

AL-BABTAIN POWER AND TELECOMMUNICATIONS COMPANY
(A Saudi Joint Stock Company)
Interim Condensed Consolidated
Financial Statements
For the three-month and nine-month periods ended 30 September 2021
together with the Independent Auditor's Review Report

AL-BABTAIN POWER AND TELECOMMUNICATIONS COMPANY
(A Saudi Joint Stock Company)
Interim Condensed Consolidated Financial Statements (Unaudited)
For the three-month and nine-month periods ended 30 September 2021

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

**TO THE SHAREHOLDERS OF AL-BABTAIN POWER AND TELECOMMUNICATIONS COMPANY
 (A SAUDI JOINT STOCK COMPANY)
 RIYADH, KINGDOM OF SAUDI ARABIA**

INTRODUCTION

We have reviewed the accompanying interim consolidated statement of financial position of Al-Babtain Power and Telecommunications Company (the "Company") and its subsidiaries (collectively referred to as the "Group") as at 30 September 2021 and the related interim consolidated statement of profit or loss and interim consolidated statement of comprehensive income for the three-month and nine-month periods then ended, and interim consolidated statements of changes in equity and cash flows for the nine-month period then ended and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagement 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" that is endorsed in the Kingdom of Saudi Arabia. A review of interim condensed 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 consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

OTHER MATTER

The consolidated financial statements of the Company for the year ended 31 December 2020 were audited by another auditor, who expressed a Unmodified opinion dated 29 March 2021.

For Al-Bassam & Co.

Ibrahim A. Al-Bassam
 Certified Public Accountant
 License No. 337

Riyadh on: 11 Rabi Al Thani 1443H
Corresponding to: 16 November 2021G



AL-BABTAIN POWER AND TELECOMMUNICATIONS COMPANY

(A Saudi Joint Stock Company)

Interim Consolidated Statement of Financial Position**As at 30 September 2021**

(All amounts are in Saudi Riyals unless otherwise noted)

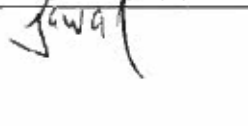
	Note	30 September 2021 (unaudited)	31 December 2020 (audited)
ASSETS			
Non-current assets			
Property, Plant and equipment		403,768,461	400,726,447
Intangible assets		27,423,115	26,477,799
Investment properties-at cost		29,077,079	29,077,079
Investment at fair value through other comprehensive income (FVOCI)	4	80,457,142	79,973,734
Investment in unconsolidated subsidiary		205,000	205,000
Investment in associate		2,766,102	3,812,207
Right-of-use assets		28,061,297	27,704,126
Total non-current assets		571,758,196	567,976,392
Current assets			
Inventory		650,468,886	460,953,941
Accounts receivable		742,795,285	600,136,016
Due from related parties	5/1	57,597,447	54,009,024
Prepayments and other receivables	6	80,744,157	78,758,042
Contract Assets		196,764,088	157,182,183
Cash and cash equivalents		161,026,039	143,358,837
Total current assets		1,889,395,902	1,494,398,043
Total assets		2,461,154,098	2,062,374,435
Shareholder's EQUITY AND LIABILITIES			
Shareholder's Equity			
Share capital	7	426,313,120	426,313,120
Statutory reserve		127,893,936	127,893,936
Foreign currency translation reserve		(87,237,814)	(82,394,050)
Fair value through other comprehensive income reserve		(65,897,134)	(65,897,134)
Actuarial reserve losses		(3,872,879)	(4,033,740)
Retained earnings		375,616,113	374,596,224
Total equity attributable to the shareholders of the Company		772,815,342	776,478,356
Non-controlling interest		12,674,221	15,239,798
Total Shareholder's equity		785,489,563	791,718,154
LIABILITY			
Non-current liabilities			
Long term loans	8	175,678,919	147,703,725
Lease Liabilities		22,397,634	22,736,522
employment benefits-post 'Employees		80,177,314	80,588,110
Total non-current liabilities		278,253,867	251,028,357
Current liabilities			
Short term loan	9	876,445,174	640,557,736
Long term loans - current portion	8	105,683,333	124,033,333
Lease Liabilities -current portion		5,541,701	4,104,252
Trade payables		252,780,130	97,226,306
Due to a related party	5/2	16,005,178	15,457,015
Accruals expenses and other payables		134,488,114	125,013,148
Provision for Zakat and income tax	10	6,467,038	13,236,134
Total current liabilities		1,397,410,668	1,019,627,924
Total liabilities		1,675,664,535	1,270,656,281
Total Shareholder's equity and liabilities		2,461,154,098	2,062,374,435
Contingent liabilities and capital commitments	15		

The accompanying notes 1 to 18 form an integral part of these interim condensed consolidated financial statements.

