

SAUDI INDUSTRIAL EXPORT COMPANY

(SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 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 period ended 31 March 2022

<u>Index</u>	<u>Page</u>
Independent auditor's review report	-
Interim condensed statement of financial position	1
Interim condensed statement of profit or loss and other comprehensive income	2
Interim condensed statement of changes in equity	3
Interim condensed statement of cash flows	4
Notes to the interim condensed financial statements	5 - 13

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

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

Introduction

We have reviewed the accompanying interim condensed financial statements of Saudi Industrial Export Company ("the Company") which comprise the interim condensed statement of financial position as at 31 March 2022, and the interim condensed statement of profit or loss and other comprehensive income, interim condensed statement of changes in equity and interim condensed statement of cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Auditing Standards (IAS 34) "Interim Financial Reporting" 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 Engagements (2410), 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' that is endorsed in the Kingdom of Saudi Arabia. A review of 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.

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 respect, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

Material Uncertainties Related to Going Concern

We draw attention to Notes (2-5 and 18) to the accompanying interim condensed financial statements, which indicates that the Company has incurred a net loss for the three-month period ended 31 March 2022 of SAR 4.88 million (31 March 2021: SAR 2.64 million), and its accumulated losses amounting to SAR 14.5 million (31 December 2021: SAR 52.8 million) representing 67% (31 December 2021:81%) of share capital as of the same date. These events and conditions indicate a material uncertainty on the Company's ability to continue as a going concern. However, on 17 March 2022, the Company obtained the regulatory approval from the Capital Market Authority to increase the share capital via rights- issue amounting to SAR 172.8 million. Subsequent to the period end, the Company's extraordinary general assembly approved the rights-issue.

Accordingly, the interim condensed financial statements has been prepared on the going concern basis and do not include any adjustments, which may be required, if the Company is not able to continue as a going concern.

Our conclusion is not modified in respect of these matters.

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

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

Other Matter

The interim condensed financial statements for the three-month period ended 31 March 2021 were reviewed by another auditor who expressed a qualified review conclusion on 28 June 2021.

For Al-Bassam & Co.



Ibrahim Ahmed Al Bassam
Certified Public Accountant
License No. 337

Riyadh on: 22 Shawwal 1443 H
Corresponding to: 23 May 2022

Saudi Industrial Export Company
(Saudi joint stock company)
Interim condensed statement of financial position
As of 31 March 2022
(All amounts are in Saudi Riyals unless otherwise stated)

	<u>Note</u>	<u>31 March 2022</u> (Unaudited)	<u>31 December 2021</u> (Audited)
Assets			
Non-current assets			
Property, plant and equipment	6	3,291,563	3,383,561
Intangible assets		83,481	57,967
Right-of-use assets	7-1	682,572	733,325
Total non-current assets		4,057,616	4,174,853
Current assets			
Prepayments and other current assets		1,856,559	4,452,467
Trade receivables	8	8,214,912	8,043,298
Cash and cash equivalent	9	3,972,636	7,480,359
Total current assets		14,044,107	19,976,124
Total Assets		18,101,723	24,150,977
Equity and Liabilities			
Equity			
Share capital	10	21,600,000	64,800,000
Statutory reserve	11	642,645	642,645
Actuarial reserve		357,333	357,333
Accumulated losses	2-5	(14,515,340)	(52,837,550)
Total Equity		8,084,638	12,962,428
Liabilities			
Non-current liabilities			
Lease liabilities	7-2	619,168	635,023
Employees' defined benefit obligations		447,012	414,195
Total non-current liabilities		1,066,180	1,049,218
Current liabilities			
Lease liabilities - current portion	7-2	322,622	327,622
Trade payables		2,872,000	3,219,452
Accrued expenses and other current payables		2,112,997	2,551,974
Due to shareholders	13-a	2,841,350	2,807,022
Zakat provision	12	801,936	1,233,261
Total current liabilities		8,950,905	10,139,331
Total Liabilities		10,017,085	11,188,549
Total Equity and Liabilities		18,101,723	24,150,977
Commitments and contingencies	17		



