

Mayar Holding Company
(A Saudi Joint Stock Company)

**Unaudited Interim Condensed Consolidated Financial
Statements**

For the six-month period ended 30 June 2023

and independent auditor's review report

Mayar Holding Company
(A Saudi Joint Stock Company)

Interim condensed consolidated financial statements

For the six-month period ended 30 June 2023

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**Independent auditor's review report on the interim condensed consolidated financial statements
to the shareholders of Mayar Holding Company**

(A Saudi joint stock company)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Mayar Holding Company, A Saudi Joint Stock Company, (the "Company") and its Subsidiaries (the "Group") as at 30 June 2023 and the related interim condensed consolidated statements of income, other comprehensive income, changes in equity and cash flows for the six-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 consolidated financial statements in accordance with International Accounting Standard 34 – "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated 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 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 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 consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

For Alluhaid & Alyahya Chartered Accountants



Saleh A. Al-Yahya
Certified Public Accountant
License No. 473



Riyadh: 14 Safar 1445H
(30 August 2023)

Mayar Holding Company
(A Saudi Joint Stock Company)

Interim condensed consolidated statement of income

For the six-month period ended

	Notes	30 June 2023 SR	30 June 2022 SR
		<i>Unaudited</i>	
Revenue	4	187,392,489	246,716,957
Cost of sales		(169,694,466)	(217,266,997)
GROSS PROFIT		17,698,023	29,449,960
Selling and distribution expenses		(5,266,381)	(4,856,485)
General and administrative expenses		(18,543,524)	(17,714,524)
Provision for expected credit losses on trade receivables and contract assets		(1,425,960)	(201,960)
OPERATING (LOSS) INCOME		(7,537,842)	6,676,991
Financial charges		(7,586,117)	(4,176,909)
Other income		1,925,683	6,393,867
(LOSS) INCOME BEFORE ZAKAT		(13,198,276)	8,893,949
Zakat		(200,000)	(250,000)
NET (LOSS) INCOME FOR THE PERIOD		(13,398,276)	8,643,949
Attributable to:			
Equity holders of the parent		(12,951,039)	6,456,556
Non-controlling interests		(447,237)	2,187,393
		(13,398,276)	8,643,949
Basic and diluted (loss) earnings per share (Saudi Riyal)			
(Loss) earnings per share from net (loss) income for the period attributable to equity holders of the parent	8c	(2.16)	1.52

Mayar Holding Company
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Interim condensed consolidated statement of other comprehensive income
For the six-month period ended

	30 June 2023 SR	30 June 2022 SR
	<u>Unaudited</u>	
Net income for the period	(13,398,276)	8,643,949
Other comprehensive income		
<i>Items that will be reclassified subsequently to the consolidated statement of income:</i>		
Foreign currency translation	(30,527,162)	(3,685,428)
	(30,527,162)	(3,685,428)
<i>Items that will not be reclassified subsequently to the consolidated statement of income:</i>		
Remeasurement (loss) gain on defined benefit obligation	(417,664)	1,351,013
Revaluation of freehold land	4,090,337	-
	3,672,673	1,351,013
Net movement of other comprehensive loss for the period	(26,854,489)	(2,334,415)
Total comprehensive (loss) income for the period	(40,252,765)	6,309,534
Attributable to:		
Equity holders of the parent	(31,353,376)	4,122,141
Non-controlling interests	(8,899,389)	2,187,393
	(40,252,765)	6,309,534

Mayar Holding Company
(A Saudi Joint Stock Company)