Chief Financial Officer



Chief Executive Officer



Chairman of Board of Directors



AL-BABTAIN POWER AND TELECOMMUNICATIONS COMPANY
(A Saudi Joint Stock Company)
Interim Consolidated Statement of Profit or Loss
For the three-month and nine-month periods ended 30 September 2021
(Saudi Riyals)

	Note	For the three-month period ended 30 September		For the nine-month period ended 30 September	
		2021 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2020 (Unaudited)
Revenue		341,768,171	353,059,217	1,049,575,572	1,036,792,172
Cost of revenue		(302,094,432)	(306,390,382)	(919,477,887)	(891,016,955)
Gross profit		39,673,739	46,668,835	130,097,685	145,775,217
Selling and marketing expenses		(5,380,168)	(6,077,504)	(16,525,181)	(16,571,336)
General and administrative expenses		(19,905,131)	(17,882,073)	(58,260,849)	(57,245,626)
Reversal of provision for expected credit losses		-	-	-	1,504,071
Operating profit		14,388,440	22,709,258	55,311,655	73,462,326
Finance costs	11	(8,240,466)	(7,322,385)	(22,196,411)	(25,255,802)
Other income		6,136,921	5,887,768	22,470,506	17,962,791
Share of result from investment in an associate		(914,772)	(199,973)	(1,046,105)	(1,960,290)
Dividend received		809,760	-	809,760	1,498,004
Net income for the period before Zakat		12,179,883	21,074,668	55,349,405	65,707,029
Zakat and income tax	10	(605,581)	(4,480,350)	(13,142,611)	(11,755,847)
Net income for the period		11,574,302	16,594,318	42,206,794	53,951,182
Income for the period attributable to:					
Shareholders of the parent Company		12,652,874	15,311,273	43,651,201	52,051,235
Non-controlling interest		(1,078,572)	1,283,045	(1,444,407)	1,899,947
		11,574,302	16,594,318	42,206,794	53,951,182
Earnings per share					
Basic and diluted earnings per share as per income for the period attributable to the shareholders of the Group	12	0.30	0.36	1.02	1.22

The accompanying notes 1 to 18 form an integral part of these interim condensed consolidated financial statements.

Chief Financial Officer


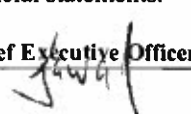
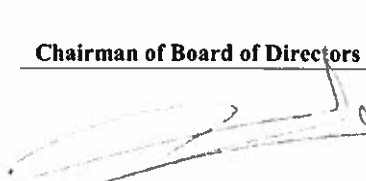
Chief Executive Officer

Chairman of Board of Directors

AL-BABTAIN POWER AND TELECOMMUNICATIONS COMPANY
(A Saudi Joint Stock Company)
Interim Consolidated Statement of Comprehensive Income / (Losses)
For the three-month and nine-month periods ended 30 September 2021
(Saudi Riyals)

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2021 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2020 (Unaudited)
Net income for the period	11,574,302	16,594,318	42,206,794	53,951,182
Items that will not be reclassified subsequently to the statement of profit or loss:				
Actuarial losses on re-measurement of employees' post-employment benefits	-	(1,334,949)	160,861	-
Items that will be reclassified subsequently to the statement of profit or loss:				
Foreign currency translation reserve	7,619,627	1,900,506	(4,843,764)	(7,221,279)
Total comprehensive income / (Losses)	7,619,627	565,557	(4,682,903)	(7,221,279)
Total comprehensive income for the period after zakat and tax	19,193,929	17,159,875	37,523,891	46,729,903
Total comprehensive income for the period attributable to:				
Shareholders of the parent Company	20,272,501	15,876,830	38,968,298	44,829,956
Non-controlling interest	(1,078,572)	1,283,045	(1,444,407)	1,899,947
	19,193,929	17,159,875	37,523,891	46,729,903

The accompanying notes 1 to 18 form an integral part of these interim condensed consolidated financial statements.

