

SAUDI INDUSTRIAL EXPORT COMPANY
(SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED
30 SEPTEMBER 2022
AND THE INDEPENDENT AUDITOR'S REVIEW REPORT

Saudi Industrial Export Company
(Saudi joint stock company)
Interim condensed financial statements index
For the three-month and nine-month periods ended 30 September 2022

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

(1 / 1)

TO THE SHAREHOLDERS OF SAUDI INDUSTRIAL EXPORT COMPANY
(A SAUDI JOINT STOCK COMPANY)
Riyadh, Kingdom of Saudi Arabia

INTRODUCTION

We have reviewed the accompanying interim statement of financial position of Saudi Industrial Export Company (the "Company") as at 30 September 2022 and the related interim statement of profit or loss and other comprehensive income for the three-month and nine-month periods then ended, and the 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 (the "interim condensed financial statements"). Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

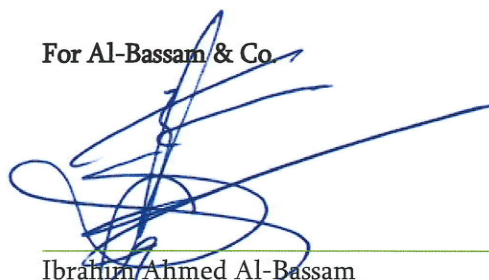
SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review 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 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 Ahmed Al-Bassam
Certified Public Accountant
License No. 337

Riyadh: 14 Rabi Thani 1444H
Corresponding to: 8 November 2022



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Saudi Industrial Export Company
(Saudi joint stock company)
Interim condensed statement of financial position
As of 30 September 2022
(All amounts are in Saudi Riyals unless otherwise stated)

		30 September 2022	31 December 2021
	Note	(Unaudited)	(Audited)
Assets			
Non-current assets			
Property, plant and equipment		605,784	3,383,561
Intangible assets		22,186	57,967
Right-of-use assets		14,325	733,325
Total non-current assets		642,295	4,174,853
Current assets			
Trade receivables	6	1,961,195	8,043,298
Prepayments and other current assets		6,131,076	4,452,467
Due from shareholders	14-b	4,355,914	-
Financial assets at FVTPL	7	51,598,265	-
Bank Deposit – Short Term	8	30,000,000	-
Cash and cash equivalent	9	77,186,341	7,480,359
Total current assets		171,232,791	19,976,124
Assets from Discontinued operation		3,102,206	-
Total Assets		174,977,292	24,150,977
Equity and Liabilities			
Equity			
Share capital	10	194,400,000	64,800,000
Statutory reserve	12	642,645	642,645
Actuarial reserve		357,333	357,333
Accumulated losses		(32,541,303)	(52,837,550)
Total Equity		162,858,675	12,962,428
Liabilities			
Non-current liabilities			
Lease liabilities		-	635,023
Employees' defined benefit obligations		404,088	414,195
Total non-current liabilities		404,088	1,049,218
Current liabilities			
Lease liabilities - current portion		-	327,622
Trade payables		2,267,688	3,219,452
Accrued expenses and other current payables		4,557,281	2,551,974
Due to shareholders	14-c	3,780,147	2,807,022
Zakat provision	13-a	484,499	1,233,261
Total current liabilities		11,089,615	10,139,331
Total Liabilities		11,493,703	11,188,549
Liabilities from Discontinued operation	15	624,914	-
Total Equity and Liabilities		174,977,292	24,150,977
Commitments and contingencies	18		

CFO
Ahmed Talat Abdelaziz



CEO
Sulaiman Hamad Al Jedaie



Chairman
Hatem Hamad Al Suhaibani



The attached notes from (1) to (20) form an integral part of these interim condensed financial statements

Saudi Industrial Export Company

(Saudi joint stock company)

Interim condensed statement of profit or loss and other comprehensive income

For the three-month and nine-month periods ended 30 September 2022

(All amounts are in Saudi Riyals unless otherwise stated)

