

SAUDI INDUSTRIAL EXPORT COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE AND NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2021
AND INDEPENDENT AUDITOR'S REVIEW REPORT

SAUDI INDUSTRIAL EXPORT COMPANY**(A Saudi Joint Stock Company)****INTERIM CONDENSED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REVIEW
REPORT****FOR THE THREE AND NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2021**

| <u>INDEX</u> | <u>PAGES</u> |
|--|---------------------|
| Independent auditor's review report | - |
| Interim statement of financial position | 1 |
| Interim statement of profit or loss and other comprehensive income | 2 |
| Interim statement of changes in equity | 3 |
| Interim statement of cash flows | 4 |
| Notes to the interim condensed financial statements | 5 – 16 |

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

To the Shareholders,
Saudi Industrial Export Company
(A Saudi Joint Stock Company)
Riyadh, Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying interim condensed statement of financial position of **Saudi Industrial Export Company** ('the Company') as of 30 September 2021 and the related interim statements of profit or loss and other comprehensive income for the three months and nine months period then ended, interim changes in equity and cash flows for the nine-months period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Auditing Standards (IAS 34) "Interim Financial Reporting" as 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 Engagements (2410), 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' as 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 Accounting Standards 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.

Basis for Qualified Conclusion

- 1- The Company has not calculated the expected credit losses in accordance with International Financial Reporting Standard No. (9). Accordingly, we were unable to determine whether any adjustments were necessary to trade receivables balance as at 30 September 2021 and 31 December 2020.
- 2- The audit of cost of revenue amounting to SR 35 million for the year ended 31 December 2020 indicated that some supporting documents for the purchases amount were incomplete and we were unable to obtain sufficient assurance from other audit procedures, accordingly, we were unable to determine whether any adjustments were necessary to cost of revenues for the year ended 31 December 2020. As a result, we were unable to determine whether any adjustments were necessary to cost of revenues for the nine-month period ended 30 September 2020.
- 3- Management has not evaluated the Company's relationship of its contracts with customers as principal or agent in accordance with International Financial Reporting Standard No. (15), therefore, we were unable to determine the appropriateness of the presentation of Company's revenue and cost of revenue for the period ended 30 September 2021 and 30 September 2020.

Qualified Conclusion

Based on our review, with the exception of the possible effects of the matters described in the "Basis for Qualified Conclusion" section, 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 as endorsed in the Kingdom of Saudi Arabia.

Material Uncertainty Related to Going Concern

We draw attention to note (2) to the interim condensed financial statements, the interim condensed financial statements have been prepared on the going concern basis. The accumulated losses as 30 September 2021 amounted to SR 44,666,784, which comprises 69% of the share capital (31 December 2020: SR 37,954,378, which comprises 59% of the share capital), and the losses for the nine-months period ended 30 September 2021 amounted to SR 6,712,406. Those events, among other matters, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The ability of the Company to continue its operations depends on increasing its capital share, obtaining finance, profitable contracts and increase the volume of its revenue appropriately. Our conclusion is not modified in respect of this matter.

**Independent Auditor's Review Report on the
Interim Condensed Financial Statements (Continued)**

**To the Shareholders,
Saudi Industrial Export Company**
(A Saudi Joint Stock Company)
Riyadh, Kingdom of Saudi Arabia


Emphasize of Matter

We draw attention to note (14) to the interim condensed financial statements, which describes prior period's adjustments. Consequently, the interim statement of financial position as at 30 September 2020 and the interim condensed statement of profit or loss and other comprehensive income for the three-month and nine months period then ended have been restated. Our conclusion is not modified in respect of this matter.

Other matter

The interim condensed financial statements of the Company for the three-month and nine-month period ended 30 September 2020 were reviewed by another auditor who expressed an unmodified conclusion on the on the interim condensed consolidated financial statements on November 11, 2020. The reissued consolidated financial statements for the year ended December 31, 2020 were audited by another auditor, who expressed a modified opinion on those consolidated financial statements on June 9, 2021.

For Al-Bassam & Co.



Ibrahim Al-Bassam
Certified Public Accountant
License No.337



Riyadh 9 Rabi' al-Thani 1443H
14 November 2021

SAUDI INDUSTRIAL EXPORT COMPANY
(A Saudi Joint Stock Company)
INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021
(All amounts are in Saudi Riyals unless otherwise mentioned)