 Chief Financial Officer	 Chief Executive Officer	 Chairman of Board of Directors
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AL-BABTAIN POWER AND TELECOMMUNICATIONS COMPANY
(A Saudi Joint Stock Company)
Interim Consolidated Statement of Changes in Equity
For the three- and nine-months period ended 30 September 2021
(Saudi Riyals)

Equity attributable to the shareholders of the parent Company							Total equity attributable to shareholders of the parent Company	Non-controlling interest	Total shareholders' equity
	Share capital	Statutory reserve	Foreign currency translation reserve	Actuarial (losses) reserve	Revaluation losses on investment at fair value through OCI	Retained earnings			
For the nine-month period ended 30 September 2020									
Balance as at 1 January 2020 (audited)	426,313,120	127,893,936	(75,457,126)	(99,714)	-	320,365,356	799,015,572	7,385,428	806,401,000
Adjustments	-	-	-	-	-	(4,750,446)	(4,750,446)	4,750,446	-
Net income for the period	-	-	-	-	-	52,051,235	52,051,235	1,899,947	53,951,182
Other comprehensive income items	-	-	(7,221,279)	-	-	-	(7,221,279)	-	(7,221,279)
Net comprehensive income for the period	-	-	(7,221,279)	-	-	52,051,235	44,829,956	1,899,947	46,729,903
Dividends-Note 13	-	-	-	-	-	(21,315,686)	(21,315,686)	-	(21,315,686)
Balance at 30 September 2020 (unaudited)	426,313,120	127,893,936	(82,678,405)	(99,714)	-	346,350,459	817,779,396	14,035,821	831,815,217
For the nine-month period ended 30 September 2021									
Balance as at 1 January 2021 (audited)	426,313,120	127,893,936	(82,394,050)	(4,033,740)	(65,897,134)	374,596,224	776,478,356	15,239,798	791,718,154
Adjustments	-	-	-	-	-	-	-	(1,121,170)	(1,121,170)
Net income for the period	-	-	(4,843,764)	160,861	-	43,651,201	43,651,201	(1,444,407)	42,206,794
Other comprehensive income items	-	-	(4,843,764)	160,861	-	-	(4,682,903)	-	(4,682,903)
comprehensive income for the period Net	-	-	(4,843,764)	160,861	-	43,651,201	38,968,298	(1,444,407)	37,523,891
Dividends-Note 13	-	-	-	-	-	(42,631,312)	(42,631,312)	-	(42,631,312)
Balance at 30 September 2021(unaudited)	426,313,120	127,893,936	(87,237,814)	(3,872,879)	(65,897,134)	375,616,113	772,815,342	12,674,221	785,489,563

The accompanying notes 1 to 18 form an integral part of these interim condensed consolidated financial statements.

Chief Financial Officer


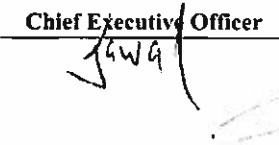
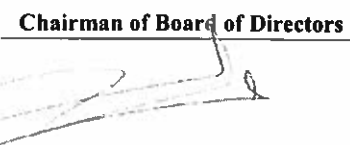
Chief Executive Officer

Chairman of Board of Directors

AL-BABTAIN POWER AND TELECOMMUNICATIONS COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED STATEMENT OF CASH FLOWS
For the nine-month period ended 30 September 2021
(Saudi Riyals)

	Note	30 September 2021 (Unaudited)	30 September 2020 (Unaudited)
Cash flows from operating activities			
Net income for the period before Zakat and income tax		55,349,405	67,606,976
Adjustments for:			
Depreciation and amortization		22,378,738	19,797,615
Gain on sale of property and equipment		(67,383)	(494,303)
Depreciation of right-of-use assets		2,764,634	1,246,156
Interest on obligations against right-of-use assets		2,120,459	485,341
Foreign currency translation reserve		(4,843,764)	(7,221,279)
Provision for employees' post-employment benefits		5,185,339	16,363,522
Reimburse of provision for expected credit losses		-	(1,504,071)
Income from investment in associate		1,046,105	1,960,290
Share of non-controlling interest in the results of subsidiaries		(1,444,407)	(1,899,947)
		<u>82,489,126</u>	<u>96,340,300</u>
Changes in operating assets and liabilities			
Trade receivables		(182,241,174)	(40,717,118)
Inventory		(189,514,945)	(118,308,445)
Prepayments and other receivables		(1,986,114)	155,851
Trade payable, accruals and other payables		156,101,987	28,081,107
Related party		5,886,543	(4,296,617)
Employees' post-employment benefits – paid		(5,596,135)	(12,406,529)
Zakat and tax paid		(19,911,017)	(14,129,312)
Net cash used in operating activities		<u>(154,771,729)</u>	<u>(65,280,763)</u>
Cash flows from investing activities			
Investment in unconsolidated subsidiaries		-	200,000
Additions to property, plant and equipment		(26,419,246)	(31,161,128)
Proceeds from sale of property, plant and equipment		120,561	532,531
Net cash used in investing activities		<u>(26,298,685)</u>	<u>(30,428,597)</u>
Cash flows from financing activities			
Net movement in short term loans		9,625,194	37,470,768
Net movement in long term loans		235,887,438	95,371,444
Lease liabilities paid		(4,143,704)	(1,411,287)
Dividends paid		(42,631,313)	(21,315,686)
Net cash generated from financing activities		<u>198,737,616</u>	<u>110,115,239</u>
Net change in cash and cash equivalents		<u>17,667,202</u>	<u>14,405,879</u>
Cash and cash equivalents at beginning of the period		143,358,837	135,951,310
Cash and cash equivalents at the end of the period		<u>161,026,039</u>	<u>150,357,189</u>