	Note	For the three-month period ended 30 September		For the nine-month period ended 30 September	
		2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Unaudited)
Revenue		75,009	3,386,553	181,223	15,457,354
Cost of revenue		(22,920)	(2,341,306)	(22,920)	(13,967,827)
Gross profit		52,089	1,045,247	158,303	1,489,527
General and administrative expenses		(9,033,719)	(3,068,478)	(15,346,352)	(7,686,665)
Reversal of Impairment of trade receivables		4,245,245	-	245,245	-
Impairment of other current assets		-	-	(2,992,631)	-
Investment losses at FVTPL	7-a-b	(401,735)	-	(401,735)	-
Other income		80,454	173,564	494,045	799,796
Operating loss		(5,057,666)	(1,849,667)	(17,843,125)	(5,397,342)
Finance cost		(9,478)	(69,019)	(33,064)	(105,921)
Finance income		154,000	-	154,000	-
Loss before Zakat		(4,913,144)	(1,918,686)	(17,722,189)	(5,503,263)
Zakat expense	13-a	(134,064)	(94,390)	(134,064)	(394,390)
Loss from continuing operations		(5,047,208)	(2,013,076)	(17,856,253)	(5,897,653)
Discontinued operations:					
Loss from discontinued operations	15	(283,380)	(183,531)	(283,380)	(814,753)
Loss for the period		(5,330,588)	(2,196,607)	(18,139,633)	(6,712,406)
Other Comorehensive Income:					
Actuarial profits from employees' defined		-	-	-	-
Other comprehensive income for the period		-	-	-	-
Total comprehensive loss for the		(5,330,588)	(2,196,607)	(18,139,633)	(6,712,406)
Basic & diluted per share from:					
Loss from continuing operations	16	(0.26)	(0.31)	(1.50)	(0.91)
Loss from discontinued operations	15	(0.015)	(0.03)	(0.024)	(0.13)

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Saudi Industrial Export Company

(Saudi joint stock company)


Interim condensed statement of changes in equity

For the nine-month period ended 30 September 2022

(All amounts are in Saudi Riyals unless otherwise stated)

	Share capital	Statutory reserve	Actuarial reserve	Accumulated losses	Total
For the nine-month period ending September 30, 2021					
Balance as at 1 January 2021 (Audited)	64,800,000	642,645	248,042	(37,954,378)	27,736,309
Loss for the period	-	-	-	(6,712,406)	(6,712,406)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(6,712,406)	(6,712,406)
Balance as at 30 September 2021 (Unaudited)	64,800,000	642,645	248,042	(44,666,784)	21,023,903
For the nine-month period ending September 30, 2022					
Balance as at 1 January 2022 (Audited)	64,800,000	642,645	357,333	(52,837,550)	12,962,428
Absorption of losses through share capital (note 10)	(43,200,000)	-	-	43,200,000	-
Share capital increase through rights issue (note 10)	172,800,000	-	-	-	172,800,000
Transaction cost of rights issue (note 11)	-	-	-	(4,764,120)	(4,764,120)
Loss for the period	-	-	-	(18,139,633)	(18,139,633)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(18,139,633)	(18,139,633)
Balance as at 30 September 2022 (Unaudited)	194,400,000	642,645	357,333	(32,541,303)	162,858,675

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Saudi Industrial Export Company
(Saudi joint stock company)
Interim Condensed Statement of Cash Flow
For the nine-month period ended 30 September 2022
(All amounts are in Saudi Riyals unless otherwise stated)

