

ARAB SEA INFORMATION SYSTEMS COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE AND SIX-MONTHS PERIODS ENDED JUNE 30, 2023
AND INDEPENDENT AUDITOR'S REVIEW REPORT

ARAB SEA INFORMATION SYSTEMS COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE AND SIX-MONTHS PERIODS ENDED JUNE 30, 2023

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شركة آر إس إم المحاسبون المتحدون للإستشارات المهنية

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Independent Auditor's Review Report on the Condensed Interim Consolidated Financial Statements

**To the shareholders of
Arab Sea Information Systems Company
(A Saudi Joint Stock Company)**

Introduction:

We have reviewed the accompanying condensed interim consolidated statement of financial position of **Arab Sea Information Systems Company** ("the Company") and its subsidiaries (collectively referred to as the "Group") as at June 30, 2023, and the condensed interim consolidated statement of profit or loss and other comprehensive income for the three and six-months periods ended June 30, 2023 and the related condensed interim consolidated statements of changes in equity and cash flows for the six months period then ended, and other explanatory notes. Management is responsible for preparation and presentation of these condensed interim consolidated financial statements in accordance with International Accounting Standard (34) "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of review:

We conducted our review in accordance with International Standard on Review Engagements (2410) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" endorsed in the Kingdom of Saudi Arabia. A review of condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing as endorsed in the Kingdom of Saudi Arabia and consequently doesn't 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 condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standard (34) "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia.

RSM Allied Accountants Professional Services



Mohammed Bin Farhan Bin Nader

License No. 435

Riyadh, Kingdom of Saudi Arabia

23 Muharram 1445 H (Corresponding to August 10, 2023)

ARAB SEA INFORMATION SYSTEMS COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS OF JUNE 30, 2023
(SAUDI RIYAL)


	Notes	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
ASSETS			
Non-current assets			
Property and equipment	5	3,766,759	3,408,456
Intangible assets	6	120,497,013	126,609,211
Total non-current assets		124,263,772	130,017,667
Current assets			
Inventory		1,618,382	1,606,968
Trade receivables	7	7,595,813	8,439,402
Prepaid expenses and other current assets		1,069,093	906,741
Cash and cash equivalents		2,487,676	9,366,801
Total current assets		12,770,964	20,319,912
Total assets		137,034,736	150,337,579
EQUITY AND LIABILITIES			
Equity			
Share capital	9	100,000,000	100,000,000
Statutory reserve	10	16,501,562	16,501,562
Retained earnings		8,070,826	19,781,232
Total equity		124,572,388	136,282,794
Liabilities			
Non-current liabilities			
Employees' defined benefits obligations		5,611,431	5,197,408
Total non-current liabilities		5,611,431	5,197,408
Current liabilities			
Contract liabilities		912,162	1,662,022
Trade payables		1,697,492	1,727,986
Due to related party	8	-	360,000
Accrued expenses and other current liabilities		3,016,143	4,150,041
Zakat provision	11	1,225,120	957,328
Total current liabilities		6,850,917	8,857,377
Total liabilities		12,462,348	14,054,785
Total equity and liabilities		137,034,736	150,337,579



Finance Manager



Chief Executive Officer



Board of Directors Member

ARAB SEA INFORMATION SYSTEMS COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THREE AND SIX MONTHS PERIODS ENDED JUNE 30, 2023
(SAUDI RIYAL)

	Notes	For the three-months period ended		For the six-months period ended	
		June 30, 2023 (Unaudited)	June 30, 2022 (Unaudited)	June 30, 2023 (Unaudited)	June 30, 2022 (Unaudited)
Revenues	12	5,523,151	8,375,357	14,841,280	17,288,322
Cost of revenues		(5,455,461)	(5,738,048)	(12,174,875)	(12,039,634)
Gross profit		67,690	2,637,309	2,666,405	5,248,688
Selling and marketing expenses		(2,111,064)	(2,177,024)	(5,761,875)	(5,160,446)
General and administrative expenses		(4,652,846)	(3,377,504)	(8,263,165)	(6,227,676)
Operating loss		(6,696,220)	(2,917,219)	(11,358,635)	(6,139,434)
Other income		15,905	1,053,465	29,544	1,249,384
Finance cost		(51,498)	(35,500)	(102,995)	(71,000)
Loss before zakat		(6,731,813)	(1,899,254)	(11,432,086)	(4,961,050)
Zakat	11	(80,662)	11,059	(278,320)	(504,071)
Loss for the period		(6,812,475)	(1,888,195)	(11,710,406)	(5,465,121)
Other comprehensive income:					
Other comprehensive income items		-	-	-	-
Total comprehensive loss for the period		(6,812,475)	(1,888,195)	(11,710,406)	(5,465,121)
Basic and diluted loss per share from loss for the period attributable to Company's shareholders	13	(0.68)	(0.19)	(1.17)	(0.55)