The accompanying notes 1 to 18 form an integral part of these interim condensed consolidated financial statements.

Chief Financial Officer	Chief Executive Officer	Chairman of Board of Directors
		

AL-BABTAIN POWER AND TELECOMMUNICATIONS COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the nine-month period ended 30 September 2021
(Saudi Riyals)

1. LEGAL STATUS AND OPERATIONS

Al-Babtain Power And Telecommunications Company (the "Company") is a Saudi Joint Stock Company, incorporated under the Regulations of Companies laws in the Kingdom of Saudi Arabia and was registered in Riyadh as a Saudi Joint Stock Company under Commercial Registration No. 1010063868 dated 19 safer 1407 H (corresponding to 23 October 1986).

The Company's principal activities include the establishing, repairing of stations and towers of wired and wireless communication and radars.

The current period of Company starts on January 1, 2021 and ends on 30 September, 2021 and the fiscal year of the Group start from January 1st of each calendar year and ends at end of December of the same year.

On September 30, 2021, the Company directly or indirectly owns majority stakes that enable it to control subsidiaries collectively known as the "Group." The Company's business and its subsidiaries shown below are concentrated in the production of lighting poles, power transmission and accessories, power transmission towers and their accessories, as well as communication towers, operation and maintenance of programs and communication systems, and the following is a statement of the subsidiaries and their ownership percentages:

<u>Subsidiary</u>	<u>Headquarter</u>	Effective shareholding	
		As on 30 September 2021	As on 31 December 2020
<u>First: directly owned companies</u>			
Al-Babtain Power and Telecommunication Company	Egypt	100%	100%
Al Babtain LeBlanc Telecommunication Systems Ltd.	KSA	100%	100%
Al-Babtain Operation and Maintenance Co. Ltd	KSA	100%	100%
Integrated Lighting Co., Ltd.	KSA	100%	100%
Al Babtain Contracting Company (1/1/1)	Qatar	100%	100%
International Wind Energy Company	KSA	100%	100%
Al-Babtain Metalgalva Co. Ltd. (1/1/2)	KSA	60%	60%
<u>Second: indirectly owned companies</u>			
Al-Babtain Leblanc Egypt Telecommunication Engineering Co.	Egypt	85%	85%
Al Babtain LeBlanc Emirates Telecommunication Systems LLC	UAE	100%	100%
Al-Babtain Middle East for the Installation of Communications Systems	UAE	70%	70%

1/1/1 -The financial statements have not been consolidated because the Company is under restructuring.

1/1/2- The commercial register of Al-Babtain Renewable Energy Solutions Company has been cancelled, in order to transfer its head office to the city of Dammam, and its commercial name has been changed to become (Al-Babtain Metallurgical Company Limited) a mixed limited liability Company.

1/2- Important events

At the beginning of the elapsed year 2020, the new Corona pandemic (Covid-19) spread, causing disruption to business and economic activities worldwide, including the Kingdom of Saudi Arabia. The extent of the impact of the Corona pandemic on the Company's business, operational operations and financial results is believed by the management, but the amounts are not specified and depend on many factors and future developments. And the Group's interim condensed consolidated financial statements for the period ended September 30, 2021.

During the period, with the discovery of vaccines for this epidemic and the decline of the effects resulting from that pandemic, the management evaluated all the effects on the operations and activities of the Company, and based on this evaluation, there was no need to make any fundamental adjustments in the condensed consolidated interim financial statements for the period ending on September 30, 2021, but In view of the current uncertainty, any future change in assumptions and estimates may result in results that require making substantial adjustments to the carrying amounts of assets and/or liabilities in future periods, and given the rapid development of the current situation with a state of uncertainty about the future, management will continue In assessing impact based on future developments.

