

**AL HASSAN GHAZI IBRAHIM SHAKER COMPANY  
(A SAUDI JOINT STOCK COMPANY)**

**UNAUDITED CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION FOR  
THE THREE AND NINE-MONTH PERIODS  
ENDED SEPTEMBER 30, 2022 AND REVIEW REPORT**

**AL HASSAN GHAZI IBRAHIM SHAKER COMPANY**  
**(A Saudi Joint Stock Company)**  
**CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (UNAUDITED)**  
**FOR THE THREE AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2022**

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## REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

To the shareholders of AL HASSAN GHAZI IBRAHIM SHAKER COMPANY  
(A Saudi Joint Stock Company)

### Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Al Hassan Ghazi Ibrahim Shaker Company (the "Company") and its subsidiaries (collectively referred to as the "Group") as at September 30, 2022 and the related condensed consolidated interim statement of profit or loss and other comprehensive income for the three and nine-month periods then ended, and the condensed consolidated statements of changes in equity and of cash flows for the nine-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard No. 34 - "Interim Financial Reporting" ("IAS 34"), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this condensed consolidated interim financial information 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 financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, as endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

### **PricewaterhouseCoopers**

Ali A. Alotaibi  
License Number 379

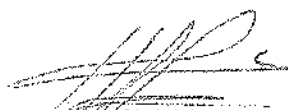
November 7, 2022

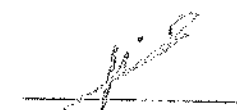


AL HASSAN GHAZI IBRAHIM SHAKER COMPANY  
(A Saudi Joint Stock Company)  
Condensed consolidated interim statement of financial position  
(All amounts in thousands of Saudi Riyals unless otherwise stated)

|  |      | September 30,<br>2022 | December 31,<br>2021 |
|--|------|-----------------------|----------------------|
|  | Note | (Unaudited)           | (Audited)            |
| <b>ASSETS</b>  |      |                       |                      |
| <b>Non-current assets</b>  |      |                       |                      |
| Property and equipment   | 3    | 192,012               | 197,345              |
| Right of use of assets   |      | 20,537                | 8,479                |
| Intangible assets  | 4    | 11,571                | 12,010               |
| Trade and other receivables  | 7    | 12,371                | 13,285               |
| Investment in an associate   | 5    | 462,822               | 442,395              |
| <b>Total non-current assets</b>                                    |      | <b>699,313</b>        | <b>673,514</b>       |
| <b>Current assets</b>  |      |                       |                      |
| Inventories  | 6    | 480,131               | 349,959              |
| Trade and other receivables  | 7    | 374,744               | 372,572              |
| Prepayments and other debt balances                                | 8    | 58,182                | 40,007               |
| Cash and cash equivalents  | 9    | 85,861                | 53,020               |
|  |      | <b>998,918</b>        | <b>815,558</b>       |
| Assets relating to disposal group classified as held for sale      | 18   | 14,170                | -                    |
| <b>Total assets</b>  |      | <b>1,712,409</b>      | <b>1,489,072</b>     |
| <b>EQUITY AND LIABILITIES</b>                                      |      |                       |                      |
| <b>Equity</b>  |      |                       |                      |
| Share capital  | 1    | 482,334               | 630,000              |
| Statutory reserve  |      | 140,937               | 140,937              |
| Retained earnings / (Accumulated losses)                           |      | 32,952                | (148,002)            |
| <b>Equity attributable to owners of the Company</b>                |      | <b>656,233</b>        | <b>622,935</b>       |
| Non-controlling interests  |      | 13,886                | 13,650               |
| <b>Net equity</b>  |      | <b>670,119</b>        | <b>636,585</b>       |
| <b>LIABILITIES</b>   |      |                       |                      |
| <b>Non-current liabilities</b>                                     |      |                       |                      |
| Lease liabilities and borrowings                                   | 10   | 13,326                | 74,603               |
| Employee benefits obligation                                       |      | 20,500                | 22,527               |
| <b>Total non-current liabilities</b>                               |      | <b>33,826</b>         | <b>97,130</b>        |
| <b>Current liabilities</b>   |      |                       |                      |
| Lease liabilities and borrowings                                   | 10   | 482,085               | 412,494              |
| Trade and other payables   |      | 495,368               | 324,361              |
| Zakat and foreign income tax liabilities                           |      | 8,447                 | 6,343                |
| Warranty provision   |      | 13,530                | 12,159               |
|  |      | <b>999,536</b>        | <b>755,357</b>       |
| Liabilities relating to disposal group classified as held for sale | 18   | 8,928                 | -                    |
| <b>Total liabilities</b>   |      | <b>1,042,290</b>      | <b>852,487</b>       |
| <b>Total equity and liabilities</b>                                |      | <b>1,712,409</b>      | <b>1,489,072</b>     |

The notes on pages 6 to 18 form an integral part of this condensed consolidated interim financial information

  
Abdullah  
Abunayyan  
Chairman

  
Mohammed Ibrahim  
Abunayyan  
CEO

  
Mazen Elghafier  
VP-Finance

AL HASSAN GHAZI IBRAHIM SHAKER COMPANY

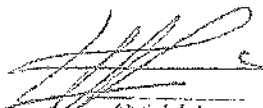
(A Saudi Joint Stock Company)

Condensed consolidated interim statement of profit or loss and other comprehensive income - Unaudited

(All amounts in thousands of Saudi Riyals unless otherwise stated)