| | | 30 | | |
|---|-------------|---------------------|--------------------|-----------------------------|
| | Note | September | 31 December | 1 January |
| | | 2021 | 2020 | 2020 |
| | | (Unaudited) | (Audited) | (Audited - Restated) |
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment, net | | 3,452,046 | 3,770,696 | 3,049,709 |
| Right of use assets | | 786,039 | 939,890 | 1,146,286 |
| Intangible assets, projects under progress | | 91,938 | 78,206 | - |
| Financial assets at fair value through profit or loss | | - | - | 6,559,654 |
| Total non-current assets | | 4,330,023 | 4,788,792 | 10,755,649 |
| Current assets | | | | |
| Inventory, net | 4 | 867,262 | 3,452,090 | 2,645,955 |
| Trade receivables, net | 5 | 11,969,237 | 15,732,628 | 8,097,147 |
| Prepayments and other current assets | | 6,554,786 | 8,697,664 | 9,450,741 |
| Financial assets at fair value through profit or loss | | 353,160 | - | - |
| Cash and cash equivalents | 6 | 6,297,837 | 8,484,030 | 19,625,489 |
| Total current assets | | 26,042,282 | 36,366,412 | 39,819,332 |
| Assets from discontinued operations | 7 | 923,141 | - | - |
| TOTAL ASSETS | | 31,295,446 | 41,155,204 | 50,574,981 |
| EQUITY AND LIABILITIES | | | | |
| EQUITY | | | | |
| Share capital | 8 | 64,800,000 | 64,800,000 | 64,800,000 |
| Statutory reserve | | 642,645 | 642,645 | 642,645 |
| Actuarial reserve | | 248,042 | 248,042 | 186,094 |
| Accumulated losses | | (44,666,784) | (37,954,378) | (24,772,414) |
| TOTAL EQUITY | | 21,023,903 | 27,736,309 | 40,856,325 |
| LIABILITIES | | | | |
| Non-current liabilities | | | | |
| Lease liabilities – non-current portion | | 657,652 | 720,574 | 804,368 |
| Employees' end of service benefits | | 454,554 | 335,330 | 583,173 |
| Total non-current liabilities | | 1,112,206 | 1,055,904 | 1,387,541 |
| Current liabilities | | | | |
| Lease liabilities – current portion | | 482,349 | 321,898 | 187,145 |
| Trade payables | | 2,177,727 | 1,067,857 | 1,921,139 |
| Accrued expenses and other current liabilities | | 2,189,474 | 5,883,563 | 2,203,297 |
| Due to shareholders | | 2,807,022 | 2,808,798 | 2,808,798 |
| Zakat provision | 9-3 | 1,502,765 | 2,280,875 | 1,210,736 |
| TOTAL CURRENT LIABILITIES | | 9,159,337 | 12,362,991 | 8,331,115 |
| TOTAL LIABILITIES | | 10,271,543 | 13,418,895 | 9,718,656 |
| TOTAL EQUITY AND LIABILITIES | | 31,295,446 | 41,155,204 | 50,574,981 |
| Contingent liabilities | 10 | | | |

CFO
Ahmed Talat Abdelaziz

CEO
Suliman Hamad Al Jadie

Chairman
Hatem Hamad Al Sehbany

The accompanying notes from 1 to 16 form an integral part of these interim condensed financial statements.




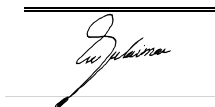



SAUDI INDUSTRIAL EXPORT COMPANY

(A Saudi Joint Stock Company)

**INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE AND NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2021**

(All amounts are in Saudi Riyals unless otherwise mentioned)

| | | For the three-month period ended | | For the nine-month period ended | |
|---|-----|---|------------------------|---|------------------------|
| | | 30 September 2021 | 30 September 2020 | 30 September 2021 | 30 September 2020 |
| Note | | (Unaudited) | (Unaudited - restated) | (Unaudited) | (Unaudited - restated) |
| Continuing operations | | | | | |
| | | 3,850,231 | 11,309,583 | 16,114,467 | 35,017,244 |
| | | (2,804,984) | (9,633,039) | (14,624,940) | (32,710,380) |
| | | 1,045,247 | 1,676,544 | 1,489,527 | 2,306,864 |
| | | (3,240,282) | (1,523,014) | (8,436,436) | (6,091,082) |
| | | - | 6,552,056 | - | (1,600,234) |
| | | (2,195,035) | 6,705,586 | (6,946,909) | (5,384,452) |
| | | - | (2,115,121) | - | (2,559,654) |
| | | (69,019) | (27,469) | (105,921) | (66,539) |
| | | 173,564 | 30,041 | 799,796 | 1,934,772 |
| | | (2,090,490) | 4,593,037 | (6,253,034) | (6,075,873) |
| | 9-3 | (94,390) | (970,611) | (394,390) | (1,570,611) |
| | | (2,184,880) | 3,622,426 | (6,647,424) | (7,646,484) |
| Discontinued operations: | | | | | |
| | 7 | (11,727) | (34,254) | (64,982) | (92,946) |
| | | (2,196,607) | 3,588,172 | (6,712,406) | (7,739,430) |
| Items that will not be classified in profit or loss: | | | | | |
| | | - | - | - | - |
| | | (2,196,607) | 3,588,172 | (6,712,406) | (7,739,430) |
| Basic & diluted per share from: | | | | | |
| | 12 | (0.34) | 0.56 | (1.03) | (1.18) |
| | 7 | (0.002) | (0.01) | (0.010) | (0.01) |
| | | (0.34) | 0.55 | (1.04) | (1.19) |
|  | |  | |  | |
| CFO | | CEO | | Chairman | |
| Ahmed Talat Abdelaziz | | Suliman Hamad Al Jadie | | Hatem Hamad Al Sehbany | |

The accompanying notes from 1 to 16 form an integral part of these interim condensed financial statements.

