

BATIC INVESTMENT AND LOGISTICS COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX AND THREE-MONTH PERIOD ENDED 30 JUNE 2021
ALONG WITH
INDEPENDENT AUDITOR REVIEW REPORT



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

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

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

INTRODUCTION

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

SCOPE OF REVIEW

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

CONCLUSION

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

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

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

**11 Muharram 1443H
19 August 2021G**



BATIC INVESTMENT AND LOGISTICS COMPANY
(A Saudi Joint Stock Company)
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 June 2021
(Saudi Riyals)

| | Note | 30 June 2021 (Unaudited) | 31 December 2020 (Audited) |
|---|------|-----------------------------|-------------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property and equipment, net | | 191,922,955 | 202,608,670 |
| Investment property, net | 4-1 | 38,546,272 | 41,236,189 |
| Intangible assets, net | | 83,325,086 | 83,980,652 |
| Advances to purchase property and equipment | 4-2 | 31,432,256 | 14,474,118 |
| Advances to purchase investments | | 6,807,000 | - |
| Right-of-use assets | | 207,408,190 | 198,101,088 |
| Investments at FVPL | | 2,042,704 | 2,042,704 |
| Total non-current assets | | 561,484,463 | 542,443,421 |
| Current assets | | | |
| Inventory, net | | 9,768,911 | 9,858,125 |
| Trade receivables, net | 4-3 | 171,632,400 | 160,774,160 |
| Prepayments and other receivables, net | 4-3 | 60,107,363 | 56,500,230 |
| Investments at FVPL | 4-4 | 10,682,619 | - |
| Cash and cash equivalents | | 31,926,541 | 55,916,657 |
| Total current assets | | 284,117,834 | 283,049,172 |
| Total assets | | 845,602,297 | 825,492,593 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | 1 | 300,000,000 | 300,000,000 |
| Statutory reserve | | 48,996,657 | 48,996,657 |
| Retained earnings | | 12,291,729 | 12,201,017 |
| Remeasurement losses on employees' benefits | | (3,152,210) | (3,152,210) |
| TOTAL EQUITY ATTRIBUTE TO THE COMPANY'S SHAREHOLDERS | | 358,136,176 | 358,045,464 |
| Non-controlling interest | | 2,506,697 | 13,472,288 |
| TOTAL EQUITY | | 360,642,873 | 371,517,752 |
| LIABILITIES | | | |
| NON-CURRENT LIABILITIES | | | |
| Long-term loans | 4-5 | 99,214,612 | 94,144,894 |
| Long-term Notes payable | | 5,935,500 | 8,309,700 |
| Long-term Lease liabilities | | 198,322,527 | 180,586,418 |
| Employees' post-employment benefits obligation | | 35,634,923 | 35,984,569 |
| Total non-current liabilities | | 339,107,562 | 319,025,581 |
| Current liabilities | | | |
| Short term loans and Current portion of long-term loans | 4-5 | 65,019,096 | 55,894,203 |
| Short term -Notes payable | | 4,748,400 | 4,748,400 |
| Short term -Lease liabilities | | 4,026,706 | 3,363,986 |
| Shareholder's accruals | | 18,890,817 | 18,893,933 |
| Trade payables | | 11,394,684 | 12,847,467 |
| Accrued expenses and other payable | | 38,875,529 | 32,895,161 |
| Provision for zakat | 4-7 | 2,896,630 | 6,306,110 |
| Total Current liabilities | | 145,851,862 | 134,949,260 |
| Total liabilities | | 484,959,424 | 453,974,841 |
| TOTAL LIABILITIES AND EQUITY | | 845,602,297 | 825,492,593 |
| Contingent liabilities and capital commitments | 4-10 | - | - |

