

Al Azem, Al Sudairy, Al Shaikh & Partners
For Professional Consulting – Member Crowe Global

**AL-BAHA INVESTMENT AND DEVELOPMENT COMPANY
(A Saudi Joint Stock Company)**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS PERIOD ENDED
SEPTEMBER 30, 2022
TOGETHAR WHITH REPORT ON REVIEW OF CONDENSED
CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

AL-BAHA INVESTMENT AND DEVELOPMENT COMPANY
(A Saudi Joint Stock Company)

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**REPORT ON REVIEW OF CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS**

The Shareholders

**Al-Baha Investment and Development Company
(A Saudi Joint Stock Company)**

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of **Al-Baha Investment and Development Company (the "Company")** and its subsidiaries (the "Group") as at 30 September 2022, and the related condensed consolidated interim statement of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2022, and the related condensed consolidated interim 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 condensed consolidated interim financial statements in accordance with International Accounting Standard (34) "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim 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" that is endorsed in the Kingdom of Saudi Arabia. A review of condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard (34) "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia.

Emphasis of Matter

We draw attention to Note (6) to the accompanying condensed consolidated interim financial statements, which describes the legal case on exchanging assets with Al-Sata'ah Modern Contracting Company. As detailed in the note, the Company created an allowance to compensate for losses resulting from the asset exchange contract with Al-Sata'ah Modern Company amounting to SAR 84,003,717, since the previously issued ruling instructing Al-Baha Investment and Development Company to implement the terms of the contract with Al-Sata'ah Modern Company was upheld. Our Conclusion is not modified in respect of this matter.



**Al Azem, Al Sudairy, Al Shaikh & Partners
For Professional Consulting**



**Abdullah M. AlAzem
License No. 335**

14 Rabi Althani 1444H (8 November, 2022)
Riyadh, Kingdom of Saudi Arabia

Al-Baha Investment and Development Company
(A Saudi Joint Stock Company)
Condensed consolidated interim statement of financial position
As At September 30, 2022

		30 September 2022 (Unaudited)	31 December 2021 (Audited)
	Note	SR	SR
ASSETS			
Current assets			
Cash and cash equivalents		102,076,560	981,981
Accounts receivable		19,227,816	16,962,902
Prepayments and debit balances		2,489,296	1,508,218
TOTAL CURRENT ASSETS		123,793,672	19,453,101
Non-current assets			
Long term investments		17,136,823	17,136,823
Payments for purchasing of investment properties		9,000,000	9,000,000
Goodwill		23,110,413	23,110,413
Property, plant and equipment		39,543,348	39,620,062
Intangible assets		15,416	24,183
Investment Properties	5	129,047,370	129,620,000
Right of use assets		46,230,761	49,338,057
TOTAL NON-CURRENT ASSETS		264,084,131	267,849,538
TOTAL ASSETS		387,877,803	287,302,639
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payables		1,360,563	1,043,434
Securities auction shares under settlement		11,287,700	10,672,455
Accrued expenses and other credit balances		4,831,456	4,321,810
Unearned revenues		3,076,357	1,749,280
Current portion of lease liability		10,573,025	8,474,409
Potential claims provision	6	84,003,717	84,003,717
Estimated zakat provision		1,166,176	16,271,195
TOTAL CURRENT LIABILITIES		116,298,994	126,536,300
Non-current liabilities			
Non-current portion of lease liability		38,710,080	42,487,728
Employees' benefits obligations		251,363	197,602
Due to related party	7	-	650,000
TOTAL NON-CURRENT LIABILITIES		38,961,443	43,335,330
TOTAL LIABILITIES		155,260,437	169,871,630
Equity			
Share capital	9	297,000,000	177,000,000
Accumulated losses		(82,538,204)	(77,644,049)
Shareholders' Equity		214,461,796	99,355,951
Non-Controlling interests		18,155,570	18,075,058
TOTAL EQUITY		232,617,366	117,431,009
TOTAL LIABILITIES AND EQUITY		387,877,803	287,302,639

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

Al-Baha Investment and Development Company

(A Saudi Joint Stock Company)

**Condensed Consolidated Interim Statement Of Profit Or Loss And Other Comprehensive Income
For The Three-month and Nine-month Period Ended September 30, 2022**

