



البابطين للطاقة و الاتصالات  
AL-BABTAIN POWER & TELECOM

**AL-BABTAIN POWER AND TELECOMMUNICATIONS COMPANY**  
(A Saudi Joint Stock Company)  
**Interim Condensed Consolidated Financial Statements**  
**For the three-months period ended 31 March 2023**  
**Together with The Independent Auditor's Review Report**

# **AL-BABTAIN POWER AND TELECOMMUNICATIONS COMPANY**

(A Saudi Joint Stock Company)

## **Interim Condensed Consolidated Financial Statements**

**For the three-months periods ended 31 March 2023**

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<b><u>INDEX</u></b>	<b><u>PAGE</u></b>
INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	-
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION	2
INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS	3
INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	4
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	5
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS	6
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS	7-23



# PKF

Ibrahim Ahmed Al-Bassam & Co.

Certified Public Accountants  
(Member of PKF International)

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

(1 / 1)

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 31 March 2023 and the related interim consolidated statement of profit or loss and interim consolidated statement of comprehensive income for the three-month periods then ended, and interim consolidated statements of changes in equity and cash flows for the three-month period then ended and a summary of significant accounting policies and other explanatory notes (the "interim condensed consolidated financial statements"). 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.

For Al-Bassam & Co.

Ibrahim A. Al Bassam

Certified Public Accountant

License No. 337

Riyadh: 04 Dhual- Qa'dah 1444 H

Corresponding to: 24 May 2023



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**AL-BABTAIN POWER AND TELECOMMUNICATIONS COMPANY**

(A Saudi Joint Stock Company)

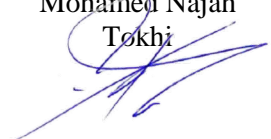
**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION****As of 31 March 2023****(All amounts in Saudi Riyals unless otherwise stated)**

	Note	31 March 2023 (Unaudited)	31 December 2022 (Audited)
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		393,269,079	395,173,651
Intangible assets		27,059,053	27,605,022
Investment properties		48,396,240	48,396,240
Investments at fair value through other comprehensive income (FVOCI)		88,944,941	89,554,166
Investment in joint venture and associate		7,702,937	8,243,134
Right-of-use assets		25,450,420	25,243,484
Due from related parties – non-current portion	7.b	20,944,590	22,080,724
<b>Total Non-Current Assets</b>		<b>611,767,260</b>	<b>616,296,421</b>
<b>Current Assets</b>			
Inventory		798,857,280	833,560,697
Trade receivables	6	779,673,749	837,520,195
Due from related parties – current portion	7.b	16,392,436	14,455,146
Prepayments and other receivables		84,252,069	91,146,954
Contract assets		190,655,749	212,733,722
Derivatives at positive fair value		15,224,748	20,305,182
Investments at fair value through profit or loss (FVTPL)		19,596,000	17,965,819
Cash and cash equivalents		166,472,496	178,652,661
<b>Total Current Assets</b>		<b>2,071,124,527</b>	<b>2,206,340,376</b>
Assets available for sale	8	-	3,762,118
<b>TOTAL ASSETS</b>		<b>2,682,891,787</b>	<b>2,826,398,915</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	9	426,313,120	426,313,120
Statutory reserve		127,893,936	127,893,936
Foreign exchange translation reserve		(112,242,041)	(95,029,773)
Investments at fair value through other comprehensive income (FVOCI) reserve		(31,950,927)	(31,341,702)
Actuarial Gains		5,901,918	5,901,918
Retained earnings		431,643,368	417,445,085
<b>Total Equity Attributable To Shareholders Of The Parent</b>		<b>847,559,374</b>	<b>851,182,584</b>
Non-Controlling Interest		14,264,189	14,129,652
<b>TOTAL EQUITY</b>		<b>861,823,563</b>	<b>865,312,236</b>
<b>Non-Current Liabilities</b>			
Long-term loans – non-current portion	10.1	378,514,536	381,950,822
Right-of-use liabilities – non-current portion		20,316,929	20,424,125
Employees' defined benefits obligation		72,104,914	68,517,376
Deferred income – non-current portion		28,635,859	25,004,761
<b>Total Non-Current Liabilities</b>		<b>499,572,238</b>	<b>495,897,084</b>
<b>Current Liabilities</b>			
Long-term loans - current portion	10.1	343,105,681	389,366,340
Short-term loans	10.2	643,666,998	786,306,857
Right-of-use liabilities – current portion		4,623,693	4,101,453
Deferred income – current portion		173,865	8,472,616
Trade payables		101,489,437	90,138,733
Due to related parties	7.c	14,156,708	13,898,041
Accruals and other payables		186,627,331	148,260,452
Zakat and Income Tax provision	11.1	27,652,273	24,645,103
<b>Total Current Liabilities</b>		<b>1,321,495,986</b>	<b>1,465,189,595</b>
<b>TOTAL LIABILITIES</b>		<b>1,821,068,224</b>	<b>1,961,086,679</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,682,891,787</b>	<b>2,826,398,915</b>
Contingencies and capital commitments	13		

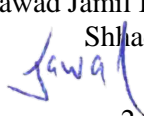
The accompanying notes from 1 to 20 form an integral part of these interim condensed consolidated financial statements.

**Chief Financial Officer**

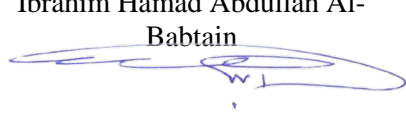
Mohamed Najah  
Tokhi


**Chief Executive Officer**

Jawad Jamil Ismail Abu  
Shhmadh


**Chairman**

Ibrahim Hamad Abdullah Al-  
Babtain



**AL-BABTAIN POWER AND TELECOMMUNICATIONS COMPANY**

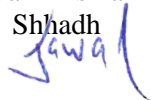
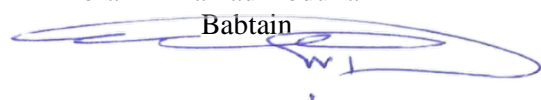
(A Saudi Joint Stock Company)

**INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS****For the period ended 31 March 2023****(All amounts in Saudi Riyals unless otherwise stated)**