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

Chief Financial Officer
M. Mahmoud Tantawy

Managing Director
M. Saud Al-Zamil

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

| | Note | For the three-month period ended 30 June | | For the six-month period ended 30 June | |
|--|------|---|---------------------|---|---------------------|
| | | 2021 (unaudited) | 2020 (unaudited) | 2021 (unaudited) | 2020 (unaudited) |
| Revenues | 4-8 | 108,595,558 | 98,051,948 | 217,885,714 | 203,681,981 |
| Cost of revenue | 4-8 | (97,455,488) | (93,079,707) | (197,929,591) | (184,386,855) |
| Gross profit | | 11,140,070 | 4,972,241 | 19,956,123 | 19,295,126 |
| General and administrative expenses | | (11,092,435) | (10,738,414) | (21,745,493) | (21,714,895) |
| Operating (loss) / profit | | 47,635 | (5,766,173) | (1,789,370) | (2,419,769) |
| Realized income from investments at FVPL | | 150,000 | 90,000 | 150,000 | 90,000 |
| Unrealized income from investments at FVPL | | 591,320 | - | 682,619 | - |
| Reverse / (provision) expected credit loss | 4-3 | 3,559,862 | (1,025,000) | 2,364,862 | (6,980,356) |
| Finance cost | | (1,513,637) | (1,222,469) | (4,273,326) | (2,616,326) |
| Other revenue | | 852,264 | 170,845 | 864,126 | 1,052,512 |
| Net (loss) / profit for the period before zakat | | 3,687,444 | (7,752,797) | (2,001,089) | (10,873,939) |
| Zakat expense | 4-7 | (1,119,999) | (1,023,413) | (2,419,998) | (2,080,533) |
| Net (loss) / profit for the period after zakat | | 2,567,445 | (8,776,210) | (4,421,087) | (12,954,472) |
| Net (loss) / profit attribute to: | | | | | |
| Company's shareholders | | 3,853,714 | (7,199,350) | 90,712 | (10,312,814) |
| Non-controlling interest | | (1,286,269) | (1,576,860) | (4,511,799) | (2,641,658) |
| | | 2,567,445 | (8,776,210) | (4,421,087) | (12,954,472) |
| Other Comprehensive Income: | | - | - | - | - |
| Total other (comprehensive loss) / income or the period | | 2,567,445 | (8,776,210) | (4,421,087) | (12,954,472) |
| (Comprehensive loss) / income attribute to: | | | | | |
| Company's shareholders | | 3,853,714 | (7,199,350) | 90,712 | (10,312,814) |
| Non-controlling interest | | (1,286,269) | (1,576,860) | (4,511,799) | (2,641,658) |
| | | 2,567,445 | (8,776,210) | (4,421,087) | (12,954,472) |
| Basic and diluted share profit / (loss) | 4-9 | 0.13 | (0.24) | 0.003 | (0.34) |

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

Chief Financial Officer
M. Mahmoud Tantawy



Managing Director
M. Saud Al-Zamil



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

| | Share capital | Statutory reserve | Retained earnings | losses from remeasurement employee benefits | Total shareholders' equity | Non-controlling interest | Total |
|---|---------------|-------------------|-------------------|---|----------------------------|--------------------------|--------------|
| For six months period ended 30 June 2021(Unaudited) | | | | | | | |
| Balance at 1 January 2021 (Audited) | 300,000,000 | 48,996,657 | 12,201,017 | (3,152,210) | 358,045,464 | 13,472,288 | 371,517,752 |
| Net profit / (loss) for the period | - | - | 90,712 | - | 90,712 | (4,511,799) | (4,421,087) |
| Other comprehensive income | - | - | - | - | - | - | - |
| Total comprehensive income / (loss) for the period | - | - | 90,712 | - | 90,712 | (4,511,799) | (4,421,087) |
| Change in non-controlling interest | - | - | - | - | - | (6,453,792) | (6,453,792) |
| Balance at 30 June 2021 (Unaudited) | 300,000,000 | 48,996,657 | 12,291,729 | (3,152,210) | 358,136,176 | 2,506,697 | 360,642,873 |
| For six months period ended 30 June 2020 (Unaudited) | | | | | | | |
| Balance at 1 January 2020 (Audited) | 300,000,000 | 48,996,657 | 25,066,150 | (464,952) | 373,597,855 | 14,544,195 | 388,142,050 |
| Net loss for the period | - | - | (10,312,814) | - | (10,312,814) | (2,641,658) | (12,954,472) |
| Other comprehensive income | - | - | - | - | - | - | - |
| Total comprehensive loss for the period | - | - | (10,312,814) | - | (10,312,814) | (2,641,658) | (12,954,472) |
| Change in non-controlling interest | - | - | - | - | - | - | - |
| Balance as at 30 June 2020 (Unaudited) | 300,000,000 | 48,996,657 | 14,753,336 | (464,952) | 363,285,041 | 11,902,537 | 375,187,578 |

