

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

**INTERIM CONDENSED FINANCIAL STATEMENTS**

**FOR THE THREE-MONTH PERIOD ENDED  
31 MARCH 2019**

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

---

INTERIM CONDENSED FINANCIAL STATEMENTS

31 March 2019

<b>INDEX</b>	<b>PAGES</b>
Independent auditor's review report	1
Interim condensed statement of comprehensive income	2
Interim condensed statement of financial position	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 – 13

**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 31 March 2019, and the related interim condensed statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia ("KSA"). 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 KSA. 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 KSA and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

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

for Ernst & Young



Yousef A. AlMubarak  
Certified Public Accountant  
License No. 427

Riyadh: 3 Ramadan 1440H  
(8 May 2019)



**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 31 March 2019, and the related interim condensed statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia ("KSA"). 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 KSA. 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 KSA and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

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

for Ernst & Young



Yousef A. AlMubarak  
Certified Public Accountant  
License No. 427

Riyadh: 3 Ramadan 1440H  
(8 May 2019)





**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 31 March 2019, and the related interim condensed statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia ("KSA"). 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 KSA. 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 KSA and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

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

for Ernst & Young



Yousef A. AlMubarak  
Certified Public Accountant  
License No. 427

Riyadh: 3 Ramadan 1440H  
(8 May 2019)



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

**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME**

For the three-month period ended 31 March 2019

	<i>For the three-month period ended 31 March</i>	
	<i>2019</i>	<i>2018</i>
<i>Note</i>	<i>SR</i>	<i>SR</i>
Revenue from contracts	<b>211,222,554</b>	122,096,339
Direct costs	<b>(180,650,395)</b>	(105,778,810)
<b>Gross profit</b>	<b>30,572,159</b>	16,317,529
Selling and marketing expenses	<b>(2,710,348)</b>	(3,076,287)
General and administration expenses	<b>(9,605,151)</b>	(8,802,134)
<b>Income from main operations</b>	<b>18,256,660</b>	4,439,108
Share in earnings (losses) of associates, net	<b>117,992</b>	(1,042,371)
Finance costs	<b>(6,992,071)</b>	(3,882,948)
Finance income	<b>454,846</b>	588,501
Other income	<b>882,428</b>	100,038
<b>Income before zakat</b>	<b>12,719,855</b>	202,328
Zakat	<b>(995,912)</b>	(1,348,963)
<b>Net income (loss) for the period</b>	<b>11,723,943</b>	(1,146,635)
<b>Other comprehensive income</b>		
<i>Item that may be reclassified to profit or loss:</i>		
Revaluation adjustment on investments at fair value through other comprehensive income ("FVOCI")	<b>23</b>	152
<i>Item that will not be reclassified to profit or loss:</i>		
Re-measurements of employees' defined benefit obligations	<b>770,893</b>	533,451
<b>Total other comprehensive income</b>	<b>770,916</b>	533,603
<b>Total comprehensive income (loss) for the period</b>	<b>12,494,859</b>	(613,032)
<b>Basic and diluted earnings (loss) per share:</b>	<b>5</b>	
Income from main operations	<b>1.14</b>	0.28
Net income (loss) for the period	<b>0.73</b>	(0.07)

The accompanying notes from 1 to 11 form an integral part of these interim condensed financial statements.

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

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at 31 March 2019

		<i>31 March 2019</i>	<i>31 December 2018</i>
	<i>Note</i>	<i>SR</i>	<i>SR</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Trade receivables, non-current		16,474,401	28,997,083
Property and equipment		10,095,233	9,761,819
Intangible assets		1,500,122	1,588,969
Right-of-use assets	4	1,430,040	-
Investments at FVOCI		1,241	1,218
Investment in associates		1,936,768	1,818,776
<b>Total non-current assets</b>		<b>31,437,805</b>	<b>42,167,865</b>
<b>Current assets</b>			
Trade receivables and other assets		416,676,346	373,454,298
Contract assets		328,717,273	303,091,489
Deferred costs		64,746,096	72,297,245
Cash and bank balances		48,424,878	106,365,312
<b>Total current assets</b>		<b>858,564,593</b>	<b>855,208,344</b>
<b>TOTAL ASSETS</b>		<b>890,002,398</b>	<b>897,376,209</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
Share capital	6	160,000,000	160,000,000
Statutory reserve		6,451,248	6,451,248
Other reserves		10,806,591	10,035,675
Retained earnings		31,825,401	20,101,458
<b>Total shareholders' equity</b>		<b>209,083,240</b>	<b>196,588,381</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities, non-current portion	4	1,101,185	-
Contract liabilities, non-current		30,702,225	25,721,628
Employees' defined benefit obligations		13,257,767	14,334,505
<b>Total non-current liabilities</b>		<b>45,061,177</b>	<b>40,056,133</b>
<b>Current liabilities</b>			
Short-term loans	8	313,711,881	266,971,970
Trade payables and other liabilities		186,906,617	224,885,814
Contract liabilities		128,412,871	151,218,171
Dividends payable		-	11,825,040
Zakat payable		6,826,612	5,830,700
<b>Total current liabilities</b>		<b>635,857,981</b>	<b>660,731,695</b>
<b>Total liabilities</b>		<b>680,919,158</b>	<b>700,787,828</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>890,002,398</b>	<b>897,376,209</b>

