



BATIC INVESTMENT AND LOGISTICS COMPANY

(A Saudi Joint Stock Company)

**Interim Condensed Consolidated Financial Statements
(Unaudited)**

**Review Report for the Three-Month and
Nine-Month Periods Ended 30 September 2023**

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

**THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND
REVIEW REPORT (UNAUDITED)**

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023

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

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

Introduction:

We have reviewed the accompanying interim condensed consolidated statement of financial position Batic Investments and Logistics Company- a Saudi Joint Stock Company ("the Company") and its subsidiaries (collectively referred to as "the Group") as at 30 September 2023, and the related interim condensed consolidated statements of comprehensive income, for the three-month and nine-month periods ended 30 September 2023, interim condensed consolidated statement of changes in equity and cash flows for the nine-month period then ended, and explanatory notes. Board of Directors are responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review.

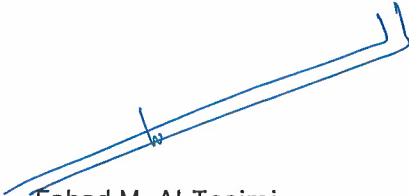
Scope of Review:

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

Conclusion:

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

for Ernst & Young Professional Services



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



Riyadh: 18 Rabi Al-Thani 1445H
(2 November 2023)

BATIC INVESTMENT AND LOGISTICS COMPANY

(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 SEPTEMBER 2023

(All amounts are in Saudi Riyals unless otherwise stated)

		<i>As at 30 September 2023 (Unaudited)</i>	<i>As at 31 December 2022 (Audited)</i>
	<i>Note</i>		
ASSETS			
Non-current assets			
Property and equipment	4	183,362,393	161,035,744
Right-of-use assets		50,063,167	42,352,804
Investment properties	5	195,744,259	194,461,685
Intangible assets	6	724,675,547	634,473,683
Investments measured at FVPL		2,042,704	2,042,704
Other debit balances- non-current portion		3,578,540	4,404,357
Total non-current assets		1,159,466,610	1,038,770,977
Current assets			
Inventory		9,417,624	8,817,262
Trade receivables, prepayments, and other receivables	7	189,142,639	166,443,944
Due from related parties	12	-	1,436,168
Short-term financial assets measured at FVPL	8	69,276,741	81,191,135
Cash and cash equivalents	9	37,528,750	57,738,920
Total current assets		305,365,754	315,627,429
Total assets		1,464,832,364	1,354,398,406
EQUITY AND LIABILITIES			
Equity			
Share capital	1	600,000,000	600,000,000
Statutory reserve	1	-	48,996,657
Retained earnings / (Accumulated losses)		2,995,800	(39,913,752)
Business combination reserve	17	(144,687,468)	(143,926,868)
TOTAL EQUITY ATTRIBUTE TO THE COMPANY'S SHAREHOLDERS		458,308,332	465,156,037
Non-controlling interest		9,811,467	12,946,140
TOTAL EQUITY		468,119,799	478,102,177
LIABILITIES			
NON-CURRENT LIABILITIES			
Bank borrowings - long-term	10	152,737,289	163,989,260
Lease liabilities - long-term		35,925,690	29,040,883
Obligation under the service concession agreement	11	565,396,355	463,651,326
Employees' defined benefit liabilities		35,090,119	36,539,072
Total non-current liabilities		789,149,453	693,220,541
Current liabilities			
Current portion of long-term and short-term bank borrowings	10	39,636,570	28,016,540
Current portion of obligation under the service concession agreement	11	24,814,290	23,521,813
Lease liabilities - Current portion		13,022,857	12,528,608
Shareholders' accruals		35,705,820	35,781,423
Trade payables, accruals, and other payables	13	88,386,177	78,133,513
Provision for zakat	14	5,997,398	5,093,791
Total Current liabilities		207,563,112	183,075,688
Total liabilities		996,712,565	876,296,229
TOTAL LIABILITIES AND EQUITY		1,464,832,364	1,354,398,406

Chief Financial Officer



Managing Director



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

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME – UNAUDITED

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023

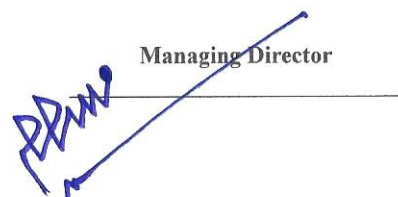
(All amounts are in Saudi Riyals unless otherwise stated)