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

Chief Financial Officer
M. Mahmoud Tantawy



Managing Director
M. Saud Al-Zamil



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

| | Note | 30 June 2021 (Unaudited) | 30 June 2020 (Unaudited) |
|--|------|-----------------------------|-----------------------------|
| <u>Cash flows from operating activities</u> | | | |
| Net loss for the period before zakat | | (2,001,089) | (10,873,939) |
| <u>Adjustments for:</u> | | | |
| Depreciation of property and equipment | | 14,531,836 | 12,866,541 |
| Depreciation right-of-use assets | | 3,360,465 | 640,772 |
| Amortization of intangible assets | | 655,567 | 1,011,864 |
| Depreciation investment property | | 461,975 | 233,967 |
| Realized revenue from investments at FVPL | | (150,000) | (90,000) |
| Unrealized revenue from investments at FVPL | | (682,619) | - |
| (Reverse) / provision expected credit loss | 4-3 | (2,364,862) | 6,980,356 |
| Finance costs | | 4,273,326 | 2,616,326 |
| Gains from sale of property and equipment | | (41,897) | (227,457) |
| Post-employment benefits obligation | | 6,462,661 | 5,473,707 |
| <u>Changes in:</u> | | | |
| Inventory | | 89,214 | (1,679) |
| Trade receivables | | (7,093,378) | (34,829,664) |
| Prepayments and other receivables | | (774,095) | (7,734,339) |
| Trade payables | | (1,452,782) | 4,225,660 |
| Accrued expenses and other payables | | 3,906,216 | 1,872,027 |
| Zakat paid | 4-7 | (5,829,478) | (39,879) |
| Employees' post-employment benefits obligation paid | | (6,812,308) | (9,054,425) |
| Net cash generated from \ (used in) operating activities | | 6,538,752 | (26,930,162) |
| <u>Cash flows from investing activities</u> | | | |
| Additions and advance to purchase investments | | (16,859,000) | (147,529) |
| Additions of property and equipment and investments property | | (2,203,281) | (8,093,479) |
| Proceed from investments allocations | | 150,000 | 90,000 |
| Advances to purchase property and equipment | 4-2 | (16,958,138) | (10,594,308) |
| Additions of intangible assets | | - | (491,234) |
| Proceed from sale of property and equipment | | 627,000 | 693,955 |
| Net cash used in investing activities | | (35,243,419) | (18,542,595) |
| <u>Cash flows from Financing Activities</u> | | | |
| Drawdown of loans | 4-5 | 26,769,032 | 35,426,985 |
| Repayment of loans and finance interest | 4-5 | (14,394,338) | (1,275,079) |
| Paid of notes payable | | (2,645,749) | (396,000) |
| Change in shareholders accruals | | (3,116) | (2,484) |
| Change in lease liabilities | | (623,868) | (326,820) |
| Change in non-controlling equity | | (4,387,410) | - |
| Net cash generated from financing activities | | 4,714,551 | 33,426,602 |
| Net change in cash and cash equivalents | | (23,990,116) | (12,046,155) |
| Cash and cash equivalent at the beginning of the year | | 55,916,657 | 34,172,399 |
| Cash and cash equivalents at ending of the year | | 31,926,541 | 22,126,244 |
| <u>Non cash transactions:</u> | | | |
| Transfer from projects to intangible assets | | - | 1,352,296 |
| Reclassification from investment property to fixed assets | | 2,454,499 | - |
| Purchase 40% of AlShifa Medical Technology Company share paid by | | 52,000 | - |
| Right of use assets | | 17,405,165 | - |

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

Chief Financial Officer
M. Mahmoud Tantawy



Managing Director
M. Saud Al-Zamil



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

1. ORGANIZATION AND PRINCIPAL ACTIVITIES

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

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

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

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

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

Capital

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

2. BASIS OF PREPARATION (CONTINUED)

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

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

Basis of consolidating the financial statements

Structure of the Group

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

| | Country of incorporation | % of investment |
|---|--------------------------|-----------------|
| Arab Security & Safety Services Company (AMNCO) | Saudi Arabia | 94.88% |
| Saudi Transport and Investment Company – Mubarrad | Saudi Arabia | 100% |
| Batic Real Estate | Saudi Arabia | 100% |
| AL- Shifa Medical technology Company | Saudi Arabia | 100% |

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 2021
(Saudi Riyals)

2. BASIS OF PREPARATION (CONTINUED)

Basis of consolidating the financial statements (continued)

Structure of the Group (continued)

Arab Security & Safety Services Company (AMNCO)

It is a Limited Liability Company operating under a separate Commercial Registration issued from Riyadh, Batic owns 94.88% of its capital, and the subsidiary activity is in wholesale and retail trade, surveillance and safety equipment, security guard services, money transfer, counting of money and correspondence.