The accompanying notes from 1 to 11 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 three-month period ended 31 March 2019

	Share capital SR	Statutory reserve SR	Other reserves SR	Retained earnings SR	Total shareholders' equity SR
Balance as at 1 January 2018	50,000,000	25,000,000	4,380,000	79,040,226	158,420,226
Net loss for the period	-	-	-	(1,146,635)	(1,146,635)
Other comprehensive income for the period	-	-	533,603	-	533,603
Total comprehensive loss for the period	-	-	533,603	(1,146,635)	(613,032)
Balance as at 31 March 2018	50,000,000	25,000,000	4,913,603	77,893,591	157,807,194
Balance as at 31 December 2018	160,000,000	6,451,248	10,035,675	20,101,458	196,588,381
Net income for the period	-	-	-	11,723,943	11,723,943
Other comprehensive income for the period	-	-	770,916	-	770,916
Total comprehensive income for the period	-	-	770,916	11,723,943	12,494,859
Balance as at 31 March 2019	160,000,000	6,451,248	10,806,591	31,825,401	209,083,240

The accompanying notes from 1 to 11 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 three-month period ended 31 March 2019**

		<i>For the three-month period ended 31 March</i>	
		<i>2019</i>	<i>2018</i>
		<i>SR</i>	<i>SR</i>
<b>Operating activities</b>			
Income before zakat		<b>12,719,855</b>	202,328
Adjustments:			
Finance costs		<b>6,992,071</b>	3,882,948
Provision for employees' defined benefit obligations		<b>930,579</b>	1,326,093
Provision for doubtful debts		<b>809,425</b>	-
Amortization of intangible assets		<b>88,847</b>	135,343
Depreciation of property and equipment		<b>83,957</b>	101,217
Depreciation of right-of-use assets	4	<b>67,210</b>	-
Share in (earnings) losses of associates, net		<b>(117,992)</b>	1,042,371
		<b>21,573,952</b>	6,690,300
Changes in working capital:			
Trade receivables and other assets		<b>(31,009,722)</b>	27,263,253
Contract assets		<b>(26,617,545)</b>	41,536,957
Deferred costs		<b>7,551,149</b>	11,762,487
Trade payables and other liabilities		<b>(39,323,015)</b>	(46,212,212)
Contract liabilities		<b>(17,824,703)</b>	(27,474,905)
<b>Net cash (used in) generated from operations</b>		<b>(85,649,884)</b>	13,565,880
Employees' defined benefit obligations paid		<b>(1,236,424)</b>	(754,540)
<b>Net cash (used in) generated from operating activities</b>		<b>(86,886,308)</b>	12,811,340
<b>Investing activities</b>			
Additions to property and equipment		<b>(417,371)</b>	(107,075)
Additions to intangible assets		-	(187,600)
<b>Cash used in investing activities</b>		<b>(417,371)</b>	(294,675)
<b>Financing activities</b>			
Proceeds from short-term loans		<b>181,955,646</b>	100,857,190
Repayment of short-term loans		<b>(135,215,735)</b>	(97,883,049)
Finance costs paid		<b>(5,463,876)</b>	(3,040,929)
Payment of lease liabilities	4	<b>(87,750)</b>	-
Dividends paid	7	<b>(11,825,040)</b>	(9,060,193)
<b>Net cash generated from (used in) financing activities</b>		<b>29,363,245</b>	(9,126,981)
<b>Net (decrease) increase in cash and bank balances</b>		<b>(57,940,434)</b>	3,389,684
Cash and bank balances at the beginning of the period		<b>106,365,312</b>	55,814,301
<b>Cash and bank balances at the end of the period</b>		<b>48,424,878</b>	59,203,985
<b>Supplemental non-cash information</b>			
- Right-of-use assets		<b>1,497,250</b>	-
- Lease liabilities		<b>1,418,612</b>	-

The accompanying notes from 1 to 11 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

31 March 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 is registered in KSA with the following branches as at 31 March 2019:

<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 wholesale, retail sale, installation, operation and maintenance of computers, electronic systems, wireless systems, electric and electronic works and installation, operation and maintenance of telecom technology.