	Note	31 March 2023 (Unaudited)	31 March 2022 (Unaudited)
Revenue		649,748,544	418,948,871
Cost of Revenue		(574,474,105)	(374,392,509)
<b>Gross Profit</b>		<b>75,274,439</b>	<b>44,556,362</b>
Selling and Marketing expenses		(7,542,765)	(6,063,024)
General and Administrative expenses		(24,072,781)	(19,311,087)
<b>Operating Income</b>		<b>43,658,893</b>	<b>19,182,251</b>
Finance costs		(20,103,643)	(12,413,085)
Differences on foreign exchange translation		(2,476,401)	-
Expected credit losses	6	(742,202)	-
Group's share of net results from joint venture		(540,197)	60,633
Realized gains on financial investments carried at FVTPL		56,365	1,154,454
Unrealized gains on financial investments carried at FVTPL		1,920,000	-
Loss on derivatives carried at FVTPL		(5,080,433)	-
Other Income		1,465,789	1,486,220
<b>Net Income for the period before Zakat and Income Tax</b>		<b>18,158,171</b>	<b>9,470,473</b>
Zakat and Income Tax	11.1	(3,825,351)	(847,839)
<b>Net Income for the period</b>		<b>14,332,820</b>	<b>8,622,634</b>
<b>Income for the period attributable to:</b>			
Shareholders of the parent		14,198,283	8,725,852
Non-controlling interest		134,537	(103,218)
		<b>14,332,820</b>	<b>8,622,634</b>
<b>Earnings per share:</b>			
<b>Basic and diluted earnings per share as per</b>			
<b>Income for the period attributable to</b>			
<b>shareholders of the parent</b>	12	<b>0.33</b>	<b>0.20</b>

The accompanying notes from 1 to 20 form an integral part of these interim condensed consolidated financial statements.

**Chief Financial Officer**Mohamed Najah  
Tokhi

**Chief Executive Officer**Jawad Jamil Ismail Abu  
Shhadh

**Chairman**Ibrahim Hamad Abdullah Al-  
Babtain


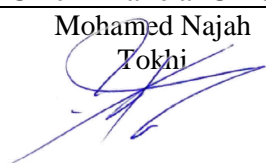
**AL-BABTAIN POWER AND TELECOMMUNICATIONS COMPANY**  
(A Saudi Joint Stock Company)  
**INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For the period ended 31 March 2023**  
**(All amounts in Saudi Riyals unless otherwise stated)**

	<b>31 March 2023</b> <b>(Unaudited)</b>	<b>31 March 2022</b> <b>(Unaudited)</b>
Net Income for the period	<b>14,332,820</b>	8,622,634
<b>Items that will not be reclassified subsequently to statement of profit or loss:</b>		
Gains on financial assets at FVOCI revaluation	<b>(609,225)</b>	-
<b>Items that may be reclassified subsequently to statement of profit or loss:</b>		
Effect of foreign exchange rate changes	<b>(17,212,268)</b>	(3,958,286)
<b>Total comprehensive loss for the period</b>	<b>(17,821,493)</b>	(3,958,286)
<b>Total comprehensive (loss) / income for the period after Zakat and Income Tax</b>	<b>(3,488,673)</b>	4,664,348
<b>Total comprehensive (loss) / income for the period attributable to:</b>		
Shareholders of the parent	<b>(3,623,210)</b>	4,767,566
Non-controlling interest	<b>134,537</b>	(103,218)
	<b>(3,488,673)</b>	4,664,348

The accompanying notes from 1 to 20 form an integral part of these interim condensed consolidated financial statements.

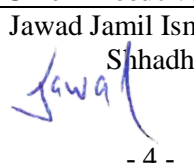
**Chief Financial Officer**

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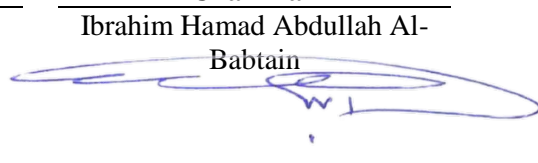
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# AL-BABTAIN POWER AND TELECOMMUNICATIONS COMPANY

(A Saudi Joint Stock Company)

## INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 31 March 2023

(All amounts in Saudi Riyals unless otherwise stated)

	Share capital	Statutory reserve	Foreign exchange translation reserve	Investments at FVOCI reserve	Actuarial (losses) / gains	Retained earnings	Total equity attributable to shareholders of the parent	Non-controlling interest	Total equity
<b>For the period ended 31 March 2022</b>									
Balance on 1 January 2022 (Audited)	426,313,120	127,893,936	(60,265,098)	(35,256,672)	(1,288,761)	377,767,089	835,163,614	15,427,262	850,590,876
Net Income for the period	-	-	-	-	-	8,725,852	8,725,852	(103,218)	8,622,634
Other comprehensive income items	-	-	(3,958,286)	-	-	-	(3,958,286)	-	(3,958,286)
Total comprehensive income for the period	-	-	(3,958,286)	-	-	8,725,852	4,767,566	(103,218)	4,664,348
Balance as of 31 March 2022 (Unaudited)	426,313,120	127,893,936	(64,223,384)	(35,256,672)	(1,288,761)	386,492,941	839,931,180	15,324,044	855,255,224
<b>For the period ended 31 March 2023</b>									
Balance on 1 January 2023 (Audited)	426,313,120	127,893,936	(95,029,773)	(31,341,702)	5,901,918	417,445,085	851,182,584	14,129,652	865,312,236
Net Income for the period	-	-	-	-	-	14,198,283	14,198,283	134,537	14,332,820
Other comprehensive income items	-	-	(17,212,268)	(609,225)	-	-	(17,821,493)	-	(17,821,493)
Total comprehensive income for the period	-	-	(17,212,268)	(609,225)	-	14,198,283	(3,623,210)	134,537	(3,488,673)
Balance as of 31 March 2023 (Unaudited)	426,313,120	127,893,936	(112,242,041)	(31,950,927)	5,901,918	431,643,368	847,559,374	14,264,189	861,823,563

The accompanying notes from 1 to 20 form an integral part of these interim condensed consolidated financial statements.