SAUDI INDUSTRIAL EXPORT COMPANY
(A Saudi Joint Stock Company)
INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021
(All amounts are in Saudi Riyals unless otherwise mentioned)

| | Share capital | Statutory Reserve | Actuarial reserve | Accumulated losses | Total |
|--|-------------------|-------------------|-------------------|---------------------|-------------------|
| <u>For the nine-months period ended 30 September 2020</u> | | | | | |
| Balance as at 31 December 2019 (audited - restated) | 64,800,000 | 642,645 | 186,094 | (24,772,414) | 40,856,325 |
| Net loss for the period | - | - | - | (7,739,430) | (7,739,430) |
| Other comprehensive income for the period | - | - | - | - | - |
| Total comprehensive loss for the period | - | - | - | (7,739,430) | (7,739,430) |
| Balance as at 30 September 2020 (unaudited) | 64,800,000 | 642,645 | 186,094 | (32,511,844) | 33,116,895 |
| <u>For the nine-months period ended 30 September 2021</u> | | | | | |
| Balance as at 31 December 2020 (audited) | 64,800,000 | 642,645 | 248,042 | (37,954,378) | 27,736,309 |
| Net 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 |



CFO
Ahmed Talat Abdelaziz



CEO
Suliman Hamad Al Jadie



Chairman
Hatem Hamad Al Sehbany

The accompanying notes from 1 to 16 form an integral part of these interim condensed financial statements.

SAUDI INDUSTRIAL EXPORT COMPANY
(A Saudi Joint Stock Company)
INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE-MONTHS PERIOD 30 SEPTEMBER 2021
(All amounts are in Saudi Riyals unless otherwise mentioned)

| | | 30 September 2021 (unaudited) | 30 September 2020 (unaudited - restated) |
|---|-----|--|---|
| Cash flows from operating activities | | | |
| Net loss for the period before zakat | | (6,253,034) | (6,075,873) |
| Loss from discontinued operations | 7 | (64,982) | (92,946) |
| | | (6,318,016) | (6,168,819) |
| Adjustments for: | | | |
| Depreciation on property, plant and equipment | | 357,790 | 288,853 |
| Depreciation on right of use assets | | 153,851 | 153,693 |
| Impairment in investments | | - | 2,559,654 |
| Impairment in trade receivables | | - | 1,600,234 |
| Inventory Impairment | 4 | 263,866 | - |
| Provision for employees' end of service benefits | | 134,239 | 99,188 |
| Finance cost | | 105,921 | 66,539 |
| Capital losses | | - | 1,000 |
| Unrealized gains on financial assets at FVTPL | | (81,360) | - |
| | | (5,383,709) | (1,399,658) |
| Changes in working capital items: | | | |
| Inventories | | 2,320,962 | 101,785 |
| Trade receivables | | 3,763,391 | (15,110,441) |
| Prepayments and other current assets | | 1,247,612 | 4,556,609 |
| Financial assets at FVTPL | | (271,800) | - |
| Trade payables | | 1,109,870 | 1,222,751 |
| Accrued expenses and other current liabilities | | (3,694,089) | (1,360,241) |
| Cash generated from / (used in) operating activities | | (907,763) | (11,989,195) |
| Employees' end of service benefits paid | | (15,015) | (106,620) |
| Zakat paid | 9-3 | (1,172,500) | (671,314) |
| Net cash used in operating activities | | (2,095,278) | (12,767,129) |
| Cash flows from investing activities | | | |
| Payments to purchase property, plant and equipment | | (53,042) | (647,789) |
| Payments to purchase of intangible assets | | (13,732) | - |
| Proceeds from sale of property, plant and equipment | | - | 86,750 |
| Net cash flows used in investing activities | | (66,774) | (561,039) |
| Cash flows from financing activities | | | |
| Lease obligations paid | | (8,392) | (111,918) |
| Due to shareholders | | (1,776) | - |
| Net cash used in financing activities | | (10,168) | (111,918) |
| Net change in cash and cash equivalents | | (2,172,220) | (13,440,086) |
| Cash and cash equivalents at beginning of the period | | 8,484,030 | 19,625,489 |
| Cash and cash equivalents at end of the period | 6 | 6,311,810 | 6,185,403 |
| Non-cash transactions | | | |
| Addition to property, plant and equipment against lease liabilities | | - | 227,393 |

CFO
Ahmed Talat Abdelaziz

CEO
Suliman Hamad Al Jadie

Chairman
Hatem Hamad Al Sehbany

The accompanying notes from 1 to 16 form an integral part of these interim condensed financial statements.





SAUDI INDUSTRIAL EXPORT COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021
(All amounts are in Saudi Riyals unless otherwise mentioned)

1. STATUS AND NATURE OF BUSINESS

Saudi Industrial Export Company is a Saudi Joint Stock Company (the “Company”), it was established according to the resolution of his Excellency, Minister of Commerce, No. 954 on 12 Dhu al-Qidah 1410H. (5 June 1990), registered in Riyadh, Kingdom of Saudi Arabia under Commercial Registration No. 1010077554 issued in Riyadh on 25 Dhu al-Qidah 1410H. (18 June 1990).

The Company’s head office is located in:

Riyadh

P.O. Box 21977

Riyadh 11485.

The Company’s fully paid share capital at the date of the interim condensed financial statements is SR 64,800,000 million, consisting of 6,480,000 share of SR 10 each.

The interim condensed financial statements include the assets and liabilities of the Company and its branch:

| Branch Name | City | CR. | Registration date |
|--|-------------|------------|--------------------------|
| Sara Medical Supplies Factory | Riyadh | 1010143870 | 30/06/1417 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 Export Company – Sudan branch | Khartoum | 1803 | 28/11/2019 |
| Saudi Industrial Export Company – UAE branch | Dubai | 1473310 | 12/12/2019 |

- The Company’s main activity is engaged in the trading of crude oil, minerals and industrial chemical products including those fertilizers, wholesale of lubricants and refined petroleum products, wholesale of cement and plaster and the like, wholesale of primary plastic materials, rubber and synthetic fibers, retail sale of plants, seeds and fertilizers (nurseries), 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.
- 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.