Saudi Transport and Investment Company – Mubarrad

It is a limited liability company that operates under a separate Commercial Registration issued from Riyadh and Batic owns 100% of its capital. The activity of Mubarrad is the transport of goods and equipment for a fee on land roads under the license of the Ministry of Transport No. (010111049000), which expires on 24 -03-1445 H, and it has been approved by the Board of Directors of Batic to convert the branch of the Company called the Saudi Transport and Investment Company (Mubarrad) into a wholly-owned subsidiary of Batic, provided that the assets and liabilities of the transport sector are transferred to it as of 01/01/2018. The Board of Directors of Batic was approved by decision No. 216-4 / 13 dated 19/12/2017 to sign an agreement between Batic and Mubarrad concerning the transfer of assets and liabilities in accordance with their book values on 31/12/2017 and this agreement is effective from 01/01/2018.

Batic Real Estate

It is a one-person company (a Limited Liability Company) registered in the city of Riyadh under the Commercial Registration No. 1010468252 On 26 Jumad Awal 1438H corresponding to 23 February 2017, the company owns 100% of its capital, and the company's activity is to purchase lands to construct buildings on it and invest it by selling or renting for the benefit of the company and managing and renting out owned or leased properties, both residential and non-residential.

Al-Shifa Medical Technology Company

It is a limited liability company registered in the city of Riyadh under Commercial Registration No. 1010438136 on Dhul Qi'dah 8, 1441 AH corresponding to June 29, 2020, and the company owns 100% of its capital and after the acquisition of BATIC Investments and Logistics Company during the second quarter of 2021 on additional share representing 40% of capital Its subsidiary (Al-Shifa Medical Technology Ltd.) to become wholly owned by 100% of the company, and the company's activity is the wholesale of medical devices and equipment and supplies.

AMNCO Facility Management

AMNCO Facilities Management Ltd. "Al-Hikma Company for Commercial and Industrial Investment previously" (a limited liability company) registered in the city of Riyadh under Commercial Registration No. 1010172169 on 16 Ramadan 1422H. The subsidiary company, AMNCO, owns 70% of its capital. The company's activity is to purchase lands, construct buildings and invest them in sale or rent for the benefit of the company, wholesale and retail trade in industrial equipment, heavy machinery, trucks, tools, management and operation of industrial and commercial centers and residential complexes, and the supply of security and military equipment and security systems for the purpose of entry in government tenders.

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

2. BASIS OF PREPARATION (CONTINUED)

Basis of consolidating the financial statements (continued)

Structure of the Group (continued)

Smart City Solutions for Communication and information technology (formerly Express Parking Company for Car Services)

On April 28, 2019, the "Arab Company for Security and Safety Services - AMNCO" (a subsidiary company) completed the process of owning 40.6% of the total capital shares of "Smart Cities Solutions for Communications and Information Technology" through its direct ownership of 35% or 5.6% of the shares indirectly through its subsidiary "AMNCO Facilities Management Company".

The acquisition of the shares described above was accomplished through the waiver of some of their shares by the founding partners of Smart City Solutions for Information and Communication Technology without compensation to other partners, including the Arab Company for Security and Safety Services - AMNCO - and AMNCO Facilities Management Company.

Smart Cities Solutions for Communications and Information Technology (LLC) was established on May 18, 2017, with a capital of 100 thousand Saudi riyals "The former Express Parking Company for Car Services" (a limited liability company) and registered in Riyadh under Commercial Registration No. 1010901033 on Shaaban 22, 1438 H corresponding to May 18, 2017, and the purpose of the company is to establish, develop, invest and operate multi-store car parks and smart parking lots in all cities of the Kingdom of Saudi Arabia.