Interim condensed consolidated statement of financial position

	Notes	As at 30 June 2023 SR Unaudited	As at 31 December 2022 SR Audited
ASSETS			
CURRENT ASSETS			
Inventories	6	86,467,886	89,381,561
Trade receivables		57,347,298	70,713,856
Contract assets		52,041,220	25,439,677
Prepayment and other current assets		31,553,264	38,590,239
Amounts due from related parties	7	17,226,592	17,707,696
Cash and bank balances		7,263,903	9,651,693
TOTAL CURRENT ASSETS		251,900,163	251,484,722
NON-CURRENT ASSETS			
Property, plant and equipment		201,582,938	226,121,264
Right-of-use assets		9,017,746	9,409,697
TOTAL NON-CURRENT ASSETS		210,600,684	235,530,961
TOTAL ASSETS		462,500,847	487,015,683
LIABILITIES AND EQUITY			
LIABILITIES			
CURRENT LIABILITIES			
Current portion of lease liabilities		5,256,994	4,438,681
Bank overdrafts and short-term borrowings		203,439,085	178,832,450
Current portion of long-term borrowings		26,302,956	28,898,387
Trade payables, accruals and others		83,695,385	81,338,601
Contract liabilities		28,764,108	27,783,851
Amounts due to related parties	7	20,087,748	21,516,599
Amounts due to shareholders	7	790,784	1,334,465
Zakat and income tax payable		395,234	1,433,114
TOTAL CURRENT LIABILITIES		368,732,294	345,576,148
NON-CURRENT LIABILITIES			
Lease liabilities		3,759,957	4,511,251
Long-term borrowings		21,430,004	31,404,033
Employee benefit obligations		14,228,059	13,039,555
TOTAL NON-CURRENT LIABILITIES		39,418,020	48,954,839
TOTAL LIABILITIES		408,150,314	394,530,987
EQUITY			
Share capital	8a	60,000,000	60,000,000
Statutory reserve		1,580,638	1,580,638
Asset revaluation surplus		38,060,793	34,933,797
(Accumulated losses) retained earnings		(4,954,715)	8,413,203
Foreign currency translation reserve		(51,101,535)	(29,989,081)
Share based payment reserve	9	4,057,556	3,461,511
Treasury shares	8b	(1,283,933)	(1,283,933)
Equity attributable to equity holders of the parent		46,358,804	77,116,135
Non-controlling interest		7,991,729	15,368,561
TOTAL EQUITY		54,350,533	92,484,696
TOTAL LIABILITIES AND EQUITY		462,500,847	487,015,683

The attached notes 1 to 12 form an integral part of these interim condensed consolidated financial statements.

Mayar Holding Company
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Interim condensed consolidated statement of changes in equity
For the six-month period ended

	Attributable to equity holders of the Parent										Total equity
	Share Capital	Share premium	Share based payment reserve	Statutory reserve	(Accumulated loss) retained earnings	Treasury shares	Asset revaluation surplus	Foreign currency translation reserve	Total	Non-controlling interest	
	SR	SR	SR	SR	SR	SR		SR	SR	SR	SR
Balance as at 1 January 2022	5,000,000	-	-	1,500,000	6,895,649	(121,364)	-	1,536,495	14,810,780	4,998,385	19,809,165
Net income for the period	-	-	-	-	6,456,556	-	-	-	6,456,556	2,187,393	8,643,949
Other comprehensive income (loss)	-	-	-	-	1,351,013	-	-	(3,685,428)	(2,334,415)	-	(2,334,415)
Total comprehensive income for the period	-	-	-	-	7,807,569	-	-	(3,685,428)	4,122,141	2,187,393	6,309,534
Non-controlling interest share in capital increase of a subsidiary	-	-	-	-	-	-	-	-	-	2,266,567	2,266,567
Share-based payments (note 9)	-	-	1,730,757	-	-	-	-	-	1,730,757	-	1,730,757
Increase in capital	670,000	55,007,000	-	-	-	-	-	-	55,677,000	-	55,677,000
Transfer to share capital	54,330,000	(54,330,000)	-	-	-	-	-	-	-	-	-
Increase in treasury shares	-	-	-	-	-	(1,162,569)	-	-	(1,162,569)	-	(1,162,569)
Transaction cost	-	(677,000)	-	-	(1,883,656)	-	-	-	(2,560,656)	-	(2,560,656)
Balance as at 30 June 2022 (Unaudited)	60,000,000	-	1,730,757	1,500,000	12,819,562	(1,283,933)	-	(2,148,933)	72,617,453	9,452,345	82,069,798
Balance as at 1 January 2023	60,000,000	-	3,461,511	1,580,638	8,413,203	(1,283,933)	34,933,797	(29,989,081)	77,116,135	15,368,561	92,484,696
Net loss for the period	-	-	-	-	(12,951,039)	-	-	-	(12,951,039)	(447,237)	(13,398,276)
Other comprehensive income (loss)	-	-	-	-	(416,879)	-	3,126,996	(21,112,454)	(18,402,337)	(8,452,152)	(26,854,489)
Total comprehensive loss for the period	-	-	-	-	(13,367,918)	-	3,126,996	(21,112,454)	(31,353,376)	(8,899,389)	(40,252,765)
Share-based payments (note 9)	-	-	596,045	-	-	-	-	-	596,045	-	596,045
Non-controlling interest share in capital increase of a subsidiary	-	-	-	-	-	-	-	-	-	1,522,557	1,522,557
Balance as at 30 June 2023 (Unaudited)	60,000,000	-	4,057,556	1,580,638	(4,954,715)	(1,283,933)	38,060,793	(51,101,535)	46,358,804	7,991,729	54,350,533