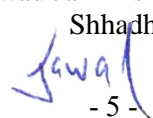
**Chief Financial Officer**

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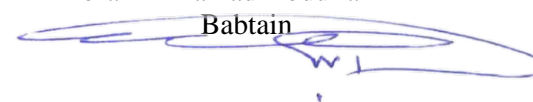
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**AL-BABTAIN POWER AND TELECOMMUNICATIONS COMPANY**

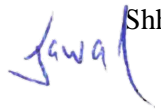
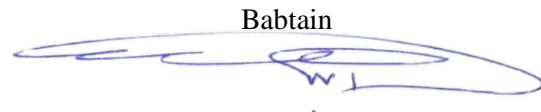
(A Saudi Joint Stock Company)

**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS****For the period ended 31 March 2023****(All amounts in Saudi Riyals unless otherwise stated)**

	Note	31 March 2023 (Unaudited)	31 March 2022 (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net Income before Zakat and Tax		18,158,171	9,470,473
<b>Adjustments for:</b>			
Depreciation of property, plant and equipment		6,988,761	7,044,924
Gains on disposal of property, plant and equipment		(22,609)	(3,410)
Depreciation of right-of-use assets		875,286	1,024,945
Amortization of intangible assets		528,439	491,409
Gain on derivatives at FVTPL		5,080,434	-
Employees' defined benefits		5,682,780	2,531,273
Expected credit losses charged during the period	6	742,202	3,800,259
provision for obsolete inventory		63,339	-
Realized gains on investments at FVTPL		(56,365)	-
Changes in measurement of investments at FVTPL		(1,920,000)	-
Losses / (gains) on investments in joint venture and associate		540,197	(60,633)
Finance costs		20,103,643	12,413,085
		<b>56,764,278</b>	<b>36,712,325</b>
<b>Changes in operating assets and liabilities</b>			
Trade receivables		57,136,692	(57,457,463)
Inventory		34,671,116	(178,168,214)
Prepayments and other receivables		6,894,885	(7,782,627)
Contract assets		22,077,973	103,965,192
Trade payables		11,350,704	37,596,788
Deferred income		(4,667,653)	(1,020,304)
Accruals and other payables		38,366,879	13,883,855
Related parties		(542,489)	-
Employees' defined benefits – paid		(2,095,242)	(1,279,181)
Zakat and Income Tax – paid	11.1	(818,181)	-
<b>Net cash generated from / (used in) operating activities</b>		<b>219,138,962</b>	<b>(53,549,629)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of financial investments carried at FVTPL		346,184	-
Proceeds from sale of investments in joint venture and associate		3,762,118	-
Additions in intangible assets		(2,765)	-
Additions in Property, plant and equipment		(9,681,034)	(4,504,448)
Proceeds from disposal of property, plant and equipment		46,104	128,398
<b>Net cash used in investing activities</b>		<b>(5,529,393)</b>	<b>(4,376,050)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Financial facilities Paid during the period	10.1/10.2	(749,218,392)	(567,425,867)
Financial facilities received during the period	10.1/10.2	556,881,588	607,177,313
Payments of lease liabilities		(1,156,848)	(1,708,562)
Finance costs paid		(19,644,572)	(12,127,776)
<b>Net cash (used in) / generated from financing activities</b>		<b>(213,138,224)</b>	<b>25,915,108</b>
<b>Net change in cash and cash equivalents</b>		<b>471,345</b>	<b>(32,010,571)</b>
Cash and cash equivalents at the beginning of the period		178,652,661	210,709,260
Effect of exchange rate changes on cash and cash equivalents		(12,651,510)	(3,958,286)
<b>Cash and cash equivalents at the end of the period</b>		<b>166,472,496</b>	<b>174,740,403</b>
<b>Non-cash transactions</b>	15		

The accompanying notes from 1 to 20 form an integral part of these interim condensed consolidated financial statements.

**Chief Financial Officer**Mohamed Najah  
Tokhi

**Chief Executive Officer**Jawad Jamil Ismail Abu  
Shhadh

**Chairman**Ibrahim Hamad Abdullah Al-  
Babtain




# **AL-BABTAIN POWER AND TELECOMMUNICATIONS COMPANY**

(A Saudi Joint Stock Company)

## **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**For the period ended 31 March 2023**

**(All amounts in Saudi Riyals unless otherwise stated)**

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### **1. LEGAL STATUS AND ACTIVITY**

Al-Babtain Power and Telecommunications Company - a Saudi joint stock Company (hereinafter referred to as "the Company") was established under Commercial Registration No. 1010063868 issued in Riyadh on 19/2/1407H corresponding to 23/10/1986. The Company practices its activity pursuant to Ministry of Trade and Industry resolution No.1304 dated 27 Jumada Al-Awal 1424H corresponding to 27 July 2003.

The main activity of the company is represented in (designing and producing poles, masts and lamps for lighting streets, stadiums and squares as well as towers and poles for power transmission and telecommunications, marketing, selling and manufacturing decorative poles and LED lighting, installation, operation and maintenance of software for telecommunications systems, computer devices and networks, mechanical and electrical equipment for factories, production of mobile metal components for PV solar tracking systems single and biaxial and fixed metal components of the PV solar system, installing, maintaining and repairing wind power networks and generating electric power, carrying out electrical and mechanical works, designing, supplying and installing telecommunication systems, installing and maintaining equipment for telecommunication systems - contracting - oil and gas fields services activity).

On September 30, 2022, the company owns, directly or indirectly, majority interest that enable it to control subsidiaries collectively referred to as "the Group" the company and its subsidiaries' shown below business, is concentrated in the production of lighting poles, power transmission and its accessories, power transmission towers and their accessories, as well as telecommunication towers, operating and maintaining telecommunication software and systems. Below is a statement of the subsidiaries and their ownership percentages.

# AL-BABTAIN POWER AND TELECOMMUNICATIONS COMPANY

(A Saudi Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 March 2023

(All amounts in Saudi Riyals unless otherwise stated)

