

**ASTRA INDUSTRIAL GROUP COMPANY AND
ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)**

**CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS**

**FOR THE NINE-MONTH PERIOD ENDED
SEPTEMBER 30, 2022
AND REVIEW REPORT**

**ASTRA INDUSTRIAL GROUP COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022**

Table of contents	Pages
Report on review of interim financial information	1
Condensed consolidated interim statement of financial position	2
Condensed consolidated interim statement of income	3
Condensed consolidated interim statement of comprehensive income	4
Condensed consolidated interim statement of changes in equity	5
Condensed consolidated interim statement of cash flows	6
Notes to the condensed consolidated interim financial statements	7 - 17



Report on review of condensed consolidated interim financial statements

To the shareholders of Astra Industrial Group Company
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Astra Industrial Group Company (the “Company”) and its subsidiaries (collective referred to as the “Group”) as at September 30, 2022 and the related condensed consolidated interim statements of income, comprehensive income, for the three-month and nine-month periods then ended, and the condensed consolidated interim statements of changes in equity and cash flows for the nine-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34 - “Interim Financial Reporting” (“IAS 34”), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of interim financial information performed by the independent auditor of the entity”, as endorsed in the Kingdom of Saudi Arabia. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, 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 statements are not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

PricewaterhouseCoopers

Mufaddal A. Ali
License Number 447

November 1, 2022


ASTRA INDUSTRIAL GROUP COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

(All amounts are in Saudi Riyals unless otherwise stated)

		As at September 30, 2022	As at December 31, 2021
	Notes	(Unaudited)	(Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	3, 13	763,396,725	1,148,057,533
Intangible assets	4	45,975,634	36,160,612
Other non-current assets		5,662,665	6,174,658
		<u>815,035,024</u>	<u>1,190,392,803</u>
Current assets			
Inventories		779,436,776	754,746,498
Trade receivables	5	889,243,426	767,361,756
Due from related parties	6	5,246,060	2,468,249
Prepayments and other current assets	7	157,900,813	126,702,285
Cash and cash equivalents		672,636,965	46,314,000
		<u>2,504,464,040</u>	<u>1,697,592,788</u>
Total assets		<u>3,319,499,064</u>	<u>2,887,985,591</u>
LIABILITIES AND EQUITY			
LIABILITIES			
Non-current liabilities			
Loans and lease liabilities	8	36,395,945	40,730,463
Employees' defined benefit liabilities		136,696,742	133,401,876
		<u>173,092,687</u>	<u>174,132,339</u>
Current liabilities			
Trade payables		259,601,327	209,557,850
Accrued expenses and other current liabilities	9	588,274,784	411,296,128
Due to related parties	6	664,977	732,731
Due to a related party – loan	6	37,499,996	30,052,273
Loans and lease liabilities	8	429,520,396	487,809,789
Zakat and income tax payable	10	115,923,722	70,312,634
		<u>1,431,485,202</u>	<u>1,209,761,405</u>
Total liabilities		<u>1,604,577,889</u>	<u>1,383,893,744</u>
EQUITY			
Share capital		800,000,000	800,000,000
Statutory reserve		406,568,677	406,568,677
Retained earnings		590,232,262	321,723,743
Foreign currency translation reserve		(81,218,559)	(76,651,418)
Equity attributable to shareholders of the parent		<u>1,715,582,380</u>	<u>1,451,641,002</u>
Non-controlling interests	16	(661,205)	52,450,845
Total equity		<u>1,714,921,175</u>	<u>1,504,091,847</u>
Total liabilities and equity		<u>3,319,499,064</u>	<u>2,887,985,591</u>

The accompanying notes (1) through (20) form an integral part of these condensed consolidated interim financial statements.



Vice President Finance



President / Chief Executive Officer



Authorized Board of Directors Member

ASTRA INDUSTRIAL GROUP COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF INCOME - UNAUDITED
(All amounts are in Saudi Riyals unless otherwise stated)