|   | Note | Three-month period ended<br>September 30, |           | Nine-month period ended<br>September 30, |           |
|---|------|---|-----------|--|-----------|
|   |      | 2022                                      | 2021      | 2022                                     | 2021      |
| <b>Continued operation</b>  |      |   |           |  |           |
| Revenue   | 12   | 257,754                                   | 260,117   | 893,059                                  | 836,983   |
| Cost of revenue   |      | (200,126)                                 | (202,966) | (691,987)                                | (660,986) |
| Gross profit  |      | 57,628                                    | 57,151    | 201,072                                  | 175,997   |
| General and administrative expenses                                       |      | (20,037)                                  | (21,388)  | (62,060)                                 | (66,016)  |
| Selling and distribution expenses   |      | (28,026)                                  | (25,846)  | (87,407)                                 | (73,451)  |
| Reversal/(Provision) on financial assets                                  |      | 494                                       | 2,591     | (14,227)                                 | (6,185)   |
| Other income / expenses, net  |      | 661                                       | (204)     | 2,841                                    | (499)     |
| Income from operations  |      | 10,721                                    | 12,304    | 43,229                                   | 29,847    |
| Finance costs   |      | (4,903)                                   | (4,985)   | (14,496)                                 | (12,571)  |
| Share of net profit from an associate                                     | 5    | 7,216                                     | 7,533     | 20,427                                   | 21,157    |
| Profit before zakat and foreign income tax                                |      | 13,034                                    | 14,852    | 49,160                                   | 38,433    |
| Zakat and foreign income tax expense                                      |      | (3,075)                                   | (1,880)   | (0,775)                                  | (8,630)   |
| Net income for the period from continuing operations                      |      | 9,959                                     | 12,972    | 40,385                                   | 29,803    |
| <b>Discontinued operation</b>   |      |   |           |  |           |
| Loss from discontinued operation  | 18   | (1,154)                                   | (635)     | (5,212)                                  | (2,162)   |
| Net income for the period   |      | 8,805                                     | 12,337    | 35,173                                   | 27,641    |
| <b>Other comprehensive (loss) / income</b>                                |      |   |           |  |           |
| <i>Items that will not be reclassified subsequently to profit or loss</i> |      |   |           |  |           |
| Re-measurement of the defined benefit liability                           |      | (797)                                     | (106)     | (1,639)                                  | 817       |
| Other comprehensive (loss) income for the period                          |      | (797)                                     | (106)     | (1,639)                                  | 817       |
| Total comprehensive income for the period                                 |      | 8,008                                     | 12,231    | 33,534                                   | 28,458    |
| <b>Profit attributable to:</b>  |      |   |           |  |           |
| Owners of the Company   |      | 8,523                                     | 12,032    | 34,937                                   | 27,106    |
| Non-controlling interests   |      | 282                                       | 305       | 236                                      | 535       |
| Total comprehensive income attributable to:                               |      | 8,805                                     | 12,337    | 35,173                                   | 27,641    |
| <b>attributable to:</b>   |      |   |           |  |           |
| Owners of the Company   |      | 7,722                                     | 11,853    | 33,310                                   | 27,890    |
| Non-controlling interest  |      | 286                                       | 348       | 224                                      | 568       |
| Earnings per share (Saudi Riyals):  |      | 8,008                                     | 12,231    | 33,534                                   | 28,458    |
| Basic and diluted earnings per share                                      | 20   | 0.18                                      | 0.19      | 0.72                                     | 0.43      |

The notes on pages 6 to 18 form an integral part of this condensed consolidated interim financial information

  
Abdulrahman  
Abdulrahman  
Abunayyan  
Chairman

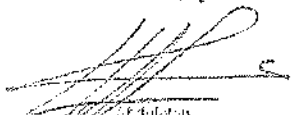
  
Mohammed Ibrahim  
Abunayyan  
CEO

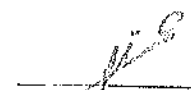
  
Mazen Elghateer  
VP-Finance

AL HASSAN GHAZI IBRAHIM SHAKER COMPANY  
(A Saudi Joint Stock Company)  
Condensed consolidated interim statement of changes in equity  
(All amounts in thousands of Saudi Riyals unless otherwise stated)

|   | Equity attributable to owners of the Company |                   |  |                            |                          | Total equity |
|---|--|-------------------|--|----------------------------|--------------------------|--------------|
|   | Share capital                                | Statutory reserve | Retained earnings / (Accumulated losses) | Total shareholders' equity | Non-controlling interest |              |
| January 1, 2022 (Audited)                 | 630,000                                      | 140,937           | (148,002)                                | 622,935                    | 13,650                   | 636,585      |
| Net profit for the period                 | -  | -                 | 34,925                                   | 34,925                     | 248                      | 35,173       |
| Other comprehensive (loss) for the period | -  | -                 | (1,627)                                  | (1,627)                    | (12)                     | (1,639)      |
| Total comprehensive income for the period | -  | -                 | 33,298                                   | 33,298                     | 236                      | 33,534       |
| Capital reduction (note 1)                | (147,866)                                    | -                 | 147,866                                  | -                          | -                        | -            |
| September 30, 2022 (Unaudited)            | 482,134                                      | 140,937           | 32,962                                   | 656,033                    | 13,886                   | 670,119      |
| January 1, 2021 (Audited)                 | 630,000                                      | 140,937           | (138,930)                                | 632,007                    | 20,519                   | 652,526      |
| Restatement                               | -  | -                 | (36,626)                                 | (36,626)                   | (7,446)                  | (44,072)     |
| January 1, 2021 (Restated)                | 630,000                                      | 140,937           | (175,556)                                | 595,381                    | 13,073                   | 608,454      |
| Net profit for the period                 | -  | -                 | 27,106                                   | 27,106                     | 535                      | 27,641       |
| Other comprehensive income for the period | -  | -                 | 704                                      | 704                        | 33                       | 817          |
| Total comprehensive income for the period | -  | -                 | 27,810                                   | 27,810                     | 568                      | 28,378       |
| September 30, 2021 (Unaudited)            | 630,000                                      | 140,937           | (147,656)                                | 623,271                    | 13,641                   | 636,912      |

The notes on pages 6 to 18 form an integral part of this condensed consolidated interim financial information.

  
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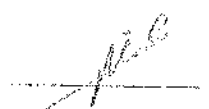
  
