photovoltaic energy tracking systems.
- Headquarters: It supervises the company's various sectors in addition to the investment activities in the subsidiaries.

b - The following is a summary of the information for the period ended June 30, according to the operating segments as follows:

Operational information

	Towers and metal structures sector	Poles and lighting sector	Design, supply and installation sector	Solar energy sector	Headquarter	Total
June 30, 2022 (unaudited)						
Net revenue	270,173,026	311,043,449	97,496,800	91,406,626	-	770,119,901
Net profit for the period before zakat and income tax	(12,009,408)	23,020,700	5,127,226	(2,767,793)	10,534,360	23,905,085
Finance cost	14,561,375	9,382,720	1,004,626	3,119,260	-	28,067,981
Property, plant and equipment	149,496,265	101,425,349	22,033,806	71,952,432	46,426,869	391,334,721
June 30, 2021 (audited)						
Net revenue	235,570,840	299,315,615	133,649,184	39,271,762	-	707,807,401
Net profit for the period before zakat and estimated income tax	5,354,321	28,471,777	7,520,185	(414,323)	2,237,562	43,169,522
Finance cost	5,554,599	6,056,927	1,159,467	1,224,952	-	13,995,945
Property, plant and equipment	141,610,978	112,892,414	23,773,656	72,435,136	47,086,107	397,798,291
- Due to the nature of the group's activities and its management structure, it is not practically possible to allocate the items of assets and liabilities to the different operational and geographical sectors.						

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22- Segment information (continued)

Geographical information

The following is a summary of geographical information for the period ended June 30, as follows:

	Kingdom of Saudi Arabia	United Arab Emirates	Egyptian Arabic Republic	Total
June 30, 2022 (unaudited)				
Net revenue	597,509,110	65,179,671	107,431,120	770,119,901
Net profit for the period before zakat and income tax	17,363,413	5,538,952	1,002,720	23,905,085
Property, plant and equipment	363,544,031	379,340	27,411,350	391,334,721
Finance cost	25,350,593	329,935	2,387,453	28,067,981
June 30, 2021 (unaudited)				
Net revenue	563,437,162	78,337,432	66,032,807	707,807,401
Net profit for the period before zakat and income tax	38,098,282	6,514,137	(1,442,897)	43,169,522
Property, plant and equipment	364,304,955	674,919	32,818,387	397,798,261
Finance cost	12,771,522	157,242	1,027,181	13,955,945

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23- Non-monetary transaction

	June 30, 2022 (unaudited)	June 30, 2021 (audited)
Capital work in progress has been transferred to property, plant and equipment	(529,518)	-
Differences in the translation of property, plant and equipment - net	(5,247,502)	-
Differences in the translation of intangible assets - net	(16,760)	-
Excluding the effect of previous years' adjustments from accrued expenses and other credit balances	-	(2,219,472)
Differences in the translation right of use assets	(27,238)	-

24- Fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled, in a transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability will take place either:

- Through the principal market for the asset or liability, or
- By the most advantageous market for the asset or liability in the absence of the principal market.

The principal or most advantageous market must be accessible to the group.

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

The fair value measurement of a non-financial asset takes into account the ability of market parties to provide economic benefits by using the asset for the best benefit from it, or by selling it to another party in the market to use it for the best benefit from it.

The Group uses valuation techniques that are appropriate to the circumstances and conditions and have sufficient data to measure fair value, maximize the use of relevant observable data, and minimize the use of unobservable data.

All assets and liabilities whose fair values are measured or whose fair values are disclosed in the consolidated financial statements are categorized within the fair value hierarchy set out below based on the lowest level inputs that are significant to the fair value measurement as a whole:

- First level: prices quoted in active markets for the same assets or liabilities.
- Level two: other valuation techniques in which the minimum amount of material data is directly or indirectly observable to the fair value measurement.
- Level 3: Other valuation techniques in which minimal inputs are material to the fair value measurement

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have taken place between levels in the above hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. Consolidated financial statements.

The carrying amount of a financial asset that cannot be measured at fair value is the approximate value of its fair value. The financial liabilities are measured at amortized cost, which is a reasonable approximation of their fair value.

All financial assets and financial liabilities are measured at amortized cost except for investments carried at fair value through profit or loss. The carrying amounts of all other financial assets and financial liabilities measured at amortized cost approximate their fair values.

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24- Fair value (Continued)

<u>As of June 30, 2022</u>	Fair value Level			<u>Total</u>
	<u>1</u>	<u>2</u>	<u>3</u>	
Investments at fair value through other comprehensive income		91,926,004		91,926,004
Investments at fair value through profit or loss	432,720			432,720

<u>As of December 31, 2021</u>	Fair value Level			<u>Total</u>
	<u>1</u>	<u>2</u>	<u>3</u>	
Financial assets at fair value through other comprehensive income	-	85,639,196	-	85,639,196
Investments at fair value through profit or loss	379,800	-	-	379,800

25- Reclassification of comparative figures

Certain comparative figures have been reclassified to conform to the current period presentation

	<u>Balance before Reclass 1 January 2021</u>	<u>Reclassification</u>	<u>Balance after Reclass 1 January 2021</u>
Investing in a structured subsidiary	205,000	(205,000)	-
Investing in a non-consolidated subsidiary	-	205,000	205,000
Financial assets at fair value through other comprehensive income	25,000	(25,000)	-
Investing in associate	-	25,000	25,000
Investment at fair value through profit or loss - long term	432,720	(432,720)	-
Investment at fair value through profit or loss - short term	-	432,720	432,720

26- Subsequent events

Management believes that there have no significant subsequent events since the year ended that would require additional disclosure or adjustment in these interim consolidated financial statements.

27- Date of approval of the financial statements

These interim condensed consolidated financial statements have been approved and issued on 24 August, 2022 (corresponding to 26 Muharram 1444 H) by the company's board of directors.