The attached notes 1 to 12 form an integral part of these interim condensed consolidated financial statements.

Mayar Holding Company
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Notes to the interim condensed consolidated statement of cash flows
For the six-month period ended

	30 June 2023 SR	30 June 2022 SR
	<u>Unaudited</u>	
OPERATING ACTIVITIES		
(Loss) income before zakat	(13,198,276)	8,893,949
<i>Adjustments</i>		
Depreciation of property, plant and equipment	5,306,582	5,741,359
Depreciation of right-of-use assets	2,144,179	1,290,591
Right of use written off and termination of lease liability	-	978,639
Share-based payment expense	596,045	1,730,757
Provision for expected credit losses on trade receivables and contract assets	1,425,960	1,436,020
Provision for (reversal of) slow-moving and obsolete inventories	730,984	(60,029)
Provision for employees defined benefit obligation	1,422,504	1,102,407
Financial charges	7,586,117	4,176,909
Net foreign exchange differences	(3,932,867)	(1,880,616)
Gain on disposal of property, plant and equipment	(34,928)	(104,659)
	<u>2,046,300</u>	<u>23,305,327</u>
<i>Changes in operating assets and liabilities:</i>		
Inventories	2,182,691	(28,647,043)
Trade receivables	11,940,598	(21,255,608)
Prepayments and other current assets	7,036,975	3,100,275
Related parties, net	(947,747)	(4,119,943)
Trade payables, accruals and others	2,356,784	10,047,774
Contract assets	(26,601,543)	(3,549,792)
Contract liabilities	980,257	(9,288,758)
	<u>(1,005,685)</u>	<u>(30,407,768)</u>
Zakat paid	(1,237,880)	(639,013)
Finance charges paid	(7,586,117)	(4,060,308)
Employee defined benefit obligations paid	(651,664)	(1,465,928)
Net cash flows used in operating activities	<u>(10,481,346)</u>	<u>(36,573,017)</u>
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(3,007,679)	(2,830,720)
Proceeds from the disposal of property, plant and equipment	36,126	120,400
Net cash flows used in investing activities	<u>(2,971,235)</u>	<u>(2,710,320)</u>
FINANCING ACTIVITIES		
Net movement in borrowings	12,037,175	(15,351,682)
Amounts due to shareholders, net	(543,681)	(995,351)
Repayment of principal portion of lease liabilities	(1,950,942)	(1,032,728)
Non-controlling interest share in capital increase of a subsidiary	1,522,557	2,266,567
Proceeds from issuance of shares	-	55,000,000
Transaction cost	-	(1,883,656)
Increase in treasury shares	-	(1,162,569)
Net cash flows from financing activities	<u>11,065,109</u>	<u>36,840,581</u>
Net decrease in cash and bank balances	<u>(2,387,790)</u>	<u>(2,442,756)</u>
Cash and bank balances at beginning of the period	9,651,693	16,134,317
Cash and bank balances at end of the period	<u>7,263,903</u>	<u>13,691,561</u>
NON-CASH TRANSACTIONS		
Additions to right of use and lease liability	2,483,646	425,219
Remeasurement loss (gain) on obligation of employee defined benefits	417,664	(1,351,013)
Revaluation of freehold land	4,090,337	-

The attached notes 1 to 12 form an integral part of these interim condensed consolidated financial statements.