Mazen Elghifari  
VP-Finance

AL HASSAN GHAZI IBRAHIM SHAKER COMPANY  
(A Saudi Joint Stock Company)  
Condensed consolidated interim statement of cash flows - Unaudited  
(All amounts in thousands of Saudi Riyals unless otherwise stated)

| Note  | Nine-month period ended<br>September 30, |                |                  |
|---|--|----------------|------------------|
|   | 2022                                     | 2021           |                  |
| <b>Cash flows from operating activities</b>                             |  |                |                  |
| Profit before zakat and foreign income tax                              |  |                |                  |
| Continuing operations   | 49,160                                   | 38,433         |                  |
| Discontinued operations   | (5,212)                                  | (2,162)        |                  |
| Income before zakat and income tax including discontinued operations    | 43,948                                   | 36,271         |                  |
| <b>Adjustments for non-cash items</b>                                   |  |                |                  |
| Depreciation of property and equipment                                  | 3  | 5,955          | 8,161            |
| Depreciation of right of use assets                                     |  | 4,867          | 7,229            |
| Amortization of intangible assets                                       |  | 439            | 627              |
| Impairment losses on financial assets                                   | 7  | 11,227         | 6,204            |
| Impairment losses on inventories  | 6  | 2,372          | 5,142            |
| Gain on sale of property and equipment                                  |  | (150)          | (302)            |
| Share of profit from an associate                                       | 5  | (20,427)       | (21,157)         |
| Provision for employees' benefits obligation                            |  | 2,196          | 2,191            |
| Finance costs   |  | 14,496         | 12,593           |
| <b>Changes in working capital</b>                                       |  |                |                  |
| Trade and other receivables   |  | (26,369)       | (87,073)         |
| Inventories   |  | (132,544)      | (62,509)         |
| Prepayments and other debit balances                                    |  | (18,175)       | (11,601)         |
| Trade and other payables  |  | 176,217        | 26,234           |
| Warranty provision  |  | 1,477          | 88               |
| Zakat paid  |  | (6,671)        | (22,427)         |
| Finance costs paid  |  | (14,076)       | (12,593)         |
| End of service benefits paid  |  | (2,144)        | (2,918)          |
| <b>Net cash generated from/ (used in) operating activities</b>          |  | <b>42,638</b>  | <b>(115,840)</b> |
| <b>Cash flows from investing activities</b>                             |  |                |                  |
| Additions to property and equipment                                     | 3  | (704)          | (1,891)          |
| Proceeds from sale of property and equipment                            |  | 176            | 583              |
| <b>Net cash used in investing activities</b>                            |  | <b>(528)</b>   | <b>(1,308)</b>   |
| <b>Cash flows from financing activities</b>                             |  |                |                  |
| Payment of lease liabilities  |  | (4,638)        | (6,963)          |
| Repayment of bank borrowings  |  | (1,510,332)    | (1,106,802)      |
| Proceeds from bank borrowings   |  | 1,505,939      | 1,207,871        |
| <b>Net cash (used in) / generated from financing activities</b>         |  | <b>(9,031)</b> | <b>94,106</b>    |
| <b>Net change in cash and cash equivalents</b>                          |  |                |                  |
| Cash and cash equivalents at beginning of the period                    |  | 33,079         | (23,042)         |
| Cash and cash equivalents of disposal group classified as held for sale | 9  | 53,020         | 79,905           |
| Cash and cash equivalents at end of the period                          | 18                                       | (238)          | -                |
| Non-cash transactions   | 9  | 85,861         | 56,664           |
| Addition to right of use of assets                                      |  | 16,925         | 4,462            |
| Capital decrease  | 1  | 147,666        | -                |

The accompanying notes on pages 6 to 18 form an integral part of this condensed consolidated interim financial information.

  
Abdulrahman  
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Chairman

  
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Mazen Elghafar  
VP-Finance

**AL HASSAN GHAZI IBRAHIM SHAKER COMPANY**  
**(A Saudi Joint Stock Company)**  
**Notes to the condensed consolidated interim financial information**  
**For the three and nine-months periods ended September 30, 2022 (Unaudited)**  
**(All amounts in thousands of Saudi Riyals unless otherwise stated)**

**1 General information**

Al Hassan Ghazi Ibrahim Shaker Company (the "Company" (or) the "Parent Company" (or) "HGISC") is a joint stock company registered in the Kingdom of Saudi Arabia under Commercial Registration number 1010149252 and listed on The Saudi Stock Exchange ("Tadawul").

The principal activities of HGISC and its subsidiaries (collectively the "Group") and the address of the Group's head office remain the same as disclosed in the Group's annual consolidated financial statements for the year ended December 31, 2021.

The Company's Board of Directors recommended a decrease of the Company's share capital by an amount of SR 147.666 million to absorb the accumulated losses balance and subsequently increase it through an issuance of rights shares with the amount of SR 249 million as per the announcement dated 12 Jumad Al Awwal 1443 H (corresponding to December 16, 2021). The Company has also announced the submission of its application to reduce and increase the share capital on 19 Jamad Al Awwal 1443 H (Corresponding to December 23, 2021) to the Capital Market Authority (CMA). The CMA approved the Company's requests on March 15, 2022.

The Company's shareholders approved during the Extraordinary General Assembly Meeting held on 14 Shawwal, 1443 H (corresponding to May 15, 2022) the decrease in share capital of SR 147.666 million through absorbing all accumulated losses. The legal formalities for capital decrease were finalized on June 19, 2022. However, the legal formalities for issuance of rights are still in process till the date of issuance of this condensed consolidated interim financial information.

As at September 30, 2022, the authorized, issued, and paid-up share capital of the Company is SR 482.3 million divided on 48.2 million shares of SR 10 each. As at December 31, 2021, the authorized, issued, and paid-up share capital of the Company is SR 630 million divided on 63 million shares of SR 10 each.

This condensed consolidated interim financial information has been reviewed, not audited.

**2 Significant accounting policies**

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

**2.1 Basis of preparation**

This condensed consolidated interim financial information for the three and nine-month periods ended September 30, 2022, has been prepared in accordance with IAS 34 'Interim Financial Reporting' ("IAS 34"), as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

The condensed consolidated interim financial information does not include all the information and disclosures required in the annual consolidated financial statements and should therefore be read in conjunction with the Group's annual consolidated financial statements for the year ended December 31, 2021.

The condensed consolidated interim financial information comprises the financial information of the Company and its subsidiaries ("the Group").

**2.2 New and amended standards adopted by the Group**

Amendments to the IFRS, effective from January 1, 2021, or later - on, do not have any effect on the group's financial statements. Further, the Group has not early adopted any new standard, interpretation or amendment that have been issued but that are not yet effective.



**AL HASSAN GHAZI IBRAHIM SHAKER COMPANY**  
**(A Saudi Joint Stock Company)**  
**Notes to the condensed consolidated interim financial information**  
**For the three and nine-months periods ended September 30, 2022 (Unaudited)**  
**(All amounts in thousands of Saudi Riyals unless otherwise stated)**

**2. Significant accounting policies (continued)**

**2.3 Critical accounting estimates and judgments**

The preparation of the Group's condensed consolidated interim financial information requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liability affected in future periods. The Group based its assumptions and estimates on parameters available when the condensed consolidated interim financial information was prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

As at September 30, 2022, management believes that all sources of estimation uncertainty remain similar to those disclosed in the Group's annual consolidated financial statements for the year ended December 31, 2021. Management will continue to monitor the situation and any changes required will be reflected in future reporting periods.