These interim condensed financial statements were approved by the Board of Directors on 3 Ramadan 1440H (corresponding to 8 May 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 and other standards and pronouncements endorsed by the Saudi Organization for Certified Public Accountants ("SOCPA").

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.

Certain prior periods' figures have been reclassified to conform to the current period's presentation.

#### Basis of measurement and functional currency

These interim condensed financial statements are prepared under the historical cost convention except for measurement of investments at FVOCI. 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)**

31 March 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>
<b>Assets</b>	
Right-of-use assets	1,497,250
Trade receivables and other assets	(78,638)
<b>Total assets</b>	<u><b>1,418,612</b></u>
<b>Liabilities</b>	
Lease liabilities, non-current	1,174,257
Trade payables and other liabilities (*)	244,355
<b>Total liabilities</b>	<u><b>1,418,612</b></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	1,121,535
<b>Lease liabilities recognised as at 1 January 2019</b>	<u><b>1,418,612</b></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)**

31 March 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 three-month period ended 31 March 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	(67,210)	-
Finance costs	-	17,733
Payments	-	(87,750)
<b>As at 31 March 2019</b>	<b>1,430,040</b>	<b>1,348,595</b>

(\*) As at 31 March 2019, non-current portion of lease liabilities amounted to SR 1.1 million (current portion amounting to SR 0.2 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 (LOSS) PER SHARE**

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

Diluted earnings (loss) per share is calculated by adjusting the basic earnings (loss) 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)  
31 March 2019

**5. EARNINGS (LOSS) PER SHARE (continued)**

	<i>For the three-month period ended 31 March</i>	
	<i>2019</i>	<i>2018</i>
Income from main operations for the period (SR)	18,256,660	4,439,108
Net income (loss) for the period (SR)	11,723,943	(1,146,635)
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
Basic and diluted earnings per share of income from main operations for the period (SR)	1.14	0.28
Basic and diluted earnings (loss) per share of net income (loss) for the period (SR)	0.73	(0.07)

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.

During 2018, the shareholders of the Company resolved 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.

**7. RELATED PARTY TRANSACTIONS AND BALANCES**

During the three-month period ended 31 March 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 period are as follows:

	<i>For the three-month period ended 31 March</i>	
	<i>2019 SR</i>	<i>2018 SR</i>
Dividends paid to shareholders	11,825,040	9,060,193
Purchases from related parties	5,729,450	3,005,791
Initial Public Offering ("IPO") costs incurred on behalf of shareholders (**)	1,050,219	-
Revenue from related parties	301,020	83,193

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

<i>Related party</i>	<i>Relationship</i>	<i>31 March 2019 SR</i>	<i>31 December 2018 SR</i>
<b>Amounts due from related parties:</b>			
Electronic Maps Trading Company (*)	Other related party	7,316,897	7,316,897
Shareholders (**)	Shareholders	6,039,270	4,989,051
Edarat Telecommunication and Information Technology Company	Associate	251,704	484,139
Esri Saudi Arabia Limited Company	Other related party	64,385	64,385
		<u>13,672,256</u>	<u>12,854,472</u>

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)  
31 March 2019

**7. RELATED PARTY TRANSACTIONS AND BALANCES (continued)**

<i>Related party</i>	<i>Relationship</i>	<i>31 March 2019 SR</i>	<i>31 December 2018 SR</i>
<b>Amounts due to related parties:</b>			
Esri Saudi Arabia Limited Company	Other related party	7,987,976	13,025,209
Edarat Telecommunication and Information Technology Company	Associate	480,527	-
EMAAR Executives Contracting	Other related party	133,017	-
Electronic Maps Trading Company (*)	Other related party	44,858	925,290
		<b>8,646,378</b>	<b>13,950,499</b>

(\*) As at 31 March 2019, the Company has advances to this related party amounting to SR 260,506 (31 December 2018: SR Nil) presented as part of advances to suppliers under trade receivables and other assets.

(\*\*) Amounts due from the shareholders pertain to IPO costs which was agreed to be reimbursed by the shareholders upon successful listing process. Subsequent to the reporting date, the said amounts were reimbursed by the shareholders through the proceeds of the IPO.

