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Allied Accountants Professional Services

**ABDULLAH SAAD MOHAMMED ABO MOATI FOR BOOKSTORES COMPANY
(SAUDI JOINT STOCK COMPANY)**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS (UNAUDITED) FOR THE THREE - MONTH AND NINE - MONTH PERIOD
ENDED 31 DECEMEBR 2022
WITH INDEPENDENT AUDITOR'S LIMITED REVIEW REPORT**

ABDULLAH SAAD MOHAMMED ABO MOATI FOR BOOKSTORES COMPANY
(SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE- MONTH AND NINE - MONTH PERIOD ENDED 31 DECEMBER 2022

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

To: The Shareholders
Abdullah Saad Mohammed Abo Moati For Bookstores Company
 (Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of **Abdullah Saad Mohammed Abo Moati For Bookstores Company, a Saudi Joint Stock Company** ("the Company"), and its subsidiary (Collectively referred to as "the Group") as at 31 Decemebr 2022 and the Interim condensed consolidated statements of profit or loss and other comprehensive income for for the three- month and nine - month period ended 31 Decemebr 2022 and the statement of changes in equity and statement of cash flows for the nine months period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard (34), "Interim Financial Reporting" 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 Engagements (2410), "Review of interim condensed consolidated financial information performed by the independent auditor of the entity", as 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, as endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements as at 31 Decemebr 2022, are not prepared in all material respects, in accordance with International Accounting Standard (34) "Interim Financial Reporting", as endorsed in the Kingdom of Saudi Arabia.

Emphasis of Matter

Refer to note (19) of the accompanying interim condensed consolidated financial statements which explained a significant event occurred during the financial period ended on 31 December 2022.

Allied Accountant Professional Services Company



Mohammed Bin Farhan Bin Nader
 License No. 435
 Riyadh, Saudi Arabia
 17 Rajab 1444 H (corresponding to 8 February 2023)



ABDULLAH SAAD MOHAMMED ABO MOATI FOR BOOKSTORES COMPANY
(SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 31 DECEMEBR 2022

	Note	31 Decemebr 2022 SAR (Unaudited)	31 March 2022 SAR (Audited)
Assets			
Non-current assets			
Property, plant and equipment, net		81,863,415	81,708,303
Investment properties, net		37,953,950	38,260,921
Intangible assets, net		-	4,647
Right-of-use assets, net	5	16,942,920	12,638,457
Goodwill, net	6	12,402,482	12,402,482
Financial investments at fair value through other comprehensive income	7	6,348,000	8,337,040
Total non-current assets		155,510,767	153,351,850
Current assets			
Inventory, net	8	89,869,791	89,115,646
Accounts receivable, net	9	24,402,668	33,221,552
Prepaid expenses and other receivables	10	20,755,435	26,187,360
Cash and cash at bank		9,166,575	8,512,401
Total current assets		144,194,469	157,036,959
Total assets		299,705,236	310,388,809
Equity and Liabilities			
Equity			
Share capital	1	200,000,000	200,000,000
Statutory reserve	11	5,342,552	5,342,552
Retained earnings		44,698,105	29,558,183
Revaluation reserve of financial investments at fair value through other comprehensive income	7	1,718,503	3,707,543
Remeasurement reserve of employees benefit obligations		(907,863)	(907,863)
Total Equity		250,851,297	237,700,415
Liabilities			
Non-current liabilities			
Lease liabilities - non-current portion	5	9,998,128	5,931,347
Employees defined benefits plan obligations		6,936,620	6,253,792
Total non-current liabilities		16,934,748	12,185,139
Current liabilities			
Bank facilities	12	-	29,168,302
Lease liabilities - current portion	5	5,576,752	5,245,421
Accounts payable		14,275,569	12,661,595
Accrued expenses and other credit balances	13	9,116,870	10,469,375
Zakat provision		2,950,000	2,958,562
Total current liabilities		31,919,191	60,503,255
Total liabilities		48,853,939	72,688,394
Total equity and liabilities		299,705,236	310,388,809

The accompanying notes from (1) to (22) are an integral part of these interim condensed consolidated financial statements.