Mayar Holding Company (A Saudi Joint Stock Company)

Notes to the interim condensed consolidated financial statements

30 June 2023

1 CORPORATE INFORMATION

Mayar Holding Company (the “Company”) is a Saudi joint stock company registered in Riyadh, Kingdom of Saudi Arabia with commercial registration No. 1010398836 dated 20 Safar 1435H (corresponding to 23 December 2013). The Company is licensed to engage in managing subsidiaries of holding companies, owning real estate and movables necessary for holding companies, providing loans, guarantees, and financing for subsidiaries of holding companies, owning and leasing industrial property rights to subsidiaries of holding companies.

During the year ended 31 December 2021, the Company’s board of directors approved the plan to list the Company’s ordinary shares in Nomu – Parallel Market which was performed by way of private placement. The offering did not constitute an offer to the public in any jurisdiction outside Kingdom of Saudi Arabia. Trading in listed shares on the parallel market is limited to existing shareholders (excluding the Company’s major shareholders who own (5%) or more of share capital and to whom the prohibition period is applicable), as well as categories of qualified investors. On 22 Shaban 1444H (corresponding to 14 March 2023), Capital Market Authority (CMA) approved the Company’s application to register its shares for direct listing on Nomu – Parallel Market. The Company’s shares were listed on Nomu – Parallel Market on 20 Ramadan 1444H (corresponding to 11 April 2023). From the date of listing, the Company has started trading as a Joint Stock Company.

The interim financial statements of following subsidiaries are included in these interim condensed consolidated financial statements:

<i>Directly and indirectly owned subsidiary</i>	<i>Principal activities</i>	<i>Country of incorporation</i>	<i>30 June 2023</i>	<i>31 December 2022</i>
Gulf Elevators & Escalators Company Limited	Manufacturing Elevators & Escalators	Saudi Arabia	100%	100%
Fuji Saudi Arabia for Elevators & Escalators Company Limited.	Trading Elevators & Escalators	Saudi Arabia	100%	100%
Elevators Solutions for Operation & Maintenance Company	Trading Elevators & Escalators	Saudi Arabia	100%	100%
Egypt Gulf Elevators & Escalators Company Limited. (i)	Manufacturing Elevators & Escalators	Arab Republic of Egypt	60%	60%
Jedaya Agriculture Company	Trading in feed and agriculture	Saudi Arabia	100%	100%
Saudi Drip Irrigation Company Limited	Trading in Irrigation systems	Saudi Arabia	100%	100%
Misr Gulf for Modern Industries Company	Manufacturing rubber soles for shoes	Arab Republic of Egypt	100%	100%
Creative Performance Co. for Elevators	Trading Elevators & Escalators	Saudi Arabia	100%	100%
Ajda Trading Company (i)	Trading and Manufacturing food products	Saudi Arabia	74%	74%
Food Development Trading Co. (Alnamiah) (i)	Trading in Poultry products	Saudi Arabia	55.76%	55.76%
Rasa Company for Food Industries (ii)	Food Manufacturing	Saudi Arabia	97.4%	-

(i) These are indirectly owned subsidiaries.

(ii) The entity was established on 25 Duh Al-Qi’dah 1444 H (corresponding to 15 June 2023) and has not started any operations as of 30 June 2023.

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Notes to the interim condensed consolidated financial statements (continued)

30 June 2023

2 BASIS OF PREPARATION

These interim condensed consolidated financial statements for the six months period ended 30 June 2023 have been prepared in accordance with the International Accounting Standard 34 '*Interim Financial Reporting*' ("*IAS 34*") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

The Group has prepared the interim condensed consolidated financial statements on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. The Group's current liabilities exceeded its current assets by SR 117 million (31 December 2022: SR 94 million). The Directors have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The interim condensed consolidated financial statements do 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 31 December 2022.

Certain prior period figures have been reclassified to conform to the current period's presentation.

3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022. Except for the adoption of new standards effective as of 1 January 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. As detailed below, several amendments apply for the first time in 2023, but do not have an impact on the interim condensed consolidated financial statements of the Group.