	30 September 2022 (unaudited)	30 June 2021 (unaudited)
Cash flows from operating activities		
Loss from continuing operations	(17,722,189)	(5,503,263)
Loss from discontinued operations	(283,380)	(814,753)
loss before Zakat	(18,005,569)	(6,318,016)
Adjustments for:		
Depreciation of property, plant and equipment	299,845	357,790
Amortization of intangible assets	62,405	-
Depreciation for right of use assets	153,951	153,851
Impairment of trade receivables	(245,245)	263,866
Impairment of other current assets	2,992,631	-
Employees' defined benefit obligations	135,910	134,239
Unrealized losses (gains) on investments at fair value	401,735	(81,360)
Accrued revenue from Short term deposit	(154,000)	-
Gain from disposal of property, plant and equipment	(11,664)	-
Finance cost	33,064	105,921
	(14,336,937)	(5,383,709)
Changes in working capital items:		
Trade receivables	6,327,348	3,763,391
Inventories	-	2,320,962
Prepayments and other current assets	(4,518,891)	1,247,612
Trade payables	(951,764)	1,109,870
Accrued expenses and other credit balances	2,005,307	(3,694,089)
Cash used in operating activities	(11,474,937)	(635,963)
Employees' defined benefit obligations paid	(146,016)	(15,015)
Zakat paid (note 13-a)	(882,826)	(1,172,500)
Net cash flows used in operating activities	(12,503,779)	(1,823,478)
Cash flows from investing activities		
Additions to purchase property, plant and equipment	(57,575)	(53,042)
Additions to intangible assets	(26,624)	(13,732)
Collected from disposal of property, plant and equipment	11,664	-
Bank Deposit – Short term	(30,000,000)	-
Additions of investments at FVTPL	(53,319,084)	(271,800)
Disposal of investments at FVTPL	1,319,084	-
Net cash flows used in investing activities	(82,072,535)	(338,574)
Cash flows from financing activities		
Share capital increase through rights issue (note 10)	172,800,000	-
Due to shareholders	973,125	-
Due from shareholders	(4,355,914)	(1,776)
Transaction cost of rights issue (note 11)	(4,764,120)	-
Lease liabilities paid	(370,795)	(8,392)
Net cash generated from / (used in) financing activities	164,282,296	(10,168)
Net changes in cash and cash equivalents	69,705,982	(2,172,220)
Cash and cash equivalents at beginning of the period	7,480,359	8,484,030
Cash and cash equivalents at end of the period	77,186,341	6,311,810
Non-cash transactions		
Absorption of losses through share capital (note 10)	43,200,000	-

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Saudi Industrial Export Company

(Saudi joint stock company)

Notes to the Interim Condensed financial Statement**For the nine-month period ended 30 September 2022**

(All amounts are in Saudi Riyals unless otherwise stated)

1- Status and nature of business

Saudi Industrial Export Company is a Saudi Joint Stock Company (the "Company"), established according to the Minister of Commerce resolution, No. 954 dated 12 Dhu al-Qidah 1410H. (5 June 1990). The Company is registered in Riyadh, Kingdom of Saudi Arabia under Commercial Registration No. 1010077554 issued in Riyadh on 25 Dhu al-Qidah 1410H. (18 June 1990). Unified entity no. 7001344865.

The Company's head office is located in :

P.O. Box 21977

Riyadh 11485

Kingdom of Saudi Arabia

The Company's issued and authorized capital amounts to 194,400,000 Saudi riyals divided into 19,440,000 shares, the value of each share is 10 Saudi riyals.

- The Company operates through the following branches, which assets, liabilities and operations results have been included in these interim condensed financial statements:

Branch name	City	CR number	Registration date
Sarah Factory for Medical Supplies	Riyadh	1010143870	30/6/1417 H
Saudi Industrial Export Company Branch	Riyadh	1010598789	14/2/1441 H
Saudi Industrial Export Company Branch	Riyadh	1010620859	11/5/1441 H
Saudi Industrial Export Company Branch	Riyadh	1010618735	27/4/1441 H
Saudi Industrial Exports Company - Sudan Branch	Khartoum	1803	28/11/2019
Saudi Industrial Exports Company - UAE Branch	Dubai	1473310	12/12/2019