**2.4 non-current assets (or disposal group) held for sale and discontinued operations**

Non-current assets (or disposal group) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, if any.

An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset (or disposal group) is recognized at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortized while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognized.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the condensed consolidated interim balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the condensed consolidated interim statement of financial position.

A discontinued operations is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the condensed consolidated interim statement of profit or loss and other comprehensive income.

**AL HASSAN GHAZI IBRAHIM SHAKER COMPANY**  
**(A Saudi Joint Stock Company)**  
**Notes to the condensed consolidated interim financial information**  
**For the three and nine-months periods ended September 30, 2022 (Unaudited)**  
**(All amounts in thousands of Saudi Riyals unless otherwise stated)**

**3 Property and equipment**

|  | September 30,<br>2022<br>(Unaudited) | December 31,<br>2021<br>(Audited) |
|--|--------------------------------------|-----------------------------------|
| Beginning – Net book value   | 197,345                              | 212,860                           |
| Additions for the period / year  | 704                                  | 2,660                             |
| Depreciation charge for the period / year                                    | (5,955)                              | (10,821)                          |
| Disposals for the period / year  | (26)                                 | (7,554)                           |
| Assets relating to disposal group classified as held for sale<br>(note 18.2) | (56)                                 | -                                 |
| Closing – Net book value   | <u>192,012</u>                       | <u>197,345</u>                    |

See note 10 for property and equipment pledged as security against banks borrowing.

**4 Intangible assets**

|                     | September 30,<br>2022<br>(Unaudited) | December 31,<br>2021<br>(Audited) |
|---------------------|--------------------------------------|-----------------------------------|
| Intangible assets   | 1,717                                | 2,156                             |
| Goodwill – note 4.1 | 9,854                                | 9,854                             |
|                     | <u>11,571</u>                        | <u>12,010</u>                     |

- 4.1 Effective November 12, 2014, HGISC effectively acquired 100% shareholding in ASDAA Gulf Trading Company ("ASDAA") for a purchase consideration of SR 20 million, which was in excess of the fair value of the net assets acquired by SR 9.854 million and has been recorded as goodwill. Based on the impairment assessment using value in use model, there was sufficient head room available, and accordingly, no impairment loss was recognized.

The Group's management performs goodwill impairment assessment annually and when there are indicators that the carrying value of goodwill may be impaired. Group's management believes that any reasonably possible change in the key assumptions used for impairment assessment performed on December 31, 2021 will not cause the carrying value of the goodwill to materially exceed its recoverable amount. Accordingly, no impairment loss was recognized for the nine-month period ended September 30, 2022.

**5 Investment in an associate**

| Name of Company                         | Principal activities            | Country of incorporation | Effective interest at                |                                   |
|---|---------------------------------|--------------------------|--------------------------------------|-----------------------------------|
|   |                                 |                          | September 30,<br>2022<br>(Unaudited) | December 31,<br>2021<br>(Audited) |
| LG Shaker Company Limited ("LG Shaker") | Manufacture of air conditioners | Saudi Arabia             | 49%                                  | 49%                               |

Reconciliation for the investment in an associate is as follows:

|                                       | September 30,<br>2022<br>(Unaudited) | December 31,<br>2021<br>(Audited) |
|---------------------------------------|--------------------------------------|-----------------------------------|
| At the beginning of the period / year | 442,395                              | 419,154                           |
| Share of profit for the period / year | 20,427                               | 23,241                            |
| At the end of the period / year       | <u>462,822</u>                       | <u>442,395</u>                    |

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**5 Investment in an associate (continued)**

LG Shaker

The following table summarizes the financial information of a material associate - LG Shaker as included in its own financial statements.

|   | September 30,<br>2022<br>(Unaudited) | December 31,<br>2021<br>(Audited) |
|---|--------------------------------------|-----------------------------------|
| Non-current assets                                  | 102,654                              | 102,888                           |
| Current assets                                      | 353,120                              | 286,757                           |
| Non-current liabilities                             | (10,152)                             | (9,106)                           |
| Current liabilities                                 | (115,537)                            | (102,541)                         |
| Net assets  | <u>330,085</u>                       | <u>277,998</u>                    |
|   | September 30,<br>2022<br>(Unaudited) | December 31,<br>2021<br>(Audited) |
| Revenue   | 469,663                              | 397,988                           |
| Total comprehensive income (100%) (*)               | 52,086                               | 43,267                            |
| Group share of total comprehensive income (49%) (*) | 20,427                               | 23,241                            |

(\*) The difference between the Group's share in net assets of the associate and share of total comprehensive income and 49% of associate reported net assets and total comprehensive income pertains to the adjustment made for the elimination of unrealized profit on upstream transactions between the Group and its associate.

**6 Inventories**

|                                  | September 30,<br>2022<br>(Unaudited) | December 31,<br>2021<br>(Audited) |
|----------------------------------|--------------------------------------|-----------------------------------|
| Finished goods                   | 458,966                              | 328,780                           |
| Spare parts                      | 41,683                               | 50,900                            |
| Goods in transit                 | 28,426                               | 16,851                            |
|                                  | <u>529,075</u>                       | <u>396,531</u>                    |
| Impairment losses on inventories | <u>(48,944)</u>                      | <u>(46,572)</u>                   |
|                                  | <u>480,131</u>                       | <u>349,959</u>                    |

Reconciliation of the impairment losses on inventories is as follows:

|                                       | September 30,<br>2022<br>(Unaudited) | December 31,<br>2021<br>(Audited) |
|---------------------------------------|--------------------------------------|-----------------------------------|
| Balance at beginning of period / year | 46,572                               | 41,914                            |
| Charge for the period / year          | 2,372                                | 6,114                             |
| Utilised during the period / year     | -                                    | (1,456)                           |
| Balance at end of period / year       | <u>48,944</u>                        | <u>46,572</u>                     |