On April 9, 2019, a bid was awarded to construct, develop, invest and operate multi-store car parks and smart parking lots in the cities of Khobar, Dhahran and Dammam for a period of 25 Hijri years, at an annual rent of 52 million Saudi riyals. On January 23, 2020, lease contracts were signed with the Eastern Province Municipality regarding the smart car parking project for Dammam and the cities of Khobar and Dhahran, and a payment was made under the account of the annual rental value amounting to 27,989,988 Saudi riyals on October 6, 2019, and some sites were received, and it was done.

Issuance and renewal of letters of guarantee issued as a guarantee for the annual rental value of 65 million Saudi riyals.

Subsidiaries

Subsidiaries are all entities (including special purpose entities) under the control of the Group. The Group controls an entity when the Group has rights or variable returns as a result of its participation in the facility in addition to its ability to affect those returns through its control over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group, and the consolidation is suspended from the date that control ceases to exist.

A subsidiary is an entity that the company controls. Control exists when the company:

- Has authority over the investee.
- Is subject to loss, or has rights to variable returns from its involvement with the investee.
- It has the ability to use its power to influence the returns of the invested enterprise.

The company reassesses the extent of its control over the investee if facts and circumstances indicate that there are changes to one or more of the three elements of control outlined above.

The Group uses the acquisition method of accounting to account for the business combination entered into by the Group. The consideration transferred for the acquisition of a subsidiary represents the fair values of the assets transferred, the liabilities incurred, and the equity interests issued by the Group.

The consideration includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are included in the expense when incurred. The specific assets acquired, as well as the liabilities and contingent liabilities incurred in a business combination, are initially measured at their fair value at the date of the acquisition. The Group recognizes, on a case-by-case basis, any non-controlling interest in the acquiree at either fair value or a proportionate share of the non-controlling share of the net assets identified in the acquiree.

Any consideration that may be transferred by the Group is recorded at fair value on the date of acquisition. Subsequent changes to the fair value of the contingent consideration intended to be classified under the assets or liabilities are calculated in accordance with the requirements of IFRS 9 "Financial Instruments", either in the profit or loss account or charged to other comprehensive income. Contingent consideration that is classified under equity is not remeasured and its subsequent settlement is recognized in equity.

Under goodwill, the excess of the transferred financial consideration over the value of the non-controlling interest in the acquired company and the fair value on the acquisition date of any previous ownership interests in the acquired company is recorded over the fair value of the Group's share in the specific net assets acquired. If the sum of the transferred financial consideration, the calculated non-controlling interest and the previously owned calculated share is less than the fair value of the net assets of the subsidiary acquired through a swap purchase agreement, the difference is directly computed within the profits and losses in the consolidated statement of comprehensive income.

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

2. BASIS OF PREPARATION (CONTINUED)

Basis of consolidating the financial statements (continued)

Transactions disposed on consolidation of financial statements

All internal transactions, unrealized balances and profits on transactions between Group companies are deleted. Unrealized losses are also eliminated. Amounts reported by subsidiaries have been adjusted, as appropriate, to conform to the Group's accounting policies.

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.

3. NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

Significant accounting estimates and assumptions

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

When preparing these condensed consolidated interim financial statements, the significant judgments made by management when applying the Group's accounting policies, and the main sources of estimates and uncertainty matters are the same as those applied to the Group's annual financial statements for the year ended 31 December 2020, with the exception of the consequences arising from the spread of the Covid virus19 On the Group, which is listed below:

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

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

4. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4-1 Investment property, net

The net book value of investment properties as at 30 June 2021 amounted to 38,546,272 Saudi riyals (31 December 2020: 41,236,189 Saudi riyals), investment properties consist of lands and buildings designated for investment and leasing them mainly to other.

4-2 Advances to purchase property and equipment.