	Note	For the three months period ended		For the Nine months period ended	
		September 30 2022 (Unaudited) SR	September 30 2021 (Unaudited) SR	September 30 2022 (Unaudited) SR	September 30 2021 (Unaudited) SR
Revenues		2,802,005	2,587,390	7,974,746	7,933,620
Cost of revenues		(1,504,368)	(1,317,956)	(4,428,340)	(3,764,796)
Gross profit		1,297,637	1,269,434	3,546,406	4,168,824
General and administrative expenses		(1,040,779)	(774,675)	(2,614,423)	(2,559,040)
Expected credit losses		(55,917)	(600,000)	76,458	(3,200,980)
IPO fees		-	-	(3,995,600)	-
Other income		-	-	912,724	933,334
Profit / (loss) from operations		200,941	(105,241)	(2,074,435)	(657,862)
Finance cost		(465,907)	(439,962)	(1,684,208)	(1,117,548)
Net loss before zakat estimated		(264,966)	(545,203)	(3,758,643)	(1,775,410)
Zakat estimated		(340,000)	(300,000)	(1,055,000)	(700,000)
Net loss for the period		(604,966)	(845,203)	(4,813,643)	(2,475,410)
<i>Other comprehensive income items:</i>					
Other comprehensive income for the period		-	-	-	-
Total comprehensive loss for the period		(604,966)	(845,203)	(4,813,643)	(2,475,410)
Net loss for the period attributable to:					
Company's Shareholders		(601,549)	(819,461)	(4,894,155)	(2,434,719)
Non-controlling interests		(3,417)	(25,742)	80,512	(40,691)
		(604,966)	(845,203)	(4,813,643)	(2,475,410)
Net loss per share for the period	10	(0.020)	(0.046)	(0.188)	(0.138)

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

Al-Baha Investment and Development Company
(A Saudi Joint Stock Company)
Condensed Consolidated Interim Statement of Changes in Equity
For The Nine Month Period Ended September 30, 2022

	Shareholders' Equity		Non-controlling interests	Total equity
	Share capital	Accumulated losses	SR	SR
	SR	SR	SR	SR
Balance at January 1, 2021 (Audited)	177,000,000	(69,300,223)	18,848,742	126,548,519
Net loss for the period	-	(2,434,719)	(40,691)	(2,475,410)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	(2,434,719)	(40,691)	(2,475,410)
Balance at September 30, 2021 (Unaudited)	177,000,000	(71,734,942)	18,808,051	124,073,109
Balance at January 1, 2022 (Audited)	177,000,000	(77,644,049)	18,075,058	117,431,009
Net (loss) / profit for the period	-	(4,894,155)	80,512	(4,813,643)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	(4,894,155)	80,512	(4,813,643)
Share Capital increase	120,000,000	-	-	120,000,000
Balance at September 30, 2022 (Unaudited)	297,000,000	(82,538,204)	18,155,570	232,617,366

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

Al-Baha Investment and Development Company
(A Saudi Joint Stock Company)
Condensed Consolidated Interim Statement of Cash Flows
For The Nine Month Period Ended September 30, 2022

	September 30 2022 (Unaudited) SR	September 30 2021 (Unaudited) SR
OPERATING ACTIVITIES:		
Net loss before zakat estimated	(3,758,643)	(1,775,410)
Adjustments for:		
Depreciation and amortization	800,553	425,129
Depreciation of right of use assets	3,107,296	3,072,246
Provided of employees' benefit obligations	53,761	28,446
Finance cost	1,684,208	1,117,548
Leased liabilities settlement against other income	(365,594)	(933,334)
(Reverses) / Provided of expected credit losses provision	(76,458)	3,200,980
Zakat adjustments	-	(103,437)
	<u>1,445,123</u>	<u>5,032,168</u>
Changes in working capital:		
Accounts receivable	(2,188,456)	(1,426,993)
Prepayments and other debit balances	(981,078)	(74,183)
Trade payables	317,129	327,147
Accrued expenses and credit balances	251,813	276,498
Securities auction shares under settlement	615,245	(42,482)
Unearned revenue	1,327,077	319,953
Cash from Operation	<u>786,853</u>	<u>4,412,108</u>
Zakat paid during the period	(16,160,019)	(353,905)
Net cash (used in) / provided by operating activities	<u>(15,373,166)</u>	<u>4,058,203</u>
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(94,700)	(297,005)
Additions of investment property	(47,742)	(244,980)
Net cash used in investing activities	<u>(142,442)</u>	<u>(541,985)</u>
FINANCING ACTIVITIES		
Payment from lease liability	(2,739,813)	(4,040,691)
Due to related party	(650,000)	(183,863)
Proceeds from short term loan	65,000,000	-
Repayment of short term loan	(65,000,000)	-
Share capital increase	120,000,000	-
Net cash provided by / (used in) financing activities	<u>116,610,187</u>	<u>(4,224,554)</u>
Net change in cash and cash equivalents	<u>101,094,579</u>	<u>(708,336)</u>
Cash and cash equivalents at the beginning of the period	<u>981,981</u>	<u>1,724,570</u>
Cash and cash equivalents at the end of the period	<u>102,076,560</u>	<u>1,016,234</u>
Additional information about Non-Cash items:		
Transfer from property, plant and equipment to investment property	122,724	-
Leased liabilities settlement against other income	(365,594)	(933,334)
Right of use assets settlement against Leased liabilities		