Chief Financial Officer

Chief Executive Officer

Chairman of the Board of Director:

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ABDULLAH SAAD MOHAMMED ABO MOATI FOR BOOKSTORES COMPANY
(SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THREE AND NINE MONTHS PERIODS ENDED 31 DECEMBER 2022

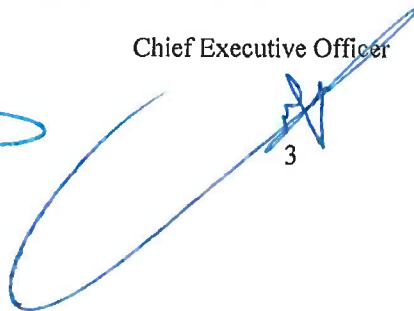
	Note	FOR THE THREE MONTHS PERIOD ENDED 31 DECEMBER		FOR THE NINE MONTHS PERIOD ENDED 31 DECEMBER	
		2022 SAR (Unaudited)	2021 SAR (Unaudited)	2022 SAR (Unaudited)	2021 SAR (Unaudited)
Profit or loss					
Sales, net	16	86,286,674	90,458,961	251,006,284	208,784,880
Cost of sales	16	(66,198,559)	(71,087,977)	(187,406,662)	(161,334,768)
Gross profit		20,088,115	19,370,984	63,599,622	47,450,112
Rental revenue, net		781,993	724,338	2,234,542	2,244,276
General and administrative expenses		(4,288,104)	(5,819,675)	(16,817,787)	(15,574,251)
Selling and marketing expenses		(7,447,582)	(5,368,963)	(19,779,323)	(15,013,876)
Profit from operations		9,134,422	8,906,684	29,237,054	19,106,261
Finance costs		(189,256)	(488,931)	(1,242,816)	(1,613,287)
Other (expenses)\ Income		(25,137)	(8,287)	(147,656)	(14,009)
Dividends from financial investments at fair value through other comprehensive income	7	95,220	86,757	243,340	234,877
Net profit for the period before Zakat		9,015,249	8,496,223	28,089,922	17,713,842
Zakat		(1,000,000)	(1,296,921)	(2,950,000)	(3,292,583)
Net profit for the period		8,015,249	7,199,302	25,139,922	14,421,259
Other comprehensive income					
Items that will not subsequently reclassified to the interim condensed consolidated statement of profit or loss					
Change in fair value of financial investments at fair value through other comprehensive income	7	(719,440)	(541,696)	(1,989,040)	626,336
Total (other comprehensive loss)\ other comprehensive income for the period		(719,440)	(541,696)	(1,989,040)	626,336
Total comprehensive income for the period		7,295,809	6,657,606	23,150,882	15,047,595
Earnings per share	14				
Basic and diluted earning per share from net profit for the period		0.40	0.36	1.25	0.72

The accompanying notes from (1) to (22) are an integral part of these interim condensed consolidated financial statements.

Chief Financial Officer



Chief Executive Officer



Chairman of the Board of Directors



ABDULLAH SAAD MOHAMMED ABO MOATI FOR BOOKSTORES COMPANY
(SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE THREE AND NINE MONTHS PERIOD ENDED 31 DECEMBER 2022

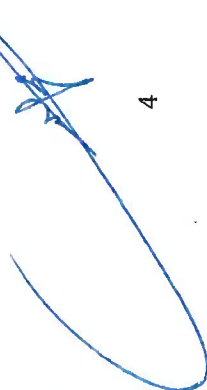
	Share capital SAR	Statutory reserve SAR	Retained earnings SAR	Revaluation reserve of financial investments at fair value through other comprehensive income SAR	Remeasurement reserve of employees defined benefit plan obligations SAR	Total Shareholders' equity SAR
Balance as at 1 April 2021 (audited)	200,000,000	3,832,255	25,965,508	3,072,743	(289,500)	232,581,006
Net profit for the period	-	-	14,421,259	-	-	14,421,259
Other comprehensive income for the period	-	-	-	626,336	-	626,336
Total comprehensive income for the period	-	-	14,421,259	626,336	-	15,047,595
Dividends (note 15)	-	-	(10,000,000)	-	-	(10,000,000)
Balance as at 31 Decemebr 2021 (unaudited)	200,000,000	3,832,255	30,386,767	3,699,079	(289,500)	237,628,601
Balance as at 1 April 2022 (audited)	200,000,000	5,342,552	29,558,183	3,707,543	(907,863)	237,700,415
Net profit for the period	-	-	25,139,922	-	-	25,139,922
Other comprehensive losses for the period	-	-	-	(1,989,040)	-	(1,989,040)
Total comprehensive income for the period	-	-	25,139,922	(1,989,040)	-	23,150,882
Dividends (note 15)	-	-	(10,000,000)	-	-	(10,000,000)
Balance as at 31 Decemebr 2022 (unaudited)	200,000,000	5,342,552	44,698,105	1,718,503	(907,863)	250,851,297

The accompanying notes from (1) to (22) are an integral part of these interim condensed consolidated financial statements.