2. BASIS OF PREPARATION AND MEASUREMENT

2-1 Basis of compliance

The interim condensed consolidated financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' that is endorsed in Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by Saudi Organization for Chartered and Professional Accountants ("SOCPA") and should be read in conjunction with the Group's annual financial statements for year ended 31 December 2020. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual statements to prepare a complete set of financial statements; however, the accounting policies and explanatory notes are mentioned to explain events and the important transaction to understand the changes in the Group's financial position and its performance since the last annual financial statement of the Group.

The results for the nine-months period ended 30 September 2021 are not necessarily indicative of the results that can be expected for the financial year ended 31 December 2021.

2-2 Basis of measurement

These interim condensed consolidated financial statements have been prepared in accordance with the historical cost principle, with the exception of employee benefits obligations are recognized at present value of future obligations using projected unit credit method Fund using the accounting accruals principle and going concern principle.

2-3 Functional and presentation currency

These interim condensed consolidated financial statements are presented in Saudi Riyals, which is the functional and presentation currency of the Group, all figure have been rounded off to nearest Saudi riyals unless otherwise mentioned.

2-4 Basis of consolidation

The interim condensed consolidated financial statements comprise from the parent Company and its subsidiaries financial statement for the period ended 30 September 2021. Subsidiaries are entities which are controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group maintains less than the majority of voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the over voting holders of the investee
- Rights arising from other contractual arrangements
- The Groups voting rights and potential rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses its control the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed during the year are included in the consolidated financial statements from the date that the Group gains until the date the Group ceases to control over subsidiary.

AL-BABTAIN POWER AND TELECOMMUNICATIONS COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the nine-month period ended 30 September 2021
(Saudi Riyals)

2. BASIS OF PREPARATION AND MEASUREMENT (CONTINUED)

2-4 Basis of consolidation (continued)

Profit or loss and each component of consolidated comprehensive income are attributed to shareholders of the parent Company of the Group and to the non-controlling interest, even if this results in the non-controlling interest having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group accounting policies.

All intra-Group asset and liabilities, equity, income, expenses and cash flows relating to transaction between members of the Group are eliminated in full upon consolidation.

A change in the ownership interest of subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary.
- Derecognizes the carrying amount of any non-controlling interest
- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in consolidated statement of profit or loss
- Reclassifies the parent Company share of components previously recognized in the comprehensive income to consolidated statement of profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2-5 Use of estimates and assumptions

The preparation of these interim condensed consolidated financial statements required management to make judgments, estimates and assumptions that affect the application of policies and reported amounts, liabilities, revenues, and expenses. Actual results may differ from these estimates.

The significant estimates made by management when applying the Company's accounting policies and the significant sources of estimation uncertainties were the same as those shown in the last annual financial statements.

As explained in note 1 above, the Group has reviewed the main sources of estimates of uncertainty that have been disclosed in the last annual financial statements against the backdrop of the Covid-19 pandemic. Management will continue to monitor the situation and any required changes that will be reflected in future reporting periods.

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. Therefore, the financial statements have been prepared on a going concern basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in preparing the interim condensed consolidated financial statements are in line with the policies followed in preparing the annual consolidated financial statements of the Company for the year ended 31 December 2020.

3-1 New standards, amendment to on standards and interpretations

No new standards have been issued, but there are amendments to the standards, and these amendments are effective as of January 1, 2021 that have been disclosed in the Group consolidated financial statements but don't have material effect the interim condensed consolidated financial statements.

AL-BABTAIN POWER AND TELECOMMUNICATIONS COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the nine-month period ended 30 September 2021
(Saudi Riyals)

4. INVESTMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 September 2021	31 December 2020
	(unaudited)	(audited)
Mashed Saudi Company*	25,000,000	25,000,000
Qatar engineering and metals Co*	6,135,459	6,135,459
Mina Jos Company limited - Turkey*	42,875,100	42,875,100
Basta world Limited - Turkey*	5,963,175	5,963,175
Al-Kharif Water and Energy Company	211,608	-
Arabian Company for Internet and Communications Services	271,800	-
	80,457,142	79,973,734

- The Company's board of directors decided to amend the classification of financial assets by value through profits or losses to other comprehensive income, starting from October 2020, while retaining any effect that resulted from the change in value in the retained earnings. Accordingly, the change in the fair value at the end of the year was affected within Other comprehensive income items.