- The Company is engaged in the trading of raw fuels, minerals and industrial chemicals including fertilizers, wholesale of lubricants and refined petroleum products, wholesale of cement, plaster and the like, wholesale of primary plastics materials, rubber and synthetic fibres, sale of plants, seeds and fertilizers (nurtures), Storage in Ports and customs or free zones.
- Sara Medical Supplies Factory - branch of Saudi Industrial Export Company - is engaged in the manufacture of disinfectants and sterilizers for medical products and devices, the manufacture of disinfectants and sterilizers for non-medical use, the wholesale sale of soap and detergents, the retail sale of medical devices, equipment and supplies under the industrial license amended by Decision No. 247 dated 28 Muharram 1439H corresponding to 18 October 2017 (note 15).
- The activity of the branch of the Saudi Industrial Export Company - Commercial Registration No. 1010598789 - is in loading and unloading of air cargo planes, transporting goods by sea and directing goods transport vehicles.
- The branch of the Saudi Industrial Export Company - Commercial Registration No. 1010620859 - is engaged in wholesale food and beverages, storage in grain and flour silos warehouses, food and agricultural products inventory, and dry food inventory.
- The branch of the Saudi Industrial Export Company - Commercial Registration No. 1010618735 - is engaged in the wholesale sale of chemicals.
- The activity of the Saudi Industrial Export Company - Sudan branch - is the import and export of crude oil, minerals and industrial chemical products including those fertilizers, lubricants, refined petroleum products, primary plastics, rubber and synthetic fibers under the industrial license issued by Decision No. 2450 on 1 Rabi' al-Akhir 1441H corresponding to 28 November 2019.
- The activity of the Saudi Industrial Export Company - UAE branch - is engaged in trading oils and lubricants under the industrial license issued by Decision No. 868310 on 15 Rabi' al-Akhir 1441H corresponding to 12 December 2019.

The Company's fiscal year commences at the beginning of January and ends at the end of December of each gregorian calendar year.

2- Basis of preparation

2.1 Statement of compliance

These interim condensed financial statements for the three-month and nine-month periods ended 30 September 2022 have been prepared in accordance with the requirements of International Accounting Standard (IAS 34) "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

These interim condensed financial statements do not include all the information and disclosures required in a complete set of annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2021. In addition, the results of the operations of the interim periods are not necessarily indicative of the results of the operations for the whole year.

2.2. Measurement basis

These interim condensed financial statements have been prepared on the historical cost basis.

2.3 Functional and presentation currency

These interim condensed financial statements are presented in Saudi Riyals (SAR), which is the Company's functional and presentation currency.

2.4 Discontinued operations and non-current assets held for sale (or held for distribution to shareholders)

The results of discontinued operations are presented separately in the interim condensed statement of profit or loss and other comprehensive income. Non-current assets (or disposal groups), if any, are classified as held for sale (or held for distribution to shareholders) at their carrying value or fair value less cost to sell (or cost of distribution), whichever is lower.

Non-current assets (or disposal groups) are classified as held for sale (or held for distribution to shareholders) if their carrying amount will be recovered through a sale transaction rather than continuing use. In that case when the asset (or disposal group) is available for immediate sale in its present condition only subject to the normal and ordinary terms of sale of such assets (or disposal group) and the sale is considered highly probable.

A sale is considered highly likely if the relevant management level is committed to a plan to sell the asset (or disposal group), and an active program to find a buyer and complete the plan has been initiated. Furthermore it; The asset has been actively marketed for sale (or disposal group) at a reasonable price in relation to its current fair value. In addition, the sale is expected to qualify for recognition as a completed sale within one year from the date it is classified as held for sale.

Non-current assets for sale are not depreciated or amortized while they are classified as held for sale (or held for distribution to shareholders). The interest and other expenses associated with the obligations of the disposal group are recognized.

Non-current assets (or disposal group) classified as held for sale (or held for distribution to shareholders) are classified separately from other assets in the interim condensed statement of financial position. Obligations of disposal group classified as held for sale (or held for distribution to shareholders) are categorized separately from other liabilities in the interim condensed statement of financial position.

3- Significant accounting policies

The accounting policies adopted in the preparation of these interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2021.

New standards, amendments to standards and interpretations

There are no new standards applicable to the Company. However, there are number of amendments to existing standards which are effective from 1 January 2022, which have been explained in the annual financial statements of the Company, but do not have a material effect on these interim condensed financial statements.

Saudi Industrial Export Company
(Saudi joint stock company)
Notes to the Interim Condensed financial Statement
For the nine-month period ended 30 September 2022
(All amounts are in Saudi Riyals unless otherwise stated)

4- Significant accounting judgments, estimates and assumptions

In preparing these interim condensed financial statements, management has used 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 results of which are the basis for making judgments about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty are the same as those used in the Company's financial statements for the year ended 31 December 2021.