		<i>For the Three-month period ended 30 September</i>		<i>For the Nine-month period ended 30 September</i>	
	<i>Note</i>	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
Revenues	15	122,678,214	104,691,143	354,249,786	314,260,724
Cost of revenue	15	(110,176,865)	(97,312,254)	(307,585,883)	(287,240,722)
Gross profit		12,501,349	7,378,889	46,663,903	27,020,002
General and administrative expenses		(11,172,780)	(11,919,399)	(34,656,541)	(35,494,946)
Provision of impairment of financial assets	7	(4,900,000)	(4,500,000)	(10,000,000)	(7,710,000)
(Loss) / Profit from operations		(3,571,431)	(9,040,510)	2,007,362	(16,184,944)
Gain from selling Investments		-	-	1,793,222	-
Dividend income		-	-	-	150,000
Unrealized gain (loss) from investments measured at FVPL	8	2,110,758	(304,864)	6,085,606	1,781,083
Gain from disposals of property & equipment and Intangible assets (net)		271,057	1,018	854,340	384,172
Finance charge		(4,649,674)	(3,471,228)	(13,174,316)	(8,856,854)
Profit from Investment in deposits and interest income		90,772	145,667	389,301	301,857
Gain from investment funds		91,872	-	241,560	-
Other income (loss), net		201,631	675,383	552,317	1,277,551
Loss before zakat		(5,455,015)	(11,994,534)	(1,250,608)	(21,147,135)
Zakat expense	14	(1,630,199)	(1,407,002)	(5,050,110)	(4,331,834)
Net Loss for the period		(7,085,214)	(13,401,536)	(6,300,718)	(25,478,969)
Attribute to:					
Shareholders of the parent		(6,623,202)	(12,792,007)	(6,087,105)	(24,673,297)
Non-controlling interests		(462,012)	(609,529)	(213,613)	(805,672)
		(7,085,214)	(13,401,536)	(6,300,718)	(25,478,969)
Other Comprehensive Income		-	-	-	-
Total comprehensive Loss for the period		(7,085,214)	(13,401,536)	(6,300,718)	(25,478,969)
Attribute to:					
Shareholders of the parent		(6,623,202)	(12,792,007)	(6,087,105)	(24,673,297)
Non-controlling interests		(462,012)	(609,529)	(213,613)	(805,672)
		(7,085,214)	(13,401,536)	(6,300,718)	(25,478,969)
loss per share (LPS)					
loss per share attributable to shareholders of the parent (basic and diluted)	16	(0,01)	(0,02)	(0,01)	(0,04)

Chief Financial Officer



Managing Director



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

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(All amounts are in Saudi Riyals unless otherwise stated)

For Nine months period ended 30 September 2023

(Unaudited)

Balance at 1 January 2023 (Audited)

Net loss for the period

Other comprehensive income for the period

Total comprehensive Loss for the period

Transfer from the statutory reserve to retained earnings

(Note 1)

Additions to Business combination reserve (Note 17)

Change in non-controlling interest

Balance at 30 September 2023 (Unaudited)

For Nine months period ended 30 September 2022

(Unaudited)

Balance at 1 January 2022 (Audited)

Share capital increase

Transaction cost of share capital increase

Net loss for the period

Other comprehensive income for the period

Total comprehensive loss for the period

Additions to Business combination reserve

Change in non-controlling interest

Balance as at 30 September 2022 (Unaudited)

	Share capital	Statutory reserve	Retained earnings/ (Accumulated losses)	Business combination reserve	Total shareholders' equity	Non-controlling interest	Total
For Nine months period ended 30 September 2023 (Unaudited)							
Balance at 1 January 2023 (Audited)	600,000,000	48,996,657	(39,913,752)	(143,926,868)	465,156,037	12,946,140	478,102,177
Net loss for the period	-	-	(6,087,105)	-	(6,087,105)	(213,613)	(6,300,718)
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive Loss for the period	-	-	(6,087,105)	-	(6,087,105)	(213,613)	(6,300,718)
Transfer from the statutory reserve to retained earnings (Note 1)	-	(48,996,657)	48,996,657	-	-	-	-
Additions to Business combination reserve (Note 17)	-	-	-	(3,214,147)	(3,214,147)	-	(3,214,147)
Change in non-controlling interest	-	-	-	2,453,547	2,453,547	(2,921,060)	(467,513)
Balance at 30 September 2023 (Unaudited)	600,000,000	-	2,995,800	(144,687,468)	458,308,332	9,811,467	468,119,799
For Nine months period ended 30 September 2022 (Unaudited)							
Balance at 1 January 2022 (Audited)	300,000,000	48,996,657	(416,709)	(122,747,412)	225,832,536	10,187,252	236,019,788
Share capital increase	300,000,000	-	-	-	300,000,000	-	300,000,000
Transaction cost of share capital increase	-	-	(5,175,000)	-	(5,175,000)	-	(5,175,000)
Net loss for the period	-	-	(24,673,297)	-	(24,673,297)	(805,672)	(25,478,969)
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	(24,673,297)	-	(24,673,297)	(805,672)	(25,478,969)
Additions to Business combination reserve	-	-	-	(21,179,456)	(21,179,456)	-	(21,179,456)
Change in non-controlling interest	-	-	-	-	-	1,909,502	1,909,502
Balance as at 30 September 2022 (Unaudited)	600,000,000	48,996,657	(30,265,006)	(143,926,868)	474,804,783	11,291,082	486,095,865