IFRS 17 Insurance Contracts - In May 2017, the IASB issued IFRS 17 Insurance Contracts, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. IFRS 17 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

The amendments had no impact on the Group's interim condensed consolidated financial statements.

Definition of Accounting Estimates - Amendments to IAS 8 - The amendments to IAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Group's interim condensed consolidated financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 - The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments had no impact on the Group's interim condensed consolidated financial statements, but are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements.

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Notes to the interim condensed consolidated financial statements (continued)

30 June 2023

3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP (continued)

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12 - The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the Group's interim condensed consolidated financial statements.

4 REVENUE

	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
	<i>Unaudited</i>	
	SR	SR
Sale of feed and agriculture products	72,125,541	108,251,013
Sale of elevators and escalators	64,702,126	75,251,273
Sale of plastic products	38,556,558	52,074,626
Maintenance services	8,811,854	8,612,258
Sale of spare parts	3,196,410	2,527,787
	<u>187,392,489</u>	<u>246,716,957</u>

5 SEGMENT INFORMATION

The following tables present revenue and income before zakat information for the Group's operating segments for the six-month period ended 30 June 2023 and 2022, respectively:

	<i>Elevators and escalators</i>	<i>Feed and agriculture</i>	<i>Plastic</i>	<i>Mayar Holding Company</i>	<i>Adjustments and eliminations</i>	<i>Consolidated</i>
	SR	SR	SR	SR	SR	SR
Six-month period ended 30 June 2023						
Revenue						
External customer	76,710,389	72,125,541	38,556,558	-	-	187,392,489
Total revenue	<u>76,710,389</u>	<u>72,125,541</u>	<u>38,556,558</u>	<u>-</u>	<u>-</u>	<u>187,392,489</u>
Results						
Segment income (loss) before zakat	<u>3,287,981</u>	<u>(8,767,248)</u>	<u>(1,475,041)</u>	<u>(12,096,417)</u>	<u>5,852,449</u>	<u>(13,198,276)</u>
Six-month period ended 30 June 2022						
Revenue						
External customer	86,391,318	108,251,013	52,074,626	-	-	246,716,957
Total revenue	<u>86,391,318</u>	<u>108,251,013</u>	<u>52,074,626</u>	<u>-</u>	<u>-</u>	<u>246,716,957</u>
Results						
Segment income before zakat	<u>7,823,576</u>	<u>1,473,345</u>	<u>1,695,760</u>	<u>8,039,555</u>	<u>(10,138,287)</u>	<u>8,893,949</u>

The Group does not have any intersegment revenue.

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Notes to the interim condensed consolidated financial statements (continued)
30 June 2023

5 SEGMENT INFORMATION (continued)

The following table presents assets and liabilities information for the Group's operating segments as at 30 June 2023 and 31 December 2022, respectively:

	<i>Elevators and escalators SR</i>	<i>Feed and agriculture SR</i>	<i>Plastic SR</i>	<i>Mayar Holding Company SR</i>	<i>Adjustments and eliminations SR</i>	<i>Consolidated SR</i>
Assets						
30 June 2023	355,600,338	168,814,251	57,609,033	81,159,523	(200,682,298)	462,500,847
31 December 2022	338,580,902	183,548,028	64,684,809	111,238,024	(211,036,080)	487,015,683
Liabilities						
30 June 2023	331,412,809	157,362,935	29,783,256	35,347,150	(145,755,836)	408,150,314
31 December 2022	300,190,837	161,726,788	46,267,795	35,322,938	(148,977,371)	394,530,987

6 INVENTORIES

	<i>30 June 2023 Unaudited SR</i>	<i>31 December 2022 Audited SR</i>
Raw materials	54,516,310	50,380,800
Finished goods	23,778,155	32,895,878
Consumables	11,086,721	9,467,347
Work in progress	4,158,624	2,978,476
	93,539,810	95,722,501
Less: provision for obsolete and slow-moving inventories	(7,071,924)	(6,340,940)
	86,467,886	89,381,561

Movement in provision for obsolete and slow-moving inventories was as follows:

	<i>For the six- month period ended 30 June 2023 Unaudited SR</i>	<i>For the year ended 31 December 2022 Audited SR</i>
At beginning of the period/year	6,340,940	7,026,333
Charge (reversal) for the period/year	730,984	(685,393)
At end of the period/year	7,071,924	6,340,940

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Notes to the interim condensed consolidated financial statements (continued)
30 June 2023

7 RELATED PARTIES TRANSACTIONS AND BALANCES

In the normal course of business, the Group transacts with related parties. The outstanding balance with related parties is unsecured and without interest and is payable on demand unless otherwise stated.