Finance Manager


Chief Executive Officer


Board of Directors Member

ARAB SEA INFORMATION SYSTEMS COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023
(SAUDI RIYAL)

	<u>Share capital</u>	<u>Statutory reserve</u>	<u>Retained earnings</u>	<u>Total</u>
<u>For the period ended June 30, 2022</u>				
Balance as of January 1, 2022 (Audited)	100,000,000	16,501,562	30,714,277	147,215,839
Loss for the period	-	-	(5,465,121)	(5,465,121)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	-	-	(5,465,121)	(5,465,121)
Balance as of June 30, 2022 (Unaudited)	<u>100,000,000</u>	<u>16,501,562</u>	<u>25,249,156</u>	<u>141,750,718</u>
<u>For the period ended June 30, 2023</u>				
Balance as of January 1, 2023 (Audited)	100,000,000	16,501,562	19,781,232	136,282,794
Loss for the period	-	-	(11,710,406)	(11,710,406)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	-	-	(11,710,406)	(11,710,406)
Balance as of June 30, 2023 (Unaudited)	<u>100,000,000</u>	<u>16,501,562</u>	<u>8,070,826</u>	<u>124,572,388</u>


Finance Manager


Chief Executive Officer


Board of Directors Member

The accompanying notes are an integral part of these condensed interim consolidated financial statements

ARAB SEA INFORMATION SYSTEMS COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023
(SAUDI RIYAL)

	<u>June 30, 2023</u> (Unaudited)	<u>June 30, 2022</u> (Unaudited)
<u>OPERATING ACTIVITIES:</u>		
Loss before zakat	(11,432,086)	(4,961,050)
Adjustments for non-cash items:		
Depreciation of property and equipment	87,192	50,429
Amortization of intangible assets	6,112,198	5,977,657
Current service cost for employees' defined benefits obligations	421,822	315,500
Finance costs related to employees' defined benefits obligations	102,995	71,000
Gain on disposal of property and equipment	(22,000)	-
Changes in working capital:		
Inventory	(11,414)	217,695
Trade receivables	843,589	(469,864)
Prepaid expenses and other current assets	(162,352)	(1,429,716)
Contract liabilities	(749,860)	(1,700,357)
Trade payables	(30,494)	(2,327,772)
Accrued expenses and other current liabilities	(1,133,898)	(4,214,913)
Due to related party	(360,000)	-
Cash flows used in operations	<u>(6,334,308)</u>	<u>(8,471,391)</u>
Employees' defined benefits obligations paid	(110,794)	(400,260)
Zakat paid	(10,528)	(322,988)
Net cash flows used in operating activities	<u>(6,455,630)</u>	<u>(9,194,639)</u>
<u>INVESTING ACTIVITIES:</u>		
Purchase of property and equipment	(445,495)	(292,371)
Proceeds from disposal of property and equipment	22,000	-
Net cash flows used in investing activities	<u>(423,495)</u>	<u>(292,371)</u>
Net change in cash and cash equivalents during the period	<u>(6,879,125)</u>	<u>(9,487,010)</u>
Cash and cash equivalents at the beginning of the year	<u>9,366,801</u>	<u>19,515,770</u>
Cash and cash equivalents at the end of the period	<u>2,487,676</u>	<u>10,028,760</u>


Finance Manager


Chief Executive Officer


Board of Directors Member

ARAB SEA INFORMATION SYSTEMS COMPANY
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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

1- CORPORATE INFORMATION OF THE GROUP

Arab Sea Information Systems Company - is a Saudi Joint Stock Company ("the Company"), registered in accordance with companies' law and regulations in the Kingdom of Saudi Arabia under Ministerial Resolution number. (128/M) dated 14/4/1429 H (corresponding to April 21, 2009) by announcing the transformation of Arab Sea Information Systems Company from A Limited Liability Company to a Saudi Closed Joint Stock Company, the Company was registered under commercial registration number 1010169116 which was issued in Riyadh City on 27 Jumada Al-Akhira 1422 H (corresponding to September 15, 2001).

The head office of the Company is located in Riyadh - Kingdom of Saudi Arabia, PO Box: 40268, Postal Code: 11499.