SAUDI INDUSTRIAL EXPORT COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021

(All amounts are in Saudi Riyals unless otherwise mentioned)

2. BASIS OF PREPARATION

2-1 Statement of compliance

These interim condensed financial statements for the nine-months period ended 30 September 2021 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 Professional Accountants ("SOCPA"), these interim condensed financial statements do not include all the information and disclosures required in a full and should be read in conjunction with the Company's annual reissued consolidated financial statements for the year ended 31 December 2020. In addition, the results of the operations of the initial periods are not necessarily indicative of the results of the operations of the whole year.

The comparative numbers are consolidated and include the financial statements of the Company and Saudi Industrial Export Company – Jordan (Subsidiary). On 7 March 2021, the Company's Board of Directors resolved to liquidated and close the subsidiary in Jordan due to the weak financial performance of the subsidiary and to reduce the general and administrative expenses. Based on this, no consolidated financial statements have been prepared for the current period (Note 7).

2-2 Functional and presentation currency

The interim condensed financial statements are presented in Saudi Riyal, which is the Company's functional and presentation currency.

2-3 Use of judgement and estimates

The preparation of the interim condensed financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses, actual results may differ from these estimates.

In particular, information about significant matters relating to the estimation of uncertainty in the application of accounting policies that have the most significant effect on the amounts recognized in the financial statements is summarized as follows:

Management periodically re-estimates the useful lives of tangible and intangible assets based on the general condition of these assets and management's expectations for their useful lives in the future.

Management takes a provision for trade receivables based on its estimates of the recoverability of those receivables. Management estimates the recoverable amount of financial assets to determine whether there is any impairment in their value.

The estimates and assumptions applied are reviewed continually and changes in accounting estimates are recognized in the period in which the estimates are changed and in future years affected by that change.

2-4 Fair value measurement

fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date a fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- (a) in the *principal market* for the asset or liability; or
- (b) in the absence of a principal market, in the *most advantageous market* for the asset or liability

The principal market must be accessible for the company.

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 from it, or by selling it to another party in the market to use it for the best benefit from it.

The company uses an appropriate assessment method that provide sufficient data to measure fair value where an appropriate input which can be identified and observed are used, and to reduce using the inputs that cannot be identified or observed.

Assets and liabilities that can be either measures fair value or it's fair value can be recognized are classified in the financial statement in accordance with the fair value hierarchy as stated below, based on the lowest level of measurement inputs which is material for fair value measurement.

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;

SAUDI INDUSTRIAL EXPORT COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021
(All amounts are in Saudi Riyals unless otherwise mentioned)

2. BASIS OF PREPARATION (continued)

2-4 Fair value measurement (continued)

- Level 2 inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

As for the assets and liabilities included in the financial statements, all of them are measured at amortized cost through the third level, except for the financial assets at fair value through profit or loss, which are measured at fair value through the first level.

2-5 Discontinued operations and non-current assets held for sale (held to be distributed to the owners)

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

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

A sale is considered to be highly probable if the appropriate level of management is committed to a plan to sell the asset (or disposal group), and an active program to locate a buyer and complete the plan has been initiated. Further, the asset (or disposal group) has been actively marketed for sale at a price that is reasonable 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 that it is classified as held for sale. Non-current assets held for sale are not depreciated or amortized while they are classified as held for sale.

Non-current assets held for sale are not depreciated or amortized while they are classified as held for sale (held for distribution to the owners). Interest and other expenses attributable to the liabilities of the disposal group continued to be recognized.

Non-current assets (or disposal group) classified as held for sale and the assets of a disposal group classified as held for sale (or held to be distributed to the owners). are presented separately from the other assets in the interim condensed statement of financial position. The liabilities of a disposal group classified as (or held to be distributed to the owners) held for sale are presented separately from other liabilities in the interim condensed statement of financial position.

2-6 Going concern basis of accounting

The interim condensed financial statements have been prepared on the going concern basis, which assumes that the Company will continue its activities for the foreseeable future. The Company's accumulate losses as 30 September 2021 amounted to SR 44,666,784, which comprises 69% of the share capital (31 December 2020: SR 37,954,378, which comprises 59% of the share capital), and the losses for the nine-months period ended 30 September 2021 amounted to SR 6,712,406. The ability of the Company to continue its operations depends on obtaining finance, profitable contracts and increase the volume of its revenue appropriately.

The Company is working on expanding the business model by entering into operations that complement the Company's activity according to the articles of association to include storage operations in regional and international free zones, in addition to entering into import operations of raw materials and expanding transfers for the Company's account and the account of others. In addition, the Company's management is working towards trading in high profit margin items such as foodstuffs. The Company also announced the approval of the Board of Directors to close the Saudi Industrial Exports Company in the Hashemite Kingdom of Jordan in order to reduce general and administrative expenses, and it also worked to increase the Company's share capital by applying to the Capital Market Authority and the application is still under study.

However, as described above, the management reasonably expect that the Company can continue its activities for the foreseeable future.