Following are the details of the significant transactions with related parties during the six-month period ended 30 June:

Name of related party	Nature of relationship	Nature of transaction	Amount of transaction	
			Unaudited	
			2023 SR	2022 SR
Helwan Machinery & Equipment Company	Affiliate	Sales	25,927,929	42,876,275
		Delay penalty	-	3,061,989
Aklina Trading Company	Affiliate	Advance payment for investment	-	3,500,000
Misr Gulf for Contracting Company	Affiliate	Expenses paid on behalf of the Group	-	3,483,993
Sadric Egypt for Industries	Affiliate	Expenses paid on behalf of the Group	-	272,167
Clarity of Vision Information Technology	Affiliate	Advance payment for IT services	187,621	253,376
		IT service charges	443,500	863,000
		End of service benefits	159,054	-
Misr Polymers Company	Affiliate	Expenses paid on behalf of the Group	-	50,444
Taya Holding Company	Shareholder	End of service benefits	-	21,984
Taya Real Estate Company	Affiliate	Rent charges	1,100,387	955,855

Following is a summary of balances with related parties, which are shown in the interim condensed consolidated statement of financial position as at 30 June 2023 and 31 December 2022:

Amounts due from related parties

	30 June 2023 Unaudited SR	31 December 2022 Audited SR
Sadric Egypt for Industries	7,745,352	8,313,031
Arabian Gulf for Contracting and Maintenance Company	4,105,746	4,161,459
Aklina Trading Company	3,530,207	3,531,292
Misr Gulf for Contracting Company	769,179	962,353
Adeeb Alfadil	398,329	393,873
Clarity of Vision Information Technology	332,247	-
Ali Alhumaid	279,953	279,953
Misr Polymers Company	65,579	65,735
	17,226,592	17,707,696

Amounts due to related parties

	30 June 2023 Unaudited SR	31 December 2022 Audited SR
Helwan Company for Machinery and Equipment	10,377,078	11,138,356
National Authority for Military Production	9,616,759	10,378,037
Taya Real Estate Company	93,911	206
	20,087,748	21,516,599

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Notes to the interim condensed consolidated financial statements (continued)
30 June 2023

7 RELATED PARTIES TRANSACTIONS AND BALANCES (continued)

Amounts due to shareholders

	30 June 2023 <i>Unaudited</i> SR	31 December 2022 <i>Audited</i> SR
Mr. Hatem Elharthy	750,000	1,300,000
Mr. Fahad Al Ajlan	34,465	34,465
TAYA Holding Company	6,319	-
	<u>790,784</u>	<u>1,334,465</u>

Compensations for the key management personnel of the Group

The key management personnel of the Group consist of the Board of Directors and senior management members who have the authority and responsibility for planning, directing and controlling the activities of the Group.

	For the six- month period ended 30 June 2023 <i>Unaudited</i> SR	For the six-month period ended 30 June 2022 SR
Salaries and benefits – short term	2,278,925	3,355,047
Salaries and benefits – long term	97,200	106,650

8 SHARE CAPITAL, TREASURY SHARES AND EARNINGS PER SHARE

a. Share capital

As at 30 June 2023, the share capital of the Company consists of 6,000,000 share of par value of SR 10 each (31 December 2022: 6,000,000 shares of par value of SR 10 each).

b. Treasury shares

The reserve for the Company's treasury shares comprises the cost of the Company's shares held by the Company. As at 30 June 2023, the Company held 1,545 shares (31 December 2022: 1,545 shares) amounting to SR 1,283,933 (31 December 2022: SR 1,283,933).

c. Earnings per share (EPS)

EPS is calculated by dividing the net income for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
Net (loss) income for the period attributable to ordinary equity holders of the parent (SR)	(12,951,039)	6,456,556
Weighted average number of ordinary shares	5,998,455	4,257,231
(Loss) earning per share (SR)	(2.16)	1.52

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Notes to the interim condensed consolidated financial statements (continued)
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9 SHARE-BASED PAYMENTS

Senior Executive Plan

Under the Senior Executive Plan (SEP), share of the Company are granted to certain senior executives of the Company provided the said executive must remain in service for a period of two years from the date of grant.