### 1. LEGAL STATUS AND ACTIVITY (CONTINUED)

<u>Subsidiary Name</u>	<u>Location</u>	<u>Subsidiary’s Share capital</u>	<u>Main Activity</u>	<u>Ownership Percentage</u>	
				<u>2023</u>	<u>2022</u>
<b><u>First: Directly Owned Subsidiaries</u></b>					
Al-Babtain Power and Telecommunications Company	Egypt	125,000,000 EGP	Design and production of poles, masts and lamps for street lighting, stadiums, and squares, as well as towers and poles for power transmission and telecommunications.	100%	100%
Al Babtain LeBlanc Telecommunication Systems Ltd.	KSA	10,000,000 SAR	Design, supply, and installation of telecommunication systems.	100%	100%
Al-Babtain Operation & Maintenance Company Ltd.	KSA	500,000 SAR	Installation, operation, and maintenance of programs for wired and wireless telecommunication systems, computer devices and networks, and mechanical and electrical equipment for factories.	100%	100%
Integrated Lighting Co (Rayon) (ILC) Ltd.	KSA	26,800,000 SAR	Marketing, selling, and manufacturing decorative poles and LED lighting.	100%	100%
Babtain Contracting Company LLC (1.1.1)	Qatar	200,000 QAR	Doing electrical and mechanical works.	100%	100%
International Wind Power Co.	KSA	5,000,000 SAR	Installing, maintaining, and repairing wind power networks and generating electric power.	100%	100%
Al-Babtain Metalogalva (JV) Co. Ltd. (1.1.2)	KSA	21,300,000 SAR	Production of moving metal components for single and biaxial PV solar tracking systems and fixed metal components for PV solar system.	60%	60%
<b><u>Second: Indirectly Owned Subsidiaries</u></b>					
Al-Babtain Leblanc Egypt Telecommunication System Co. (1.1.3)	Egypt	35,091,000 EGP	Design, supply, and installation of telecommunication systems.	99.72%	85%
Al-Babtain Lighting & Power Solutions (ABLP) Co.	Egypt	95,272,000 EGP	Production and marketing of poles, masts, galvanized metal structures and lighting through solar power.	100%	100%
Al Babtain LeBlanc Emirates Telecommunication Systems (ABLEM)	UAE	11,000,000 AED	Design, supply, and installation of telecommunication systems.	100%	100%
Al-Babtain Middle East for Installation of Telecommunications Systems (ABITS)	UAE	1,000,000 AED	Installation and maintenance of telecommunication systems equipment - Contracting - Oil and gas field services activity.	70%	70%

# **AL-BABTAIN POWER AND TELECOMMUNICATIONS COMPANY**

(A Saudi Joint Stock Company)

## **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**For the period ended 31 March 2023**

**(All amounts in Saudi Riyals unless otherwise stated)**

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### **1. LEGAL STATUS AND ACTIVITY (CONTINUED)**

**1.1.1** Referring to the Board of Directors' decision on November 2, 2017, it was approved to restructure the company due to its economic impact resulting from the political crisis of Qatar with the Kingdom of Saudi Arabia, which in turn was reflected in negative results on the group, and in accordance with the management's decision on December 28, 2022. The company was restructured completely by activating it, and accordingly, the results, assets and liabilities of the subsidiary were re-consolidated within the consolidated financial statements, and this is effective as of January 01, 2022.

**1.1.2** The capital of Al-Babtain Metalgalva (JV) Co. Ltd. was increased by SAR 3,300,000, The value of the company's share in the increase amounted to SAR 1,980,000 according to the shareholders' decision on October 27, 2022.

**1.1.3** During the year 2022, the shareholders of LeBlanc Egypt Telecommunication System, an Egyptian joint stock company, agreed to amend the ownership structure of the company, and accordingly, the group's ownership percentage in the subsidiary increased to 99.72%, and all legal procedures were completed during the year, according to the minutes of the Extraordinary General Assembly It was approved to sell an interest of the shareholders to one of the subsidiaries, Al-Babtain Operation & Maintenance company.

The Group's fiscal year commences at the beginning of January and ends at the end of December of the same year.

The company operates through its following branches:

<b><u>Branch name</u></b>	<b><u>Issue date</u></b>	<b><u>CR number</u></b>
Al-Babtain Pole & High-mast Factory	16 Rabi` al-Awwal 1407	1010064131
Al-Babtain Lighting& Panelboard Factory	16 Rabi` al-Awwal 1407	1010064130
Al-Babtain Towers and Structures Factory	26 Shawwal 1416	1010139399
Al-Babtain Towers and Structures Factory	22 Rajab 1439	2050241136

### **2. BASIS OF PREPARATION**

#### **2.1 Statement of compliance**

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 "Initial Financial Reporting" approved in the Kingdom of Saudi Arabia and other standards and pronouncements approved by SOCPA the Saudi Organization for Chartered and Professional Accountants and should be read in conjunction with the consolidated financial statements of the Group for the year ended December 31, 2022, where It does not include all the information required to prepare a complete set of financial statements, however it mentions accounting policies and explanatory notes to explain significant events and transactions to understanding the changes in the Group's financial position and its performance as of the most recent Group's reporting date.

The results for the three-months period ended 31 March 2023 are not necessarily indicative of the results that may be expected for the financial year ended 31 December 2023.

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(A Saudi Joint Stock Company)

## **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**For the period ended 31 March 2023**

**(All amounts in Saudi Riyals unless otherwise stated)**

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### **2. BASIS OF PREPARATION (CONTINUED)**

#### **2.2 Basis of consolidation**

The interim condensed consolidated financial statements include the financial statements of Al-Babtain Power and Telecommunications Company and its subsidiaries and branches as disclosed within note (1).

Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement in the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee only when 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 in 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 in an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate 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 over the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed during the period, are included in the consolidated financial statements as of the date that the Group obtains control until the date the Group ceases to control the subsidiary.

Profit or loss and each item of the consolidated comprehensive income are attributed to the shareholders of the Group's parent and the non-controlling interest even if this results in the non-controlling interests having a deficit balance. Adjustments are made when necessary to the financial statements of subsidiaries to bring the accounting policies in line with the accounting policies of the group. All inter-group assets and liabilities, equity, income, expenses, and cash flows relating to inter-group transactions are eliminated in full upon consolidation.

A change in the ownership interest in the subsidiary, without 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's share of items 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 the related assets or liabilities.

**AL-BABTAIN POWER AND TELECOMMUNICATIONS COMPANY**  
(A Saudi Joint Stock Company)  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**For the period ended 31 March 2023**  
**(All amounts in Saudi Riyals unless otherwise stated)**

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**2. BASIS OF PREPARATION (CONTINUED)**

**2.3 Basis of measurement**

These interim condensed consolidated financial statements have been prepared in accordance with the historical cost basis, except for:

- a) Investments measured at fair value.
- b) Employees' end of service benefits is recognized at the present value of future obligations using the projected unit credit method.

**2.4 Presentation and functional currency**

These financial statements are presented in Saudi Riyals, which is the functional and presentation currency of the Group. All amounts have been rounded off to the nearest Saudi Riyal, unless otherwise stated.

**3. NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS**

No new standards have been issued, but there are number of amendments to the standards, and these amendments are effective as of January 1, 2023, that have been disclosed in the Group's consolidated financial statements but don't have material effect on the interim condensed consolidated financial statements. The Group did not have to change its accounting policies or make retrospective adjustments as a result of the application of these amended standards.

**4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

In preparing these financial statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis for making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The significant estimates made by management when applying the Group's accounting policies and the significant sources of estimation uncertainties were the same as those disclosed in the most recent annual financial statements.