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

1. ACTIVITIES

Al-Baha Investment and Development Company ("the Company") is a Saudi Joint Stock Company registered in Kingdom of Saudi Arabia under commercial registration number 5800005960 dated 19 Rajab 1413H (corresponding to 12 January 1993) and according to Ministerial Resolution No 600 dated 5 Jumada Al-Akhar 1413H (corresponding to November 30, 1992).

The Company's activities and its subsidiaries (collectively referred to as the "group") are engaged in establishing , managing , operating and maintaining the central markets, commercial and residential complexes, hotels, furnished apartments, building construction, specialized construction activities, wholesale and retail trade, accommodation, food and beverage services activities, and financial services activities except for insurance financing and pension funds, real estate activities, leasing activities, uses activities, creative activities, arts and entertainment activities. The group may also, according to the aforementioned, carry out any necessary or complementary work to achieve these purposes, and the group exercises its activities in accordance with the applicable regulations and after obtaining the necessary licenses from the competent authorities, if any.

The company's head office address: Al-Baha City - King Fahd Road - P.O. Box: 448, Postal Code: 2288, Baljurashi – Kingdom of Saudi Arabia .

The company has the following subsidiaries

Subsidiary Companies	Legal status	Ownership %		Country of Incorporation
		2022	2021	
Elegant Centers Company	Limited liability	86,96%	86,96%	Saudi Arabia
Ishraqa Regional Real Estate Development & Investment Company	Limited liability	86,96%	86,96%	Saudi Arabia

The financial statements of these subsidiaries have been consolidated in these condensed consolidated interim financial statements.

2. BASIS OF PREPARATION

2.1 Statement of commitment

These condensed consolidated interim 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 issued by Saudi Organization of Chartered and Professional Accountants (SOCPA) and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2021 ("last annual consolidated financial statements"). They do not include all of the information required for a complete set of consolidated financial statements, however; accounting policies and selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements.

2.2 Condensed Consolidated Interim Financial Statement preparation

The condensed consolidated interim financial statements have been prepared on the historical cost basis except defined employee benefit obligations that have been valued at present value of future liabilities using the projected unit credit method.

2.3 Use of Judgments and Estimates

In preparing these Condensed Consolidated Interim Financial Statements, management has made judgments 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 judgments 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 year Consolidated Financial Statements.

2.4 Functional and presentation currency

The condensed consolidated interim financial statements are presented in Saudi Riyals, which is the functional and presentation currency of the Group, and all values are rounded to the nearest Saudi Riyal, except where otherwise indicated.

3. Basis for consolidation

These condensed consolidated interim financial statements comprising the condensed consolidated interim Statement of financial position, consolidated statement of profit or loss and comprehensive income, consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and notes to the Consolidated Financial Statements of the Group include assets, liabilities and the results of the operations of the Company and its subsidiaries, as set out in note (1). The Company and its subsidiaries are collectively referred to as the "Group". Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control commences until the date on which control ceases. The Group accounts for the business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identified net assets acquired and fair value of pre-existing equity interest in the subsidiary. The excess of the cost of acquisition and amount of Non – controlling interest ("NCI") over the fair value of the identifiable net assets acquired is recorded as goodwill in the consolidated Statement of Financial Position. NCI is measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. If the business combination is achieved in stages, the acquisition date carrying value of the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in the consolidated statement of profit or loss. Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Accounting policies of subsidiaries are aligned, where necessary, to ensure consistency with the policies adopted by the Group. The Company and its subsidiaries have the same reporting periods.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021, except new standards, amendment to standards and interpretations as described below:

New Standards, Amendment to Standards and Interpretations

There are no new standards issued, however, there are number of amendments to standards which are effective from 1 January 2022 and has been explained in Group annual Consolidated Financial Statements, but they do not have a material effect on the Group's Condensed Consolidated Interim Financial Statements.