* The investments referred to above represent investments in an investment fund with VC Bank Financial, and according to the latest report for the financial year ending on December 31, 2020 issued by the bank, they are shown at fair value as the fair value of the investments of Qatar Engineering and Minerals Company and Mina Juice Limited - Turkey has decreased and it has been proven These losses are included in the statement of other comprehensive income, with the exception of the Company's investment in the shares of the Saudi Arabian Mashed Company. The investments were kept at cost and there is no indication of impairment in value.

5. TRANSACTIONS WITH RELATED PARTIES

In the normal course of its business, the Company deals with related parties, where it purchases some tools and materials from these companies and obtains technical services from them, in addition to selling final products to them and providing financing in accordance with the work requirements. Its details are as follows:

5/1 Due from related parties

	Natural of relationship	30 September 2021 (unaudited)	31 December 2020 (audited)
Al-Babtain France SES Company	Associate	47,459,529	47,420,358
Al-Babtain Contracting Company	Affiliate	9,852,703	6,509,713
Al-Babtain Engineering Industries Company	Affiliate	282,215	78,953
		57,594,447	54,009,024

5/2 Due to related parties

	Natural of relationship	30 September 2021 (unaudited)	31 December 2020 (audited)
Metalgalva Irmaos Silva's, S, A - Portugal	Affiliate	15,494,351	15,010,230
Al-Babtain Trading Company	Affiliate	132,166	23,704
Al-Babtain Contracting Company - Qatar	Affiliate	378,661	423,081
		16,005,178	15,457,015

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5. TRANSACTIONS WITH RELATED PARTIES (Continued)

5/3 significant transactions with related parties

	30 September 2021 (unaudited)	30 September 2020 (unaudited)
Sales		
Al-Babtain Contracting Company	2,916,253	1,528,081
	30 September 2021 (unaudited)	30 September 2020 (unaudited)
Purchases		
Al-Babtain Engineering Industries Company	47,495	148,989
Al-Babtain Trading Company	108,463	147,309
	30 September 2021 (unaudited)	31 December 2020 (audited)
Financing		
Al-Babtain Engineering Industries Company	150,758	-
Al-Babtain France SES Company	39,171	39,688
Al-Babtain Contracting Company	-	3,044
Metalgalva Irmaos Silva's, S, A - Portugal	-	6,271,406

6. PREPAID EXPENSES AND OTHER RECEIVABLES

The balance of prepaid expenses and other debit balances on 30 September 2021 amounted to 80,744,157 SR (31/12/2020: 78.758.04SR), where the balance included an amount of 5,933,785 SR, which are advance payments under a contract for the development and purchase of land with a value of 58,417,743 SR according to the contract concluded between the Company and Emaar the Economic City on 24 December 2020, for the purpose of purchasing land in King Abdullah Economic City in the Industrial Valley to construct and operate the wind turbine facility for manufacturing and logistics of the subsidiary Company International Wind Company For energy until the completion of the infrastructure works and the completion of the procedures for transferring ownership after paying 100% of the agreed price, provided that the payment of the full value is completed within ten years.

7. SHARE CAPITAL

The Company's subscribed and paid-up capital amounted to SR 426,313,120 fully paid, divided into 42,631,312 shares of equal value, each share valued at SR 10.

8. LONG-TERM LOANS

	30 September 2021 (unaudited)	31 December 2020 (audited)
Loan from Saudi industrial development fund	40,300,000	27,292,614
Long-term tawarru loans-local commercial bank	241,062,252	244,444,444
	281,362,252	271,737,058

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8. LONG-TERM LOANS (Continued)

The long-term loans are presented in the statement of financial position according to the repayment schedule for these loans as follows:

	30 September 2021 (unaudited)	31 December 2020 (audited)
Current portion	105,683,333	124,033,333
Non-current portion	175,678,919	147,703,725
	281,362,252	271,737,058

The Company obtained long-term bank finances from local banks for the purpose of repaying the amounts outstanding on the Company with other banks and restructuring the financial position, in addition to concluding new medium-term loan contracts during the period from local banks amounting to 45 million Saudi riyals for the same previous purpose. It also obtained financing from the Industrial Development Fund for the purpose of producing power transmission and communication towers.