CFO
Ahmed Talat Abdelaziz



CEO
Suliman Hamad Al Jadie



Chairman
Hatem Hamad Al Sehbany

The attached notes from (1) to (19) 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 period ended 31 March 2022
(All amounts are in Saudi Riyals unless otherwise stated)

	Note	For the three-month period ended	
		31 March 2022 (Unaudited)	31 March 2021 (Unaudited)
Revenues		63,463	7,898,869
Cost of revenue		-	(7,592,650)
Gross profit		63,463	306,219
General and administrative expenses		(2,998,161)	(2,614,475)
Write-off other current assets		(2,105,176)	-
Other income		174,549	13,320
Operating loss		(4,865,325)	(2,294,936)
Finance costs	7-2	(12,465)	(18,895)
Net loss before zakat		(4,877,790)	(2,313,831)
Zakat	12-a	-	(300,000)
Loss from Continuing Operations		(4,877,790)	(2,613,831)
Discontinued operations			
Loss from discontinued operations	14	-	(30,332)
Net loss for the period		(4,877,790)	(2,644,163)
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Actuarial profits from employees' defined benefit obligations		-	-
Other comprehensive income for the period		-	-
Total comprehensive loss for the period		(4,877,790)	(2,644,163)
Basic and diluted per share from:			
Loss from continuing operations	15	(1.12)	(0.40)
Loss from discontinued operations	14	-	(0.01)



CFO
Ahmed Talat Abdelaziz



CEO
Suliman Hamad Al Jadie



Chairman
Hatem Hamad Al Sehbany

The attached notes from (1) to (19) form an integral part of these interim condensed financial statements

Saudi Industrial Export Company

(Saudi joint stock company)

Interim condensed statement of changes in equity**For the three-month period ended 31 March 2022**

(All amounts are in Saudi Riyals unless otherwise stated)

	<u>Share capital</u>	<u>Statutory reserve</u>	<u>Actuarial reserve</u>	<u>Accumulated losses</u>	<u>Total</u>
Balance as at 1 January 2021 (Audited)	64,800,000	642,645	186,094	(37,954,378)	27,736,309
Net loss for the period	-	-	-	(2,644,163)	(2,644,163)
Other comprehensive income for the period	-	-	-	-	-
Balance as at 31 March 2021 (Unaudited)	<u>64,800,000</u>	<u>642,645</u>	<u>186,094</u>	<u>(40,536,593)</u>	<u>25,092,146</u>
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	-
Net loss for the period	-	-	-	(4,877,790)	(4,877,790)
Other comprehensive income for the period	-	-	-	-	-
Balance as at 31 March 2022 (Unaudited)	<u>21,600,000</u>	<u>642,645</u>	<u>357,333</u>	<u>(14,515,340)</u>	<u>8,084,638</u>



CFO
Ahmed Talat Abdelaziz



CEO
Suliman Hamad Al Jadie



Chairman
Hatem Hamad Al Sehbany

The attached notes from (1) to (19) form an integral part of these interim condensed financial statements

Saudi Industrial Export Company
(Saudi joint stock company)
Interim condensed statement of cash flows
For the three-month period ended 31 March 2022
(All amounts are in Saudi Riyals unless otherwise stated)