The advance payments for the purchase of property and equipment most are represented in contracts for the purchase of property and equipment represented in equipment and apparatus for establishing and operating the smart parking project in the cities of Khobar, Dhahran and Dammam, with advance payments of 31,432,256 Saudi riyals made as on 30 June 2021 (31 December 2020: 14,474,118 Saudi riyals)

4-3 Trade receivables and other debit balances, net

| | 30 June 2021 (Unaudited) | 31 December 2020 (Audited) |
|-------------------------------------|-------------------------------------|---------------------------------------|
| Trade receivables | 188,628,317 | 182,408,646 |
| ECL provision for trade receivables | (16,995,917) | (21,634,486) |
| Trade receivables balance, net | 171,632,400 | 160,774,160 |

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

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

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

| | 30 June 2021 (Unaudited) | 31 December 2020 (Audited) |
|--|-------------------------------------|---------------------------------------|
| Cashiers' receivables | 32,476,957 | 28,881,161 |
| prepaid expenses | 8,225,015 | 9,538,528 |
| Letters of guarantees insurance | 9,988,715 | 9,188,213 |
| Retention | 5,863,223 | 10,771,653 |
| Advance payment to suppliers | 2,181,177 | 1,328,356 |
| prepaid rents to Eastern Province Municipality | 15,387,342 | 10,649,741 |
| Other debit balance ** | 13,961,188 | 12,963,120 |
| Total | 88,083,617 | 83,320,772 |
| ECL provision for other debit balance | (27,976,254) | (26,820,542) |
| Other debit balances, net | 60,107,363 | 56,500,230 |

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

** Other debit balances include amounts paid to the Ministry of Interior for violations, the majority of which are from the previous year, and the management made an allowance for it in light of the ages of those receivables and previous practices for collections.

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

| | 30 June 2021 (Unaudited) | 31 December 2020 (Audited) |
|---|-------------------------------------|---------------------------------------|
| Balance at the beginning of the period / year | 21,634,486 | 8,133,010 |
| (Reverse) / Charged during the period / year | (3,764,862) | 13,501,476 |
| Used during the period / year | (873,707) | - |
| Balance | 16,995,917 | 21,634,486 |

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

| | 30 June 2021 (Unaudited) | 31 December 2020 (Audited) |
|---|-------------------------------------|---------------------------------------|
| Balance at the beginning of the period / year | 26,820,542 | 23,887,272 |
| Charged during the period / year | 1,400,000 | 4,250,000 |
| Used during the period / year | (244,288) | (1,316,730) |
| Balance | 27,976,254 | 26,820,542 |

4-4 Investments measured at FVPL

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

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

4-5 Loans

Short-term Loans

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

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

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

The company has used an amount of 30 million Saudi riyals to finance its working capital requirements and it is due for payment during the third and fourth quarter of 2021, the agreement was renewed, with a maximum limit of 40 million Saudi riyals, and it will end on 30/9/2021.

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

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

Long-term Loans

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

B) On 17/10/2019, the Arab Company for Security and Safety Services (AMNCO), which is a partner, signed a credit facility agreement, long-term financing "Tawarruq" and guarantees and hedging in compliance with the provisions of Islamic Sharia with a total of 74 million Saudi riyals, and the financing period is 7 years, with the purpose of financing Investing in the smart parking project in the Eastern Province of the Smart Cities Solutions Company for Communications and Information Technology (subsidiary company). On 3/12/2019, an agreement was signed to transfer the agreement and its terms, obligations and clauses to Smart City Solutions for Communications and Information Technology. Until 30 June 2021, the company received payments from the loan amounting to 61,248,930 Saudi riyals (to be paid semi-annually after the lapse of availability, which is one year from the date of the Facilitation Offer letter dated 17/10/2019 and grace period until 30/6/2021) at a SIBOR commission rate of + 2.25%.

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

4-5 Loans (continued)

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

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

The loans include financial covenants and the Group has complied with these covenants.

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

| | 30 June 2021 (Unaudited) | 31 December 2020 (Audited) |
|---|-------------------------------------|---------------------------------------|
| Balance at the beginning of the period / year | 155,470,364 | 75,655,839 |
| Additions during the period / year | 26,769,032 | 85,448,454 |
| Paid during the period / year | (13,427,606) | (7,746,994) |
| Total loan value | 168,811,790 | 153,357,299 |
| Less: deferred finance value | (4,578,082) | (3,318,202) |
| Net loan value | 164,233,708 | 150,039,097 |
| Non-current value | 99,214,612 | 94,144,894 |
| Current value | 65,019,096 | 55,894,203 |

The following is the loan maturity schedule as in:

| | 30 June 2021 (Unaudited) | 31 December 2020 (Audited) |
|------------------------------|-------------------------------------|---------------------------------------|
| During one year | 65,019,096 | 55,894,203 |
| Between two years to 5 years | 99,214,612 | 94,144,894 |
| Total | 164,233,708 | 150,039,097 |