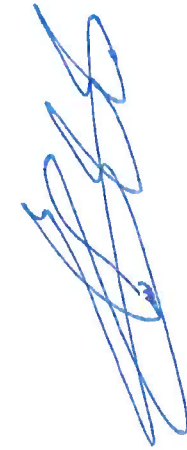
Chief Financial Officer



Chief Executive Officer



Chairman of the Board of Directors



ABDULLAH SAAD MOHAMMED ABO MOATI FOR BOOKSTORES COMPANY
(SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 DECEMBER 2022

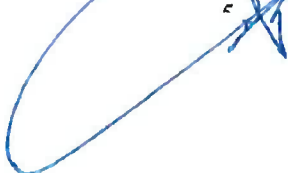
	FOR THE NINE MONTHS PERIOD ENDED 31	
	DECEMBER	
	2022	2021
	SAR	SAR
	(Unaudited)	(Unaudited)
Cash flows from operating activities:		
Net profit for the period before zakat	28,089,922	17,713,842
Adjustments to reconcile net profit for the period before zakat:		
Depreciation of property, plant, and equipment	2,590,178	2,309,361
Depreciation of right-of-use assets	5,993,325	5,119,540
Depreciation of investment property	306,971	306,971
Amortizations of intangible assets	4,647	161,088
Charge to provision for expected credit losses	1,276,051	800,000
Provision for damaged and slow moving inventory	3,474,930	3,083,029
Dividends from financial investments at fair value through OCI	(243,340)	(234,877)
Losses from sale of property, plant and equipment	183,418	30,138
Loss on disposal of leases	(167,029)	-
Finance cost	1,242,816	1,613,287
Provision for employees defined benefits plan obligations	1,401,200	998,765
	<u>44,153,089</u>	<u>31,901,144</u>
Changes in operating assets and liabilities:		
Inventory	(4,229,075)	5,798,345
Accounts receivable	7,542,833	(6,017,753)
Prepaid expenses and other receivables	5,431,925	(4,501,256)
Accounts payable	1,613,974	2,270,151
Accrued expenses and other credit balances	(1,352,505)	2,772,655
Generated from operations	<u>53,160,241</u>	<u>32,223,286</u>
Finance costs paid	(808,229)	(1,159,722)
Employees defined benefits plan obligations paid	(718,372)	(20,050)
zakat provision Paid	(2,958,562)	(3,464,241)
Net cash available from operating activities	<u>48,675,078</u>	<u>27,579,273</u>
Cash flows from investing activities		
Purchase of property, plant, and equipment	(2,964,358)	(2,437,800)
Proceeds from disposal of property, plant, and equipment	35,650	13,912
Purchase of intangible assets	-	(5,310)
Proceeds from dividends on financial investments at fair value through OCI	243,340	234,877
Net cash used in investing activities	<u>(2,685,368)</u>	<u>(2,194,321)</u>
Cash flows from financing activities		
Net change in bank facilities	(29,168,302)	(19,156,357)
Lease obligations paid	(6,167,234)	(6,388,813)
Dividends paid	(10,000,000)	(10,000,000)
Net cash used in financing activities	<u>(45,335,536)</u>	<u>(35,545,170)</u>
Net change in cash and bank balances	<u>654,174</u>	<u>(10,160,218)</u>
Cash and cash at banks at the beginning of the period	8,512,401	20,213,473
Cash and cash at banks at the end of the period	<u>9,166,575</u>	<u>10,053,255</u>
Non-cash transactions		
Addition to the right of use assets and corresponding lease liabilities	11,159,998	5,364,321
Transferred from projects in progress property, plant and equipment	1,344,174	1,634,398
Write-off from from damaged and slow moving inventory provision	-	732,271
Write-off from expected credit losses provision	24,558	65,511

The accompanying notes from (1) to (22) are an integral part of these interim condensed consolidated financial statements

Chief Financial Officer

Chief Executive Officer

Chairman of the Board of Directors


ABDULLAH SAAD MOHAMMED ABO MOATI FOR BOOKSTORES COMPANY
(SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 31 DECEMBER 2022 (UNAUDITED)

1- ORGANIZATION AND ACTIVITIES

Abdullah Saad Mohammed Abo Moati For Bookstores Company (The "Company") - A Saudi Joint Stock Company - registered under the Commercial Registration No. 1010125151, issued in Riyadh at 3/1/1415 H (corresponding to 13/6/1994). In accordance with the decision of the Minister of Commerce No. (24/Q) dated 20/1/1429 H (corresponding to 29/1/2008), the Company's activity is in retail and wholesale trading in prints, stationeries, school and office supplies, education supplies, art material, gifts and wrapping, paper supplies, printers, inks, computers and its accessories, children's toys, export for the benefit of others, it also include purchase of properties to invest and acquisition of lands to construct buildings on it for sale or lease.