	For the three-month period ended	
	31 March 2022	31 March 2022
	(Unaudited)	(Unaudited)
Cash flows from operating activities:		
Net loss from continuing operations before zakat	(4,877,790)	(2,313,831)
Loss from discontinued operations	-	(30,332)
Net loss before zakat	(4,877,790)	(2,344,163)
Adjustments for:		
Depreciation of property, plant and equipment	99,418	120,813
Write-off intangible assets	1,109	-
Depreciation of right-of-use assets	50,753	50,754
Write-off other current assets	2,105,176	-
Impairment of inventory	-	307,439
Employees' defined benefit obligations	43,865	39,731
Gain from sale of property, plant and equipment	(11,694)	-
Finance cost	12,465	18,895
	(2,576,698)	(1,806,531)
Changes in working capital items:		
Trade receivables	(171,614)	432,008
Inventory	-	(1,622,805)
Prepayments and other current assets	490,732	1,118,751
Trade payables	(347,452)	2,632,450
Accrued expenses and other current payables	(438,977)	(2,240,536)
Due to shareholders	34,328	-
Cash generated used in operations	(3,009,681)	(1,486,663)
Defined benefit obligations paid to employees	(11,048)	-
Zakat paid	(431,325)	(1,003,064)
Net cash used in operating activities	(3,452,054)	(2,489,727)
Cash flows from investing activities		
Additions to property, plant and equipment	(7,420)	(20,725)
Additions to intangible assets	(26,623)	(13,732)
Proceeds from sale of property, plant and equipment	11,694	-
Net cash used in from investing activities	(22,349)	(34,457)
Cash flows from financing activities		
Lease obligations paid	(33,320)	-
Net cash used in financing activities	(33,320)	-
Net change in cash and cash equivalents	(3,507,723)	(2,524,184)
Cash and cash equivalents at the beginning of the period	7,480,359	8,484,030
Cash and cash equivalents at the end of the period	3,972,636	5,959,846
Non-cash transactions		
Employees' Defined Benefit Obligations transferred to accrued expenses and other payables	-	915,580



CFO
Ahmed Talat Abdelaziz



CEO
Suliman Hamad Al Jadie



Chairman
Hatem Hamad Al Sehbany

The attached notes from (1) to (19) form an integral part of these interim condensed financial statements

Saudi Industrial Export Company

(Saudi joint stock company)

Notes to the interim condensed financial statements

For the three-month period ended 31 March 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 21,600,000 Saudi riyals divided into 2,160,000 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.
- 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.

With reference to the events related to the spread of the Covid-19 and the consequent impact of business sectors at the global level, the Company has taken many measures and measures necessary to protect the Company and its employees and continue to work to improve the performance of the Company. The management does not believe that there is any factor that causes changes in the pandemic conditions that may affect the Company's operations during 2022.

Saudi Industrial Export Company

(Saudi joint stock company)

Notes to the interim condensed financial statements

For the three-month period ended 31 March 2022

(All amounts are in Saudi Riyals unless otherwise stated)

2- Basis of preparation

2.1 Statement of compliance

These interim condensed financial statements for the three-month period ended 31 March 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.

2.5 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 has incurred for the period ended 31 March 2022 a net loss of SAR 4.88 million (31 March 2021: SAR 2.64 million), and its accumulated losses amounted to SAR 14.5 million (31 December 2021: SAR 52.8 million) representing 67% (31 December 2021:81%) of share capital as of the same date. The ability of the Company to continue its operations depends on restructuring it's capital, entering into profitable contracts and increasing the volume of its revenue appropriately.

The Company is working on expanding the business model by entering into operations complementary to the Company's activity according to the by-laws to include storage operations in regional and international free zones, in addition to entering into import operations for raw materials and expanding transportation operations for the Company's account and for the account of others. In addition, the Company's management is working to trade in items with a high profit margin, such as foodstuffs. on 17 March 2022, the Company obtained the regulatory approval from the Capital Market Authority ("CMA") to increase the share capital via rights- issue amounting to SAR 172.8 million. Subsequent to the period end, the Company's extraordinary general assembly approved the rights- issue (note 18).

The Company's management reasonably expects the Company to continue as a going concern for the foreseeable future.

Saudi Industrial Export Company
(Saudi joint stock company)
Notes to the interim condensed financial statements
For the three-month period ended 31 March 2022
(All amounts are in Saudi Riyals unless otherwise stated)

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.

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.

Saudi Industrial Export Company
(Saudi joint stock company)
Notes to the interim condensed financial statements
For the three-month period ended 31 March 2022
(All amounts are in Saudi Riyals unless otherwise stated)

6- Property, plant and equipment

During the three-month period ended 31 March 2022, the Company purchased property, plant and equipment for a value of SAR 7,240 (31 March 2021: SAR 20,725).