5- Fair value measurement

Fair value is the price that would be received to sell an asset or paid to settle a liability in an orderly transaction between market participants at the measurement date. Fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. Fair value measurement of a non-financial assets takes into account a market participants' ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets and liabilities can be obtained at the measurement date.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly observable (such as prices) or indirectly (derived from prices).

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable (unobservable inputs). For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level significant input to the fair value measurement as a whole) at the end of the period. the report. The Company sets policies and procedures for both recurring fair value measurements and non-recurring fair value measurements.

At each reporting date, the Company analyzes changes in the values of assets and liabilities that must be remeasured or revalued in accordance with the Company's accounting policies. For this analysis, the Company verifies the main inputs applied in the last evaluation by matching the information in the evaluation calculation with contracts and other related documents. The Company also compares the change in the fair value of each asset or liability with other external sources to determine whether the change is reasonable. For the purposes of fair value disclosures, the Company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as described above.

As of 30 Sep 2022	Fair Value Level			Total
	1	2	3	
Financial assets at FVTPL	14,544,282	-	-	14,544,282
investment Funds	37,053,983	-	-	37,053,983

Saudi Industrial Export Company
(Saudi joint stock company)
Notes to the Interim Condensed financial Statement
For the nine-month period ended 30 September 2022
(All amounts are in Saudi Riyals unless otherwise stated)

6- Trade receivables

	30 September 2022	31 December 2021
	(Unaudited)	(Audited)
Gross trade receivables	4,002,502	12,925,666
Allowance for expected credit losses *	(2,041,307)	(4,882,368)
	1,961,195	8,043,298

* The movement in the allowance for expected credit losses is as follows:

	30 September 2022	31 December 2021
	(Unaudited)	(Audited)
At the beginning of the period / year	4,882,368	1,839,782
Reclass to discontinued operation (note 15)	(583,735)	
Reversal / Charged for the period / year	(245,245)	3,042,586
Write off during the period / year**	(2,012,081)	-
At the end of the period / year	2,041,307	4,882,368

**These write-offs relate to the unreconciled differences and has been approved by the board of directors.

7- Financial assets measured at fair value through profit and loss

	30 September 2022	31 December 2021
	(Unaudited)	(Audited)
Financial assets at FVTPL (a)	14,544,282	-
Investment in Fund (b)	37,053,983	-
	51,598,265	-

- a. Investment in financial assets measured at fair value through profit and loss for the purpose of trading in shares of listed company in the financial market of Saudi Arabia and the following represent the movement during the year:

	30 September 2022	31 December 2021
	(Unaudited)	(Audited)
At the beginning of the period / year	-	-
Addition during the period / year	16,319,084	-
Deletion during the period / year	(1,319,084)	-
Changes in fair value through profit and loss	(455,718)	-
	14,544,282	-

- b. The company invested through purchasing 1.9 million units in Al-bader fund and 7 million units in Blominvest Real State Fund during the period ended 30 September 2022.

	30 September 2022	31 December 2021
	(Unaudited)	(Audited)
At the beginning of the period / year	-	-
Addition during period	37,000,000	-
Changes in fair value through profit and loss	53,983	-
	37,053,983	-

8- Bank deposit – Short term

Saudi Industrial Export Company

(Saudi joint stock company)

Notes to the Interim Condensed financial Statement**For the nine-month period ended 30 September 2022**

(All amounts are in Saudi Riyals unless otherwise stated)

Deposits with a local bank represent an annual interest rate of 5.6%, and mature within less than one year. The income from these deposits is included within the bank deposit returns in Interim condensed statement of profit or loss and other comprehensive income.

9- Cash and cash equivalent

	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Cash at banks	77,186,341	7,379,583
Cash on hand	-	100,776
	<u>77,186,341</u>	<u>7,480,359</u>

10- Share capital

The share capital of the Company as at 30 September 2022 amounted to SAR 194,400,000 (31 December 2021: SAR 64,800,000) consisting of 19,440,000 shares (31 December 2021: 6,480,000 shares) fully paid and issued shares at a value of 10 Saudi riyals per share.