The company's capital, is 200,000,000 Saudi riyals, consists of 20,000,000 shares of 10 Saudi riyals each.

The condensed consolidated interim financial statements for the six months period ended 31 December 2022 include the financial statements for Parent Company and its branches and the subsidiary and the details of branches are as follows:

Branches of Parent Company:

<u>Branch name</u>	<u>CR No.</u>	<u>Place of issue</u>	<u>Activity</u>
Microware trading branch of Abdullah Saad Mohammed Abo Moati For Bookstores Co	1010226765	Riyadh	Wholesale of stationery office supplies, children's games, computers and its supplies.
Branch of Abdullah Saad Mohammed Abo Moati Co	1010439451	Riyadh	Wholesale of gifts and luxuries, And retail sale of perfumes and cosmetics.
Branch of Abdullah Saad Mohammed Abo Moati Co (ilahui)	1010467810	Riyadh	Wholesale of perfumes and cosmetics.
Branch of Abdullah Saad Mohammed Abo Moati For Bookstores Co	1113101191	Shagra	Retail sale of stationery office supplies , newspapers and magazines.
Branch of Abdullah Saad Mohammed Abo Moati For Bookstores Co	2050092621	Dammam	Wholesale and retail sale of stationery office supplies, and Wholesale of books, newspapers and magazines.
Branch of Abdullah Saad Mohammed Abo Moati Co	4030293226	Jeddah	Wholesale and retail sale of stationery office supplies, and retail sale of household supplies.
Branch of Abdullah Saad Mohammed Abo Moati Co	5855036143	Khamis Mushait	Wholesale and retail sale of stationery office supplies, and wholesale of books, newspapers and magazines.
Branch of Abdullah Saad Mohammed Abo Moati Co	5900037192	Jizan	Wholesale and retail sale of stationery office supplies, and wholesale of books, newspapers and magazines.
Branch of Abdullah Saad Mohammed Abo Moati Co	4650207523	Almadina Almonawara	Wholesale of computers and its supplies.
Branch of Abdullah Saad Mohammed Abo Moati Co	1131302797	Qassim	Wholesale of pharmaceutical and medical goods and wholesale of stationery office supplies.

ABDULLAH SAAD MOHAMMED ABO MOATI FOR BOOKSTORES COMPANY
(SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

FOR THE NINE MONTHS PERIOD ENDED 31 DECEMEBR 2022 (UNAUDITED)

1-ORGANIZATION AND ACTIVITIES (CONTINUED)

Branches of Parent Company (continued):

Branch of Abdullah Saad Mohammed Abo Moati For Bookstores Co.	2031109265	Al-Ahsa	Retail sale of luxuries and apparel accessories, including gloves, neckties, suspenders, swimming pools and umbrellas, retail sale of cosmetics and toilet soap, retail sale of household items and miscellaneous handicrafts, cutting tools, ceramics, glassware and pottery, etc.
Branch of Abdullah Saad Mohammed Abo Moati For Bookstores Co.	2052103539	Dhahran	Retail sale of cosmetics and toilet soap, retail sale of luxuries and clothing accessories, including gloves, neck ties, suspenders, swimming pools and umbrellas, retail sale of household items and miscellaneous handicrafts, cutting tools, ceramics, glassware and pottery,, etc.

Subsidiary company

<u>Company's name</u>	<u>Country of incorporation</u>	<u>Activity</u>	<u>Ownership percentage</u>	
			As at 31 December 2022	As at 31 March 2022
Moujah for trade Co	Kingdom of Saudi Arabia	Wholesale of stationery office supplies, and retail sale of children's games, computers and its supplies.	100%	100%

Branches of Subsidiary Company

<u>Branch</u>	<u>CR No.</u>	<u>Place of issue</u>	<u>Activity</u>
Branch of Moujah for trade Co	2051026138	Khobar	Import, export, wholesale and retail trade in office and school supplies, stationery, gifts and packaging materials
Branch of Moujah for trade Co	4030130807	Jeddah	Wholesale of stationery office supplies, and retail sale computers and its supplies.

The head office of the company is Riyadh - Atayif Street Al – Alatayif for office supplies Center, , P.O.-Box 9994, Postal Code 11423, Kingdom of Saudi Arabia.