5. INVESTMENT PROPERTIES

	Lands SR	Buildings & constructions SR	Total SR
<u>Cost:</u>			
January 01, 2021	110,217,738	17,450,567	127,668,305
Additions	-	145,305	145,305
Transfers from property and equipment	-	15,181,409	15,181,409
December 31, 2021	110,217,738	32,777,281	142,995,019
Additions	-	47,742	47,742
Transfers from property and equipment	-	122,724	122,724
September 31, 2022	110,217,738	32,947,747	143,165,485
<u>Accumulated depreciation and impairment losses:</u>			
January 01, 2021	4,513,759	1,169,519	5,683,278
Depreciation during year	-	645,074	645,074
Impairment losses	7,046,667	-	7,046,667
December 31, 2021	11,560,426	1,814,593	13,375,019
Depreciation during period	-	743,096	743,096
September 31, 2022	11,560,426	2,557,689	14,118,115
<u>Net Book Value</u>			
September 31, 2022	98,657,312	30,390,058	129,047,370
December 31, 2021	98,657,312	30,962,688	129,620,000

The group's investment properties are as follows:

- Al-Hazm complex: its cost amounted to SAR 20,095,736, the accumulated depreciation is SAR 1,076,228 and the impairment losses is 1,772,138 and its net book value is SAR 17,247,370 as of September 30, 2022 (December 31, 2021: SAR 17,620,000).

- Al-Malaz Complex: its cost amounted to SAR 123,069,749, the accumulated depreciation is SAR 1,865,865 and the impairment losses is SAR 9,403,884, and its net book value is SAR 111,800,000 as of September 30, 2022 (December 31, 2021: SAR 112,000,000).

The lands and buildings classified as investment properties were evaluated by an external valuer to determine their fair value as of December 31, 2021. The external valuation was performed by an external valuer approved by the Saudi Authority for Accredited Valuers (Taqeem).

The Group uses valuation reports from the independent valuer (Al Nama Valuation Office - Abdulaziz Saleh Al Ghamdi) who was appointed by the Management to value the fair value of investment properties at the reporting date.

Al-Baha Investment and Development Company
(A Saudi Joint Stock Company)
Notes to the Condensed Consolidated Interim Financial Statement (Continued)
For The Nine Month Period Ended September 30, 2022

6. POTENTIAL CLAIMS PROVISIONS

	September 30, 2022 (Unaudited) SR	31 December 2021 (Audited) SR
Balance at beginning of the period / year	84,003,717	84,003,717
Charged during the period / year	-	-
Balance at ending of the period / year	84,003,717	84,003,717

*On February 3, 2011, the company signed a contract with Al-Sata'ah Modern General Contracting Company, according to which the company purchased the following:

- A crusher with all its equipment, its vehicles, and all the movable and fixed assets without its financial liabilities.
- The ready-mix concrete project and its movable and fixed assets without their financial receivables.
- The Holochlor plant (under construction) in addition to its equipment without its financial receivables.

This is in return for assets with a book value of SAR 74,003,717 in addition to a payment of SAR 10 million in four installments certified checks.

The company has done the following:

- 1- According to the minutes of the company's ordinary general assembly held on April 26, 2011, in which the vote on the asset exchange agreement with Al-Sata'ah Modern Contracting Company that was postponed to another meeting of the general assembly after completing the required reports and studies.
- 2- The company contracted with a specialized office to carry out the due diligence examination of the assets of the modern Al-Sata'ah company subject to the agreement, and thus the office issued the report of the due diligence examination on September 17, 2011 and those assets were valued only at SAR 17,300,559.
- 3- The company announced on Tadawul website on September 18, 2011 the results of the due diligence examination report related to the evaluation of the assets of Al-Sata'ah Modern General Contracting Company, and in view of the large difference between the evaluation result of the assets of Al-Sata'ah Company and the value of the assets of the Al-Baha Company offered for exchange with the assets of Al-Sata'a Modern Company, The management of Al-Baha Investment and Development Company discussed the evaluation results with the management of Al-Sata'ah Modern Company.
- 4- The company announced on Tadawul on October 1, 2011 the results of its negotiations with Al-Sata'ah Modern Company, which resulted in Al-Sata'a Modern Contracting Company not accepting the results of the examination report, and also refused to return the amount of SAR 7 million that the company had paid in advance as part of the contract. As a result of that, the company canceled the contract with the Al-Sata'a Modern Contracting Company and a lawsuit was filed in the Judicial Council demanding that the Al-Sata'ah Modern Contracting Company to return the amount paid. A final judgment was issued in the case from the Judicial Council in Jeddah on 6/24/1434 that includes ratification of the initial judgment issued by Administrative court in Jeddah to complete the implementation of the contract. On the date of February 9, 2017, the company received a copy of the judgment of the enforcement department of the General Court in Baljurashi, which states that by looking at the ruling issued by the Judicial Council, it was found that the items to be implemented were not specified, and the ruling of the Execution Department ended with stopping the implementation until the judgment issued by the Judicial Council is corrected so that it is determined. The clauses to be executed clearly and precisely for each clause, and the ruling of the enforcement department stipulated the right to object to the two parties to the execution within a period of thirty days starting from the next day from the date of receiving the verdict copy, and the case is still pending with the concerned courts. The company decided to create an allowance to cover all losses resulting from that operation, with the amount of SAR 68,699,441.