**5. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies applied in preparing the interim condensed consolidated financial statements are in line with the policies applied in preparing the annual consolidated financial statements of the Group for the year ended 31 December 2022.

**AL-BABTAIN POWER AND TELECOMMUNICATIONS COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****For the period ended 31 March 2023****(All amounts in Saudi Riyals unless otherwise stated)****6. TRADE RECEIVABLES**

	<b>31 March 2023</b> <b>(Unaudited)</b>	<b>31 December 2022</b> <b>(Audited)</b>
Trade receivables	<b>793,919,093</b>	835,264,838
Checks in collection and notes receivable	<b>16,674,591</b>	39,819,513
	<b>810,593,684</b>	875,084,351
<b>Less: allowance for expected credit losses</b>	<b>(30,919,935)</b>	(37,564,156)
	<b>779,673,749</b>	837,520,195

Movement in the allowance for ECL is as follows:

	<b>31 March 2023</b> <b>(Unaudited)</b>	<b>31 December 2022</b> <b>(Audited)</b>
Balance at the beginning of the period / year	<b>37,564,156</b>	21,909,845
Charged during the period / year	<b>742,202</b>	16,000,383
Differences on foreign exchange translation	<b>32,448</b>	(346,072)
Written off during the period / year *	<b>(7,418,871)</b>	-
<b>Balance at the end of the period / year</b>	<b>30,919,935</b>	37,564,156

\*During the period the write-off of receivables shown above has been approved by the Board of Directors.

**7. RELATED PARTY TRANSACTIONS AND BALANCES**

Related party transactions represent selling them finished goods, providing them with financing, salaries, remunerations, compensations and allowances for Board of Directors, key executives and top management that took place between the Group and related parties, and between the Group and Board of Directors, key executives and top management, and these transactions take place in the Group's ordinary course of activities According to the same basis as other party transactions, significant related party transactions and resulting balances are as follows:

**7.a-Significant Related Party Transactions**

	<b>Nature of Transactions</b>	<b>31 March 2023</b> <b>(Unaudited)</b>	<b>31 March 2022</b> <b>(Unaudited)</b>
Babtain Contracting Company	Sales	<b>2,742,503</b>	740,721
Babtain Contracting Company	Finance	-	19,812
Al-Babtain Trading Company	Purchases	<b>13,387</b>	-
Petitjean Co. (formerly Al-Babtain France)	Finance	-	2,960
Metalogalva - Irmãos Silvas, S.A - Portugal	Finance	<b>536,434</b>	-

**AL-BABTAIN POWER AND TELECOMMUNICATIONS COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****For the period ended 31 March 2023****(All amounts in Saudi Riyals unless otherwise stated)****7. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)****7.b-Due From Related Parties**

	<b>Nature of relationship</b>	<b>31 March 2023 (Unaudited)</b>	<b>31 December 2022 (Audited)</b>
Petitjean Co. (formerly Al-Babtain France)	Joint Venture Company	<b>28,740,690</b>	29,277,124
Babtain Contracting Company	Affiliate	<b>8,314,121</b>	6,976,531
Al-Babtain Engineering-Industries Company ABEICO	Affiliate	<b>282,215</b>	282,215
		<b>37,337,026</b>	36,535,870

The current and non-current portion is as follows:

	<b>31 March 2023 (Unaudited)</b>	<b>31 December 2022 (Audited)</b>
Current portion	<b>16,392,436</b>	14,455,146
Non-current portion	<b>20,944,590</b>	22,080,724
	<b>37,337,026</b>	36,535,870

**7.c-Due To Related Parties**

	<b>Nature of relationship</b>	<b>31 March 2023 (Unaudited)</b>	<b>31 December 2022 (Audited)</b>
Metalgalva - Irmãos Silvas, S.A - Portugal	Affiliate	<b>14,073,997</b>	13,828,717
Al Babtain Trading Company	Affiliate	<b>82,711</b>	69,324
		<b>14,156,708</b>	13,898,041

**7.d-Benefits, Remunerations And Compensations For Top Management And Key Executives**

	<b>31 March 2023</b>		<b>31 March 2022</b>	
	<b>Board of directors and related committees</b>	<b>Executive management</b>	<b>Board of directors and related committees</b>	<b>Executive management</b>
Remunerations for board of directors and related committees	<b>3,847,00</b>	<b>1,700,000</b>	<b>4,869,787</b>	<b>830,000</b>
Attendance allowances for council and related committees	<b>45,000</b>	-	<b>60,000</b>	-
Salaries, wages, and equivalents	-	<b>653,017</b>	-	<b>640,747</b>
Employees' Accrued benefits obligation	-	<b>8,331,265</b>	-	<b>7,609,225</b>

**AL-BABTAIN POWER AND TELECOMMUNICATIONS COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****For the period ended 31 March 2023****(All amounts in Saudi Riyals unless otherwise stated)****8. ASSETS AVAILABLE FOR SALE**

	<b>31 March 2023</b> <b>(Unaudited)</b>	31 December 2022 (Audited)
Balance of investment in Petitjean Co. (formerly Al-Babtain France)	-	8,572,859
Losses on available-for-sale operations	-	(4,810,741)
Petitjean Co. (Al-Babtain France)	-	3,762,118

On 12 December 2022, the Group signed a framework memorandum with company (Metalgalva - Irmãos Silvas, S.A in Portugal) to waive the sale of a 26% interest in Al-Babtain France for 941,000 euros, equivalent to SAR 3,762,118, where sale and assignment contract was signed. On February 28, 2023, the Group's ownership became 25% of shares of Al-Babtain France, and the interest of the shareholder (Metalgalva - Irmãos Silvas, S.A in Portugal) became 75% resulting in losses on the sale of investments amounting to SAR 4,810,741.

During the period, and on February 28, 2023, the Group completed the legal procedures for the sale, and the amounts due from (Metalgalva - Irmãos Silvas, S.A in Portugal) were paid for the sale.

**9. SHARE CAPITAL**

The authorized and paid-up share capital is SAR 426,313,120 as of March 31, 2023 (December 31, 2022: SAR 426,313,120) divided into 42,631,312 shares (December 31, 2022: 42,631,312 shares), SAR 10 per each.