2- BASIS OF PREPARATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2-1 Statement of compliance

The interim condensed financial statements have been prepared in accordance with International Accounting Standard (34), "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants. These interim condensed financial statements do not include all information and disclosures required to issue the complete set of financial statements also, the results for the period ended 31 Decemebr 2022 are not necessarily indicative of the results that can be expected for the year ending 31 March 2023 (refer to Note 4). It should also be read along with the latest financial statements for the year ended 31 March 2022. However, selected accounting policies and explanatory notes have also been included to explain important events and transactions to understand the changes in the financial position and financial performance of the Group since 31 March 2022.

2- BASIS OF PREPARATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2-2 Preparation of interim condensed consolidated financial statements

The interim condensed consolidated financial statements have been prepared on a historical cost convention except when IFRS requires the use of another measurement basis, as indicated in the applied accounting policies (Note 4), and in accordance with the accrual principle and going concern.

2-3 Functional and presentation currency

These interim condensed consolidated financial statements are presented in Saudi Riyals, which is the Group's functional currency and the amounts in these interim condensed consolidated financial statements are rounded to the nearest Saudi Riyal.

2-4 Basis of consolidation for interim condensed financial statements

The accompanying interim condensed consolidated financial statements include the financial statements of the company and the subsidiary as shown in (Note 1). A subsidiary is an entity controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of the investee company so as to obtain benefits from its activities. To estimate control, potential voting rights which are currently exercised are taken into account. The interim condensed financial statements of the subsidiary are included in the interim condensed consolidated financial statements from the date the control achieved.

All significant inter-company transactions and balances between the Company and its subsidiaries are eliminated on consolidation of interim condensed consolidated financial statements. All significant inter-company profits and losses are also eliminated on consolidation of interim condensed consolidated financial statements.

Loss of control

If the Group loses control over a subsidiary, it derecognizes the related assets, liabilities, noncontrolling interest and other components of equity, while any resultant gain or loss is recognized in the interim condensed consolidated statement of profit or loss. Any investment retained is recognized at fair value when control is lost.

Transactions eliminated when consolidating the interim condensed financial statements

Balances, transactions, unrealized expenses and income arising from transactions between Group companies are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, but only if there is no indication of impairment.

3-NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2022.

Amendments to IFRS (3), IAS (16), IAS (37)

- IFRS (3), 'Business combinations' update a reference in IFRS (3) to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
- IAS (16), 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
- IAS (37), 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making.

Application of these amendments does not have any material impact on the interim condensed consolidated financial statements during the period.

Standards issued but not yet effective:

Following are the new standards and amendments to standards which are effective for annual periods beginning on or after 1 January 2022 and earlier application is permitted; however, the Group has not early adopted them in preparing these interim condensed consolidated financial statements.

Amendments to IAS (1), Practice statement 2 and IAS (8)

The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies

Amendment to IAS (12) – deferred tax related to assets and liabilities arising from a single transaction

These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

FOR THE NINE MONTHS PERIOD ENDED 31 DECEMBER 2022 (UNAUDITED)

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies are applied by the Group:

Use of Judgments and Estimates

In preparing these interim condensed consolidated Financial Statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual consolidated Financial Statements.

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value definition includes the assumption that the Group will continue its operations where there is no intention or condition to physically limit the volume of its operations or conduct a transaction with negative terms.

Fair values are categorized into different levels in the fair value hierarchy based on the inputs used in the valuation methods as follows:

Level 1: Quoted market prices in active markets for identical assets.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

ABDULLAH SAAD MOHAMMED ABO MOATI FOR BOOKSTORES COMPANY
(SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

FOR THE NINE MONTHS PERIOD ENDED 31 DECEMEBR 2022 (UNAUDITED)

5- LEASES

The following table shows the movement during the period / year on both the right-of-use assets and leases obligations:

A- Movement on right of use assets:

	31 Decemebr 2022 SAR (Unaudited)	31 March 2022 SAR (Audited)
Cost		
Balance at the beginning of the period/ year	28,576,654	22,767,350
Additions during the period/ year	11,159,998	6,752,088
Disposal during the period/ year	(1,795,199)	(942,784)
Balance at the end of the period/ year	37,941,453	28,576,654
Accumulated Depreciation		
Balance at the beginning of the period/ year	15,938,197	9,747,148
Charged for the period/ year	5,993,325	6,924,326
Disposal during the period/ year	(932,989)	(733,277)
Balance at the end of the period/ year	20,998,533	15,938,197
Net book value		
At the end of the period/ year	16,942,920	12,638,457