		For the three-month period ended September 30,		For the nine-month period ended September 30,	
	Notes	2022	2021	2022	2021
Continuing operations					
Revenue	12	622,067,121	611,990,489	1,865,130,534	1,739,623,541
Cost of revenue		(402,124,953)	(368,814,364)	(1,145,550,243)	(1,033,065,554)
Gross profit		219,942,168	243,176,125	719,580,291	706,557,987
Selling and distribution expenses		(83,704,515)	(101,006,424)	(274,243,260)	(257,691,553)
General and administrative expenses		(44,930,668)	(52,039,395)	(142,202,550)	(136,406,751)
Provision for impairment of financial assets	5	(9,013,216)	(10,419,883)	(22,172,521)	(33,326,523)
Research expenses		(5,782,934)	(7,861,337)	(17,744,490)	(19,057,916)
Income from operations		76,510,835	71,849,086	263,217,470	260,075,244
Finance costs	12	(14,063,982)	(12,473,120)	(41,476,303)	(37,496,788)
Other income/(expenses), net	11	10,515,534	(3,733,354)	7,781,461	(39,350,533)
Income before zakat and income tax		72,962,387	55,642,612	229,522,628	183,227,923
Zakat and income tax expense	10	(2,366,130)	(6,544,792)	(12,175,868)	(18,500,064)
Net income for the period from continuing operations		70,596,257	49,097,820	217,346,760	164,727,859
Discontinued operations					
Gain / (loss) from discontinued operation	13	-	(5,817,555)	182,961,603	(22,827,584)
Net income for the period		70,596,257	43,280,265	400,308,363	141,900,275
Attributable to:					
Shareholders of the parent		70,865,145	45,373,403	388,651,783	150,579,006
Non-controlling interests		(268,888)	(2,093,138)	11,656,580	(8,678,732)
		70,596,257	43,280,265	400,308,363	141,900,274
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the Group					
Basic and diluted	17	0.89	0.61	2.73	2.07
Earnings per share for profit attributable to the ordinary equity holders of the Group:					
Basic and diluted	17	0.89	0.57	4.86	1.88

The accompanying notes (1) through (20) form an integral part of these condensed consolidated interim financial statements.


Vice President Finance


President / Chief Executive Officer


Authorized Board of Directors Member

ASTRA INDUSTRIAL GROUP COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME - UNAUDITED

(All amounts are in Saudi Riyals unless otherwise stated)

	For the three-month period ended September 30,		For the nine-month period ended September e 30,	
	2022	2021	2022	2021
Net income for the period	70,596,257	43,280,265	400,308,363	141,900,275
Other comprehensive income				
<i>Item that may be reclassified to statement of income in subsequent periods:</i>				
Exchange loss on translation of foreign operations	(93,023)	(1,874,977)	(4,575,827)	(15,796,027)
<i>Item that will not to be reclassified to statement of income in subsequent periods:</i>				
Re-measurement gain / (loss) on employees' defined benefit liabilities	185,026	(277,107)	(155,601)	(5,064,551)
Other comprehensive gain / (loss) for the period	92,003	(2,152,084)	(4,731,428)	(20,860,578)
Total comprehensive income for the period	70,688,260	41,128,181	395,576,935	121,039,697
Attributable to:				
Shareholders of the parent	70,989,680	43,208,880	383,941,378	129,734,673
Non-controlling interests	(301,420)	(2,080,699)	11,635,557	(8,694,976)
	70,688,260	41,128,181	395,576,935	121,039,697
Total comprehensive income / (loss) for the period attributable to the owners of the Group arises from:				
Continuing operations	70,989,680	46,990,291	213,742,292	144,572,603
Discontinued operations	-	(3,781,411)	170,199,086	(14,837,930)
	70,989,680	43,208,880	383,941,378	129,734,673

The accompanying notes (1) through (20) form an integral part of these condensed consolidated interim financial statements.





Vice President Finance President / Chief Executive Officer Authorized Board of Directors Member

ASTRA INDUSTRIAL GROUP COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022

(All amounts are in Saudi Riyals unless otherwise stated)

	Attributable to shareholders of the parent					Non-controlling interests	Total equity
	Note	Share capital	Statutory reserve	Retained earnings	Foreign currency translation reserve	Total	
December 31, 2021 (Audited)		800,000,000	406,568,677	321,723,743	(76,651,418)	1,451,641,002	1,504,091,847
Net income for the period		-	-	388,651,783	-	388,651,783	400,308,363
Other comprehensive loss for the period		-	-	(143,264)	(4,567,141)	(4,710,405)	(4,731,428)
Total comprehensive income for the period		-	-	388,508,519	(4,567,141)	383,941,378	395,576,935
Dividends	16	-	-	(120,000,000)	-	(120,000,000)	(184,747,607)
September 30, 2022 (Unaudited)		800,000,000	406,568,677	590,232,262	(81,218,559)	1,715,582,380	1,714,921,175
January 1, 2021 (Audited)		800,000,000	406,568,677	184,463,118	(65,185,232)	1,325,846,563	1,386,861,694
Net income for the period		-	-	150,579,007	-	150,579,007	141,900,275
Other comprehensive loss for the period		-	-	(5,048,306)	(15,796,027)	(20,844,333)	(20,860,578)
Total comprehensive income for the period		-	-	145,530,701	(15,796,027)	129,734,674	121,039,697
Formation of a subsidiary		-	-	-	-	-	283,951
Dividends	16	-	-	(60,000,000)	-	(60,000,000)	(60,000,000)
September 30, 2021 (Unaudited)		800,000,000	406,568,677	260,993,819	(80,981,259)	1,395,581,237	1,448,185,342

The accompanying notes (1) through (20) form an integral part of these condensed consolidated interim financial statements.