**10. LOANS****10.1 Long-Term Loans**

	<b>31 March 2023</b> <b>(Unaudited)</b>	31 December 2022 (Audited)
	<u>Note</u>	
Long-Term Tawarruq Loans - Local Commercial Banks	10.1.2	652,500,000
Loan from Saudi Industrial Development Fund	10.1.1	69,120,217
		<u>721,620,217</u>

The current and non-current portion was as follows:

	<b>31 March 2023</b> <b>(Unaudited)</b>	31 December 2022 (Audited)
Long-Term Tawarruq Loans – non-current portion	378,514,536	381,950,822
Long-Term Tawarruq Loans – current portion	343,105,681	389,366,340
	<u>721,620,217</u>	<u>771,317,162</u>



**AL-BABTAIN POWER AND TELECOMMUNICATIONS COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****For the period ended 31 March 2023****(All amounts in Saudi Riyals unless otherwise stated)****10. LOANS (CONTINUED)****10.1 Long-Term Loans (Continued)**

Loans movement during the period / year was as follows:

	<b>31 March 2023</b> <b>(Unaudited)</b>	<b>31 December 2022</b> <b>(Audited)</b>
Balance at the beginning of the period / year	<b>771,317,162</b>	770,287,737
Paid during the period / year	<b>(57,256,945)</b>	(230,572,253)
Received during the period / year	<b>7,560,000</b>	231,601,678
<b>Balance at the end of the period / year</b>	<b>721,620,217</b>	<b>771,317,162</b>

**10.1.1** The company entered into a loan agreement with the Saudi Industrial Development Fund amounting to SAR 29.8 million on May 30, 2018, for the purpose of producing power transmission towers and telecommunication towers. The loan is to be repaid in 12 semi-annual installments, collateralized by promissory notes. One of the subsidiaries (Integrated Lighting Co (Rayon) (ILC) Ltd.) signed a loan with the Saudi Industrial Development Fund amounting to SAR 14.3 million on February 24, 2019. This is for producing decorative steel poles and LED lighting lamps. During the period, one of the subsidiaries (Al-Babtain Metalogalva (JV) Co. Ltd) obtained a loan with the Saudi Industrial Development Fund amounting to SAR 40.9 million, payment of SAR 30.24 million was received during the period as an initial payment, for producing solar power products.

**10.1.2** The Group obtained long-term bank facilities with local banks for repaying the amounts outstanding owed by the company to other banks and for restructuring the Group's financial position for the same previous purpose. These facilities are of interest according to prevailing market rates.

**Guarantees**

The long and intermediate-term bank facilities from local banks are collateralized by promissory notes and assignment of some proceeds from contracts concluded by the Group and other guarantees in accordance with the bank facilities contracts. The bank agreements include restrictions and financial covenants on the Group in respect of dividends and net equity, in addition to restrictions on some other financial ratios specified in these agreements. These bank facilities are of interest according to prevailing market rates.

**Breach of bank covenants**

Due to breach of some financial covenants included in the agreements with some banks, the amount of SAR 104.1 million has been reclassified from non-current portion to current portion. These financial covenants were as follows:

	<b>Financial covenant</b>	<b>Covenant included in the agreement</b>	<b>Ratio on 31 March 2023</b>	<b>Breach ratio</b>
Al-Rajhi Bank	debt ratio	1.1%	0.16%	0.94%
Saudi National Bank (SNB)	The company's non-compliance with covenants to other banks	-	-	-

**AL-BABTAIN POWER AND TELECOMMUNICATIONS COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****For the period ended 31 March 2023****(All amounts in Saudi Riyals unless otherwise stated)****10. LOANS (CONTINUED)****10.2 Short-Term Loans**

The Group obtained bank facilities with local and international commercial banks in the form of overdrafts, Tawarruq loans and notes payable to finance working capital requirements, as well as letters of credit and letters of guarantee. The total credit limit of these loans amounted to SAR 3,418.2 million; the portion used of these Facilities during the period SAR 1,969.3 million. These facilities are of interest according to prevailing market rates, the details of which are as follows:

	<b>31 March 2023</b> <b>(Unaudited)</b>	<b>31 December 2022</b> <b>(Audited)</b>
Short-term Tawarruq bank loans	<b>418,189,130</b>	534,271,577
Notes payable	<b>168,632,263</b>	202,131,742
Overdrafts	<b>56,845,605</b>	49,903,538
	<b>643,666,998</b>	<b>786,306,857</b>

Loans movement during the period / year was as follows:

	<b>31 March 2023</b> <b>(Unaudited)</b>	<b>31 December 2022</b> <b>(Audited)</b>
Balance at the beginning of the period / year	<b>786,306,857</b>	496,671,537
Paid during the period / year	<b>(691,961,447)</b>	(3,136,662,165)
Received during the period / year'	<b>549,321,588</b>	3,426,297,485
<b>Balance at the end of the period / year</b>	<b>643,666,998</b>	<b>786,306,857</b>

**Guarantees**

Tawarruq loans from commercial banks above are collateralized by promissory notes and the company's assignment of certain proceeds from contracts concluded by the company using these facilities to finance its operating activities, and other guarantees in accordance with agreements of bank facilities. The bank agreements of Tawarruq loans above include restrictions and financial covenants on the company in respect of dividends and net equity, in addition to restrictions on some other financial ratios specified in these agreements.

**11. ZAKAT AND INCOME TAX PROVISION****11.1 Zakat Movement**

Movement in zakat provision is as follows:

	<b>31 March 2023</b> <b>(Unaudited)</b>	<b>31 December 2022</b> <b>(Audited)</b>
Balance at the beginning of the period / year	<b>24,645,103</b>	12,198,723
charged during the period / year	<b>3,825,351</b>	33,815,179
Paid during the period / year	<b>(818,181)</b>	(21,368,799)
<b>Balance at the end of the period / year</b>	<b>27,652,273</b>	<b>24,645,103</b>

**AL-BABTAIN POWER AND TELECOMMUNICATIONS COMPANY**  
(A Saudi Joint Stock Company)  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**For the period ended 31 March 2023**  
(All amounts in Saudi Riyals unless otherwise stated)

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**11. ZAKAT AND INCOME TAX PROVISION(CONTINUED)**

**11.2 Zakat Assessment**

The Group submitted its zakat returns to the Zakat, Tax and Customs Authority (“the Authority”) for the year ended December 31, 2022, and obtained a valid zakat certificate until April 30, 2024, after its submission of the financial statements and zakat return for the same year.

The zakat status with the Authority was finalized until the financial year ended December 31, 2013. The authority also raised a zakat assessment for the year 2014, which resulted in zakat variances amounting to SAR 1.1 million. The company filed an appeal to the General Secretariat of Tax Committees, which was ruled in the company's favor and accepted the objection to the full amount. The Authority also raised zakat assessments for the years from 2015 to 2018, which resulted in zakat variances amounting to SAR 32 million. The company filed an appeal to the General Secretariat of the Tax Committees. Committee for Tax Violations and Disputes Resolution made its decision in favor of the company, but the Authority appealed against the decision to the General Secretariat of Tax Committees. and the appeal is pending until March 31, 2023.