B- Movement on leases contract obligations:

	31 Decemebr 2022 SAR (Unaudited)	31 March 2022 SAR (Audited)
Balance at the beginning of the period / year	11,176,768	12,114,157
Additions during the period / year	11,159,998	6,752,088
Amortization of interest during the period / year	434,587	464,730
Disposal during the period/ year	(1,029,239)	(209,507)
Paid during the period / year	(6,167,234)	(7,944,700)
Balance at the end of the period / year	15,574,880	11,176,768

Lease liabilities are allocated as follows:

	31 Decemebr 2022 SAR (Unaudited)	31 March 2022 SAR (Audited)
Non-current portion	9,998,128	5,931,347
Current portion	5,576,752	5,245,421
	15,574,880	11,176,768

6- GOODWILL

During 2012, and in accordance with the recommendations of the company's board of directors to the Extraordinary General Assembly, it was approved on 6 September 2012 by the Assembly to fully acquire the shares of Al-Moujah Trading Company (a limited liability company) registered in the Kingdom of Saudi Arabia and its main activity is wholesale For office tools and stationery, and wholesale sale of children's toys, computers and their accessories, in return for issuing 4,012,335 shares of Abdullah Saad Mohammed Abu Moati Library Company. The market value of the number of issued shares amounted to SAR 59,827,849 as the acquisition resulted in goodwill with an amount of SAR 19,704,499 on the date of the consolidated financial statements for the year ended 31 March 2022 the group appointed a consultant to evaluate the subsidiary company, and the testing process resulted in a impairment in the goodwill value by SAR 7,302,017. the goodwill balance as at 31 December 2022 to SAR 12,402,482 (31 March 2022 amounted to SAR 12,402,482).

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7- FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial investments represent investments in equity instruments of listed companies that are accounted for at FVOCI. The following is a statement of these investments:

Statement	Number of Shares	Cost as at 1 April 2022 (Audited) SAR	Reserve for the revaluation of investments at FVOCI			Fair value as at 31 Decemebr 2022 (Unaudited) SAR
			As at 1 April 2022 (Audited) SAR	Revaluation losses SAR	As at 31 Decemebr 2022 (Unaudited) SAR	
Jarir Marketing Company	42,320	4,629,497	3,707,543	(1,989,040)	1,718,503	6,348,000

- During the financial period ended on 31 December 2022, the Group received cash dividends from Jarir Marketing Company amounted to SAR 243,340 (period ended on 31 December 2021 amount: SAR 234,877).

8- INVENTORY, NET

	31 Decemebr 2022 SAR (Unaudited)	31 March 2022 SAR (Audited)
Stationery, office supplies and accessories	90,506,709	75,806,237
Printers inks and computers supplies	6,917,020	16,905,290
Goods in transit	2,022,050	2,505,177
(Less): Provision for slow moving goods	(9,575,988)	(6,101,058)
	89,869,791	89,115,646

The movement in the provision for slow-moving goods is as follows:

	31 Decemebr 2022 SAR (Unaudited)	31 March 2022 SAR (Audited)
Balance at the beginning of the period / year	6,101,058	5,633,842
Provided during the period / year	3,474,930	3,690,544
Utilized during the period / year	-	(1,850,000)
Reversed during the period / year	-	(1,373,328)
Balance at the end of the period / year	9,575,988	6,101,058

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9-ACCOUNTS RECEIVABLE, NET

	31 Decemebr 2022	31 March 2022
	SAR	SAR
	(Unaudited)	(Audited)
Accounts receivable	29,691,821	37,259,212
(Less): Provision for expected credit loss	(5,289,153)	(4,037,660)
	24,402,668	33,221,552

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

	31 Decemebr 2022	31 March 2022
	SAR	SAR
	(Unaudited)	(Audited)
Balance at the beginning of the period/ year	4,037,660	3,303,171
Charged during the period/ year	1,276,051	800,000
Used during the period/ year	(24,558)	(65,511)
Balance at the end of the period/ year	5,289,153	4,037,660

The following table shows the aging of receivables with the Group as at:

	31 Decemebr 2022	31 March 2022
	SAR	SAR
	(Unaudited)	(Audited)
From 1 to 30 days	7,416,621	10,348,837
From 31 to 60 days	6,601,178	4,158,401
From 61 to 90 days	5,874,867	4,291,196
From 91 to 180 days	5,048,497	12,363,319
From 181 to 365 days	1,157,265	2,192,517
More than 365 days	3,593,393	3,904,942
Total	29,691,821	37,259,212

10- PREPAID EXPENSES AND OTHER RECEIVABLES

	31 Decemebr 2022	31 March 2022
	SAR	SAR
	(Unaudited)	(Audited)
Advances to the suppliers	14,636,937	21,903,799
Prepaid expenses	2,573,289	2,221,851
Letter of guarantee insurance (note 18)	649,250	665,578
Prepaid rent	152,591	273,938
Others	2,743,368	1,122,194
	20,755,435	26,187,360

11- STATUTORY RESERVE

As per the Regulations for Companies in Saudi Arabia, a statutory reserve of 10% of net income must be appropriated until the reserve equals 30% of the share capital. The reserve is not available for distribution as dividends to Shareholders.