4-6 Balances and transactions with related parties

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

| | For the six month period ended 30 June 2021 (Unaudited) | For the six month period ended 30 June 2020 (unaudited) |
|--|--|--|
| Senior management employee's remuneration | | |
| Salaries and short-term benefit | 2,061,143 | 2,233,707 |
| End of service benefit | 81,354 | 74,361 |
| Total senior management employee's remuneration | 2,142,497 | 2,308,068 |

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

4-7 Zakat status

The Group committed to submit its zakat returns until the end of the year ending on 31/12/2020 and the zakat status was as follows:

Batic Investment and Logistics

The company submitted its zakat return at the end of the year ended 31 December, 2020 and obtained final zakat certificate until 30 April 2022.

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

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

Subsequently, on 21/10/2020, the company was issued a zakat assessment for the financial years from 2015 until 2017, and the difference in zakat due under this assessment amounted to 2,520,796 Saudi riyal.

The company paid an amount of 105,573 Saudi riyals, which represents the non-objectionable items, and submitted an objection to the remaining amount due on 12/12/2020. The Authority rejected the objection on 11/2/2021, and the objection was escalated to the General Secretariat of the Tax Committees.

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

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

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

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

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

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

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

The company submitted its zakat returns until the year ended 31 -12 -2020 and obtained a certificate valid until April 30, 2022.

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

2- On September 17, 2020, the company received zakat assessments for the year 2018, with an amount of 35,508 Saudi riyals. The company submitted an objection to the full amount and the Authority agreed to object.

Al Shifa Technology Co. – (subsidiary)

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

Batic Real Estate – (subsidiary)

The company submitted the zakat returns for the financial year ended on 31 December 2020, and obtained zakat certificate valid till 30 April 2022.

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

4-7 Zakat status (Continued)

Saudi Transport and Investment "Mubrad" – (subsidiary)

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

A- Zakat movement provision

| | 31 June 2021 (Unaudited) | 31 December 2020 (Audited) |
|--|-------------------------------------|---------------------------------------|
| Balance at the beginning of the period / year | 6,306,110 | 5,027,342 |
| Charged for the period / year | 2,419,998 | 6,265,582 |
| Paid during the period / year | (5,829,478) | (4,986,814) |
| Balance at the end of the period / year | 2,896,630 | 6,306,110 |

4-8 Segment information

The Group's management has defined the operational sectors 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 seven business units based on their services, and the following are the operating segments of the Group:

Real estate segment

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

Transportation segment

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

Security guards' segment

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

ATM feeding

It includes feeding and maintenance services for banks' ATMs.

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

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

Maintenance and operation segment

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

Medical equipment supply segment

It includes the supply of medical equipment to others.

Smart parking segment

It includes rent parking to others.

There were no inter-segment sales during the period. Management monitors the operating results of its business units separately for the purpose of making decisions regarding resource allocation and performance assessment. Segment performance is evaluated based on profit or loss from operations and is measured consistently with operating profit or loss in the interim condensed consolidated financial statements.

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

4-8 Segment information (continued)

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

| | Investment property | Transportation sector | Security guard sector | ATM feeding sector | Secured money transfer and correspondence sector | Maintenance and operation sector | smart parking | Supply of medical equipment | Other | Total |
|-------------------|---------------------|-----------------------|-----------------------|--------------------|--|----------------------------------|---------------|-----------------------------|-------------|---------------|
| Revenue | 1,951,818 | 35,509,920 | 80,739,235 | 65,698,137 | 28,612,319 | 7,825,859 | 3,112,586 | - | (5,564,160) | 217,885,714 |
| Cost of Revenue | (738,426) | (33,423,468) | (74,965,752) | (57,728,474) | (24,617,626) | (6,499,863) | (4,420,545) | (19,457) | 4,484,020 | (197,929,591) |
| Gross income | 1,213,392 | 2,086,452 | 5,773,483 | 7,969,663 | 3,994,693 | 1,325,996 | (1,307,959) | (19,457) | (1,080,140) | 19,956,123 |
| Total assets | 38,546,272 | 153,694,596 | 57,857,106 | 66,064,273 | 41,804,076 | 7,892,371 | 270,125,670 | 3,372,247 | 206,245,686 | 845,602,297 |
| Total liabilities | 27,200,000 | 57,425,040 | 22,258,778 | 13,107,597 | 10,169,050 | 7,085,675 | 288,778,581 | 3,565,573 | 55,369,130 | 484,959,424 |

