
**Al Moammar Information Systems
Company
(A Saudi Joint Stock Company)**

INTERIM CONDENSED FINANCIAL STATEMENTS

**FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED
30 SEPTEMBER 2019**

Al Moammar Information Systems Company
(A Saudi Joint Stock Company)

INTERIM CONDENSED FINANCIAL STATEMENTS

30 September 2019

INDEX	PAGES
Independent auditor's review report	1
Interim condensed statement of financial position	2
Interim condensed statement of comprehensive income	3
Interim condensed statement of changes in shareholders' equity	4
Interim condensed statement of cash flows	5
Notes to the interim condensed financial statements	6 – 14



Ernst & Young & Co. (Certified Public Accountants)
General Partnership
Head Office
Al Faisaliah Office Tower - 14th floor
King Fahad Road
PO Box 2732
Riyadh 11461
Kingdom of Saudi Arabia

Registration No. 45/11/323
C.R. No. 1010383821
Tel: +966 11 215 9898
+966 11 273 4740
Fax: +966 11 273 4730
ey.ksa@sa.ey.com
ey.com/mena

**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS
TO THE SHAREHOLDERS OF AL MOAMMAR INFORMATION SYSTEMS COMPANY
(A Saudi Joint Stock Company)**

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Al Moammar Information Systems Company (A Saudi Joint Stock Company) (the "Company") as at 30 September 2019, and the related interim condensed statement of comprehensive income for the three month and nine month periods ended 30 September 2019, and the related interim condensed statements of changes in shareholders' equity and 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 presentation of these interim condensed financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed 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" endorsed in the Kingdom of Saudi Arabia. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

for Ernst & Young

Yousef A. AlMubarak
Certified Public Accountant
License No. 427



Riyadh: 2 Rabi Awal 1441H
(30 October 2019)

Al Moammar Information Systems Company
(A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 September 2019

		<i>30 September</i>	<i>31 December</i>
		<i>2019</i>	<i>2018</i>
		<i>SR</i>	<i>SR</i>
	<i>Note</i>	<i>(Unaudited)</i>	<i>(Audited)</i>
ASSETS			
Non-current assets			
Trade receivables, non-current		7,073,717	28,997,083
Property and equipment		16,455,258	9,761,819
Intangible assets		1,313,462	1,588,969
Right-of-use assets	4	1,295,619	-
Investments in associates		1,182,637	1,818,776
Total non-current assets		27,320,693	42,166,647
Current assets			
Trade receivables and other assets		429,271,195	373,455,516
Contract assets		441,514,730	303,091,489
Deferred costs		67,064,080	72,297,245
Cash and bank balances		15,657,195	106,365,312
Total current assets		953,507,200	855,209,562
TOTAL ASSETS		980,827,893	897,376,209
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	6	160,000,000	160,000,000
Statutory reserve		6,451,248	6,451,248
Other reserves		9,539,620	10,035,642
Retained earnings		59,232,896	20,101,491
Total shareholders' equity		235,223,764	196,588,381
Liabilities			
Non-current liabilities			
Lease liabilities, non-current	4	972,792	-
Contract liabilities, non-current		37,200,718	25,721,628
Employees' defined benefit obligations		15,170,512	14,334,505
Total non-current liabilities		53,344,022	40,056,133
Current liabilities			
Short-term loans	9	282,098,815	266,971,970
Trade payables and other liabilities		299,360,513	224,885,814
Contract liabilities		105,590,562	151,218,171
Dividends payable	8	-	11,825,040
Zakat payable		5,210,217	5,830,700
Total current liabilities		692,260,107	660,731,695
Total liabilities		745,604,129	700,787,828
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		980,827,893	897,376,209

The accompanying notes from 1 to 12 form an integral part of these interim condensed financial statements.