6. POTENTIAL CLAIMS PROVISIONS (CONTINUED)

- 5- During the year 2017, the company refunded the increase in the provision for replacing previously formed assets with a value of SAR 1,996,283, so that the balance of the provision for replacement of assets after returning the increase amounted to SAR 66,703,158.
- 6- On March 6, 2018, the interpretative decision was issued by the Jeddah Commercial Court, Second Circuit, specifying the items to be implemented as follows:
First: To oblige Al-Baha Investment and Development Company to pay to Al-Sata'ah Modern Company for General Contracting an amount of SAR 3 million.
Second: To oblige Al-Baha Investment and Development Company to effectively waive the entire 134 plots of land with the notary, which Al-Baha Company owns 50% of the entire land in the Al-Morouj Scheme located in Al-Sail Al-Saghir in Al-Taif Governorate, to Al-Sata'ah Modern General Contracting Company.
Third: To oblige Al-Baha Investment and Development Company to waive to the Al-Sata'a Modern Company for General Contracting the entire contents of the poultry project and the land on which the project is based, which is owned by the Al-Baha Investment and Development Company.
- 7- On April 19, 2018, the company filed an appeal with the Jeddah Commercial Court. On November 5, 2018, the company received a report from a lawyer stating that the appealed judgment was overturned. On November 8, 2018, the company submitted the list objecting to the department's interpretation of the ruling, and on January 09, 2019 AD, the Second Commercial Department of the Jeddah Commercial Court decided to issue its preliminary ruling to adhere to its previous decision dated 06/19/1439 AH and the judge that the term intended to oblige the parties to the lawsuit to complete the implementation of the contract concluded between them. The subject of this case, dated 03/03/1432 AH, and on February 24, 2019 AD, the company filed its appeal against the judgment received on January 27, 2019 AD. On 05/07/1442 AH, corresponding to February 17, 2021 AD, the department decided to accept the objection in form, reject it in substance, and support the judgment of the Second Circuit (in the Jeddah Commercial Court in the case) and the judge decided to implement the items referred to in Clause No. 6, and accordingly the company decided to increase the allowance for potential claims by the amount of SAR 17,300,559. It was recorded in the statement of profit or loss and other comprehensive income for the year ended December 31, 2020. On October 17, 2022, the company paid an amount of SAR 3,000,000.

7. RELATED PARTY TRANSACTIONS AND THEIR BALANCES

During the period, the group entered into the following trading transactions with related party:

	September 30, 2022 (Unaudited) SR	September 30, 2021 (Unaudited) SR
Settlement of a payment to Mr. Mishaal Mohammad Hassan Mufti from his balance	650,000	183,863

The following balance was due to related party as at the reporting date:

	September 30, 2022 (Unaudited) SR	31 December 2021 (Audited) SR
Mr. Mishaal Mohammad Hassan Mufti	-	650,000
	-	650,000

The benefits and remunerations of senior employees and the Board of Directors during the year are as follows:

	September 30, 2022 (Unaudited) SR	September 30, 2021 (Unaudited) SR
Short benefits and rewards	477,000	477,000
long benefits	147,547	113,634
Total	624,547	590,634

Al-Baha Investment and Development Company
(A Saudi Joint Stock Company)
Notes to the Condensed Consolidated Interim Financial Statement (Continued)
For The Nine Month Period Ended September 30, 2022

8. SHORT TERM LOAN

On June 2, 2022 AD, corresponding to Dhul Qi'dah 3, 1443 AH, an agreement was signed between the Elegant Centers Company (a subsidiary of Al Baha Company) with the Arab National Bank to obtain a loan of SAR 65 million, and on July 3, 2022 AD, corresponding to Dhu al-Hijjah 4, 1443 AH, the company paid the full amount of the mentioned loan.