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**7 Trade and other receivables**

|  | September 30,<br>2022<br>(Unaudited) | December 31,<br>2021<br>(Audited) |
|--|--------------------------------------|-----------------------------------|
| Trade receivables  | 491,714                              | 496,365                           |
| Less: Impairment loss on trade receivables                                   | <u>(103,056)</u>                     | <u>(113,433)</u>                  |
|  | <b>388,658</b>                       | <b>382,932</b>                    |
| Other receivables:   |                                      |                                   |
| Advertisement claims from suppliers  | 12,341                               | 2,925                             |
| Custom duty deposit  | 5,956                                | 5,956                             |
| Impairment losses on other receivables                                       | (5,956)                              | (5,956)                           |
| Assets relating to disposal group classified as held for sale<br>(note 18.2) | <u>(13,884)</u>                      | <u>-</u>                          |
|  | <b>387,115</b>                       | <b>385,857</b>                    |
| Current  | <b>374,744</b>                       | <b>372,572</b>                    |
| Non-current  | <u>12,371</u>                        | <u>13,285</u>                     |
|  | <b>387,115</b>                       | <b>385,857</b>                    |

Reconciliation of impairment losses on receivables is as follows:

|   | September 30,<br>2022<br>(Unaudited) | December 31,<br>2021<br>(Audited) |
|---|--------------------------------------|-----------------------------------|
| Balance at beginning of period / year               | 113,433                              | 98,751                            |
| Charge for the period / year                        | 11,227                               | 15,734                            |
| Adjustments / write - offs during the period / year | <u>(21,604)</u>                      | <u>(1,052)</u>                    |
| Balance at end of period / year                     | <b>103,056</b>                       | <b>113,433</b>                    |

The following table provides information about the exposure to credit risk and ECLs for trade receivables from customers as at September 30, 2022 and December 31, 2021:

| September 30, 2022<br>(Unaudited) | Gross carrying<br>amount         | Weighted-<br>average loss         | Loss<br>allowance (%)         |
|-----------------------------------|----------------------------------|-----------------------------------|-------------------------------|
| 1-90 days                         | 201,960                          | 6,054                             | 3.0%                          |
| 91-180 days                       | 102,367                          | 3,007                             | 2.9%                          |
| 181-270 days                      | 44,016                           | 1,986                             | 4.5%                          |
| 271-360 days                      | 9,913                            | 1,249                             | 12.6%                         |
| More than 360 days                | <u>133,458</u>                   | <u>90,760</u>                     | 68.0%                         |
|                                   | <b>491,714</b>                   | <b>103,056</b>                    | 21.0%                         |
| <b>December 31, 2021</b>          | <b>Gross carrying<br/>amount</b> | <b>Weighted-<br/>average loss</b> | <b>Loss<br/>allowance (%)</b> |
| 1-90 days                         | 185,152                          | 3,528                             | 1.9%                          |
| 91-180 days                       | 87,192                           | 1,615                             | 1.9%                          |
| 181-270 days                      | 44,745                           | 1,737                             | 3.9%                          |
| 271-360 days                      | 6,074                            | 439                               | 7.2%                          |
| More than 360 days                | <u>173,202</u>                   | <u>106,114</u>                    | 61.3%                         |
|                                   | <b>496,365</b>                   | <b>113,433</b>                    | 22.9%                         |

There is a credit concentration of approximately SR 128.3 million, representing 30% of total gross receivables as of September 30, 2022 (SR 144.2 million, representing 29% as of December 31, 2021). These credits are granted to two key customers.

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**8 Prepayments and other debt balances**

|                                     | September 30,<br>2022<br>(Unaudited) | December 31,<br>2021<br>(Audited) |
|-------------------------------------|--------------------------------------|-----------------------------------|
| Prepayments / advances to suppliers | 51,939                               | 33,235                            |
| Other                               | 6,243                                | 6,772                             |
| <b>Total</b>                        | <b>58,182</b>                        | <b>40,007</b>                     |

**9 Cash and cash equivalents**

|  | September 30,<br>2022<br>(Unaudited) | December 31,<br>2021<br>(Audited) |
|--|--------------------------------------|-----------------------------------|
| Cash in hand   | 1,347                                | 1,272                             |
| Bank balances (*)  | 84,752                               | 51,748                            |
| Assets relating to disposal group classified as held for sale<br>(note 18.2) | (238)                                | -                                 |
| <b>Total</b>   | <b>85,861</b>                        | <b>53,020</b>                     |

\* Included within bank balances, a balance of SR 10 million which represents a term deposit with one month maturity, hence this is classified as part of cash and cash equivalents.

**10 Lease liabilities and borrowings**

The Group has credit facility agreements with local and foreign commercial banks for long- and short-term borrowings in Saudi Riyal, US Dollar and Jordanian Dinar. Such facilities were obtained principally under Murabaha / Tawarruq arrangements. The utilized portion of the long-term facilities are repayable on equal monthly instalments ranging between four to six years. Certain facility agreements are secured against promissory notes and pledge of certain properties of the Group. Corporate guarantees of the Group are provided wherever required for loans to subsidiaries. The facilities bear financial charges on prevailing market rates. The agreements contain certain covenants, which among other things, requires certain financial ratios to be maintained.

**Secured liabilities and assets pledged as security**

All bank loans are secured by promissory notes signed by the parent Company equal to the maximum facility amount. Promissory notes amounted to SR 2,160 million as at September 30, 2022 (December 31, 2021: SR 971 million).

As at September 30, 2022, and December 31, 2021, the Group had some properties of SR 79 million pledged as bank loans guarantee.

**Compliance with loan covenants**

Under the terms of the loans agreements, the Group is required to commit to certain levels for the following financial covenants:

- 1- Financial leverage ratio,
- 2- Current ratio,
- 3- Gearing ratio (Debt to equity not to exceed 1.5:1).
- 4- Ratio of total liabilities and tangible net worth.

The Group complied with all financial covenants as of September 30, 2022, and December 31, 2021.