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

| | Investment property | Transportation sector | Security guard sector | ATM feeding sector | Secured money transfer and correspondence sector | Maintenance and operation sector | smart parking | Other | Total |
|-------------------|---------------------|-----------------------|-----------------------|--------------------|--|----------------------------------|---------------|-------------|---------------|
| Revenue | 1,873,278 | 32,512,575 | 78,362,982 | 64,758,048 | 26,079,501 | 4,342,573 | - | (4,246,976) | 203,681,981 |
| Cost of Revenue | (621,879) | (27,977,695) | (73,117,799) | (57,888,168) | (24,534,470) | (3,609,989) | - | 3,363,145 | (184,386,855) |
| Gross income | 1,251,399 | 4,534,880 | 5,245,183 | 6,869,880 | 1,545,031 | 732,584 | - | (883,831) | 19,295,126 |
| Total assets | 41,170,378 | 134,271,739 | 71,757,938 | 81,201,662 | 49,637,292 | 6,338,572 | 35,480,019 | 171,652,504 | 591,510,104 |
| Total liabilities | 34,000,000 | 37,925,302 | 34,173,159 | 23,893,635 | 21,368,481 | 4,441,451 | 39,375,124 | 21,145,373 | 216,322,525 |

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

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

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

| | For the three-month period ended 30 June (unaudited) | | For the six-month period ended 30 June (unaudited) | |
|---|---|--------------------|---|---------------------|
| | 2021 | 2020 | 2021 | 2020 |
| Net profit / (loss) attributable to company's shareholder | 3,853,714 | (7,199,350) | 90,712 | (10,312,814) |
| Weighted average number of common shares | 30,000,000 | 30,000,000 | 30,000,000 | 30,000,000 |
| Profit / (loss) of basic and diluted per share | 0.13 | (0.24) | 0.003 | (0.34) |

4-10 Contingent liabilities and capital commitments

As at 30 June 2021, the Group has contingent liabilities in the form of bank guarantees in the amount of 105,387,464 Saudi Riyal issued on the normal course of business (31 December 2020: Saudi riyals 101,693,035). Included Bank guarantees as of 30 June 2021 an amount Saudi Riyals 65 million issued for the Eastern Region Municipality against the lease contract (31 December 2020: 65 million Saudi riyal). These letters were issued in exchange for cash cover of 8.3 million Saudi riyal (31 December 2020: 7.8 million Saudi riyal).

The Group also has capital commitments with balances amounted as on 30 June 2021 to 47.6 million Saudi riyals (31 December 2020: 47.9 million Saudi riyals) mainly represented in contracts for the purchase of property, equipment, systems for the establishment and operation of the smart parking project of the Smart Cities Solutions for Communications and Information Technology Company. Advance have been paid amounting to 31.4 million Saudi riyals (31 December 2020: 14.5 million Saudi riyals).

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

4-11 Subsequent events

- On 14 April 2021, Batic Investment and Logistics Company submitted a file to increase the company's capital through a shares issue to the Capital Market Authority, after the company's Board of Directors recommended on 14 April 2021, recommended to increase the Company's capital by offering priority rights shares worth 300 million Saudi riyals in order to finance and implement its future plans and projects, expand its various activities, raise the volume of its local investments, and align its growth plan with the renaissance and economic changes it is witnessing. The Kingdom of Saudi Arabia, in its ambitious 2030 vision, is to acquire profitable assets and buy or invest in companies and income-generating assets.
- On 29 July 2021, BATIC Investment and Logistics Company extended the previously signed memorandum of understanding regarding the formation of an alliance with Al-Murshed Holding Group and the Smart City Solutions Company for the purpose of applying for qualification to enter the competition for the construction and management of car parks project in the Olaya district in Riyadh for the next three months ended on 29 October 2021.

5 Approval of the consolidated financial statements

The interim Condensed Consolidated Financial Statements were approved by the Board of Directors on 8 Muharram 1443H (corresponding to 16 August 2021).