Al Moammar Information Systems Company
(A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the three month and nine month periods ended 30 September 2019

Note	<i>For the three month period ended 30 September</i>		<i>For the nine month period ended 30 September</i>	
	<i>2019 SR</i>	<i>2018 SR</i>	<i>2019 SR</i>	<i>2018 SR</i>
Revenue from contracts	229,943,607	216,663,103	679,284,358	612,183,183
Direct costs	(196,828,446)	(181,918,419)	(579,753,399)	(531,068,515)
Gross profit	33,115,161	34,744,684	99,530,959	81,114,668
Selling and marketing expenses	(1,767,936)	(2,222,249)	(7,228,693)	(7,233,424)
General and administration expenses	(10,608,303)	(10,197,935)	(33,552,420)	(27,415,673)
Income from main operations	20,738,922	22,324,500	58,749,846	46,465,571
Share in losses of associates, net	(396,073)	(867,341)	(636,139)	(2,728,873)
Finance costs	(4,597,926)	(4,659,627)	(17,422,858)	(13,768,846)
Finance income	763,760	898,900	2,029,497	2,499,099
Other income	61,709	56,999	1,020,535	224,322
Income before zakat	16,570,392	17,753,431	43,740,881	32,691,273
Zakat	(2,177,216)	(1,353,724)	(4,609,476)	(4,476,977)
Net income for the period	14,393,176	16,399,707	39,131,405	28,214,296
Other comprehensive (loss) income				
<i>Item that will not be reclassified to profit or loss:</i>				
Re-measurements of employees' defined benefit obligations	(402,048)	680,386	(496,022)	2,129,386
Total other comprehensive (loss) income	(402,048)	680,386	(496,022)	2,129,386
Total comprehensive income for the period	13,991,128	17,080,093	38,635,383	30,343,682
Basic and diluted earnings per share:	5			
Income from main operations	1.30	1.40	3.67	2.90
Net income for the period	0.90	1.02	2.45	1.76

The accompanying notes from 1 to 12 form an integral part of these interim condensed financial statements.

Al Moammar Information Systems Company
(A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the nine month period ended 30 September 2019

	Share capital SR	Statutory reserve SR	Other reserves SR	Retained earnings SR	Total shareholders' equity SR
Balance as at 1 January 2018	٥٠,٠٠٠,٠٠٠	٧٥,٠٠٠,٠٠٠	٤,٧٨٠,٠٠٠	٧٩,٠٤٠,٧٢٦	١٥٨,٤٢٠,٧٢٦
Net income for the period	-	-	-	28,214,296	28,214,296
Other comprehensive income for the period	-	-	٧,129,386	-	٧,129,386
Total comprehensive income for the period	-	-	٧,129,386	28,214,296	30,343,682
Dividends (note 7)	-	-	-	(١١,٥٥٧,٧٦٠)	(١١,٥٥٧,٧٦٠)
Balance as at 30 September 2018 (Unaudited)	٥٠,٠٠٠,٠٠٠	٧٥,٠٠٠,٠٠٠	٧,509,386	95,702,262	177,211,648
Balance as at 31 December 2018	160,000,000	6,451,248	10,035,642	20,101,491	196,588,381
Net income for the period	-	-	-	39,131,405	39,131,405
Other comprehensive loss for the period	-	-	(496,022)	-	(496,022)
Total comprehensive (loss) income for the period	-	-	(496,022)	39,131,405	38,635,383
Balance as at 30 September 2019 (Unaudited)	160,000,000	6,451,248	9,539,620	59,232,896	235,223,764

The accompanying notes from 1 to 12 form an integral part of these interim condensed financial statements.

Al Moammar Information Systems Company
(A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF CASH FLOWS
For the nine month period ended 30 September 2019