During the period ended 30 September 2022, the Capital Market Authority ("CMA") approved the Company's request to reduce its share capital from SAR 64.8 million to SAR 21.6 million by reducing the number of shares from 6,480,000 to 2,160,000 in order to absorb accumulated losses of the Company amounting to SAR 43.2 million. On 15 February 2022, the Extraordinary General Assembly approved Company's restructuring of share capital, and the legal procedures were completed and the Company's share capital was amended.

Furthermore; on 17 March 2022, the Company obtained regulatory approval from the CMA to increase the share capital via rights- issue amounting to SAR 172.8 million. On 11 May 2022, the Company's extraordinary general assembly approved the share capital increase via rights- issue, and the regulatory procedures were completed and the Company's share capital was amended during the period ended 30 September 2022.

11- Rights-issue subscription payable compensation

The results of trading the rights-issue and subscribing to new shares were the subscription of (15,597,076) shares of the new offered shares out of a total number of (17,280,000) shares at a value of SR 155,170,760, and the coverage ratio of the total new shares offered was 90.26%, and the remaining shares that were not subscribed were offered amounting to (1,682,924) shares in the auction, and the average selling price of the sold shares was SR 57.25 per share, and the total proceeds from the sale of unsubscribed shares was SR 93,369,809, bringing the net compensation amount belonging to the shareholders of rights-issue to SR 76,540,569. It was agreed with the Saudi Investment Bank to distribute the proceeds from the sale of remaining rights-issue, and SR 73,016,493 were settled during the period from 23 to 30 June 2022, the amount of SR 3,524,077 remained unpaid until 30 September 2022 (note 12-c).

The total transaction cost of rights issue amounted to SR 4.8 million, and they were reduced from the Company's retained earnings in line with the requirements of applicable accounting standards.

12- Statutory reserve

In line with the requirements of the Saudi Companies Law, the Company transfers 10% of its profit for the year to a statutory reserve until this reserve reaches 30% of the capital. This reserve is not available for distribution.

13- Zakat**a) Zakat provision movement**

	30 September 2022 (Unaudited)	31 December 2021 (Audited)
At the beginning of the period / year	1,233,261	2,280,875
Previous years adjustments	-	394,390
Provision for the period / year	134,064	554,423
Paid during the period / year	(882,826)	(1,996,427)
At the end of the period / year	<u>484,499</u>	<u>1,233,261</u>

13- Zakat (continued)

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b) Zakat status of the Company

The Company submitted its zakat returns to the ZATCA through to the years ended on 31 December 2021 and obtained a certificate valid until 10 Shawwal 1444 H corresponding to 30 April 2023. The Company received letters of adjustment for zakat assessments for the years 2014 to 2020. The value of the zakat differences amounted to SAR 3,396,669, the Company paid an amount of SAR 2,109,530. The Company's management believes that the outcome of the objections will be in its favour, with regard to the above assessments.

c) VAT status of the Company

The Company received letters of adjustment for value-added tax assessments from the ZATCA for periods during the years 2018 and 2019, the tax differences amounted to SAR 6,619,971. The Company submitted an objection request to the General Secretariat of the Tax Committees, which is still in progress as at interim condensed financial statements date. The Company's management believes that the outcome of the objections will be in its favour, with regard to the above assessments.

During the period, the company requested an instalment plan for the amount from the authority to take advantage of the initiative issued by the authority in this regard, while retaining the right to continue the statutory objection to the amount, and accordingly, the company paid an amount of 3,309,986 SR until the date of preparing the interim financial statements.

14- Related parties transactions and balances**14-a Transactions during the period**

	For the three-month period ended		For the nine-month period ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Committee members' fees and meeting expenses	48,000	-	120,000	138,000
Salaries and benefits of key management personnel	624,343	390,231	1,429,693	1,189,981
Refunds from the sale of capital reduction fractions	712,150	-	712,150	-
Share capital subscription surplus	76,540,570	-	76,540,570	-

Compensation for key management personnel consists of salaries, benefits, and defined benefit obligations for senior management in addition to remuneration for board members.