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12- BANK FACILITIES

The movement on bank facilities balance as follows:

	31 Decemebr 2022	31 March 2022
	SAR	SAR
	(Unaudited)	(Audited)
Balance at the beginning of the period / year	29,168,302	62,248,426
Proceeds during the period / year	48,382,648	81,555,659
Paid during the period / year	(77,550,950)	(114,635,783)
Balance at the end of the period / year	-	29,168,302

13- ACCRUED EXPENSES AND OTHER CREDIT BALANCES

	31 Decemebr 2022	31 March 2022
	SAR	SAR
	(Unaudited)	(Audited)
Value added tax	2,762,832	2,604,670
Accrued salaries and wages	1,857,063	1,836,455
Unearned revenue	1,533,578	1,164,427
Suppliers payable	1,403,004	1,583,494
Accrued remuneration of board of directors and audit	670,750	981,000
Advances from customers	564,569	298,069
Accrued Finance charges	-	271,873
Others	325,074	1,729,387
	9,116,870	10,469,375

14- EARNINGS PER SHARE

Earnings per share from net income is calculated by dividing the net income for the period by the weighted average number of shares outstanding as at the end of the period amounting to 20,000,000 shares.

15- DIVIDENDS

The Ordinary General Assembly Meeting which was held on 21 September 2022, agreed to distribute cash dividends to the shareholders for the financial year ending 31 March 2022 by (0.50) fifty Halalas per share, with a total value of (10,000,000) ten million Saudi riyals (Dividends for the year ended 31 March 2021: SAR 10 million).

16-SEGMENT INFORMATION

Segmental information relates to the Group's business and activities, which the Group's management relied on as a basis for preparing its financial information, in line with the internal reporting methods. Transactions between segments are carried out on the same terms as transactions with third parties.

The assets, liabilities and operating activities of the segments include items directly related to a particular segment and items that can be allocated to different segments on a reasonable basis. Items that cannot be allocated between segments are classified under common assets and liabilities. The company's sectors are as follows:

- Retail and wholesale trade, where the group does wholesale of stationery, wholesale of computers and their accessories, and other wholesale and retail sales.
- Inks sector, where the group sells computers, printers and their inks.
- Real estate and rent sector, where the group leases buildings for commercial and residential purposes.

The following is a summary of the financial sectoral information in Saudi riyals as at 31 December 2022 (unaudited), 31 March 2022 (audited) respectively, according to the nature of the activity:

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16- SEGMENT INFORMATION (CONTINUED)

	Wholesale and retail segment	Inks segment	Real state and rent segment	Total
<u>As at 31 December 2022</u> <u>(Unaudited)</u>	SAR	SAR	SAR	SAR
Total current assets	125,501,268	18,693,201	-	144,194,469
Total non-current assets	117,465,604	91,213	37,953,950	155,510,767
Total assets	242,966,872	18,784,414	37,953,950	299,705,236
Total current liabilities	29,478,926	2,440,265	-	31,919,191
Total non-current liabilities	16,143,704	791,044	-	16,934,748
Total liabilities	45,622,630	3,231,309	-	48,853,939

	Wholesale and retail segment	Inks segment	Real state and rent segment	Total
<u>As at 31 March 2022 (audited)</u>	SAR	SAR	SAR	SAR
Total current assets	118,631,836	38,405,123	-	157,036,959
Total non-current assets	114,974,860	116,069	38,260,921	153,351,850
Total assets	233,606,696	38,521,192	38,260,921	310,388,809
Total current liabilities	57,843,162	2,660,093	-	60,503,255
Total non-current liabilities	11,483,894	701,245	-	12,185,139
Total liabilities	69,327,056	3,361,338	-	72,688,394