9. SHARE CAPITAL

On February 21, 2022 AD, corresponding to Rajab 20, 1443 AH, the extraordinary general assembly approved the capital increase by offering 12 million rights shares to shareholders with a total value of SAR 120 million, so the capital after the increase became SAR 297 million divided into 29.7 million ordinary shares, the value of each share is SAR 10 (December 31, 2021: SAR 177 million, divided into 17.7 million shares, the value of each share is SAR 10).

10. EARNING PER SHARE

Earning per share is calculated on the basis of the net loss for the year attributable to the shareholders of the company divided by the weighted average number of shares issued. Diluted earnings per share is the same as basic earnings per share because the group does not have diluted instruments issued.

	September 30, 2022 (Unaudited) SR	September 30, 2021 (Unaudited) SR
Net loss for period attributable to the Shareholders	(4,894,155)	(2,434,719)
Weighted Average Number Of Shares (*)	26,100,000	17,700,000
loss per share	(0.188)	(0.138)
(*) Weighted average number of shares:		
Issued shares at the beginning of the period	17,700,000	17,700,000
Effect of shares issued on March 23, 2022 (12 million shares)	29,700,000	-
weighted average number of shares	26,100,000	17,700,000

11. SEGMENT INFORMATION

The Group consists of the following business segments:

1- Head Quarter 2- Poultry Farms 3- Leather Factory 4- Cable Car Project 5- Rentals

The assets, liabilities, revenues, activity costs and business results of these segments consist of the following:

	Head Quarter (SR)	Poultry Farms (SR)	Leather Factory (SR)	Cable Car Project (SR)	Rentals (SR)	Intersegment elimination (SR)	Total (SR)
September 30, 2022							
Revenues	290,435	-	-	-	7,684,311	-	7,974,746
Depreciation and amortization	(8,767)	-	-	-	(3,899,082)	-	(3,907,849)
Total comprehensive loss for the period	(4,813,643)	-	-	-	(617,260)	617,260	(4,813,643)
Net loss for the period attributable to Company's Shareholders	(4,894,155)	-	-	-	-	-	(4,894,155)
Total assets	279,712,830	39,323,988	-	-	299,416,163	(230,575,178)	387,877,803
Total liabilities	64,748,369	39,826,653	-	-	152,194,221	(101,508,806)	155,260,437
December 31, 2021							
Total assets	179,151,382	39,323,988	-	-	219,300,951	(150,473,682)	287,302,639
Total liabilities	79,292,766	39,826,653	-	-	72,658,949	(21,906,738)	169,871,630

Al-Baha Investment and Development Company
(A Saudi Joint Stock Company)
Notes to the Condensed Consolidated Interim Financial Statement (Continued)
For The Nine Month Period Ended September 30, 2022

11- SEGMENT INFORMATION (Continued)

	Head Quarter (SR)	Poultry Farms (SR)	Leather Factory (SR)	Cable Car Project (SR)	Rentals (SR)	Intersegment elimination (SR)	Total (SR)
<u>September 30, 2021</u>							
Revenues	-	-	-	-	7,933,620	-	7,933,620
Depreciation and amortization	(8,767)	-	-	-	(416,362)	-	(425,129)
Total comprehensive loss for the period	(2,475,410)	-	-	-	(311,966)	311,966	(2,475,410)
Net loss for the period attributable to Company's Shareholders	(2,434,719)	-	-	-	-	-	(2,434,719)
Total assets	184,672,229	39,323,988	-	-	228,170,722	(155,312,119)	296,854,820
Total liabilities	78,904,506	39,826,653	-	-	76,308,767	(22,258,215)	172,781,711
<u>December 31, 2020</u>							
Total assets	186,246,925	39,323,988	-	-	216,862,534	(158,445,776)	283,987,671
Total liabilities	78,044,483	39,826,653	-	-	62,928,862	(23,360,846)	157,439,152

12.SUBSEQUENT EVENTS

In the opinion of the management, there have been no significant subsequent events since the period-end that require disclosure or adjustment in these Condensed Consolidated Interim Financial Statement.

13.APPROVAL OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT

These Condensed Consolidated Interim Financial Statement were approved by the board of Directors on 14 Rabi Al-thani 1444H (Corresponding to 8 November, 2022).