The Company's activities are as follows:

- Installation and extension of computer and communication networks.
- Retail sale of computers and its accessories, including (printers and their inks).
- Operating systems.

The accompanying condensed interim consolidated financial statements includes the net results, assets, liabilities and activities of the Group and its branches, and the details of these branches are as follows:

Branch name	City	Commercial Registration number
Arab Sea Training Center	Riyadh	1010664109
Arab Sea Information Systems Company	Buraydah	1131291891
Arab Sea Information Systems Company	Khobar	2051221240
Arab Sea Information Systems Company	Tabuk	3550123009
Arab Sea Information Systems Company	Jeddah	4030287742
Arab Sea Information Systems Company	Khamis Mushait	5855339644

The accompanying condensed interim consolidated financial statements as of June 30, 2023 include the accounts of the Company and its subsidiaries (Collectively referred as the "Group"). The details of the subsidiaries Companies are as follows:

Subsidiary name	Country of incorporation	Ownership percentage	
		June 30, 2023	December 31, 2022
Arab Sea Financial Company (*)	Kingdom of Saudi Arabia	100%	100%
Era Data Company for Information Technology (**)	Kingdom of Saudi Arabia	100%	100%

(*) Arab Sea Financial Company – a sole proprietorship closed joint stock company was established in accordance with the Companies Law in the Kingdom of Saudi Arabia under commercial registration number 1010725510 issued in Riyadh city dated on 20 Dhu al-Qa'dah 1442 H (corresponding to June 30, 2021) with a capital of Saudi Riyals 5 million. On 24 Dhu al-Hijjah 1444 AH (corresponding to July 12, 2023), the Company increased its capital from Saudi Riyals 5 million to Saudi Riyals 15 million. The main activity of the Company is in technology in financial services. During the period ended June 30, 2023 and 2022 the subsidiary did not practice any commercial activity mentioned in its commercial register.

(**) Era Data Company for Information Technology – a sole proprietorship limited liability Company was established in accordance with the Companies Law in the Kingdom of Saudi Arabia under commercial registration number 1010778606 issued in Riyadh city dated on 6 Rajab 1443 H (corresponding to February 7, 2022) with a capital of Saudi Riyals 5 million. The main activity of the Company is in registration for cloud computing services. During the period ended June 30, 2023 and 2022 the subsidiary did not practice any commercial activity mentioned in its commercial register.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (CONTINUED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

2- BASIS OF PREPARATION

2-1 Statement of compliance

The Group's condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard number (34) "Interim Financial Reporting" that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncement approved by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

These condensed interim consolidated financial statements do not include all the information and disclosures required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards, and therefore they should be read in conjunction with the Group's annual consolidated financial statements for the year ended December 31, 2022. The results for the period are not indicative of the annual results for the Group.

2-2 Basis of measurement

These condensed interim consolidated financial statements have been prepared under historical cost basis, except for what was described in the relevant accounting policies in the annual consolidated financial statements for the year ended December 31, 2022.

2.3 Basis of consolidation

The Group re-assesses whether or not it has a control over an investee if facts and circumstance indicate that there is a change to the elements of the control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary. Assets, liabilities, revenues, and expenses of the acquired subsidiary during the period are included within the condensed interim consolidated financial statements effective from the date the Group gains control until the date the Group ceases such control over the investee.

In particular, the Group controls an investee only when the Group has:

- Power over the investee (i.e. existence of rights that gives the Group the current ability to direct the relevant activities of the investee)
- Exposure to risks, or has rights, to variable returns from its direct relationship with the investee.
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting rights or similar rights of the investee, the Group considers all relevant facts and circumstances in assessing whether it has power over the investee, including:

- The contractual arrangement (arrangements) with the other voting rights holders in the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.

Income and each items of the other comprehensive income (OCI) is attributed to the equity of the Group. When necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies in line with the Group's applied accounting policies.

Assets, liabilities, equity, revenues, expenses and cash flows related to transactions between Group's companies are fully eliminated upon consolidating the condensed interim consolidated financial statements.

2-4 Significant accounting estimates and assumptions

In preparing these condensed interim consolidated financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual consolidated financial statements for the year ended December 31, 2022.

2-5 Functional and presentation currency

These condensed interim consolidated financial statements are presented in Saudi Riyal, unless otherwise stated. The Saudi Riyal is the functional and presentation currency of the Group.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (CONTINUED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

3- NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS

There are new standards and number of amendments to standards which are effective from 1 January 2023 which has been explained in Group annual consolidated financial statements, furthermore, there was no material impact on the group's condensed interim consolidated financial statements.