Management believes that it has a fair opportunity to obtain decisions in support of its view from the committees of objection and appeal regarding the objection to the zakat assessment for the financial years from 2014 to 2018.

**AL-Babtain LeBlanc Egypt Telecommunication System Co. - Egypt**

The company’s annual returns were submitted for the year ended December 31, 2022, and from the beginning of the activity until 2015, the examination, assessment and payment were made.

From 2016 until 2022, the company has not been notified of any tax examination request to date.

**Al-Babtain Metalgalva (JV) Co. Ltd.**

The company submitted its zakat returns until December 31, 2022, and the company obtained a valid certificate until April 30, 2024.

# AL-BABTAIN POWER AND TELECOMMUNICATIONS COMPANY

(A Saudi Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 March 2023

(All amounts in Saudi Riyals unless otherwise stated)

### 12. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share have been calculated by dividing income for the period attributable to shareholders of the company by the weighted average number of common shares outstanding during the period. The diluted earnings per share are the same as the basic earnings per share as the Group does not have any diluted instruments.

	31 March 2023 (Unaudited)	31 March 2022 (Unaudited)
Income for the period	14,198,283	8,725,852
Weighted average number of issued shares	42,631,312	42,631,312
Basic and diluted earnings per share (SAR)	0.33	0.20

### 13. CONTINGENCIES AND CAPITAL COMMITMENTS

Contingencies represent letters of credit and letters of guarantee issued by commercial banks for the Group, as follows:

	31 March 2023 (Unaudited)	31 December 2022 (Audited)
Letters of credit	281,851,919	149,631,974
Letters of guarantee	800,690,139	730,210,460
	1,082,542,058	879,842,434

### 14. SEGMENT INFORMATION

a) Information attributable to the Group's operating and geographic segments, as described below, is regularly reported to the Group's operational decision makers and stated as follows:

- **Towers And Metal Structures Segment:** It includes the production of power transmission towers, galvanized telecommunication towers and their tests, and galvanized steel structures.
- **Poles And Lighting:** It includes production and galvanization of electricity and lighting poles, high masts, and their accessories, in addition to production of street lighting lamps, stadiums and gardens, and production of electricity panelboards.
- **Design, Supply, And Installation Segment:** It includes supplying, installing, and maintaining telecommunication systems.
- **Solar Power Segment:** It includes production of mobile metal components for PV solar tracking systems.
- **Headquarter:** It supervises the company's various segments in addition to the investing activities of subsidiaries.

**AL-BABTAIN POWER AND TELECOMMUNICATIONS COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****For the period ended 31 March 2023****(All amounts in Saudi Riyals unless otherwise stated)****14. SEGMENT INFORMATION (CONTINUED)**

b) Information for the period ended 31 March, by operating segments is summarized as follows:

**Operating Information**

	<b>Towers And Metal Structures Segment</b>	<b>Poles And Lighting Segment</b>	<b>Design, Supply, And Installation Segment</b>	<b>Solar Power Segment</b>	<b>Headquarter</b>	<b>Total</b>
<b>31 March 2023 (Unaudited)</b>						
Net revenue	236,440,741	245,636,180	89,464,366	78,207,257	-	649,748,544
Cost of sales	205,731,447	222,160,678	71,045,070	75,536,910	-	574,474,105
Selling and advertising expenses	872,717	6,091,855	-	578,193	-	7,542,765
General and administrative expenses	5,569,318	5,500,319	12,978,687	66,659	-	24,114,983
Finance costs	8,462,067	9,209,796	1,168,186	1,263,594	-	20,103,643
Net Income for the period before Zakat and Income Tax	13,212,061	2,941,947	3,606,075	336,902	(1,938,814)	18,158,171
Depreciation of property, plant and equipment	2,495,148	2,727,849	480,972	966,185	280,027	6,950,181
Total assets	83,316,870	269,578,945	508,504,433	136,043,928	1,685,447,611	2,682,891,787
Total liabilities	55,275,802	300,566,132	181,408,302	82,453,564	1,201,364,424	1,821,068,224
<b>31 March 2022 (Unaudited)</b>						
Net revenue	145,206,379	127,818,744	95,402,436	50,521,312	-	418,948,871
Cost of sales	144,802,189	103,372,107	77,759,768	48,458,445	-	374,392,509
Selling and advertising expenses	1,099,883	4,693,138	-	270,003	-	6,063,024
General and administrative expenses	3,959,520	4,180,532	10,708,700	462,335	-	19,311,087
Finance costs	5,803,543	4,398,305	568,271	1,642,966	-	12,413,085
Net Income for the period before Zakat and Income Tax	(11,423,190)	12,885,094	6,259,215	(321,418)	2,070,772	9,470,473
Depreciation of property, plant and equipment	2,562,502	2,650,313	589,220	955,126	287,763	7,044,924
Total assets	107,687,689	142,718,984	316,693,619	110,203,713	1,995,074,448	2,672,378,453
Total liabilities	60,751,159	55,939,243	178,720,399	38,799,289	1,482,913,139	1,817,123,229

**AL-BABTAIN POWER AND TELECOMMUNICATIONS COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****For the period ended 31 March 2023****(All amounts in Saudi Riyals unless otherwise stated)****14. SEGMENT INFORMATION (CONTINUED)****Geographic Information**

Geographic information for the period ended 31 March, is summarized as follows:

	<u>KSA</u>	<u>GCC</u>	<u>Egypt</u>	<u>Total</u>
<b><u>31 March 2023 (Unaudited)</u></b>				
Net revenue	588,879,195	24,925,863	35,943,486	649,748,544
Cost of sales	527,864,283	19,450,113	27,159,709	574,474,105
Selling and advertising expenses	7,226,320	-	316,445	7,542,765
General and administrative expenses	17,465,208	3,634,374	3,015,401	24,114,983
Finance costs	18,158,841	217,200	1,727,602	20,103,643
Net Income for the period before Zakat and Income Tax	15,183,818	1,670,164	1,304,189	18,158,171
Depreciation of property, plant and equipment	6,637,206	65,382	247,593	6,950,181
Total assets	2,368,398,590	166,772,598	147,720,599	2,682,891,787
Total liabilities	1,674,641,074	50,518,268	95,908,882	1,821,068,224
<b><u>31 March 2022 (Unaudited)</u></b>				
Net revenue	357,994,530	6,093,007	54,861,334	418,948,871
Cost of sales	319,166,475	4,421,341	50,804,693	374,392,509
Selling and advertising expenses	5,640,310	-	422,714	6,063,024
General and administrative expenses	16,598,235	828,181	1,884,671	19,311,087
Finance costs	10,574,435	183,791	1,654,859	12,413,085
Net Income for the period before Zakat and Income Tax	10,399,715	845,819	(1,775,061)	9,470,473
Depreciation of property, plant and equipment	6,488,300	126,667	429,957	7,044,924
Total assets	2,287,063,792	181,755,404	203,559,257	2,672,378,453
Total liabilities	1,615,964,881	79,611,940	121,546,408	1,817,123,229