During the period ended 30 June, the Company had the following share-based payment arrangements:

<i>Plan</i>	<i>Grant Date</i>	<i>Number of shares</i>	<i>Vesting date</i>	<i>Vesting conditions</i>
2023				
Senior Executive plan	12 December 2021	2,800	12 December 2023	Remain in service
		2,800		
2022				
Senior Executive plan	12 December 2021	2,800	12 December 2022	Remain in service
	12 December 2021	2,800	12 December 2023	Remain in service
		5,600		

The senior executives will be entitled for shares on above mentioned vesting date. There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share-based plan. The Group accounts for the SEP as an equity-settled plan.

During the period ended 30 June 2023, the Company recognized expenses amounting to SR 596,045 (30 June 2022: SR 1,730,757) for employees' services against equity settled- share based payments.

There were no cancellations or modifications to the awards during the periods ended 30 June 2023 and 2022.

Movement in share-based payment reserve was as follows:

	<i>30 June 2023 Unaudited SR</i>	<i>31 December 2022 Audited SR</i>
As at 1 January	3,461,511	-
Share-based payment for the period / year	596,045	3,461,511
As at 30 June 2023 / 31 December 2022	4,057,556	3,461,511

As at 30 June 2023, the balance of share-based payment was SR 4,057,556 (30 June 2022: 1,730,757)

10 FINANCIAL INSTRUMENTS

10.1 Financial assets

Set out below, is an overview of financial assets held by the Group as at 30 June 2023 and 31 December 2022.

	<i>30 June 2023 Unaudited SR</i>	<i>31 December 2022 Audited SR</i>
Financial assets carried at amortized cost		
Trade receivables	57,347,298	70,713,856
Contract assets	52,041,220	25,439,677
Other current assets	28,870,082	35,841,042
Amounts due from related parties	17,226,592	17,707,696
Cash and bank balances	7,263,903	9,651,693
Total financial assets carried at amortized cost	162,749,095	159,353,964

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Notes to the interim condensed consolidated financial statements (continued)

30 June 2023

10 FINANCIAL INSTRUMENTS (continued)

10.2 Financial liabilities

Set out below is an overview of financial liabilities held by the Group as at 30 June 2023 and 31 December 2022:

	30 June 2023 SR	31 December 2022 SR
Financial liabilities carried at amortized cost		
Bank overdrafts and short-term borrowings	251,172,045	239,134,870
Trade and other payables	63,794,788	63,957,740
Amounts due to related parties	20,087,748	21,516,599
Lease liabilities	9,016,951	8,949,932
Amounts due to shareholders	790,784	1,334,465
Total financial liabilities carried at amortized cost	344,862,316	334,893,606

10.3 Fair value measurement

Financial assets consist of cash and bank balances, trade receivables, contract assets, amounts due from related parties and other current assets. Financial liabilities consist of trade and other liabilities, bank overdrafts and borrowings, amount due to related parties and shareholders, lease liabilities and contract liabilities. The fair values of financial assets and financial liabilities approximate their carrying values at the reporting date mainly due to the short-term maturities and periodic price resetting of these instruments and are classified as level 2. As at 30 June 2023 and 31 December 2022, there were no financial instruments measured at fair value. There were no transfers between the various levels of fair value hierarchy during the current period or prior year.

11 SUBSEQUENT EVENTS

In the opinion of management, there have been no significant subsequent events since the period ended 30 June 2023, which would have a material impact on the financial position of the Group as reflected in these interim condensed consolidated financial statements.

12 APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements, for the six-month period ended on 30 June 2023, were approved by the Company's Board of Directors during its meeting held on 11 Safar 1445 H (corresponding to 27 August 2023).