14-b Due from shareholders

	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Receivables from shareholders	4,355,914	-
	4,355,914	-

14-c Due to shareholders

	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Share capital subscription surplus *	437,136	437,136
Dividend payable**	2,369,766	2,369,886
Refunds from the sale of capital reduction fractions	34,109	-
Rights-issue holders' compensation (note 11)	939,136	-
	3,780,147	2,807,022

* The balance of the share capital's subscription surplus represents the subscription amounts received from eligible shareholders who exercised their right to subscribe to newly issued shares and those entitled to fractional shares. The remaining balance of the surplus amounts to SAR 437,136. As of 30 September 2022, the Company is not able to transfer these amounts due to the non-availability of the bank accounts information or its inaccuracy.

** This balance represents dividends payable to the shareholders for the profits of previous periods, which the shareholders did not present to receive it until the date of approval of these interim condensed financial statements.

15- Discontinued operations

A. On 7 March 2021, the Company's board of directors resolved to liquidate and close the subsidiary due to lack of economic feasibility and to reduce general and administrative expenses. Accordingly, the consolidation of the financial statements was

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discontinued as of the same date, and the operation results presented separately on the statement of profit or loss and other comprehensive income. The results of the operations of the Subsidiary for the current and previous period have been presented in the interim condensed statement of profit or loss and other comprehensive income as follows:

	For the three-month period ended		For the nine-month period ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
General and administrative expenses	-	(11,727)	-	(64,982)
Loss from operation	-	(11,727)	-	(64,982)
Loss from discontinued operations	-	(11,727)	-	(64,982)

The net assets of Saudi Industrial Export Company – Jordan amounted to SAR Nil as at 30 September 2022.

The net liabilities of Saudi Industrial Export Company – Jordan amounted to SAR Nil as at 30 September 2022.

There is no cash flow for the Saudi Industrial Export Company - Jordan during the period ended 30 September 2022.

The legal formalities for liquidating the subsidiary were completed during the period ended 30 September 2022.

B. in 20th of June 2022 the board of director decided to give up SARA factory and all related PP&E in its current condition due to the lack of economic feasibility, to cut G&A costs, And it signed a waiver agreement for the factory with a value of 6 million SR, and the legal procedures for implementing the agreement have not yet ended as on September 30, 2022. the following represent the segment performance during the reporting period with comparative period figures:

	For the three-month period ended		For the nine-month period ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
General and administrative expenses	(283,380)	(104,765)	(283,380)	(384,214)
Loss from operation	(283,380)	(171,804)	(283,380)	(749,771)
Loss from discontinued operations	(283,380)	(171,804)	(283,380)	(749,771)

Basic and diluted loss per share from discontinued operations

	For the three-month period ended		For the nine-month period ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Loss from discontinued operations				
Saudi Industrial Export Company – Jordan	-	(11,727)	-	(64,982)
SARA factory	(283,380)	(171,804)	(283,380)	(749,771)
Total Loss from discontinued operations	(283,380)	(183,531)	(283,380)	(814,753)
Weighted average number of ordinary shares	19,440,000	6,480,000	11,876,044	6,480,000
Basic and diluted loss per share from discontinued operations	(0.015)	(0.03)	(0.024)	(0.13)

15- Discontinued operations (continued)

As on September 30, 2022, the net assets and liabilities of the Saudi Industrial Export Company - Sara Factory Branch consist of the following:

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	30 September 2022 (Unaudited)
Non-current assets	
Property, plant and equipment	2,535,507
Right-of-use assets	565,049
Total non-current assets	3,100,556
Current assets	
Prepayments and other current assets	1,650
Total current assets	1,650
Total Assets from Discontinued operation	3,102,206
Current liabilities	
Lease liabilities	624,914
Total Liabilities from Discontinued operation	624,914

16 - Basic and diluted loss per share

	For the three-month period ended		For the nine-month period ended	
	30 September 2022 (unaudited)	30 September 2021 (unaudited)	30 September 2022 (unaudited)	30 September 2021 (unaudited)
Loss from Continuing Operations	(5,047,208)	(2,013,076)	(17,856,253)	(5,897,653)
Weighted average number of ordinary shares	19,440,000	6,480,000	11,876,044	6,480,000
	(0.26)	(0.31)	(1.50)	(0.91)

Basic loss per share is calculated by dividing the loss for the period from continuing operations attributable to the shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted loss per share is calculated by dividing the loss for the period from continuing operations attributable to the shareholders of the Company by the weighted average number of ordinary shares outstanding during the period after adjusting for the effect of all dilutive potential ordinary shares. There were no potentially dilutive shares outstanding at any time during the periods ended 30 September 2022 and 30 September 2021.