During the three- month period ended 31 March 2022, the Company disposed property, plant and equipment, with a net book value of SAR nil (31 March 2021: SAR nil) which resulted in a gain on the sale of property, plant and equipment for the three-month period ended 31 March 2022 with a value of SAR 11,694 (31 March 2021: SAR nil).

During the three- month period ended 31 March 2022, depreciation expense for the period amounted to SAR 99,418 (31 March 2021: SAR 120,813).

7- Right -of- use assets and lease liabilities

7.1 Right-of-use assets

Right-of-use assets related to lease of Company's head office building and land of Sarah Factory for Medical Supplies for a period of 3 and 20 years respectively.

	For the three- month period ended 31 March 2022	For the year ended 31 December 2021
	(Unaudited)	(Audited)
Cost:		
Balance at the beginning of the period / year	1,228,640	1,228,640
Assets recognized during the period / year	-	-
Balance at the end of the period / year	1,228,640	1,228,640
Accumulated depreciation:		
Balance at the beginning of the period / year	495,315	288,750
Charged during the period / year	50,753	206,565
Balance at the end of the period / year	546,068	495,315
Net book value		
Net book value as at 31 March 2022	682,572	-
Net book value as at 31 December 2021		733,325

7.2 Lease liabilities

	For the three- month period ended 31 March 2022	For the year ended 31 December 2021
	(Unaudited)	(Audited)
Lease liabilities as at the beginning of the period / year	962,645	1,042,472
Additions during the period / year	-	-
Finance cost charged during the period / year	12,465	120,492
Paid during the period / year	(33,320)	(200,319)
	941,790	962,645

Lease liabilities included in the interim condensed statement of financial position are as follows:

	31 March 2022	31 December 2021
	(Unaudited)	(Audited)
Non current	619,168	635,023
Current	322,622	327,622
Total lease liabilities	941,790	962,645

Saudi Industrial Export Company
(Saudi joint stock company)
Notes to the interim condensed financial statements
For the three-month period ended 31 March 2022
(All amounts are in Saudi Riyals unless otherwise stated)

8- Trade receivables

	<u>31 March 2022</u> (Unaudited)	<u>31 December 2021</u> (Audited)
Gross trade receivables	13,097,280	12,925,666
Allowance for expected credit losses *	<u>(4,882,368)</u>	<u>(4,882,368)</u>
	<u><u>8,214,912</u></u>	<u><u>8,043,298</u></u>

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

	<u>For the three-month period ended 31 March 2022</u> (Unaudited)	<u>For the year ended 31 December 2021</u> (Audited)
At the beginning of the period / year	4,882,368	1,839,782
Charged for the period / year	<u>-</u>	<u>3,042,586</u>
At the end of the period / year	<u><u>4,882,368</u></u>	<u><u>4,882,368</u></u>

9- Cash and cash equivalent

	<u>31 March 2022</u> (Unaudited)	<u>31 December 2021</u> (Audited)
Cash at banks	3,886,468	7,379,583
Cash on hand	<u>86,168</u>	<u>100,776</u>
	<u><u>3,972,636</u></u>	<u><u>7,480,359</u></u>

10- Share capital

The share capital of the Company as at 31 March 2022 amounted to SAR 21,600,000 (31 December 2021: SAR 64,800,000) consisting of 2,160,000 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 31 March 2022, the 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 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.

11- 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.

Saudi Industrial Export Company
(Saudi joint stock company)
Notes to the interim condensed financial statements
For the three-month period ended 31 March 2022
(All amounts are in Saudi Riyals unless otherwise stated)

12- Zakat

a) Zakat provision movement

	For the three-month period ended 31 March 2022	For the year ended 31 December 2021
	(Unaudited)	(Audited)
At the beginning of the period / year	1,233,261	2,280,875
Previous years adjustments	-	394,390
Provision for the period / year	-	554,423
Paid during the period / year	(431,325)	(1,996,427)
At the end of the period / year	801,936	1,233,261

b) Zakat status of the Company

The Company submitted its zakat returns to the ZATCA through to the years ended on 31 December 2020 and obtained a certificate valid until 29 Ramadan 1443 H corresponding to 30 April 2022. 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 7,450,790 and fines amounted to SAR 15,990,785. 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.