The long and medium-term bank finances from local banks are guaranteed against the issuance of bonds to order and the Company's assignment of some of the proceeds of the contracts concluded by the Company and other guarantees in accordance with the bank facility contracts. The banking agreements include restrictions and financial commitments on the Company related to dividends and net equity, in addition to restrictions on some other financial ratios specified in these agreements. These loans are charged with financing expenses in accordance with the relevant agreements, at variable interest rate, according to the loans obtained from these banks.

9. SHORT-TERM LOANS

The Company obtained banking facilities from local and international commercial banks in the form of overdrafts, securitization loans and notes payable to finance working capital requirements, as well as documentary credits. These facilities are subject to a commission in accordance with the prevailing market prices and are guaranteed against the issuance of bonds to order and the assignment of all proceeds from the contracts entered into by the Company and other guarantees that use these facilities to finance the business related to them, and their details are as follows:

	30 September 2021 (unaudited)	31 December 2020 (audited)
Bank overdraft	35,317,216	23,253,982
Bank loans and short-term tawarrug	637,974,477	531,514,542
Bills payable	203,153,481	85,789,212
	876,445,174	640,557,736

The Tawarruq loans from the above-mentioned commercial banks are guaranteed against the issuance of bonds to order and the Company's assignment of some of the proceeds of the contracts concluded by the Company, which use these facilities to finance its operational work and other guarantees in accordance with the bank facility contracts. The above-mentioned banking agreements related to tawarruq loans include restrictions and financial commitments on the Company related to dividends and net equity, in addition to restrictions on some other financial ratios specified in these agreements.

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10. ZAKAT PROVISION

The Group submits a consolidated zakat return to the Group as a whole (the parent Company and its subsidiaries) in accordance with the consolidated financial statements.

10-1 Zakat provision movement

	30 September 2021 (unaudited)	31 December 2020 (audited)
Balance at the beginning of the period / year	13,236,134	14,357,795
Charged during the period / year	13,142,611	17,747,249
Zakat differences for the years 2005 to 2018	-	12,958,330
Paid during the period / year	(19,911,707)	(31,827,240)
Balance at end of the period / year	6,467,038	13,236,134

Zakat status

- The Company obtained a final zakat certificate for the fiscal year ending on December 31, 2020, valid until April 30, 2022, after submitting the financial statements and the zakat declaration for the same year.
 - The Zakat status of the Company for the fiscal years up to 2004 has been terminated.
 - The Zakat assessment has been completed for the fiscal years from 2005 to 2018, and the differences have been paid in the amount of SR 12,958,330.
 - The zakat provision is prepared on an estimate basis based on an impartial opinion, as the Company's management believes that it is sufficient. If there are differences between the zakat provision and the final assessment, they will be recorded as changes in accounting estimates in the period in which the final assessment is issued, if proven.
 - The Zakat, Tax and Customs Authority has issued a zakat assessment for the years from 2015 to 2018, which resulted in a zakat difference of SR 32,040,281.
- The Company filed a lawsuit with the General Secretariat of the Tax Committees, and the judgment was passed in favor of the Company, and the objection to the full amount was accepted, therefore, The Authority did not release the zakat assessment for the year 2019.

11. Finance Cost

	30 September 2021	30 September 2020
Interest of right of use asset	2,120,459	485,341
Loan interest	20,075,952	24,770,461
	22,196,411	25,255,802

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12. EARNINGS PER SHARE

Earnings per share is computed by dividing the profit for the period attributable to the ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share do not apply to the Group. Earnings per share from continuing operations were not shown because there were no discontinued operations during the period.

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2021 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2020 (Unaudited)
Income for the period	12,652,874	15,311,273	43,651,201	52,051,235
Weighted average number of shares issued	42,631,312	42,631,312	42,631,312	42,631,312
Basic and diluted earnings per share (SR)	0.30	0.36	1.02	1.22

13. DIVIDENDS

During the year 2021, according to the recommendation of the Board of Directors, the Company distributed dividends amounting to 42,631,312 SAR at 1 SAR per share (2020: 21,315,686 SAR at 0.50 SAR per share). Which is equivalent to 10% of the nominal value of the share. The Ordinary General Assembly approved the proposed dividends in its session held on 11 Jumada al-Akhra 1442H corresponding to January 24, 2021.