Chief Financial Officer

Managing Director

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

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS – UNAUDITED (Continued)

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(All amounts are in Saudi Riyals unless otherwise stated)

		<i>For the Nine-month period ended 30 September</i>	
	<i>Note</i>	<i>2023</i>	<i>2022</i>
OPERATING ACTIVITIES			
Loss before zakat for the period		(1,250,608)	(21,147,135)
<i>Adjustments to reconcile Loss before zakat to net cash flows:</i>			
Depreciation of property and equipment	4	19,326,245	19,600,830
Depreciation of right-of-use assets		10,071,910	6,338,452
Amortization of intangible assets		15,412,017	10,928,683
Depreciation of investment properties	5	469,736	416,942
Unrealized gain from investments measured at FVPL	8	(6,085,606)	(1,781,083)
Gain from Investment funds		(241,560)	-
Provision of impairment of financial assets	7	10,000,000	7,710,000
Finance charge		13,174,316	8,856,854
Gains from sale of property and equipment, intangible assets (net)		(854,340)	(384,172)
Gain from disposal of investments in subsidiaries		(1,793,222)	-
Dividend income		-	(150,000)
Post-employment benefits obligation		10,487,894	8,451,017
<i>Working capital adjustments:</i>			
Inventory		(664,592)	(1,046,187)
Trade receivables, prepayments, and other receivables		(34,428,092)	18,900,860
Profit from a deposit and interest income received		(389,301)	(301,857)
Trade payables, accruals, and other payables		18,100,918	2,685,686
Cash flows from operating activities		51,335,715	59,078,890
Zakat paid	14	(4,146,503)	(6,579,556)
Employees' defined benefits obligation paid		(11,878,316)	(9,303,625)
Net cash generated from operating activities		35,310,896	43,195,709
INVESTING ACTIVITIES			
Additional shares of a subsidiary		(3,000,000)	(19,800,000)
Additions to property and equipment	4	(35,235,432)	(7,675,103)
Additions to investments properties	5	(11,006,676)	(156,145,350)
Additions of intangible assets		(6,537,898)	(8,752,441)
Additions to financial assets short term measured at FVPL		-	(83,757,500)
Proceed from investment fund and profit from deposit and interest income		630,861	301,857
Proceeds from disposal of property and equipment and intangible assets		3,587,954	4,142,834
Proceeds from the sale of investments and dividends		-	150,000
Proceeds from disposal of short-term financial assets at FVPL	8	18,000,000	10,049,597
Net cash out from selling investment in subsidiary		(401,491)	-
Net cash used in investing activities		(33,962,682)	(261,486,106)
FINANCING ACTIVITIES			
Payment of lease liabilities		(12,560,086)	(7,885,193)
Share capital increase	1	-	300,000,000
Transaction cost of share capital increase		-	(5,175,000)
Proceeds from loans	10	16,061,475	101,336,859
Repayment of loans	10	(15,693,416)	(162,425,941)
Repayment of finance costs		(5,662,681)	(2,981,461)
Repayment of notes payable and finance cost		(3,628,074)	(3,788,333)
Change in shareholders accruals		(75,602)	16,989,528
Net cash used in / generated from financing activities		(21,558,384)	236,070,459
Net change in cash and cash equivalents		(20,210,170)	17,780,062
Cash and cash equivalent at the beginning of the period		57,738,920	37,271,833
Cash and cash equivalents at ending of the period		37,528,750	55,051,895

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

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS – UNAUDITED (Continued)

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(All amounts are in Saudi Riyals unless otherwise stated)

		<i>For the Nine-month period ended 30 September</i>	
	<i>Note</i>	<i>2023</i>	<i>2022</i>
Significant non-cash transactions were as follows:			
Right of use assets		18,725,200	32,961,910
Lease liability		18,532,127	32,961,910
Additional Shares from subsidiary		(934,598)	-
Transfer from statutory reserve to retained earnings	1	48,996,657	-
Prepaid expenses and other debit balances		1,261,027	-
Capitalized finance costs on investment properties		(2,695,956)	-
Adjustment on obligation under service concession agreement	11	-	(44,564,401)
Additions to obligation under service concession agreement		97,814,953	-

Chief Financial Officer



Managing Director



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

BATIC INVESTMENT AND LOGISTICS COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(All amounts are in Saudi Riyals unless otherwise stated)

1. ORGANIZATION AND PRINCIPAL ACTIVITIES

Batic Investments and Logistics Company (the "Company" or "Batic") - a Saudi Joint Stock Company - the previous name (Saudi Transport and Investment Company - Mubarrad) formed under the Regulations for Companies and is registered in the Riyadh, Kingdom of Saudi Arabia ("KSA") under Commercial Registration No. 1010052902 dated 13, Rabi' Al-Akhir ,1404H (corresponding to 16 January 1984).