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**10 Lease liabilities and borrowings (continued)**

**Compliance with loan covenants (continued)**

As of September 30, 2022, the Group's total borrowing amounted to SR 2,160 million out of which SR 1,328 million facilities were unutilized.

|  | September 30,<br>2022<br>(Unaudited) | December 31,<br>2021<br>(Audited) |
|--|--------------------------------------|-----------------------------------|
| <b>Current:</b>                        |                                      |                                   |
| Lease Liability                        | 6,388                                | 3,367                             |
| Bank borrowings                        | 475,697                              | 409,127                           |
|  | <u>482,085</u>                       | <u>412,494</u>                    |
| <b>Non-current:</b>                    |                                      |                                   |
| Lease Liability                        | 13,326                               | 3,640                             |
| Bank borrowings                        | -                                    | 70,963                            |
|  | <u>13,326</u>                        | <u>74,603</u>                     |
| Total lease liabilities                | <u>19,714</u>                        | <u>7,007</u>                      |
| Total bank borrowings                  | <u>475,697</u>                       | <u>480,090</u>                    |
| Total lease liabilities and borrowings | <u>495,411</u>                       | <u>487,097</u>                    |

**11 Zakat and foreign income tax liabilities**

The Group submitted its zakat returns for the years up to 2021 to the Zakat, Tax and Customs Authority (ZATCA). Moreover, the Group's zakat returns for the years 2015 to 2018 were finalized and the related liabilities were paid during the period. The assessment related to the financial year of 2014 was finalized and initially resulted in an additional zakat amount of SR 4.8 million which has been appealed by the Group. The assessments related to 2019 and 2020 financial years have been finalized during the period and resulted in an additional initial zakat amount of SR 11.2 million. This amount has been appealed against the appeal committee on April 20, 2022. The Group's management and its zakat advisor believe that the current level of zakat provision is sufficient and adequate.

**12 Revenue**

The Group's revenue is derived from contracts with customers for sale of products and services provided. Control of product is transferred at a point in time and directly sold to customers and when services are rendered.

| September 30, 2022<br>(Unaudited)         | HVAC<br>solutions | Home<br>appliances | All other<br>segments | Total          |
|---|-------------------|--------------------|-----------------------|----------------|
| Saudi Arabia                              | 519,287           | 307,910            | -                     | 827,197        |
| Jordan                                    | 9,510             | 54,080             | 2,272                 | 65,862         |
| Total                                     | <u>528,797</u>    | <u>361,990</u>     | <u>2,272</u>          | <u>893,059</u> |
| <b>September 30, 2021<br/>(Unaudited)</b> |                   |                    |                       |                |
| Saudi Arabia                              | 446,379           | 329,479            | -                     | 775,858        |
| Jordan                                    | 5,196             | 53,178             | 2,751                 | 61,125         |
| Total                                     | <u>451,575</u>    | <u>382,657</u>     | <u>2,751</u>          | <u>836,983</u> |

A 32% of the Group total revenue were generated from two key clients for the period ended September 30, 2022 (30.5% for the period ended September 30, 2021).

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**13 Operating segments**

For management purposes, the Group is organized into three main business segments based on internal reporting provided to the chief operating decision maker.

Heating, ventilation, and air-conditioning solutions (HVAC): Represents residential and commercially conditioners including chillers and related services.

Home appliances: Represents televisions, washing machines, dryers, refrigerators, irons, gas cookers, and floor care

All other segments represent consultancy services for energy solutions and sale mobile phones.

The Executive Management Committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessments.

CoDM uses segments Profit Before Tax (PBT) to measure performance being the most relevant in evaluating the results of segments.

Transfer prices between operating segments are on mutually agreed terms in a manner similar to transactions with third parties.

**Segment information provided to the board of directors:**

The table below shows the segment information provided to the board of directors for the reportable segments for the period ended September 30, 2022, and also the basis on which revenue is recognized:

| For the period ended<br>September 30, 2022              | HVAC<br>Solutions | Home<br>appliances | Total<br>reportable<br>segments | All other<br>segments, | Adjustments<br>and<br>eliminations | Total     |
|---|-------------------|--------------------|---------------------------------|------------------------|------------------------------------|-----------|
| Revenues from external customers                        | 528,787           | 351,990            | 890,787                         | 2,272                  | -                                  | 893,059   |
| Cost of revenue   | (413,334)         | (275,957)          | (690,291)                       | (1,696)                | -                                  | (691,987) |
| Gross profit  | 115,463           | 86,033             | 200,496                         | 576                    | -                                  | 201,072   |
| General and administrative expenses                     | (37,819)          | (24,100)           | (61,919)                        | (131)                  | -                                  | (62,050)  |
| Selling and distribution expenses                       | (56,943)          | (31,180)           | (87,123)                        | (284)                  | -                                  | (87,407)  |
| Impairment loss on trade and<br>other receivables       | (8,856)           | (2,360)            | (11,216)                        | (11)                   | -                                  | (11,227)  |
| Other income, net                                       | 633               | 2,202              | 2,835                           | 6                      | -                                  | 2,841     |
| Income from operations                                  | 13,478            | 29,595             | 43,073                          | 156                    | -                                  | 43,229    |
| Finance costs   | (13,917)          | (562)              | (14,479)                        | (17)                   | -                                  | (14,496)  |
| Share of Profit from an associate                       | 20,427            | -                  | 20,427                          | -                      | -                                  | 20,427    |
| Segment's profit before zakat and<br>foreign income tax | 19,988            | 29,033             | 49,021                          | 139                    | -                                  | 49,160    |
| Zakat and foreign income tax                            | (4,749)           | (4,026)            | (8,775)                         | -                      | -                                  | (8,775)   |
| Net income for the period from<br>continuing operations | 15,239            | 25,007             | 40,246                          | 139                    | -                                  | 40,385    |