	Note	<i>For the nine month period ended 30 September</i>	
		<i>2019</i>	<i>2018</i>
		<i>SR</i>	<i>SR</i>
Operating activities			
Income before zakat		43,740,881	32,691,273
Adjustments:			
Finance costs		17,422,858	13,768,846
Provision for employees' defined benefit obligations		2,701,346	4,442,983
Provision for doubtful debts		2,296,728	1,634,516
Depreciation of property and equipment		294,943	356,126
Amortization of intangible assets		275,507	335,289
Share in losses of associates, net		636,139	2,728,873
Depreciation of right-of-use assets	4	201,631	-
		<u>67,570,033</u>	<u>55,957,906</u>
Changes in working capital:			
Trade receivables and other assets		(34,698,748)	(9,761,771)
Contract assets		(140,406,226)	(156,438,821)
Deferred costs		5,233,165	2,818,195
Trade payables and other liabilities		73,927,784	65,533,486
Contract liabilities		(34,148,519)	(15,141,208)
Net cash used in operations		<u>(62,522,511)</u>	<u>(57,032,213)</u>
Employees' defined benefit obligations paid		(2,361,360)	(1,539,000)
Zakat paid		(5,229,959)	(6,473,166)
Net cash used in operating activities		<u>(70,113,830)</u>	<u>(65,044,379)</u>
Investing activities			
Additions to property and equipment		(6,988,382)	(578,766)
Additions to intangible assets		-	(724,919)
Cash used in investing activities		<u>(6,988,382)</u>	<u>(1,303,685)</u>
Financing activities			
Proceeds from short-term loans		482,771,685	369,483,886
Repayment of short-term loans		(467,644,840)	(274,877,606)
Finance costs paid		(16,732,209)	(10,849,176)
Payment of lease liabilities	4	(175,501)	-
Dividends paid	8	(11,825,040)	(44,552,260)
Net cash (used in) from financing activities		<u>(13,605,905)</u>	<u>39,204,844</u>
Net decrease in cash and bank balances		<u>(90,708,117)</u>	<u>(27,143,220)</u>
Cash and bank balances at the beginning of the period		106,365,312	55,814,301
Cash and bank balances at the end of the period		<u>15,657,195</u>	<u>28,671,081</u>
Supplemental non-cash information			
- Right-of-use assets		1,295,619	-
- Lease liabilities		1,243,111	-

The accompanying notes from 1 to 12 form an integral part of these interim condensed financial statements.

Al Moammar Information Systems Company (A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 September 2019

1. CORPORATE INFORMATION AND ACTIVITIES

Al Moammar Information Systems Company (the “Company”) is a Saudi Joint Stock Company registered in Riyadh, Kingdom of Saudi Arabia (“KSA”) under Commercial registration numbered 1010063470 and dated 10 Muharram 1407H (corresponding to 15 September 1986).

The registered office of the Company is located at Pearl Centre, King Abdulaziz road, P.O. Box 16116, Riyadh 11464, KSA.

The Company has the following branches as at 30 September 2019 and 31 December 2018:

<i>Commercial registration number</i>	<i>Commercial registration date</i>	<i>Location</i>
4030097824	8 Rabi Awal 1414H	Jeddah
1010432047	12 Jumad Thani 1436H	Riyadh
2051011413	17 Rabi Awal 1407H	Al Khobar
4030288661	4 Rajab 1437H	Jeddah

The Company is engaged in importing, installing, operating and maintaining computers, electronic devices, licensed wireless devices, electrical and electronic works, and computer and IT. The Company is also engaged in importing, marketing, maintaining and installing licensed telecommunications and IT equipment, as well as installing and operating geographic information systems.

These interim condensed financial statements were approved by the Board of Directors on 2 Rabi Awal 1441H (corresponding to 30 October 2019).

2. BASIS OF PREPARATION

These interim condensed financial statements have been prepared in accordance with International Accounting Standard (“IAS”), “Interim Financial Reporting” (“IAS 34”) as endorsed in KSA.

The interim condensed financial statements do not include all the information and disclosures required for a complete set of annual financial statements and should be read in conjunction with the Company’s audited financial statements for the year ended 31 December 2018.

Basis of measurement and functional currency

These interim condensed financial statements are prepared under the historical cost convention. These interim condensed financial statements are presented in Saudi Arabian Riyal (“SR”), which is the functional currency of the Company.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in preparing the Company’s annual financial statements for the year ended 31 December 2018, except for the adoption of International Financial Reporting Standard 16 ‘Leases’ (“IFRS 16”) at its effective date 1 January 2019.