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(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****For the period ended 31 March 2023****(All amounts in Saudi Riyals unless otherwise stated)****15. NON-CASH TRANSACTIONS**

	<u>Note</u>	<b>31 March 2023</b> <b>(Unaudited)</b>	31 March 2022 (Unaudited)
Capital work in progress transferred to property, plant and equipment		<b>(8,463,521)</b>	14,518,529
Additions in right-of-use assets		<b>1,361,055</b>	-
Unrealized gains on investments at FVOCI	6	<b>(609,225)</b>	-
Receivables written off during the period	8	<b>(7,418,871)</b>	-
Exchange differences on translating property, plant and equipment - net		-	4,500,677
Exchange differences on translating intangible assets - net		-	29,437
Exchange differences on translating right-of-use assets		-	207,500

**16. FAIR VALUE**

Fair value is the amount for which an asset could be exchanged, or a liability settled, in a transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability will take place either:

- In the principal market for the asset or liability, or
- In the most advantageous market for the asset or liability in the absence of a principal market.

The principal or most advantageous market must be accessible by the Group.

The fair value of an asset or liability is measured using the assumptions that market parties use when pricing the asset or liability, assuming that market parties act in their best economic interests.

The fair value measurement of a non-financial asset considers the ability of market parties to provide economic benefits by using the asset for the best benefit, or by selling it to another market party for the best benefit.

The Group uses valuation techniques that are appropriate to circumstances and conditions and have sufficient data to measure fair value, maximize the use of relevant observable inputs, and minimize the use of unobservable inputs substantially.

All assets and liabilities whose fair values are measured or disclosed at their fair values in the interim condensed consolidated financial statements are categorized within the fair value hierarchy set out below based on the lowest level inputs that is significant to the fair value measurement as a whole:

- Level 1: prices that are quoted in active markets for identical assets or liabilities.
- Level 2: other valuation techniques in which the lowest level of significant inputs is directly or indirectly observable to the fair value measurement.
- Level 3: Other valuation techniques in which the lowest level inputs that are significant are not observable to the fair value measurement.

For assets and liabilities recognized in the consolidated financial statements on an ongoing basis, the Group determines whether transfers have taken place between levels of the hierarchy above by reassessing categorization (based on the lowest level inputs that are significant to the fair value measurement as a whole) at the end of each reporting period.

The carrying amount of financial assets that cannot be measured at fair value approximates its fair value. The financial liabilities have been measured at amortized cost, which is a reasonable approximation of their fair value.

**AL-BABTAIN POWER AND TELECOMMUNICATIONS COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****For the period ended 31 March 2023****(All amounts in Saudi Riyals unless otherwise stated)****16. FAIR VALUE (CONTINUED)**

All financial assets and liabilities are measured at amortized cost except for investments carried at FVTPL. The carrying amount of all other financial assets and liabilities measured at amortized cost approximates their fair values.

<b>As of 31 March 2023</b>	<b>Fair Value Level</b>			<b>Total</b>
	<b>1</b>	<b>2</b>	<b>3</b>	
Financial assets at FVOCI	<b>67,230,000</b>	-	<b>21,714,941</b>	<b>88,944,941</b>
Investments at FVTPL	<b>19,596,000</b>	-	-	<b>19,596,000</b>

<b>As of 31 December 2022</b>	<b>Fair Value Level</b>			<b>Total</b>
	<b>1</b>	<b>2</b>	<b>3</b>	
Investments at FVOCI	-	-	89,554,166	89,554,166
Investments at FVTPL	17,965,819	-	-	17,965,819

**17. RECLASSIFICATION OF COMPARATIVE FIGURES**

During the period ended March 31, 2023, the Group has reclassified certain comparative figures as shown below, which management considers to be a more accurate presentation and reflects the relevant nature.

**17.1 Amounts in the consolidated statement of profit or loss that have been reclassified:**

	<b>31 March 2022 (Before reclassification) SAR</b>	<b>Amounts that have been reclassified SAR</b>	<b>31 March 2022 (After reclassification) SAR</b>
Revenue	411,514,841	7,434,030	418,948,871
Other Income	10,074,704	(8,588,484)	1,486,220
Realized gains on financial investments carried at FVTPL	-	1,154,454	1,154,454

**17.2 Amounts in the statement of cash flows that have been reclassified:**

	<b>31 March 2022 (Before reclassification) SAR</b>	<b>Amounts that have been reclassified SAR</b>	<b>31 March 2022 (After reclassification) SAR</b>
Net cash flows from operating activities	(69,635,691)	16,086,062	(53,549,629)
Net cash flows generated from financing activities	38,042,884	(12,127,776)	25,915,108
Effect of exchange rate changes on cash and cash equivalents	-	(3,958,286)	(3,958,286)



# **AL-BABTAIN POWER AND TELECOMMUNICATIONS COMPANY**

(A Saudi Joint Stock Company)

## **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**For the period ended 31 March 2023**

**(All amounts in Saudi Riyals unless otherwise stated)**

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### **18. DIVIDENDS**

In its meeting held on March 30, 2023, the Board of Directors recommended the distribution of dividends amounting to SAR 21.3 million, at SAR 0.5 per share, for the financial year ended December 31, 2022. The Board of Directors' recommendation is subject to the approval of the General Assembly, which will be held on June 1, 2023.

### **19. SUBSEQUENT EVENTS**

Management believes that there are no significant subsequent events since the end of the period that may require disclosure or amendment to these interim condensed consolidated financial statements.

### **20. DATE OF APPROVAL OF FINANCIAL STATEMENTS**

These interim condensed consolidated financial statements were approved for issuance by the Board of Directors on 02 Dhul Qi'dah 1444H corresponding to 22 May 2023.