SAUDI INDUSTRIAL EXPORT COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021
(All amounts are in Saudi Riyals unless otherwise mentioned)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and in preparing the interim condensed financial statements are consistent with those followed in preparing the Company's annual financial statements for the year ended 31 December 2020 except for (Note 2-4). The Company did not early adopt any other standard, interpretation or amendment issued but not yet effective

4. INVENTORIES, NET

| | 30 September 2021 (unaudited) | 31 December 2020 (audited) |
|---------------------------------------|--|---|
| Sara storage | 858,304 | 861,754 |
| raw materials | 603,423 | 702,765 |
| Foodstuffs | 280 | 497,489 |
| Granular sulfur | - | 1,308,884 |
| Crude sulfur | - | 313,725 |
| Polymer | - | 78,670 |
| Goods in transit | - | 19,682 |
| Total | 1,462,007 | 3,782,969 |
| Deduct from: | | |
| Provision for slow moving inventories | (594,745) | (330,879) |
| | 867,262 | 3,452,090 |

The movement in provision for impairment of inventory as follows:

| | 30 September 2021 (unaudited) | 31 December 2020 (audited) |
|---|--|---|
| Balance at the beginning of the period / year | 330,879 | - |
| Charged during the period / year | 307,439 | 330,879 |
| Used during the period / year | (43,573) | - |
| Balance at the end of the period / year | 594,745 | 330,879 |

SAUDI INDUSTRIAL EXPORT COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021
(All amounts are in Saudi Riyals unless otherwise mentioned)

5. TRADE RECEIVABLES, NET

| | 30 September 2021 (unaudited) | 31 December 2020 (audited) |
|---|--|---|
| Trade receivables | 13,809,019 | 17,572,410 |
| Deduct: provision for impairment in trade receivables | (1,839,782) | (1,839,782) |
| | 11,969,237 | 15,732,628 |

The movement in provision for impairment in trade receivables as follows:

| | 30 September 2021 (unaudited) | 31 December 2020 (audited) |
|---|--|---|
| Balance at the beginning of the period / year | 1,839,782 | 114,497 |
| Charged during the period / year | - | 1,725,285 |
| Balance at the end of the period / year | 1,839,782 | 1,839,782 |

6. CASH AND CASH EQUIVALENTS

| | 30 September 2021 (unaudited) | 31 December 2020 (audited) |
|--------------|--|---|
| Cash at bank | 6,297,736 | 8,470,089 |
| Cash in hand | 101 | 13,941 |
| | 6,297,837 | 8,484,030 |

For the purposes of preparing the interim statement of cash flows, total cash and cash equivalents consist of the following:

| | 30 September 2021 (unaudited) | 31 December 2020 (audited) |
|--|--|---|
| Cash and cash equivalents from continued operations | 6,297,837 | 8,484,030 |
| Cash and cash equivalents from discontinued operations | 13,973 | - |
| | 6,311,810 | 8,484,030 |

7. DISCONTINUED OPERATIONS

As disclosed in Note 2-1, the Company's Board of Directors resolved, on 7 March 2021, to liquidate and close Saudi Industrial Export Company – Jordan, (Subsidiary). Accordingly, the Company has not reflected this Subsidiary in its interim condensed financial statements and classified it as discontinued operations. The results of the operations of the Subsidiary for the current and previous period have been presented in the interim statement of profit or loss and other comprehensive income as follows:

SAUDI INDUSTRIAL EXPORT COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021
(All amounts are in Saudi Riyals unless otherwise mentioned)

7. DISCONTINUED OPERATIONS (Continued)

| | For the three-month period ended | | For the nine-month period ended | |
|---|--|--|--|--|
| | 30 September 2021 (unaudited) | 30 September 2020 (unaudited) | 30 September 2021 (unaudited) | 30 September 2020 (unaudited) |
| General and administrative expenses | (11,727) | (34,254) | (64,982) | (92,946) |
| Loss from operation | (11,727) | (34,254) | (64,982) | (92,946) |
| Net loss for the period from discontinued operations | (11,727) | (34,254) | (64,982) | (92,946) |
| Basic & diluted loss per share | (0.002) | (0.01) | (0.010) | (0.01) |

As at 30 September 2021, the net assets of Saudi Industrial Export Company – Jordan comprised the following:

| | 30 September 2021 (unaudited) |
|--|--|
| Property, plant and equipment, net | 13,902 |
| Total non-current assets | 13,902 |
| Prepayments and other current assets | 895,266 |
| Cash and cash equivalents | 13,973 |
| Total current assets | 909,239 |
| Assets from discontinued operations | 923,141 |

During the current period, there was no impairment in the carrying value of the assets directly related to the discontinued operations.

There are no cash flows for Saudi Industrial Export Company – Jordan for the nine-month period ended 30 September 2021 and 30 September 2020.

8. CAPITAL

As on 30 September 2021, and 31 December 2020, the Company's subscribed and paid-in capital amounted to SR 64,800,000, divided into 6,480,000 shares equal in value, each share valued at SR 10, all of which are ordinary cash shares, and the shareholders have subscribed to all the Company's shares.

| | Share value | No. of shares | Total |
|--|--------------------|----------------------|-------------------|
| Capital as at 30 September 2021 | 10 | 6,480,000 | 64,800,000 |
| Capital as at 31 December 2020 | 10 | 6,480,000 | 64,800,000 |

The Company has announced on Jumada Al-Awwal 16, 1442H corresponding to 31 December 2020, on submitting the approval file of increasing the capital to the CMA, which is under study by the related Authorities.