IFRS 16 replaces IAS 17 ‘Leases’ (“IAS 17”), IFRIC 4 ‘Whether an arrangement contains a lease’ (“IFRIC 4”), SIC-15 ‘Operating leases - Incentives’ and SIC-27 ‘Evaluating the substance of transactions involving the legal form of a lease’. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model.

The Company has not early adopted any new standard, interpretation or amendment that have been issued but which are not yet effective.

Al Moammar Information Systems Company
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

30 September 2019

4. CHANGES IN ACCOUNTING POLICIES

IFRS 16, Leases

The Company has adopted IFRS 16 from its mandatory adoption date 1 January 2019 using the modified simplified transition approach as permitted under the specific transition provisions in the standard. As a result, comparatives have not been restated. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases').

Impact on the interim condensed statement of financial position (increase/(decrease)) as at 1 January 2019:

	<u>SR</u>
Assets	
Right-of-use assets	1,497,250
Trade receivables and other assets	<u>(78,638)</u>
Total assets	<u>1,418,612</u>
Liabilities	
Lease liabilities, non-current	1,174,257
Trade payables and other liabilities (*)	<u>244,355</u>
Total liabilities	<u>1,418,612</u>

(*) current portion of lease liabilities is included under trade payables and other liabilities.

On adoption of IFRS 16, the Company has recognised lease liabilities and associated right-of-use assets in relation to contracts that have been concluded as leases under the principles of IFRS 16. The liabilities were measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate as of 1 January 2019. The associated right-of-use assets are measured at the amount equal to the lease liabilities, adjusted by the amount of prepayments relating to that lease recognised in the statement of financial position as at 31 December 2018. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 5%.

The Company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Restoration costs for most the leases were considered to be negligible, except where reasonable information was available to assess and include such costs in determining lease liabilities
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease

The following table shows reconciliation of operating lease commitments under IAS 17 to lease liabilities under IFRS 16 as at 1 January 2019:

	<u>SR</u>
Operating lease commitments disclosed as at 31 December 2018	310,500
Discounted using the Company's incremental borrowing rate of 5%	297,077
Add: contracts reassessed with optional extension periods not recognised as at 31 December 2018	<u>1,121,535</u>
Lease liabilities recognised as at 1 January 2019	<u>1,418,612</u>

Leases are recognised as right-of-use assets along with their corresponding liabilities at the date of which the leased assets are available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is recognized in the interim condensed statement of comprehensive income over the lease term. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Al Moammar Information Systems Company (A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

30 September 2019

4. CHANGES IN ACCOUNTING POLICIES (continued)

IFRS 16, Leases (continued)

Set out below, are the carrying amounts of the Company's right-of-use assets and lease liabilities and the movements during the nine month period ended 30 September 2019:

	<i>Right-of-use assets SR</i>	<i>Lease Liabilities (*) SR</i>
As at 31 December 2018	1,497,250	1,418,612
Depreciation	(201,631)	-
Finance costs	-	50,815
Payments	-	(175,501)
As at 30 September 2019	1,295,619	1,293,926

(*) As at 30 September 2019, non-current portion of lease liabilities amounted to SR 1.0 million (current portion amounting to SR 0.3 million were included in trade payables and other liabilities).

Summary of new accounting policies

Set out below are the new accounting policies of the Company upon adoption of IFRS 16:

Right-of-use assets

Right-of-use assets are initially measured at cost comprising the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs, and restoration costs; if applicable.

Lease liabilities

Lease liabilities include, if applicable, the net present value of fixed payments (including in-substance fixed payments), less any lease incentives receivable, variable lease payment that are based on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Short-term leases

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Extension and termination options

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The Company assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within control.

5. EARNINGS PER SHARE

Basic earnings per share is calculated based on the weighted average number of outstanding shares during the period.

Diluted earnings per share is calculated by adjusting the basic earnings per share for the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all diluted potential ordinary shares.