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

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

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

Capital

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

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

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

Group structure

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

	Country of Domicile	30 September 2023		31 December 2022	
		% of direct investment	% of indirect investment	% of direct investment	% of indirect investment
Arab Security & Safety Services Company (AMNCO) (LLC)	Saudi Arabia	94.89%	-	94.89%	-
Saudi Transport and Investment Company (Mubarrad) (One person company -LLC)	Saudi Arabia	100%	-	100%	-
Batic Real Estate (One person company -LLC)	Saudi Arabia	100%	-	100%	-
Abeen Healthcare (One person company -LLC)	Saudi Arabia	100%	-	100%	-
AMNCO Facility Management Company (LLC) (note 1.1)	Saudi Arabia	-	94.89%	-	66.42%
Smart Cities ICT Solutions Company (LLC) (note 1.2)	Saudi Arabia	80.4%	7.59%	79.4%	5.31%
Moshtrat Al-Estijabah Company (LLC) (note 1.3)	Saudi Arabia	-	-	-	90.14%

1-1 During the period the group increased its indirect investments by additional shares represent 28.47% by acquiring one of subsidiaries on the remaining shares of AMNCO facility management (LLC) which represents 30% from total equity of the other shareholders through purchase agreement as of 11 Safar 1445 H (corresponding to 27 August 2023), and the company completed all statutory procedures for the acquiring during the 3rd quarter of 2023.

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

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

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(All amounts are in Saudi Riyals unless otherwise stated)

1. ORGANIZATION AND PRINCIPAL ACTIVITIES (continued)

- 1-2 During the period, the company acquired additional shares represent 1% from other shareholders, through a purchase agreement, as of 11 Rajab 1444 H (corresponding to 12 February 2023). The company completed the legal procedures and the indirect investment increased by 2.28% related to acquisition of the group on 30% of AMNCO facility management shares which owns 8% of Smart cities solutions shares.
- 1-3 During the period, the group sold all its ownership rights, which represent 90.14% of the total shares of Moshrat Al-Estijabah Company. The statutory procedures were completed after obtaining the approval of the company's board of directors as of 18 Rajab 1444 H (corresponding to 09 February 2023).

2. BASIS OF PREPARATION

2-1 Statement of compliance

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

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements in accordance with International Financial Reporting Standards and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2022.

2-2 Basis of measurement

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

2-3 Functional and presentation currency

The accompanying condensed consolidated interim financial statements are presented in Saudi Riyals, which is the functional currency of the Group, and the presented financial statements are rounded to the nearest Saudi riyal.

2-4 Significant accounting policies

Business combination

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

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

New and amended standards adopted by the Group

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

Amendments and interpretations

IFRS 17: Insurance Contracts.

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

Amendments to IAS 8: Definition of Accounting Estimates.

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

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

Amendments to IAS 16: Lease Liability in a Sale and Leaseback.

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

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

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

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(All amounts are in Saudi Riyals unless otherwise stated)

3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

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

4. PROPERTY AND EQUIPMENT

	<i>30 September 2023 (Unaudited)</i>	<i>31 December 2022 (Audited)</i>
1 January - net book value	161,035,744	172,321,834
Additions for the period / year	20,627,255	25,389,168
Additions to projects under process period / year*	14,608,177	1,572,347
Transferred from investments properties	9,254,366	19,324
Depreciation charge for the period / year	(19,326,245)	(26,241,640)
Disposals, net - for the period / year	(2,836,904)	(12,025,289)
Closing balance - net book value	183,362,393	161,035,744

Projects Under Process conclude the followings:

- An amount of 1 million SR for one of the group companies, representing the cost of purchasing transportation units (trailers).
- An amount of 13,6 million SR, which represents construction work for operational buildings for some group companies.

5. INVESTMENT PROPERTIES

	<i>30 September 2023 (Unaudited)</i>	<i>31 December 2022 (Audited)</i>
1 January - net book value	194,461,685	38,317,753
Additions for the period / year	11,006,676	156,647,988
Transfers / reclass to property and equipment	(9,254,366)	(19,324)
Depreciation charge for the period / year	(469,736)	(484,732)
Closing balance - net book value	195,744,259	194,461,685

6. INTANGIBLE ASSETS

	<i>30 September 2023 (Unaudited)</i>	<i>31 December 2022 (Audited)</i>
Smart parking concession rights (IFRIC 12) (Note 6.1)	643,190,083	552,266,644
Goodwill	78,245,709	78,245,709
Other	3,239,755	3,961,330
Closing balance - net book value	724,675,547	634,473,683

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

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

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(All amounts are in Saudi Riyals unless otherwise stated)

6. INTANGIBLE ASSETS (continued)

6- 1 The following is an analysis of smart parking's concession rights balance:

				30 September 2023 (Unaudited)	31 December 2022 (Audited)
	Equipment & Constructions	Concession rights	Capitalized interests	Total	
1 January - net book value	49,678,266	496,731,126	5,857,252	552,266,644	388,776,509
Additions for the period / year	4,269,503	99,075,980	2,083,069	105,428,552	222,396,128
Adjustments / disposals (net)	-	-	-	-	(43,040,710)
Depreciation charge for the period / year	(3,791,513)	(10,570,012)	(143,588)	(14,505,113)	(15,865,283)
Closing balance - net book value	50,156,256	585,237,094	7,796,733	643,190,083	552,266,644

7. TRADE RECEIVABLES, PREPAYMENTS, AND OTHER RECEIVABLES

	<i>Note</i>	30 September 2023 (Unaudited)	31 December 2022 (Audited)
<u>Trade receivables</u>			
Trade receivables	7-1	167,127,871	135,211,332
Expected credit loss allowance on trade receivables	7-2	(18,572,986)	(14,472,986)
Trade receivables, net		148,554,885	120,738,346
<u>Prepayments & Other debit balances</u>			
Custody receivables	7-3	15,462,009	13,072,279
Less: Provision for custody receivables		(12,366,738)	(6,821,738)
Custody receivables, net		3,095,271	6,250,541
Prepaid expenses		19,608,941	23,361,334
Advance Payments to suppliers		6,918,315	261,552
Letters of guarantee – insurance		3,980,317	10,156,620
Employees receivables		2,791,651	1,622,739
Proceed from sale of subsidiaries		1,192,847	1,101,089
VAT receivable		332,280	990,019
Others		2,668,132	1,961,704
Total Prepayments & Other debit balances		40,587,754	45,705,598
Total Trade receivables, Prepayments & Other debit balances		189,142,639	166,443,944

Trade receivables

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

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

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

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(All amounts are in Saudi Riyals unless otherwise stated)

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

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

<i>30 September 2023</i>	<i>Total</i>	<i>Current</i>	<i>0-90 days</i>	<i>91-180 days</i>	<i>181-270 days</i>	<i>271-360 days</i>	<i>More than 360 days</i>
Book value	167,127,871	78,472,375	37,601,296	13,948,735	5,767,991	1,544,724	29,792,750
ECL	18,572,986	850,530	1,218,948	746,427	840,477	133,516	14,783,088
ECL rate	11%	1%	3%	5%	15%	9%	50%
<i>31 December 2022</i>	<i>Total</i>	<i>Current</i>	<i>0-90 days</i>	<i>91-180 days</i>	<i>181-270 days</i>	<i>271-360 days</i>	<i>More than 360 days</i>
Book value	135,211,332	57,020,144	32,773,704	4,189,383	4,152,449	6,793,032	30,282,620
ECL	14,472,986	1,235,006	710,046	162,668	132,906	673,227	11,559,133
ECL rate	11%	2%	2%	4%	3%	10%	38%

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

	<i>30 September 2023 (Unaudited)</i>	<i>31 December 2022 (Audited)</i>
1 January	14,472,986	11,329,863
Charged during the period / year	4,100,000	7,010,000
Write off during the period/ year	-	(2,423,460)
Transferred to Other debit balances provision	-	(1,443,417)
Closing balance	18,572,986	14,472,986

Custody receivables

7-3 The majority of custody receivables are receivables for more than one year. Management make provisions according to the ageing of these balances..

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

	<i>30 September 2023 (Unaudited)</i>	<i>31 December 2022 (Audited)</i>
1 January	6,821,738	29,128,692
Charged during the period / year	5,900,000	8,650,000
Write off during the period / year	(355,000)	(32,400,371)
Transferred from trade receivables provision.	-	1,443,417
Closing balance	12,366,738	6,821,738

8. FINANCIAL ASSETS MEASURED AT FVPL

	<i>30 September 2023 (Unaudited)</i>	<i>31 December 2022 (Audited)</i>
Portfolio Management investments (note 8-1)	65,519,241	77,433,635
Alteia Global Fund SPC (Barak GCC Credit Fund SPC limited previous) (note 8-2)	3,757,500	3,757,500
	69,276,741	81,191,135

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

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

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(All amounts are in Saudi Riyals unless otherwise stated)

8. FINANCIAL ASSETS MEASURED AT FVPL (continued)

8-1 Portfolio Management investments

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

The movement for the period was as follows:

	<i>30 September 2023 (Unaudited)</i>	<i>31 December 2022 (Audited)</i>
1 January	77,433,635	10,930,023
Addition during the period / year	-	80,000,000
Disposals during the period/ year	(18,000,000)	(15,049,597)
Unrealized gains	6,085,606	1,553,209
Closing balance	65,519,241	77,433,635

8-2 Investment in Alteia Global Fund SPC (Barak GCC Credit Fund SPC limited previous)

During the year 2022, the group invested in 33.33% of the Alteia Global Fund SPC (Barak GCC Credit Fund SPC limited previous), located in the Cayman Island, with an amount of 1 million US dollars under agreement compliant with Islamic sharia rules.