4- CONSISTENT OF ACCOUNTING POLICIES

The accounting policies followed and the methods of calculation applied in the preparation of these condensed interim consolidated financial statements are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2022.

5- PROPERTY AND EQUIPMENT

Property and equipment additions during the period amounted to Saudi Riyals 445,495 (June 30, 2022: 292,371 Saudi Riyals), and the depreciation expense during the period amounted to Saudi Riyals 87,192 compared to (June 30, 2022: 50,429 Saudi Riyals), and there was disposal resulted gain amounted to Saudi Riyals 22,000 as of June 30, 2023 (June 30, 2022: Nil).

Property and equipment include projects under construction amounted to Saudi Riyals 2,175,839 which represent the costs incurred in preparing the infrastructure and installing special units for establishing the cloud services unit to a subsidiary "Era Data Company for Information Technology" as the estimated costs amounted to Saudi Riyals 3,675,839 and are expected to be completed by ending of 2023 (Note 15).

ARAB SEA INFORMATION SYSTEMS COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (CONTINUED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

6- INTANGIBLE ASSETS

Intangible assets represent the cost of developing and creating SMACC program in addition to a number of accounting applications and programs, the following is a summary of the movement of intangible assets for the period / year ended in:

	(Saudi Riyal)	
	Programs and applications	
	June 30, 2023	December 31, 2022
	(Unaudited)	(Audited)
Cost:		
Balance as at the beginning of the period / year	250,873,466	245,648,341
Additions during the period / year	-	5,225,125
Balance as at the end of the period / year	250,873,466	250,873,466
Accumulated Amortization:		
Balance as at the beginning of the period / year	124,264,255	111,786,900
Amortization during the period / year	6,112,198	12,477,355
Balance as at the end of the period / year	130,376,453	124,264,255
Net book value as at the end of the period / year	120,497,013	126,609,211

7- TRADE RECEIVABLES

	(Saudi Riyal)	
	June 30, 2023	December 31, 2022
	(Unaudited)	(Audited)
Trade receivables	25,891,885	26,735,474
(Less): expected credit losses	(18,296,072)	(18,296,072)
Net	7,595,813	8,439,402

The movement in the expected credit losses for the period / year was as follows:

	(Saudi Riyal)	
	June 30, 2023	December 31, 2022
	(Unaudited)	(Audited)
Balance as at the beginning of the period / year	18,296,072	14,591,112
Charged during the period / year	-	3,704,960
Balance as at the end of the period / year	18,296,072	18,296,072

8- RELATED PARTIES BALANCES AND TRANSACTIONS

Related parties represent the main shareholders, members of the board of directors and the senior executive management of the Group and the companies in which they are major owners. Prices and terms related to these transactions are approved by the group's management.

The following are the balance with due to related party stated in the condensed interim consolidated statement of financial position:

			(Saudi Riyal)	
Due to related party name	Nature of the transaction	Type of relationship	June 30, 2023	December 31, 2022
			(Unaudited)	(Audited)
Mr / Mohammed Saleh		Chairman of		
Mohammed Al Suhaibany	Operating	Board of	-	360,000
Total		Directors	-	360,000

Transactions of executive management compensation personnel

Compensation of the group's executive management personnel includes salaries, non-cash benefits and contributions to long-term employment benefits.

ARAB SEA INFORMATION SYSTEMS COMPANY
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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (CONTINUED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

8- RELATED PARTIES BALANCES AND TRANSACTIONS (continued):

Compensation and benefits for senior executive management employees includes the following:

	(Saudi Riyal)	
<u>Short-term employee benefits:</u>	June 30, 2023	June 30, 2022
	(Unaudited)	(Unaudited)
Salaries and benefits of executive BOD members	394,733	413,000
Allowance for attending Board of Directors sessions	113,000	143,500
Total	507,733	556,500

9- CAPITAL

The share capital as of June 30, 2023 is Saudi Riyals 100 million (December 31, 2022: Saudi Riyals 100 million), divided into 10 million shares as of June 30, 2023 (December 31, 2022: 10 million shares) with a nominal value of 10 Saudi Riyals per share.

10- STATUTORY RESERVE

In accordance with the Company's by-laws and regulations for companies adopted in the Kingdom of Saudi Arabia, the Group is required to transfer 10% of its net profit each year to establish a statutory reserve until this reserve reaches 30% of its share capital.