Al Moammar Information Systems Company
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
30 September 2019

5. EARNINGS PER SHARE (continued)

	<i>For the three month period ended 30 September</i>		<i>For the nine month period ended 30 September</i>	
	<i>2019</i>	<i>2018</i>	<i>2019</i>	<i>2018</i>
Income from main operations (SR)	20,738,922	22,324,500	58,749,846	46,465,571
Net income for the period (SR)	14,393,176	16,399,707	39,131,405	28,214,296
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share (note 6)	16,000,000	16,000,000	16,000,000	16,000,000
Basic and diluted earnings per share of income from main operations (SR)	1.30	1.40	3.67	2.90
Basic and diluted earnings per share of net income for the period (SR)	0.90	1.02	2.45	1.76

There has been no item of dilution affecting the weighted average number of ordinary shares.

6. SHARE CAPITAL

Capital is divided into 16,000,000 shares (31 December 2018: 16,000,000) of SR 10 each.

The shareholders of the Company resolved on 25 December 2018 to increase its capital to SR 160 million by transferring SR 85 million and SR 25 million from retained earnings and statutory reserve, respectively to share capital. The legal formalities required to enforce the increase of the share capital were completed during the year ended 31 December 2018.

On 24 April 2019, the shareholders of the Company sold 30% of the shares through an Initial Public Offering (“IPO”). Upon successful listing process, the said shares are part of trading in Saudi Stock Exchange “Tadawul”.

7. DIVIDENDS

The Board of Directors in their meeting held on 13 Shawwal 1439H (corresponding to 27 June 2018) approved the distribution of interim dividends of SR 0.722 per share amounting to SR 11.6 million that were ratified by the shareholders in the Annual General Meeting held on 15 January 2019.

Subsequent to the period end, the Board of Directors in their meetings held on 16 Safar 1441H (corresponding to 15 October 2019) resolved to distribute interim dividends amounting SR 1 per share aggregating to SR 16 million. The Board of Directors will present it to the shareholders in the upcoming Annual General Meeting.

8. RELATED PARTY TRANSACTIONS AND BALANCES

During the three month and nine month periods ended 30 September 2019 and 2018, the Company transacted with its related parties. The terms of those transactions are approved by management/Board of Directors in the ordinary course of business. The transactions during the periods are as follows:

	<i>For the three month period ended 30 September</i>		<i>For the nine month period ended 30 September</i>	
	<i>2019</i>	<i>2018</i>	<i>2019</i>	<i>2018</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Dividends paid to shareholders	-	1,000,089	11,825,040	44,552,260
Purchases from related parties	18,514,097	1,178,225	66,207,559	6,985,542
IPO costs incurred on behalf of shareholders (**)	-	-	1,995,499	-

Al Moammar Information Systems Company
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
30 September 2019

8. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

The following balances were outstanding with related parties at the reporting date:

<i>Related party</i>	<i>Relationship</i>	<i>30 September</i>	<i>31 December</i>
		<i>2019</i>	<i>2018</i>
		<i>SR</i>	<i>SR</i>
		<i>(Unaudited)</i>	<i>(Audited)</i>
Amounts due from related parties:			
Electronic Maps Trading Company	Other related party	7,316,897	7,316,897
Shareholders (**)	Shareholders	-	4,989,051
Other	Other related party	809,018	548,524
		8,125,915	12,854,472
Amounts due to related parties:			
Electronic Maps Trading Company	Other related party	52,145,140	925,290
Esri Saudi Arabia Limited Company	Other related party	12,472,976	13,025,209
Edarat Telecommunication and Information Technology Company	Associate	12,211	-
Other	Other related party	120,288	-
		64,750,615	13,950,499

(**) Amounts due from the shareholders pertain to IPO costs which were agreed to be reimbursed by the shareholders upon successful listing process. On April 2019, total amount of SR 7.0 million has been reimbursed by the shareholders.

As at 30 September 2019, outstanding dividends payable to the shareholders amounted to SR Nil (31 December 2018: SR 11.8 million).