The movement for the period was as follows:

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

9. CASH AND CASH EQUIVALENT

	<i>30 September 2023 (Unaudited)</i>	<i>31 December 2022 (Audited)</i>
Cash in bank	35,168,464	35,205,573
Cash in hand	2,360,286	2,533,347
Short term deposits (90 days) (note 9-1)	-	20,000,000
Closing balance	37,528,750	57,738,920

- 9-1 Short term deposit earns interest at 5% per annum compliant with Islamic sharia rules. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

10. LOANS

a) Short-term Loans

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

As of September 30, 2023, the Group obtained short-term facilities agreements amounting to 121.8 million Saudi riyals (2022: 81.7 million Saudi riyals), and the outstanding balance is 17.8 million Saudi riyals were used as letters of guarantee only (2021: 14.8 million Saudi riyals).

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

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

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(All amounts are in Saudi Riyals unless otherwise stated)

10. LOANS (continued)

b) Long-term Loans

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

<i>Bank</i>	<i>Entity</i>	<i>Currency</i>	<i>Maturity</i>	<i>30 September 2023 (Unaudited)</i>	<i>31 December 2022 (Audited)</i>
Local bank (note 10.2.1)	Batic	SR	30 June 2024	13,600,000	17,000,000
Local bank	Smart cities	SR	7 years	50,161,310	55,306,060
Local bank	Mubarrad	SR	11 November 2025	5,459,535	7,740,422
Local bank	Mubarrad	SR	17 September 2025	8,697,686	11,959,318
Local bank	Mubarrad	SR	11 February 2028	14,455,328	-
Local bank (note 10.2.2)	Batic Real-estate	SR	9 May 2025	100,000,000	100,000,000
Total Long-term loans				192,373,859	192,005,800
Less: Current portion of long-term loans				(39,636,570)	(28,016,540)
Long-term loans				152,737,289	163,989,260

10-2-1 The loan is secured by a mortgage with a net book value of 33.9 million SAR (December 31, 2022: 34.7 million SAR), a promissory note in the amount of 34 million SAR signed by the subsidiary AMNCO, a legal assignment of proceeds from AMNCO, and an insurance policy The bank will be the first beneficiary.

10-2-2 The credit facilities agreement is secured by a promissory note and a mortgage with a book value of 151.9 million Saudi riyals (December 31, 2022: 140.8 million)

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

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

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

	<i>30 September 2023 (Unaudited)</i>	<i>31 December 2022 (Audited)</i>
1 January	192,005,800	265,255,647
Additions during the period / year	16,061,475	101,336,857
Paid during the period / year	(15,693,416)	(174,586,704)
Closing balance	192,373,859	192,005,800
Non-current balance	152,737,289	163,989,260
Current balance	39,636,570	28,016,540

The loans maturity schedule was as follows:

	<i>30 September 2023 (Unaudited)</i>	<i>31 December 2022 (Audited)</i>
Less than a year	39,636,570	28,016,540
From one to two years	24,822,096	31,416,541
More than two years to five years	127,915,193	132,572,719
Total	192,373,859	192,005,800

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

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

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(All amounts are in Saudi Riyals unless otherwise stated)

11. OBLIGATION UNDER THE SERVICE CONCESSION AGREEMENT

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

	<i>30 September 2023 (Unaudited)</i>	<i>31 December 2022 (Audited)</i>
1 January	487,173,139	329,746,251
Additions for the period / year	95,254,564	193,694,396
Adjustment for the period / year	-	(44,564,402)
Finance costs (IFRIC 12)	7,782,942	8,296,894
Closing balance	590,210,645	487,173,139
Non-current balance	565,396,355	463,651,326
Current balance	24,814,290	23,521,813

12. SIGNIFICANT RELATED PARTIES TRANSACTION AND BALANCES

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

12-1 Related parties' transactions

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

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

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

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

	<i>30 September 2023 (Unaudited)</i>	<i>31 December 2022 (Audited)</i>
Note		
Other (Subsidiary's Partners)	13	180,000

12-4 Key management personnel compensation

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

	<i>For the Nine-month period ended 30 September (Unaudited)</i>	
	<i>2023</i>	<i>2022</i>
Key management employee's compensations		
Salaries and short-term benefit	5,308,274	5,728,230
End of service benefit	190,199	194,932
Total	5,498,473	5,923,162

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

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

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(All amounts are in Saudi Riyals unless otherwise stated)

12. SIGNIFICANT RELATED PARTIES TRANSACTION AND BALANCES (continued)

12-4 Key management personnel compensation (continued)