13- Related parties transactions and balances

13-a Transactions during the period

	For the three-month period ended 31 March 2022	31 March 2021
	(Unaudited)	(Unaudited)
Committee members' fees and meeting expenses	36,000	24,000
Salaries and benefits of key management personnel	366,675	389,142
Refunds from the sale of capital reduction fractions	714,165	-

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

13-b Due to shareholders

	31 March 2022	31 December 2021
	(Unaudited)	(Audited)
Share capital subscription surplus *	437,136	437,136
Dividend payable**	2,369,886	2,369,886
Refunds from the sale of capital reduction fractions	34,328	-
	2,841,350	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 31 March 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.

Saudi Industrial Export Company
(Saudi joint stock company)
Notes to the interim condensed financial statements
For the three-month period ended 31 March 2022
(All amounts are in Saudi Riyals unless otherwise stated)

14- Discontinued operations

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 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	
	31 March 2022	31 March 2021
	(Unaudited)	(Unaudited)
General and administrative expenses	-	(30,332)
Loss from operation	-	(30,332)
Loss of discontinued operations	-	(30,332)
Basic and diluted loss per share	-	(0.01)

The net assets of Saudi Industrial Export Company – Jordan amounted to SAR Nil as at 31 March 2022. There is no cash flow for the Saudi Industrial Export Company - Jordan during the period ended 31 March 2022.

15 - Basic and diluted loss per share

	For the three-month period ended	
	31 March 2022	31 March 2021
	(Unaudited)	(Unaudited)
Loss from Continuing Operations	(4,877,790)	(2,613,831)
Weighted average number of ordinary shares	4,368,000	6,480,000
	(1.12)	(0.40)

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 31 March 2022 and 31 March 2021.

Saudi Industrial Export Company
(Saudi joint stock company)
Notes to the interim condensed financial statements
For the three-month period ended 31 March 2022
(All amounts are in Saudi Riyals unless otherwise stated)

16- 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.

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

	31 March 2022		
	Export	Medical	Total
Revenues	63,463	-	63,463
Loss of Continuing Operations	(4,732,709)	(145,081)	(4,877,790)
Total current assets	13,574,870	469,237	14,044,107
Total current liabilities	8,850,954	99,951	8,950,905
	31 March 2021		
	Export	Medical	Total
Revenues	7,898,869	-	7,898,869
Loss of Continuing Operations	(2,420,428)	(193,403)	(2,613,831)
Total current assets	29,962,630	1,538,908	31,501,538
Total current liabilities	10,738,759	119,663	10,858,422

The Saudi Industrial Export Company - Jordan was excluded from the segment information because it did not conduct commercial activities and is under liquidation (Note 14).

Geographic information

Revenue	For the three-month period ended	
	31 March 2022 (Unaudited)	31 March 2021 (Unaudited)
Export	-	7,576,616
Local	63,463	322,253
Total revenue according to interim condensed statement of profit or loss and other comprehensive income	63,463	7,898,869

Saudi Industrial Export Company

(Saudi joint stock company)

Notes to the interim condensed financial statements**For the three-month period ended 31 March 2022**

(All amounts are in Saudi Riyals unless otherwise stated)

17- Commitments and Contingent liabilities

There are cases instituted against the Company with approximately total financial claims amounting to SAR 7 million (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).

18- Events after the reporting period

Subsequent to the period end, the Company's extraordinary general assembly approved the increase in the share capital via rights- issue amounting to SAR 172.8 million (note 2-5).

19- Approval of the interim condensed financial statements

The interim condensed financial statements for the three-month period ended 31 March 2022 were approved by the Company's board of directors on 22 Shawwal 1443 AH corresponding to 23 May 2022.