Amounts due from/to related parties are included in trade receivables and other assets and trade payables and other liabilities, respectively.

The remuneration of key management personnel for the period are as follows:

	<i>For the three month period ended 30 September</i>		<i>For the nine month period ended 30 September</i>	
	<i>2019</i>	<i>2018</i>	<i>2019</i>	<i>2018</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Salaries and short-term benefits	1,310,439	2,038,222	6,218,795	4,957,502
Employees' end-of-service benefits	74,219	71,510	255,945	214,531
	1,384,658	2,109,732	6,474,740	5,172,033

Al Moammar Information Systems Company
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
30 September 2019

9. SHORT-TERM LOANS

Breakdown of the short-term loans are as follows:

	<i>30 September 2019 SR (Unaudited)</i>	<i>31 December 2018 SR (Audited)</i>
Murabaha facilities	257,024,858	256,867,689
Conventional facilities	25,073,957	10,104,281
	<u>282,098,815</u>	<u>266,971,970</u>

The Company obtained the short-term loans from various local banks to meet the working capital requirements. These loans are secured by promissory notes and assignment of certain contract proceeds and carry commission charges at prevailing market commission rates.

10. CONTINGENT LIABILITIES AND COMMITMENTS

The Company had the following contingent liabilities as at the reporting date:

	<i>30 September 2019 SR (Unaudited)</i>	<i>31 December 2018 SR (Audited)</i>
Letters of guarantee	160,863,107	146,872,671
Letters of credit	75,429,422	47,177,569
Commitments for property under construction (*)	18,564,476	-
	<u>254,857,005</u>	<u>194,050,240</u>

(*) The commitment for property under construction includes payments to be made for civil works, electromechanical works, design works, external and internal finishing works.

11. SEGMENT INFORMATION

The Company operates solely in KSA and has no geographical segment. For management purposes, the Company is organized into business units based on service provided and has the following reportable segments:

- Business Service Management Unit
- Solutions Unit
- Systems Unit
- Information Technology Security Unit
- Networking Unit
- Operation and Maintenance Unit

Al Moammar Information Systems Company
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
30 September 2019

11. SEGMENT INFORMATION (continued)

The segments' financial details are shown below:

	<i>Business service management</i>		<i>Solutions</i>		<i>Systems</i>		<i>Information technology security</i>		<i>Networking</i>		<i>Operation and maintenance</i>		<i>Corporate</i>		<i>Total</i>		
	<i>Unit</i>	<i>SR</i>	<i>unit</i>	<i>SR</i>	<i>unit</i>	<i>SR</i>	<i>unit</i>	<i>SR</i>	<i>unit</i>	<i>SR</i>	<i>unit</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	
<i>For the three month period ended 30 September 2019</i>																	
Revenue from contracts	11,401,591	52,475,799	104,012,825	27,029,200	13,868,928	21,155,264	-	-	-	-	-	-	-	-	-	229,943,607	
Direct costs	(5,881,761)	(47,738,963)	(91,441,863)	(22,175,932)	(11,955,842)	(17,634,085)	-	-	-	-	-	-	-	-	-	(196,828,446)	
Income (loss) from main operations	4,656,086	4,079,325	11,064,447	4,009,967	953,564	2,548,205	(6,572,672)	-	-	-	-	-	-	-	-	20,738,922	
Finance cost	(77,132)	(929,913)	(2,511,568)	(465,094)	(238,932)	(375,287)	-	-	-	-	-	-	-	-	-	(4,597,926)	
Share in losses of associates, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(396,073)	
Finance income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	763,760	
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	61,709	
Income before zakat	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,570,392	
<i>For the three month period ended 30 September 2018</i>																	
Revenue from contracts	23,139,138	74,301,152	67,808,536	14,430,861	13,779,584	23,203,832	-	-	-	-	-	-	-	-	-	216,663,103	
Direct costs	(15,673,456)	(65,298,316)	(58,386,096)	(12,069,723)	(11,921,828)	(18,569,000)	-	-	-	-	-	-	-	-	-	(181,918,419)	
Income (loss) from main operations	6,409,987	7,404,256	8,022,332	1,500,633	789,198	3,832,723	(5,634,629)	-	-	-	-	-	-	-	-	22,324,500	
Finance cost	(400,829)	(1,678,287)	(1,502,115)	(304,094)	(302,289)	(472,013)	-	-	-	-	-	-	-	-	-	(4,659,627)	
Share in losses of associates, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(867,341)	
Finance income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	898,900	
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	56,999	
Income before zakat	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17,753,431	