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14. SEGMENT REPORTING

A- Information related to the Group's operational and geographic segments, as shown below, is regularly submitted to the Group's operational decision makers and is described as follows:

- **Metallic Towers and Vibrations Sector:** It includes the production of power transmission and galvanized communication towers and their tests and galvanized steel parts.
- **Poles and lighting:** It include the production and galvanizing of electricity and lighting poles, masts and their accessories, in addition to the production of street lighting lanterns, playgrounds and gardens, and the production of electricity distribution panels.
- **Design, supply and installation sector:** It includes the work of supplying, installing and maintaining communication systems.
- **Solar energy sector:** It includes the production of mobile metal components for solar photovoltaic energy tracking systems.
- **Headquarters:** It supervises the Company's various sectors in addition to the investment activities in the subsidiaries.

B - The following is a summary of the information for the year ended on September 30, according to the operating segments as follows:

	Towers and metal structures segment	Poles and lighting segment	Design, supply and installation segment	Solar energy segment	Headquarters	Total
2021 (unaudited)						
Net revenue	347,898,457	440,551,817	199,242,033	61,883,266	-	1,049,575,572
Net income before zakat and estimated income tax	(2,280,070)	46,432,571	11,624,167	(3,110,937)	2,683,675	55,349,405
Property and equipment	154,076,736	65,882,234	23,281,397	71,975,435	88,552,659	403,768,461
Finance cost	8,783,922	9,340,143	1,850,658	2,221,688	-	22,196,411
2020 (unaudited)						
Net profit	359,537,305	384,223,699	225,455,619	67,575,549	-	1,036,792,172
Net income before zakat and estimated income tax	3,296,035	41,250,158	10,691,733	5,114,537	5,354,566	65,707,029
Property and equipment	155,726,580	98,867,999	25,400,466	65,773,071	54,838,634	400,606,750
Finance cost	12,157,020	11,462,415	1,580,220	56,147	-	25,255,802

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14. SEGMENT REPORTING - (CONTINUED)

C - The following is a summary of the information for the year ended on September 30, according to geographical sectors, as follows:

	Kingdom of Saudi Arabia	Arab Emirates United	Egypt	Total
2021 (unaudited)				
Net revenue	830,322,895	116,017,469	103,235,208	1,049,575,572
Net income before zakat and estimated income tax	46,876,997	10,236,637	(1,764,229)	55,349,405
Property and equipment	370,356,403	565,985	32,846,073	403,768,461
Finance cost	20,182,299	259,989	1,754,123	22,196,411
2020 (unaudited)				
Net revenue	794,818,978	95,975,604	145,997,590	1,036,792,172
Net income before zakat and estimated income tax	36,352,654	6,493,488	11,105,040	53,951,182
Property and equipment	366,671,138	830,857	33,104,755	400,606,750
Finance cost	18,888,528	240,267	6,127,007	25,255,802

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15. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

15.1 Contingent liabilities

	30 September 2021 (unaudited)	31 December 2020 (audited)
Letters of credit	393,636,827	92,590,548
letter of guarantee	303,407,500	416,361,279
	<u>697,044,327</u>	<u>508,951,827</u>

15.2 Capital commitments

There is no any capital commitment for the group on the balance sheet at 30 September 2021.

16. SUBSEQUENT EVENTS

The company announced the signing of a medium-term bank facility agreement on October 11, 2021 with a medium-term Islamic Murabaha system with a local bank in the Kingdom of Saudi Arabia, with a value of 300 million Saudi riyals, with a financing period of 5 years. The objective of the financing is to restructure part of the short-term loans and transform them into medium-term loans, which in turn will be reflected in increasing the cash liquidity needed to finance the company's future needs.

The company also announced that it obtained medium-term bank financing on October 21, 2021 with an Islamic Murabaha financing system with a local bank in the Kingdom of Saudi Arabia, with a value of 250 million Saudi riyals, with a financing period of 4 years, with guarantees provided in return for financing, which is a promissory note of 282 million Saudi riyals. The objective of the financing is to restructure a part of the short-term loans and convert them into medium-term loans, which in turn will be reflected in the increase in the cash liquidity needed to finance the company's future needs.

17. RECLASSIFICATION PRIOR PERIOD FIGURES

Certain comparative figures have been reclassified to conform with current period's presentation as follow:

	31 December 2020 (audited) Before reclassification	Reclassification	31 December 2020 (audited) After reclassification
Property, Plant and equipment	380,926,159	19,800,288	400,726,447
Investment properties-at cost	48,877,367	(19,800,288)	29,077,079

18. APPROVAL OF THE FINANCIAL STATEMENTS

The interim condensed consolidated financial statements have been approved for the period ended on 30 September 2021 by the Audit committee under an authorization of the Board of Directors on Rabi Al Thani 1443H corresponding to 11 November 2021.