As at 31 March 2019, outstanding letters of guarantee issued by the Company on behalf of related parties amounting to SR 460,100 (31 December 2018: SR 460,100) and are included as part of the Company's contingent liabilities (note 9).

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

Amounts due from/to related parties were 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 31 March</i>	
	<i>2019 SR</i>	<i>2018 SR</i>
Salaries and short-term benefits	1,219,791	1,227,001
Employees' end-of-service benefits	75,830	54,811

**8. SHORT-TERM LOANS**

Breakdown of the short-term loans are as follows:

	<i>31 March 2019 SR</i>	<i>31 December 2018 SR</i>
Murabaha facilities	301,228,252	256,867,689
Conventional facilities	12,483,629	10,104,281
	<b>313,711,881</b>	<b>266,971,970</b>

As at 31 March 2019, the Company did not comply with certain loan covenants and which could result in terminating facilities from the banks amounting to SR 288.1 million. However, the Company was able to obtain a waiver letter from the concerned banks in this regard.



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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

31 March 2019

**9. CONTINGENT LIABILITIES**

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

	<i><b>31 March 2019 SR</b></i>	<i><b>31 December 2018 SR</b></i>
Letters of credit	<b>18,351,798</b>	47,177,569
Letters of guarantee	<b>148,712,494</b>	146,872,671
	<b><u>167,064,292</u></b>	<b><u>194,050,240</u></b>

**10. 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
- Corporate

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDIT)(continued)

31 March 2019

10. SEGMENT INFORMATION (continued)

The segments' financial details are shown below:

	<i>Business service management</i> <i>unit</i> <i>SR</i>	<i>Solutions</i> <i>unit</i> <i>SR</i>	<i>Systems</i> <i>unit</i> <i>SR</i>	<i>Information technology security</i> <i>unit</i> <i>SR</i>	<i>Networking</i> <i>unit</i> <i>SR</i>	<i>Operation and maintenance</i> <i>unit</i> <i>SR</i>	<i>Corporate</i> <i>SR</i>	<i>Total</i> <i>SR</i>
<i>For the three-month period ended 31 March 2019</i>								
Revenue from contracts	26,298,792	84,700,511	34,850,782	25,082,728	16,525,561	23,764,180	-	211,222,554
Direct costs	(18,401,129)	(75,408,165)	(30,593,250)	(21,483,381)	(13,720,738)	(21,043,732)	-	(180,650,395)
Income (loss) from main operations								
Finance cost	6,840,981	7,365,507	3,315,479	2,617,641	1,864,661	1,352,436	(5,100,045)	18,256,660
Share in earnings of associates, net	(712,216)	(2,918,672)	(1,184,111)	(831,514)	(531,061)	(814,497)	-	(6,992,071)
Finance income								117,992
Other income								454,846
Income before zakat								882,428
								12,719,855
<i>As at 31 March 2019</i>								
Total assets	146,558,737	281,170,113	167,334,985	91,376,957	76,949,501	63,223,823	63,388,282	890,002,398
Total liabilities	58,368,923	249,230,489	100,024,974	93,051,552	49,165,579	109,892,076	21,185,565	680,919,158

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

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDIT)(continued)**

31 March 2019

**10. SEGMENT INFORMATION (continued)**

<i>For the three-month period ended 31 March 2018</i>	<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 SR</i>		<i>Total 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>	
Revenue from contracts	5,723,376		38,017,733		20,991,529		21,581,752		14,656,209		21,125,740		-		122,096,339	
Direct costs	(4,422,473)		(34,737,007)		(18,264,350)		(18,686,426)		(11,997,291)		(17,671,263)		-		(105,778,810)	
(Loss) income from main operations	(837,214)		1,775,986		1,884,997		1,491,879		1,557,754		2,367,503		(3,801,797)		4,439,108	
Finance cost	(162,341)		(1,275,132)		(670,451)		(685,945)		(440,399)		(648,680)		-		(3,882,948)	
Share in losses of associates, net															(1,042,371)	
Finance income															588,501	
Other income															100,038	
Income before zakat															202,328	

**As at 31 December 2018**

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

**11. EVENTS SUBSEQUENT TO THE REPORTING DATE**

Subsequent to the balance sheet date, the existing shareholders of the Company sold 30% of the shares through an IPO and upon successful listing process, the said shares are already traded in Saudi Stock Exchange "Tadawul" effective 24 April 2019.

No other events have occurred subsequent to the balance sheet date and before the issuance of these interim condensed financial statements which requires adjustment to, or disclosure, in these interim condensed financial statements.