SAUDI INDUSTRIAL EXPORT COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021
(All amounts are in Saudi Riyals unless otherwise mentioned)

9. ZAKAT PROVISION

9-1 Zakat status

The Company has filed its Zakat returns with Zakat, Tax and Customs Authority (“Authority”) up to the year ended 31 December 2020, and obtained Zakat certificates valid till 29 Ramadan 1443 AH corresponding to 30 April 2022. The Company received letters of amendment of the Zakat returns from the Authority for the years from 2014 to 2018. The value of Zakat variances amounted to SR 2,474,983 million, the Company paid an amount of SR 1,007,593 million. The Company submitted an objection request for the remaining variance to the General Secretariat of the Tax Committees and have not decided as of the date of this financial statements.

9-2 Tax status

The Company received letters of amendment of the value-added tax returns from the Zakat, Tax and Customs Authority for periods during the years 2018 and 2019, The value of VAT variances has amounted to SR 7,545,778 million. And fines amounted to 15,358,500 million Saudi riyals. The company paid an amount of 162,713 Saudi riyals on October 6, 2021 The Company submitted an objection request to the General Secretariat of the Tax Committees.

The Company’s management believes that the outcome of the objections will be in its favour with regard to the above variances.

9-3 Zakat provision movement

| | 30 September 2021 (unaudited) | 31 December 2020 (audited) |
|---|--|---|
| Balance beginning of the period / year | 2,280,875 | 1,210,736 |
| Year’s adjustments / prior periods | - | 1,551,149 |
| Charged during the period / year | 394,390 | 900,000 |
| Paid during the period / year | (1,172,500) | (1,381,010) |
| Balance at the end of the period / year | 1,502,765 | 2,280,875 |

10. CONTINGENT LIABILITIES

There are cases against the Company with total financial claims amounting to approximately SR 8.163 million (31 December 2020: approximately SR 9.9 million), for which no final verdicts have been issued until the date of the interim condensed financial statements. The management believes that such cases will not have any impact on the financial position of the Company and its business results, there are also letters of guarantee issued by the Company with a value of 750,000 Saudi riyals and letters of credit amounting to 2,783,497 Saudi riyals (December 31, 2020: 3,908,497 Saudi riyals value of letters of credit).

11. REPORTING SEGMENT

reporting segment relates to the Company activities and business, which the Company management has relied on as a basis for preparing its financial information, for its compatibility with internal reporting methods. Transactions between segment s are carried out on the same terms as dealing with other parties.

Segment s' assets, liabilities and operating activities include items directly related to a specific segment and items that can be distributed among the different segments on reasonable basis.

The following is a summary of the financial segment information in Saudi riyals as on 30 September 2021, 30 September 2020, respectively, according to the nature of the activity:

SAUDI INDUSTRIAL EXPORT COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021
(All amounts are in Saudi Riyals unless otherwise mentioned)

11. REPORTING SEGMENT (CONTINUED)

| 30 September 2021 | | | |
|--|-----------------------------|-------------------------|--------------------|
| | Exporting activities | Medical supplies | Total |
| Revenues | | | |
| For the nine- month period ended 30 September 2021 | 15,983,091 | 131,376 | 16,114,467 |
| For the three-month ended 30 September 2021 | 3,846,507 | 3,724 | 3,850,231 |
| Net loss for the period from continued operations | (5,897,653) | (749,771) | (6,647,424) |
| Total current assets | 24,910,782 | 1,131,500 | 26,042,282 |
| Total current liabilities | 9,091,743 | 67,594 | 9,159,337 |
| 30 September 2020 | | | |
| | Exporting activities | Medical supplies | Total |
| Revenues | | | |
| For the nine- month period ended 30 September 2021 | 35,017,244 | - | 35,017,244 |
| For the three-month ended 30 September 2021 | 11,309,583 | - | 11,309,583 |
| Net loss for the period from continued operations | (7,225,449) | (421,035) | (7,646,484) |
| 31 December 2020 | | | |
| Total current assets | 34,828,825 | 1,537,587 | 36,366,412 |
| Total current liabilities | 11,936,223 | 426,768 | 12,362,991 |

Saudi Industrial Export Company – Jordan information has been excluded from the segment reporting as it has not engaged in commercial activities and is under liquidation. Note (7).

12. LOSS PER SHARE

The basic and diluted share of loss from continuing operations, loss from discontinued operations and total comprehensive loss for the period is calculated by dividing the loss from continuing operations, loss from discontinued operations, and total comprehensive loss for the period by the weighted average number of ordinary shares outstanding at the end of the year, the number of shares outstanding as at 30 September 2021 6,480,000 shares (6,480,000 shares: 30 September 2020). There was no write-down item affecting the weighted average number of ordinary shares.

13. BENEFITS AND COMPENSATION OF BOD MEMBERS AND SENIOR EXECUTIVES

| | For the three-month period ended | | For the nine-month period ended | |
|---|---|--------------------------|--|--------------------------|
| | 30 September 2021 | 30 September 2020 | 30 September 2021 | 30 September 2020 |
| | (unaudited) | (unaudited) | (unaudited) | (unaudited) |
| Committee members fees and meetings expenses | - | 57,000 | 138,000 | 571,767 |
| Key management personal salaries and benefits | 390,231 | 298,350 | 1,189,981 | 999,000 |
| | 390,231 | 355,350 | 1,327,981 | 1,570,767 |

SAUDI INDUSTRIAL EXPORT COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021
(All amounts are in Saudi Riyals unless otherwise mentioned)

14. PRIOR PERIOD ADJUSTMENTS

The Company has restated its interim condensed financial statements for the comparative period as follows:

Summary of adjustments on interim condensed statement of financial position as at 30 September 2020:

| | | 30 September 2020 | | | 30 September 2020 |
|---|-------------|------------------------------|-------------------------|----------------------|-----------------------------------|
| | Note | (unaudited) | Reclassification | Remeasurement | (Unaudited - Restated) |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Property, plant and equipment, net | A | 3,368,407 | - | 179,881 | 3,548,288 |
| Right of use assets | A | 640,939 | - | 351,654 | 992,593 |
| Total non-current assets | | 4,009,346 | - | 531,535 | 4,540,881 |
| Current assets | | | | | |
| Inventory, net | D | 2,163,048 | - | 381,122 | 2,544,170 |
| Trade receivables, net | C, F | 21,275,768 | 331,586 | - | 21,607,354 |
| Prepayments and other current assets | A, B, D, F | 5,844,183 | (498,080) | (451,971) | 4,894,132 |
| Financial assets at fair value through profit or loss | | 4,000,000 | - | - | 4,000,000 |
| Cash and cash equivalents | | 6,185,403 | - | - | 6,185,403 |
| TOTAL CURRENT ASSETS | | 39,468,402 | (166,494) | (70,849) | 39,231,059 |
| TOTAL ASSETS | | 43,477,748 | (166,494) | 460,686 | 43,771,940 |
| EQUITY AND LIABILITIES | | | | | |
| EQUITY | | | | | |
| Share capital | | 64,800,000 | - | - | 64,800,000 |
| Statutory reserve | | 642,645 | - | - | 642,645 |
| Actuarial reserve | | 186,094 | - | - | 186,094 |
| Accumulated losses | | (30,779,834) | - | (1,732,010) | (32,511,844) |
| TOTAL EQUITY | | 34,848,905 | - | (1,732,010) | 33,116,895 |
| LIABILITIES | | | | | |
| Non-current liabilities | | | | | |
| Lease liabilities non-current portion | A | 601,921 | - | 202,682 | 804,603 |
| Employees' end of service benefits | | 575,741 | - | - | 575,741 |
| Total non-current liabilities | | 1,177,662 | - | 202,682 | 1,380,344 |
| Current liabilities | | | | | |
| Lease liabilities – current portion | A | 25,339 | - | 343,585 | 368,924 |
| Trade payables | C, D, F | 2,507,011 | 235,602 | 401,277 | 3,143,890 |
| Accrued expenses and other credit balances | B, F | - | (402,096) | 1,245,152 | 843,056 |
| Due to shareholders | | 2,808,798 | - | - | 2,808,798 |
| Zakat provision | | 2,110,033 | - | - | 2,110,033 |
| TOTAL CURRENT LIABILITIES | | 7,451,181 | (166,494) | 1,990,014 | 9,274,701 |
| TOTAL LIABILITIES | | 8,628,843 | (166,494) | 2,192,696 | 10,655,045 |
| TOTAL EQUITY AND LIABILITIES | | 43,477,748 | (166,494) | 460,686 | 43,771,940 |

SAUDI INDUSTRIAL EXPORT COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021
(All amounts are in Saudi Riyals unless otherwise mentioned)

14. PRIOR PERIOD ADJUSTMENTS (continued)

Summary of adjustments on interim statement of profit or loss and other comprehensive income for nine-month period ended 30 September 2020:

| | | 30 September 2020 | | | 30 September 2020 |
|---|------|----------------------|------------------|---------------|---------------------------|
| | Note | (Unaudited) | Reclassification | Remeasurement | (Unaudited - Restated) |
| Continuing operations | | | | | |
| Revenue | | 35,017,244 | - | - | 35,017,244 |
| Cost of revenue | E, F | (32,442,840) | (327,350) | 59,810 | (32,710,380) |
| Gross income | | 2,574,404 | (327,350) | 59,810 | 2,306,864 |
| General and administrative expenses | E, F | (6,152,849) | 235,894 | (174,127) | (6,091,082) |
| Impairment in trade receivable | | (1,600,234) | - | - | (1,600,234) |
| Loss from operation | | (5,178,679) | (91,456) | (114,317) | (5,384,452) |
| Impairment in investments | | (2,559,654) | - | - | (2,559,654) |
| Finance cost | E | (21,108) | - | (45,431) | (66,539) |
| Other income | F | 1,750,370 | 184,402 | - | 1,934,772 |
| Profit before zakat | | (6,009,071) | 92,946 | (159,748) | (6,075,873) |
| Zakat expense | | (1,570,611) | - | - | (1,570,611) |
| Net loss from continued operations | | (7,579,682) | 92,946 | (159,748) | (7,646,484) |
| Discontinued operations | | | | | |
| Loss from discontinued operations | F | - | (92,946) | - | (92,946) |
| Net loss for the period | | (7,579,682) | - | (159,748) | (7,739,430) |
| Other comprehensive income / (loss) | | | | | |
| Items that will not be reclassified subsequently to profit or loss: | | - | - | - | - |
| Total comprehensive loss for the period | | (7,579,682) | - | (159,748) | (7,739,430) |
| Basic & diluted profit per share | | | | | |
| Continued operations loss | | (1,17) | 0.01 | (0.02) | (1.18) |
| Discontinued operations loss | | - | (0.01) | - | (0.01) |
| Total comprehensive loss for the period | | (1,17) | - | (0.02) | (1.19) |

SAUDI INDUSTRIAL EXPORT COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021
(All amounts are in Saudi Riyals unless otherwise mentioned)