11- ZAKAT PROVISION

The movement in zakat provision during the period / year was as follows:

	(Saudi Riyal)	
	June 30, 2023	December 31, 2022
	(Unaudited)	(Audited)
Balance as at the beginning of the period / year	957,328	1,023,977
Charged for the period / year	278,320	1,054,685
Paid during the period / year	(10,528)	(1,121,334)
Balance as at the end of the period / year	1,225,120	957,328

Zakat and assessment status:

The Company completed its zakat status until the year 2022, as the Company does not have any zakat assessments with the Zakat, Tax and Customs Authority ("ZATCA") until the date of the condensed interim consolidated financial statements. The Company has submitted its annual financial statements and zakat returns for the year 2022 and paid zakat due and obtained zakat certificate.

Zakat status for Arab Sea Financial Company: The subsidiary Company calculates its zakat provision separately, the subsidiary company submitted its financial statements and its zakat returns for the year 2022 and obtained the Zakat Certificate from the Zakat, Tax and Customs Authority ("ZATCA").

Zakat status for Era Data Company for Information Technology: The subsidiary Company calculates its zakat provision separately, the subsidiary company submitted its financial statements and its zakat returns for the year 2022 and obtained the Zakat Certificate from the Zakat, Tax and Customs Authority ("ZATCA").

ARAB SEA INFORMATION SYSTEMS COMPANY
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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (CONTINUED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

12- REVENUES

Below are the details of the Group's revenues from contracts by type of goods (revenues for licenses in use of software and hardware) and services (revenues for maintenance services and technical support), the timing of revenue recognition:

	(Saudi Riyal)			
	For the Three-months period ended		For the Six-months period ended	
	June 30, 2023 (Unaudited)	June 30, 2022 (Unaudited)	June 30, 2023 (Unaudited)	June 30, 2022 (Unaudited)
Revenue recognition timing				
<u>At the point of time</u>				
Revenues from software licenses and hardware	5,220,911	8,028,755	14,077,695	16,398,837
<u>Over the period of time</u>				
Revenues from maintenance and technical support services	302,240	346,602	763,585	889,485
Total	5,523,151	8,375,357	14,841,280	17,288,322

13- LOSS PER SHARE – BASIC AND DILUTED

Basic and diluted loss per share is calculated by dividing the loss attributable to the shareholders of the Company by the weighted average number of ordinary shares issued during the period and previous period (Saudi Riyals 10 million). Since the Group does not have any diluted potential shares, the diluted loss per share is the same as the basic loss per share.

14- SEGMENT INFORMATION

Operating segment

The Group's products originate in the Kingdom of Saudi Arabia, and it has only two sectors, namely the sector of selling licenses to use software and applications, and the hardware sector. Neither of the two segments achieved the limits mentioned in IFRS 8 "Operating Segments" to disclose their information.

The types of revenues and other information and details were disclosed in Note (12).

Geographical sector

The Group operates entirely within inside and outside the Kingdom of Saudi Arabia.

The activities of the Company and its subsidiaries are concentrated mainly in the Kingdom of Saudi Arabia, Egypt Branch and the United Arab Emirates.

The following is a summary of some financial data for each geographical area separately:

	(Saudi Riyal)	
	June 30, 2023 (Unaudited)	June 30, 2022 (Unaudited)
Geographical information		
Revenues:		
Kingdom of Saudi Arabia	14,238,387	17,160,001
United Arab Emirates	602,893	128,321
Egypt Branch	-	-
Total	14,841,280	17,288,322

ARAB SEA INFORMATION SYSTEMS COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (CONTINUED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

15- CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The Group has contingent liabilities of bank guarantees issued in the ordinary course of business amounting to Saudi Riyals 61,619 as of June 30, 2023 (June 30, 2022: Saudi Riyals 8,791).

The Group also has contractual capital commitments that have not been incurred as of June 30, 2023 in the amount of Saudi Riyals 1.5 million (Note 5).

16- FAIR VALUE OF FINANCIAL INSTRUMENTS

For the purpose of fair value disclosures of financial instruments, all financial assets and liabilities of the Group are not measured at fair value, as they are measured at amortized cost.

17- SUBSEQUENT EVENTS

As per management opinion, there are no significant subsequent events after the period ended June 30, 2023 that could have a material impact on the condensed interim consolidated financial position of the Group or the results of its operations.

18- APPROVAL OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

These condensed interim consolidated financial statements approved by the board of directors of the group on 23 Muharram 1445 H (Corresponding to August 10, 2023).