17- Segment information

A segment is a separate and distinct part of a company that is engaged in business activities from which it earns revenue or incurs expenses. Operating segments are disclosed on the basis of internal reports that are reviewed by the CEO, who is the person responsible for allocating resources, evaluating performance and making strategic decisions about operating segments. Operating segments with similar economic characteristics, products, services and categories of customers are grouped and recorded whenever possible as reportable segments in accordance with IFRS 8 Operating Segments.

Basis of division

For administrative purposes, the Company arranges its business through business units on the basis of segments. The following are the segments activities:

- 1- Export from inside and outside the Kingdom, most of the Company's export operations are carried out from the Kingdom of Saudi Arabia to the Middle East, Asia and Africa.
- 2- Production and sale of medical supplies.

The business segments have been identified on the basis of internal reports that are presented to the CFO regularly to upload resources to the segments and evaluate their performance "management approach". The management approach depends on the way in which management organizes business segments within the Company in order to make operational decisions and evaluate performance. At the end of each financial year, management actively reviews the segments for both the quantities and the characteristics of the revenues and expenses presentation in those segments.

17- Segment information (continued)

Below is a summary of some of the selected financial information according to the above-mentioned operating segments:

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	For the three-month period ended		For the nine-month period ended	
	30 September 2022		30 September 2022	
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	Export activities	Medical Supplies	Export activities	Medical Supplies
Revenues	75,009	-	181,223	-
Loss of Continuing Operations	(5,047,208)	-	(17,856,253)	-
Loss of discontinuing Operations	-	(283,380)	-	(283,380)

	As of 30 September 2022		
	(unaudited)	(unaudited)	(unaudited)
	Export activities	Medical Supplies	Total
Total current assets	171,232,791	-	171,232,791
current assets from discontinued operation	-	3,102,206	3,102,206
Total current liabilities	11,089,615	-	11,089,615
current liabilities from discontinued operation	-	624,914	624,914

	For the three-month period ended		For the nine-month period ended	
	30 September 2021		30 September 2021	
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	Export activities	Medical Supplies	Export activities	Medical Supplies
Revenues	3,386,553	-	15,457,354	-
Loss of Continuing Operations	(2,013,076)	-	(5,897,653)	-
Loss of discontinuing Operations	-	(183,531)	-	(814,753)

	As of 30 September 2021		
	(unaudited)	(unaudited)	(unaudited)
	Export activities	Medical Supplies	Total
Total current assets	18,841,596	1,134,528	19,976,124
Total current liabilities	10,045,622	93,709	10,139,331

Geographic information

Revenue	For the three-month period ended		For the nine-month period ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Export	-	3,382,445	-	14,881,840
local	75,009	3,724	181,223	575,515
Total revenue according to interim condensed statement of profit or loss and other comprehensive income	75,009	3,386,169	181,223	15,457,355

18- Commitments and Contingent liabilities

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There are cases instituted against the Company with approximately total financial claims amounting to SAR nil (31 December 2021: approximately SAR 7 million), for which no final judgments have been issued. In addition, there is assessments raised by ZATCA in relation to Company's submitted zakat and VAT returns for which the Company has submitted an objection requests as disclosed in note 12. The Company's management believes that such cases will not have any impact on the financial position of the Company and the results of its operations.

-There are Letters of credit with a value of SAR Nil (31 December 2021: SAR 720,997).

19- Events after the reporting period

In the opinion of management, there have been no significant subsequent events since the period ended 30 September 2022 that would have a material impact on the interim condensed financial statements.

20- Approval of the interim condensed financial statements

The interim condensed financial statements for the three-month and nine-month periods ended 30 September 2022 were approved by the Company's board of directors on 13 Rabi Al-Thani 1444 AH corresponding to 7 November 2022.