| For the period ended<br>September 30, 2021              | HVAC<br>Solutions | Home<br>appliances | Total<br>reportable<br>segments | All other<br>segments, | Adjustments<br>and<br>eliminations | Total     |
|---|-------------------|--------------------|---------------------------------|------------------------|------------------------------------|-----------|
| Revenues from external customers                        | 455,033           | 379,787            | 834,820                         | 2,183                  | -                                  | 836,963   |
| Cost of revenue   | (363,644)         | (295,719)          | (659,363)                       | (1,623)                | -                                  | (660,986) |
| Gross profit  | 91,389            | 84,068             | 175,457                         | 540                    | -                                  | 175,997   |
| General and administrative expenses                     | (43,074)          | (22,784)           | (65,858)                        | (157)                  | -                                  | (66,015)  |
| Selling and distribution expenses                       | (43,617)          | (29,566)           | (73,183)                        | (268)                  | -                                  | (73,451)  |
| Impairment loss on trade and<br>other receivables       | (3,478)           | (2,700)            | (6,178)                         | (7)                    | -                                  | (6,185)   |
| Other income  | (705)             | 204                | (501)                           | 2                      | -                                  | (499)     |
| Income from operations                                  | 515               | 29,222             | 29,737                          | 110                    | -                                  | 29,847    |
| Finance costs   | (11,951)          | (604)              | (12,555)                        | (16)                   | -                                  | (12,571)  |
| Share of Profit from an associate                       | 21,157            | -                  | 21,157                          | -                      | -                                  | 21,157    |
| Segment's profit before zakat and<br>foreign income tax | 9,721             | 28,618             | 38,339                          | 94                     | -                                  | 38,433    |
| Zakat and foreign income tax                            | (4,965)           | (3,665)            | (8,630)                         | -                      | -                                  | (8,630)   |
| Net income for the period from<br>continuing operations | 4,756             | 24,953             | 29,709                          | 94                     | -                                  | 29,803    |

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**13 Operating segments (continued)**

**Segment information provided to the Board of Directors (continued):**

|                                     | HVAC solutions | Home Appliances | Total reportable segments | All other segments, | Adjustments and eliminations | Total     |
|-------------------------------------|----------------|-----------------|---------------------------|---------------------|------------------------------|-----------|
| <b>September 30, 2022</b>           |                |                 |                           |                     |                              |           |
| Reportable segment assets           | 1,653,689      | 702,078         | 2,355,767                 | 17,287              | (660,645)                    | 1,712,409 |
| Additions to property and equipment | 694            | -               | 694                       | 10                  | -                            | 704       |
| <b>December 31, 2021</b>            |                |                 |                           |                     |                              |           |
| Reportable segment assets           | 1,462,030      | 580,302         | 2,042,332                 | 21,046              | (574,306)                    | 1,489,072 |
| Additions to property and equipment | 2,570          | 72              | 2,642                     | 18                  | -                            | 2,680     |
| <b>September 30, 2022</b>           |                |                 |                           |                     |                              |           |
| Total segment liabilities           | 959,140        | 354,977         | 1,314,117                 | 29,707              | (301,534)                    | 1,042,290 |
| <b>December 31, 2021</b>            |                |                 |                           |                     |                              |           |
| Total segment liabilities           | 782,101        | 268,418         | 1,050,519                 | 28,124              | (226,156)                    | 852,487   |

Adjustments and eliminations represent intercompany transactions and consolidation elimination entries transactions, and the intercompany transactions are mainly related to financing transactions.

The non-current assets are geographically located in Saudi Arabia by 96% as at September 30, 2022 (97% as at December 31, 2021) and in Jordan by 4% as at September 30, 2022 (3% as at December 31, 2021).

**14 Seasonality of operations**

The Group's HVAC solutions segments is subject to seasonal fluctuation as a result of weather conditions. In particular, the sale of air conditioners in key geographic areas are affected by winter weather conditions, which occur primarily during October to March. The Group attempts to minimize the seasonal impact by managing inventories to meet demand during this period.

For the 12 months ended September 30, 2022, the HVAC solutions segment reported revenue of SR 682 million (for 12 months ended September 30, 2021: SR 563 million) and net profit of SR 22.8 million (net profit for 12 months ended September 30, 2021: SR 31.1 million).

**15 Capital and financial risk management**

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor, and market confidence and to sustain future development of the business Management monitor the return on capital as well as the level of dividends to ordinary shareholders.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position,



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**15 Capital and financial risk management (continued)**

The Group monitors capital using a ratio of adjusted net debt' to 'adjusted equity". For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings, less cash, and cash equivalents. Adjusted equity comprises all components of equity.

The Group's adjusted net debt to equity ratio at September 30, 2022 was as follows:

|  | September 30,<br>2022<br>(Unaudited) | December 31,<br>2021<br>(Audited) |
|--|--------------------------------------|-----------------------------------|
| Total liabilities                        | 1,042,290                            | 852,487                           |
| Less: cash and cash equivalents          | (85,861)                             | (53,020)                          |
| <b>Adjusted net debt</b>                 | <b>956,429</b>                       | <b>799,467</b>                    |
| Total equity                             | 670,119                              | 636,585                           |
| Equity                                   | 670,119                              | 636,585                           |
| <b>Adjusted net debt to equity ratio</b> | <b>143%</b>                          | <b>126%</b>                       |

The management believes that the Group has ability to meet its obligation as:

- (a) The Group's current assets are more than its current liabilities; and
- (b) The Group manages its liquidity risk by ensuring that bank borrowing facilities from multiple banks are available (see Note 10).

Management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources and borrowing facilities from multiple banks to continue in business for the foreseeable future. Moreover, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as going concern. Therefore, this condensed consolidated interim financial information has been prepared on a going concern basis.

**16 Related parties**

*(a) Transactions with key management personnel*

The following table describes compensations to key management personnel:

|   | September 30,<br>2022<br>(Unaudited) | September 30,<br>2021<br>(Unaudited) |
|---|--------------------------------------|--------------------------------------|
| Short-term employees' benefits                      | 6,209                                | 4,997                                |
| Board of Directors and Audit Committee remuneration | 1,500                                | 1,350                                |

*(b) Related parties' balances*

|   | September<br>30, 2022<br>(Unaudited) | December<br>31, 2021<br>(Audited) |
|---|--------------------------------------|-----------------------------------|
| <b>Due to related parties</b>           |                                      |                                   |
| LG Shaker (Associate)                   | 259,478                              | 128,427                           |
| LG Electronics (51% owner of LG shaker) | 18,404                               | 19,323                            |

The above balances have been classified under trade and other payable.

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**16 Related parties (continued)**

*(c) Related Parties transactions*

The following transactions are conducted in accordance with the terms and conditions of commission and are determined in the agreements signed with the related parties and approved by the management.

|                                       | September 30,<br>2022<br>(Unaudited) | September 30,<br>2021<br>(Unaudited) |
|---------------------------------------|--------------------------------------|--------------------------------------|
| <b>Purchases from related parties</b> |                                      |                                      |
| LG Shaker                             | 489,793                              | 317,091                              |
| LG Electronics                        | 54,012                               | 48,008                               |
| <b>Settlement to related parties</b>  |                                      |                                      |
| LG Shaker                             | (358,742)                            | (309,918)                            |
| LG Electronics                        | (54,931)                             | (46,918)                             |

**17 Contingencies and commitments**

The Group has the following as at September 30, 2022.