14. PRIOR PERIOD ADJUSTMENTS (continued)

Following is a summary of adjustments on consolidated statement of financial position as at 1 January 2020:

| | Note | 1 January 2020 (Audited) | Reclassification | Remeasurement | 1 January 2020 (Audited - Restated) |
|---|------------|--------------------------------|------------------|---------------|--|
| ASSETS | | | | | |
| Non-current assets: | | | | | |
| Property, plant and equipment | | 3,049,709 | - | - | 3,049,709 |
| Right of use assets | A | 668,018 | - | 478,268 | 1,146,286 |
| Financial assets at fair value through profit or loss | | 6,559,654 | - | - | 6,559,654 |
| | | 10,277,381 | - | 478,268 | 10,755,649 |
| Current assets: | | | | | |
| Inventory, net | E | 2,264,833 | - | 381,122 | 2,645,955 |
| Trade receivables | C, F | 20,876,976 | (442,329) | (12,337,500) | 8,097,147 |
| Prepaid expenses and other current assets | A, B, E, F | 10,089,581 | 58,130 | (696,970) | 9,450,741 |
| Cash and cash equivalents | | 19,625,489 | - | - | 19,625,489 |
| | | 52,856,879 | (384,199) | (12,653,348) | 39,819,332 |
| TOTAL ASSETS | | 63,134,260 | (384,199) | (12,175,080) | 50,574,981 |
| EQUITY AND LIABILITIES | | | | | |
| EQUITY | | | | | |
| Share capital | | 64,800,000 | - | - | 64,800,000 |
| Statutory reserve | | 642,645 | - | - | 642,645 |
| Actuarial reserve | | 186,094 | - | - | 186,094 |
| Accumulated losses | | (11,443,433) | - | (13,328,981) | (24,772,414) |
| TOTAL EQUITY | | 54,185,306 | - | (13,328,981) | 40,856,325 |
| Non-current liabilities: | | | | | |
| Lease liabilities – non-current | A | 646,446 | - | 157,922 | 804,368 |
| Employees' end of service benefits | | 583,173 | - | - | 583,173 |
| | | 1,229,619 | - | 157,922 | 1,387,541 |
| Current liabilities: | | | | | |
| Lease liabilities – current portion | A | 11,815 | - | 175,330 | 187,145 |
| Trade payables | C, E, F | 2,363,835 | (18,193) | (424,503) | 1,921,139 |
| Accrued expenses and other credit balances | B, F | 1,324,151 | (366,006) | 1,245,152 | 2,203,297 |
| Due to shareholders | | 2,808,798 | - | - | 2,808,798 |
| Zakat provision | | 1,210,736 | - | - | 1,210,736 |
| TOTAL CURRENT | | 7,719,335 | (384,199) | 995,979 | 8,331,115 |
| TOTAL LIABILITIES | | 8,948,954 | (384,199) | 1,153,901 | 9,718,656 |
| TOTAL EQUITY AND | | 63,134,260 | (384,199) | (12,175,080) | 50,574,981 |

SAUDI INDUSTRIAL EXPORT COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021
(All amounts are in Saudi Riyals unless otherwise mentioned)

14. PRIOR PERIOD ADJUSTMENTS (continued)

Notes to the reconciliation of the interim statement of financial position as at 30 September 2020 and interim statement of profit and loss and other comprehensive income for the nine-month period ended on 1 January 2020:

- A. The balance of the property, plant and equipment and right of use assets, lease liabilities and prepaid expenses in respect of the head office lease contract and the vehicles purchased during the first quarter of 2020 has been adjusted in accordance with the requirements of IFRS No. (16).
- B. The adjustment relates to the recognition of professional fees expenses and Board of Directors' remunerations for the year ended as 31 December 2019.
- C. The Company, through the former CEO, agreed on a deal to sell 35,000 tons of crude sulphur according to the purchase order received from the customer. Accordingly, the supplier was contacted, a preliminary invoice was shared for the required quantity, a sales invoice was issued, and revenue was recorded during the month of December 2019. During the 2020, a letter was received from the customer dated 1 /9/2020 stating that the quantity is still not received and considering the deal cancelled. Accordingly, the revenue and related costs recorded in 2019 were reversed, in addition to cancelling the customer and supplier accounts in the third quarter of the fiscal year 2020. The Audit Committee recommended to the Board of Directors to approve the reversal of the transaction and form a committee to investigate the deal including verifying whether there is manipulation or not and take the necessary action. The Board of Directors formed an Internal Committee, which is independent from Executive Management and implemented the recommendations of the Audit Committee. Also, an external expert party has been appointed in the subsequent period to the date of the financial statements to investigate this matter. The investigation was not completed until the date of the approval of the interim condensed financial statements.
- D. The Company recorded inventory in the period subsequent to 30 September 2020, and later it was found that the inventory had been purchased and received during the year ended 31 December 2019, accordingly, the inventory and related balances as of 30 September 2020 were adjusted.
- E. It represents the depreciation expense for the right of use assets, and the financing costs for the lease liabilities related to the head office lease contract and the vehicles purchased during the first quarter of 2020 through finance lease contract in accordance with the requirements of IFRS 16.
- F. Certain comparative figures have been reclassified to comply with the current period presentation of these interim condensed financial statements.

15. SUBSEQUENT EVENTS

There are no subsequent events that require disclosure or amendment to the accompanying interim financial statements.

16. APPROVAL ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

The interim condensed financial statements for the period ended 30 September 2021 have been approved by the Board of Directors on 4 Rabi' Al-Thani 1443 AH (corresponding to 9 November 2021).