	Wholesale and retail segment	Inks segment	Real state and rent segment	Total
<u>For the six-month period ended 31</u> <u>December 2022 (Unaudited)</u>	SAR	SAR	SAR	SAR
Sales, net	212,176,818	38,829,466	-	251,006,284
Cost of sales	152,703,815	34,702,847	-	187,406,662
Gross profit for the period	59,473,003	4,126,619	-	63,599,622
Depreciation	2,565,321	24,857	306,971	2,897,149
Finance cost	1,052,710	190,106	-	1,242,816
Net profit for the period	20,388,796	2,516,584	2,234,542	25,139,922

	Wholesale and retail segment	Inks segment	Real state and rent segment	Total
<u>For the nine-month period ended 31</u> <u>December 2021 (Unaudited)</u>	SAR	SAR	SAR	SAR
Sales, net	140,255,705	68,529,175	-	208,784,880
Cost of sales	100,122,186	61,212,582	-	161,334,768
Gross profit for the period	40,133,519	7,316,593	-	47,450,112
Depreciation	2,276,369	32,992	306,971	2,616,332
Finance cost	1,128,435	484,852	-	1,613,287
Net profit for the period	8,076,494	4,100,489	2,244,276	14,421,259

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17-LIQUIDITY RISKS

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments that the Group commits to in the interest of others.

To reduce the liquidity risk and associated losses that may affect the business of the Group. The Group maintains, wherever possible, sufficient highly liquid current assets in all business conditions. The Group avoids financing long-term capital requirements through short-term borrowing and operations related to current accounts with related parties. Long-term projects are currently funded with long-term loans only.

The Group also has a highly dynamic cash flow policy and a system by which it can estimate the maturity dates of its liabilities and develop appropriate plans to provide the required funding to meet these liabilities in a timely manner.

The following is the aging of assets and accruals of liabilities as at 31 Decemebr 2022 (Unaudited):

	3 months or less SAR	From 3 months to 1 year SAR	More than 1 year up to 10 years SAR	No specific maturity dates SAR	Total SAR
Assets					
Accounts receivable	19,892,667	9,799,154	-	-	29,691,821
Total	19,892,667	9,799,154	-	-	29,691,821
Liabilities					
Employees' benefits obligations	-	-	-	6,936,620	6,936,620
Lease liabilities	2,385,776	3,190,976	9,998,128	-	15,574,880
Accounts payables	14,275,569	-	-	-	14,275,569
Accrued expenses and other payables	9,116,870	-	-	-	9,116,870
Zakat provision	2,950,000	-	-	-	2,950,000
Total	28,728,215	3,190,976	9,998,128	6,936,620	48,853,939

The following is the aging of assets and accruals of liabilities as at 31 March 2022 (Audited):

	3 months or less SAR	From 3 months to 1 year SAR	More than 1 year up to 10 years SAR	No specific maturity dates SAR	Total SAR
Assets					
Accounts receivable	18,798,434	18,460,778	-	-	37,259,212
Total	18,798,434	18,460,778	-	-	37,259,212
Liabilities					
Employees' benefits obligations	-	-	-	6,253,792	6,253,792
Lease liabilities	-	5,245,421	5,931,347	-	11,176,768
Bank facilitates	21,890,694	7,277,608	-	-	29,168,302
Accounts payables	12,661,595	-	-	-	12,661,595
Accrued expenses and other payables	10,469,375	-	-	-	10,469,375
Zakat provision	2,958,562	-	-	-	2,958,562
Total	47,980,226	12,523,029	5,931,347	6,253,792	72,688,394

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18-CONTINGENT LIABILITIES

The Group has contingent liabilities arising from an outstanding letter of guarantee amounting to SAR 12,208,304 as at 31 December 2022 (31 March 2022: amounting to SAR 14,453,405) (note 10).

19-SIGNIFICANT EVENT DURING THE PERIOD

During this period company server was subject to a cyberattack. This led to the failure of the group's financial system and the sales system for a number of branches. The group stopped its operations and group's information technology department immediately started to work on restarting the system. Group restored this information in the system from other available backups. The group's management believes that necessary corrective actions have been taken and all operations are now working smoothly. and that there is no potential material impact on interim condensed consolidated financial statements.

20-GENERAL

The figures in these interim condensed consolidated financial statements are rounded to the nearest Saudi Riyals.

21-SUBSEQUENT EVENTS

In the opinion of the management, there were no other significant events subsequent to 31 Decemeber 2022 until the date of the approval of the interim condensed consolidated financial statements that is expected to have a significant impact on these interim condensed consolidated financial statements as at 31 December 2022.

22-APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements have been approved for issue by the Board of Directors of the Company on 17 Rajab 1444 H (corresponding to 08 February 2023).