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

	<i>For the Nine-month period ended 30 September (Unaudited)</i>	
	<i>2023</i>	<i>2022</i>
End of service and other benefits	1,882,101	1,956,307

13. TRADE PAYABLES, ACCRUALS, AND OTHER PAYABLES

	Note	<i>30 September 2023 (Unaudited)</i>	<i>31 December 2022 (Audited)</i>
Trade payables		23,724,019	20,138,668
Accrued expenses		35,071,224	29,111,568
Notes payable		-	3,561,300
VAT payable		4,495,526	5,100,937
Accrued employee salaries		22,903,468	17,393,896
Due to a related party	12	-	180,000
Other		2,191,940	2,647,144
		88,386,177	78,133,513

14. ZAKAT PROVISION

A- Zakat status

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

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

Batic Investments and Logistics

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

On 21 October 2020, the Company received Zakat assessments for the years ended 31 December 2015, 2016 and 2017, with additional amount of SR 2,520,796. The Company paid SR 105,573 which represent the non-objected portion and submitted an objection for the remaining claim. On 20 December 2020, ZATCA rejected the objection. On 11 February 2021, the objection was escalated to the General Secretariat of Zakat, tax, and customs Committees (GSZTC). GSZTC rejected the Company's objection to the Zakat assessments. As a result, the Company appealed against the decision and the appeal has been suspended to check the objection by (GSZTC). On 15 August 2023 results of settlement committee issued and the company did not accept the offered results and decided to continue appeals procedures.

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

Arab Security & Safety Services Company (AMNCO)

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

Saudi Transport and Investment Company (Mubarrad)

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

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

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

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

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(All amounts are in Saudi Riyals unless otherwise stated)

14. ZAKAT PROVISION (continued)

A- Zakat status (continued)

Batic Real Estate

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

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

AMNCO Facility Management Co. Ltd.

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

B- Zakat movement provision

	<i>30 September 2023 (Unaudited)</i>	<i>31 December 2022 (Audited)</i>
1 January	5,093,791	6,890,949
Charged for the period / year	5,050,110	4,782,397
Paid during the period / year	(4,146,503)	(6,579,555)
Closing balance	5,997,398	5,093,791

15. SEGMENT INFORMATION

The Group's management has defined the operational segments based on the reports reviewed by the Board of Directors on the basis of which strategic decisions are taken. For administrative purposes, the Group is organized into 8 business units based on their services, and the following are the operating segments of the Group:

Real estate investment segment

The real estate segment is represented in buying and selling lands and constructing buildings on them and investing them by sale or rent for the Group's entities and third development parties, establishing and operating commercial and industrial projects.

Transportation segment

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

Security guards' segment

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

ATM feeding

It includes feeding and maintenance services for banks' ATMs.

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

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

Facility management segment

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

Smart parking segment

It includes rent parking to others.

Medical equipment supply segment

It includes the supply of medical equipment to medical entities and institutions.

Management monitors the operating results of its business units separately for the purpose of making decisions regarding resource allocation and performance assessment. Segment performance is evaluated based on profit or loss from operations and is measured consistently with operating profit or loss in the interim condensed consolidated financial statements.

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

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

15. SEGMENT INFORMATION (continued)

The table below represents the segments information for the period ended 30 September 2023 (Unaudited)

	<i>Investment property</i>	<i>Transporta- tion sector</i>	<i>Security guard sector</i>	<i>ATM feeding sector</i>	<i>Secured money transfer and correspondence sector</i>	<i>Facility manage- ment sector</i>	<i>Smart parking solutions</i>	<i>Supply of medi- cal equipment</i>	<i>Others and settlements</i>	<i>Total</i>
Revenue	3,914,111	81,420,572	96,557,914	61,005,727	37,106,178	35,374,434	45,281,851	-	(6,411,001)	354,249,786
Cost of revenue	(1,885,597)	(72,371,795)	(93,189,146)	(51,932,260)	(31,570,702)	(31,505,094)	(29,583,397)	(1,333)	4,453,441	(307,585,883)
Gross profit / (Loss)	<u>2,028,514</u>	<u>9,048,777</u>	<u>3,368,768</u>	<u>9,073,467</u>	<u>5,535,476</u>	<u>3,869,340</u>	<u>15,698,454</u>	<u>(1,333)</u>	<u>(1,957,560)</u>	<u>46,663,903</u>
Total assets	<u>249,497,792</u>	<u>186,131,832</u>	<u>91,118,878</u>	<u>82,484,105</u>	<u>51,202,431</u>	<u>18,364,587</u>	<u>670,551,581</u>	<u>4,771,783</u>	<u>110,709,375</u>	<u>1,464,832,364</u>
Total liabilities	<u>168,338,928</u>	<u>83,548,078</u>	<u>40,643,628</u>	<u>23,716,431</u>	<u>19,188,019</u>	<u>14,756,047</u>	<u>694,133,582</u>	<u>4,590,380</u>	<u>(52,202,528)</u>	<u>996,712,565</u>