Al Moammar Information Systems Company
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
30 September 2019

11. SEGMENT INFORMATION (continued)

	Business service management		Solutions		Systems		Information technology security		Networking		Operation and maintenance		Corporate		Total		
	Unit	SR	unit	SR	unit	SR	unit	SR	unit	SR	unit	SR	SR	SR	SR	SR	
<u>For the nine month period ended 30 September 2019</u>																	
Revenue from contracts	55,150,254		219,598,584		181,708,503		82,577,229		66,626,808		73,622,980		-		679,284,358		
Direct costs	(34,844,686)		(194,474,710)		(160,183,449)		(70,396,871)		(57,259,231)		(62,594,452)		-		(579,753,399)		
Income (loss) from main operations	16,744,646		19,904,128		17,158,271		8,649,530		5,275,950		7,056,770		(16,039,449)		58,749,846		
Finance cost	(1,047,159)		(5,844,390)		(4,813,863)		(2,080,111)		(1,756,234)		(1,881,101)		-		(17,422,858)		
Share in losses of associates, net	-		-		-		-		-		-		-		(636,139)		
Finance income	-		-		-		-		-		-		-		2,029,497		
Other income	-		-		-		-		-		-		-		1,020,535		
Income before zakat															43,740,881		
<u>For the nine month period ended 30 September 2018</u>																	
Revenue from contracts	68,805,091		173,523,761		147,123,287		75,388,647		61,736,391		85,606,006		-		612,183,183		
Direct costs	(49,611,780)		(155,368,998)		(129,806,466)		(66,259,933)		(53,664,205)		(76,357,133)		-		(531,068,515)		
Income (loss) from main operations	15,962,945		13,754,825		13,612,653		6,058,389		4,581,345		5,601,244		(13,105,830)		46,465,571		
Finance cost	(1,286,269)		(4,028,203)		(3,365,451)		(1,717,900)		(1,391,335)		(1,979,688)		-		(13,768,846)		
Share in losses of associates, net	-		-		-		-		-		-		-		(2,728,873)		
Finance income	-		-		-		-		-		-		-		2,499,099		
Other income	-		-		-		-		-		-		-		224,322		
Income before zakat															32,691,273		

Al Moammar Information Systems Company
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
30 September 2019

11. SEGMENT INFORMATION (continued)

	<i>Business service management unit</i>		<i>Solutions unit</i>		<i>Systems unit</i>		<i>Information technology security unit</i>		<i>Networking unit</i>		<i>Operation and maintenance unit</i>		<i>Corporate</i>		<i>Total</i>		
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	
<i>As at 30 September 2019</i>																	
<i>(Unaudited)</i>																	
Total assets	76,717,184	305,474,296	252,767,008	114,869,688	92,681,732	102,413,814	35,904,171	980,827,893									
Total liabilities	58,801,008	234,135,243	193,736,971	88,043,553	71,037,270	78,496,562	21,353,522	745,604,129									
<i>As at 31 December 2018</i>																	
<i>(Audited)</i>																	
Total assets	132,111,671	198,790,596	203,292,192	98,759,410	81,233,860	63,652,387	119,536,093	897,376,209									
Total liabilities	50,147,039	192,168,242	148,983,160	93,319,712	57,682,221	126,497,209	31,990,245	700,787,828									

12. EVENTS SUBSEQUENT TO THE REPORTING DATE

In the opinion of management, there have been no significant subsequent events since the period ended 30 September 2019, which would have a material impact on the financial position of the Company as reflected in these interim condensed financial statements.