- At September 30, 2022, the Group has outstanding bank guarantees of SR 39.4 million (December 31, 2021: SR 38.7 million) issued by the local and foreign banks in respect of importing of finished goods and other supplies.
- At September 30, 2022, the Group has outstanding bank letters of credit of SR 336 million (December 31, 2021: SR 175 million) issued against importing of finished goods and other supplies.
- The Company has a contractual obligation with regard to purchase of land amounting to SR 10.9 million as of September 30, 2022.

**18 Disposal group classified as held for sale**

On September 11, 2022, the Board of Directors of Al Hassan Ghazi Ibrahim Shaker Company committed to a plan to sell Energy Management services Emirates LLC (EMS) which is a 74% owned by the Group and an active program to locate a buyer and complete the plan is applied. An analysis of the results in relation to the operations of disposal group classified as held for sale during the period ended September 30, 2022, and 2021 is as follows:

**18.1 Financial performance and cash flow information**

|  | For the nine-month<br>period ended Sep 30, |                 | For the three-month<br>period ended Sep 30, |                |
|--|--|-----------------|---|----------------|
|  | 2022                                       | 2021            | 2022  | 2021           |
| Revenue  | 903  | 1,650           | 321   | 733            |
| Expenses   | (6,115)                                    | (3,812)         | (1,475)                                     | (1,368)        |
| <b>Loss before zakat and income tax</b>  | <b>(5,212)</b>                             | <b>(2,162)</b>  | <b>(1,154)</b>                              | <b>(635)</b>   |
| Income tax expense   | -  | -               | -   | -              |
| <b>Net loss from discontinued operations</b>                                     | <b>(5,212)</b>                             | <b>(2,162)</b>  | <b>(1,154)</b>                              | <b>(635)</b>   |
| Other comprehensive (loss) /income from discontinued operations                  | (46)                                       | 128             | 18  | 163            |
| <b>Total comprehensive loss from discontinued operations</b>                     | <b>(5,258)</b>                             | <b>(2,034)</b>  | <b>(1,136)</b>                              | <b>(472)</b>   |
| Net cash used in operating activities  | (1,214)                                    | (8,570)         | (18)  | (1,046)        |
| Net cash used in financing activities  | -  | (5,148)         | -   | -              |
| <b>Net decrease in cash and cash equivalent from the discontinued operations</b> | <b>(1,214)</b>                             | <b>(13,718)</b> | <b>(18)</b>                                 | <b>(1,046)</b> |

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

**18 Disposal group classified as held for sale (continued)**

**18.2 Assets and liabilities of disposal group classified as held for sale**

The following assets and liabilities are classified as held for sale in relation to the discontinued operations as at September 30, 2022:

|   | <u>2022</u>   |
|---|---------------|
| <b>Assets relating to disposal group classified as held for sale</b>      |               |
| Property and equipment  | 56            |
| Trade and other receivables   | 13,884        |
| Cash and cash equivalents   | 238           |
| <b>Total assets of disposal group classified as held for sale</b>         | <u>14,178</u> |
| <b>Liabilities relating to disposal group classified as held for sale</b> |               |
| Employee benefits obligation  | 3,718         |
| Trade and other payables  | 5,210         |
| <b>Total liabilities of disposal group classified as held for sale</b>    | <u>8,928</u>  |

- The statement of cash flow is presented based on the consolidated figures, the Group considered the Cash and cash equivalents of the disposal group classified as held for sale as not significant.
- The segment information related to the disposal group classified as held for sale is included in other segments category (see note 13).
- On November 2, 2022, The Group signed an agreement with the minority shareholders for exiting its entire share of investment in Energy Management services Emirates LLC (EMS) group for a transaction price of SR 14.5 million (See note 21).

**19 The impact of COVID-19**

The existence of novel coronavirus (Covid-19) was confirmed in early 2020 and causing disruptions to businesses and economic activity across the globe. In response to the spread of the Covid-19 in GCC and other territories where Group operates and its resulting disruptions to the social and economic activities in those markets, the Group's management has proactively assessed its impacts on its operations and has taken a series of preventive measures to ensure the health and safety of its employees, customers, consumers and wider community and continuity of supply of its products throughout its markets. Notwithstanding these challenges, the Group's business operations currently remain largely unaffected. Based on that, Covid-19 pandemic has had no material effects on the Group's reported financial results for the three and nine months period ended September 30, 2022.

**20 Basic and diluted earnings per share**

Basic and diluted earnings per share amounts are calculated by dividing the earnings for the period ended attributable to shareholders of the Parent Company by the weighted average number of ordinary shares outstanding, as follows:

|  | <u>September 30,<br/>2022</u> | <u>September 30,<br/>2021</u> |
|--|-------------------------------|-------------------------------|
| <b>Earnings attributable to ordinary shareholders</b>  |                               |                               |
| From continuing operations   | 40,149                        | 29,268                        |
| From discontinued operations   | (5,212)                       | (2,162)                       |
|  | <u>34,937</u>                 | <u>27,106</u>                 |
| <b>Weighted average number of ordinary shares outstanding</b>  | <u>48,223</u>                 | <u>63,000</u>                 |
| <b>Basic and diluted earnings per share</b>  |                               |                               |
| From continuing operations attributable to the ordinary equity holders of the Group                        | 0.83                          | 0.46                          |
| From discontinued operations attributable to the ordinary equity holders of the Group                      | (0.11)                        | (0.03)                        |
| <b>Total basic and diluted earnings per share attributable to the ordinary equity holders of the Group</b> | <u>0.72</u>                   | <u>0.43</u>                   |

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**21 Subsequent events**

There are no subsequent events after the period ended at September 30, 2022, which requires adjustment or disclosure to this condensed consolidated interim financial information except for the fact that subsequent to the end of the period and on November 2, 2022, the Parent Company has entered into an agreement with the minority shareholders for exiting its entire share of investment in Energy Management services Emirates LLC (EMS) group for a transaction price of SR 14.5 million (see note 18).

**22 Approval of the financial information**

This condensed consolidated interim financial information was approved by the Company's Board of Directors on November 7, 2022.