The table below represents the segments information for the period ended 30 September 2022 (Unaudited)

	<i>Investment property</i>	<i>Transporta- tion sector</i>	<i>Security guard sector</i>	<i>ATM feeding sector</i>	<i>Secured money trans- fer and correspond- ence sector</i>	<i>Facility management sector</i>	<i>Communi- cations and infor- mation technology</i>	<i>Smart park- ing solutions</i>	<i>Supply of medical equipment</i>	<i>Home medical services</i>	<i>Others and settlements</i>	<i>Total</i>
Revenue	2,910,484	65,341,152	81,679,376	66,183,281	33,084,022	30,071,782	-	40,519,337	-	915,491	(6,444,201)	314,260,724
Cost of revenue	(1,553,872)	(62,880,373)	(81,201,975)	(59,695,977)	(33,564,627)	(26,489,639)	(900,963)	(24,182,989)	(5,867)	(1,823,115)	5,058,675	(287,240,722)
Gross profit / (Loss)	<u>1,356,612</u>	<u>2,460,779</u>	<u>477,401</u>	<u>6,487,304</u>	<u>(480,605)</u>	<u>3,582,143</u>	<u>(900,963)</u>	<u>16,336,348</u>	<u>(5,867)</u>	<u>(907,624)</u>	<u>(1,385,526)</u>	<u>27,020,002</u>
Total assets	<u>232,941,221</u>	<u>163,465,444</u>	<u>80,186,696</u>	<u>79,719,041</u>	<u>49,692,208</u>	<u>21,222,895</u>	<u>335,207</u>	<u>393,259,949</u>	<u>4,897,022</u>	<u>1,323,091</u>	<u>128,261,082</u>	<u>1,155,303,856</u>
Total liabilities	<u>156,225,525</u>	<u>71,815,527</u>	<u>29,723,880</u>	<u>17,066,439</u>	<u>14,538,528</u>	<u>18,899,582</u>	<u>2,223,571</u>	<u>413,285,396</u>	<u>7,855,747</u>	<u>5,348,937</u>	<u>(67,775,141)</u>	<u>669,207,991</u>

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(All amounts are in Saudi Riyals unless otherwise stated)

16. LOSSES PER SHARE (LPS)

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

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

	<i>For the three-month period ended 30 September (unaudited)</i>		<i>For the Nine-month period ended 30 September (unaudited)</i>	
	2023	2022	2023	2022
Net (loss) attributable to shareholders of the parent	(6,623,202)	(12,792,007)	(6,087,105)	(24,673,297)
Weighted average number of common shares	600,000,000	585,710,000	600,000,000	585,710,000
Loss of basic and diluted per share	(0.01)	(0.02)	(0.01)	(0.04)

17. Business combination reserve

	<i>30 September 2023 (Unaudited)</i>	<i>31 December 2022 (Audited)</i>
1 January	143,926,868	122,747,412
Additional shares in subsidiaries (Note 1-1)	760,600	21,179,456
Closing balance	144,687,468	143,926,868

18. LIQUIDITY RISK AND GOING CONCERN

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

The calculation of net debt was as follows:

	<i>30 September 2023 (Unaudited)</i>	<i>31 December 2022 (Audited)</i>
Obligation under the service concession agreement	590,210,645	487,173,139
Loans	192,373,859	192,005,800
Lease liabilities	48,948,547	41,569,491
Notes payable	-	3,561,300
Cash and cash equivalents	(37,528,750)	(57,738,920)
Short-term financial assets measured at FVPL	(69,276,741)	(81,191,135)
Net debt	724,727,560	585,379,675
 Equity	 468,119,799	 478,102,177
Equity and net debt	1,192,847,359	1,063,481,852
Gearing ratio	61%	55%
 Current ratio	 1.47	 1.75
Unused credit facilities (in SAR millions)	79.8	150.6

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(All amounts are in Saudi Riyals unless otherwise stated)

18. LIQUIDITY RISK AND GOING CONCERN (continued)

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

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

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

19. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

As at 30 September 2023, the Group has contingent liabilities in the form of bank guarantees uncovered in amount of SR 19.4 million issued in the normal course of business (31 December 2022: SR 27.2 million).

The Group also has capital commitments amounted to SR 32.7 million as of 30 September 2023 (31 December 2022: SR 26 million) mainly represent contracts for the purchase of property, equipment, trucks, shipping units, devices, constructions for installment and operating the group projects.

20. COMPARATIVES

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

21. SUBSEQUENT EVENTS

No events have arisen subsequent to 30 September 2023 and before the issuance of the interim condensed consolidated financial statements that could have a significant effect on the interim condensed consolidated financial statements as of 30 September 2023.

22. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim Condensed Consolidated Financial Statements were approved by the Board of Directors on 18 Rabi' al Thani 1445H (corresponding to 2 November 2023).