 Vice President Finance President / Chief Executive Officer Authorized Board of Directors Member

Astra Industrial Group Company and Its Subsidiaries
(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS - UNAUDITED
(All amounts are in Saudi Riyals unless otherwise stated)

		For the nine-month period ended September 30	
	Notes	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before zakat and income tax - Continuing operations		229,522,628	160,400,339
Discontinued operations		182,961,603	-
Adjustments for non-cash items			
Depreciation and amortization	12	57,636,848	68,106,436
Finance costs		41,692,830	37,791,456
Provision for impairment of financial assets	5	22,172,521	33,326,523
Provision for near expiry, obsolete and slow-moving inventories		55,929,257	19,879,287
Gain on disposal group - sale of Alanmaa	13	(182,961,603)	-
Employee defined benefit cost		14,732,878	12,689,332
Changes in operating assets and liabilities:			
Inventories		(193,763,278)	(71,505,226)
Trade receivables		(146,237,524)	(281,432,866)
Due from related parties		(2,777,811)	(2,143,717)
Prepayments and other assets		477,192	(21,640,991)
Trade payables		61,600,294	63,392,497
Accrued expenses and other current liabilities		177,095,892	83,738,238
Due to related parties		7,379,969	776,856
End of service benefits paid		(11,593,612)	(10,268,520)
Zakat and income tax paid		(28,814,779)	(21,736,242)
Net cash generated from operating activities		285,053,305	71,373,402
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment	3	(36,050,151)	(48,356,230)
Proceeds from sale of property, plant and equipment		1,409,530	1,158,087
Proceeds from sale of a subsidiary		668,518,937	-
Additions to intangible assets		(12,791,323)	(994,111)
Other non-current assets		511,993	3,320,262
Net cash generated from / (used in) investing activities		621,598,986	(44,871,992)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net movement in short-term and long-term loans		(57,073,541)	67,997,123
Payment of lease liabilities		(4,719,154)	(5,560,887)
Finance costs paid		(40,415,829)	(36,352,388)
Dividends paid	16	(120,000,000)	(60,000,000)
Non-controlling interest, net	16	(64,756,293)	(283,947)
Net cash used in financing activities		(286,964,817)	(34,200,099)
Net change in cash and cash equivalents		619,687,474	(7,698,689)
Cash and cash equivalents at the beginning of the period		46,314,000	54,460,204
Net foreign exchange gain / (loss)		6,635,491	(4,933,067)
Cash and cash equivalents at the end of the period		672,636,965	41,828,448

The accompanying notes (1) through (20) form an integral part of these condensed consolidated interim financial statements.

 Vice President Finance
  President / Chief Executive Officer
  Authorized Board of Directors Member

**Astra Industrial Group Company and Its Subsidiaries
(A SAUDI JOINT STOCK COMPANY)**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022**

(All amounts are in Saudi Riyals unless otherwise stated)

1. ORGANIZATION AND ACTIVITIES

Astra Industrial Group Company (the “Company”/ “AIG”) is a Saudi Joint Stock Company operating under commercial registration number 1010069607 issued in Riyadh on 9 Muharram 1409H (August 22, 1988). The address of the Group’s head office and the principal activities of AIG and its subsidiaries (collectively the “Group”) remain the same as disclosed in the Group’s annual consolidated financial statements for the year ended December 31, 2021.

These condensed consolidated interim financial statements have been reviewed, not audited.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These condensed consolidated interim financial statements for the nine-month period ended September 30, 2022 have 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 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 December 31, 2021.

The condensed consolidated interim financial statements comprise the financial statements of the Company and its subsidiaries (“Group”).

2.2 Significant accounting policies

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

2.3 New and amended standards adopted by the Group

There are no new standards issued, however, there are number of amendments to standards which are effective from 1 January 2022 and has been explained in Group annual consolidated financial statements, but they do not have a material effect on the Group’s condensed consolidated interim financial statements.

2.4 Non-current assets (or disposal group) held for sale and discontinued operation

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 recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised 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 recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised 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 recognised.

Astra Industrial Group Company and Its Subsidiaries
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022

(All amounts are in Saudi Riyals unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Non-current assets (or disposal group) held for sale and discontinued operation
(continued)

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 balance sheet.

A discontinued operation 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.

2.5 Significant accounting estimates and judgements

The preparation of the Group's condensed consolidated interim financial statements 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 statements were 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, except for the estimation related to tax effect for discontinued operation. Management will continue to monitor the situation and any changes required will be reflected in future reporting periods.

3 PROPERTY, PLANT AND EQUIPMENT

		September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
	Note		
Beginning - net book value		1,148,057,533	1,188,929,364
Additions for the period / year		36,050,151	74,405,201
Depreciation charge for the period / year		(55,579,695)	(92,441,684)
Disposals / write - offs, net - for the period / year		(1,409,531)	(1,322,933)
Exchange differences		(12,098,275)	(21,512,415)
Assets of disposal group - sale of Alanmaa	13	(351,623,458)	-
Closing - net book value		763,396,725	1,148,057,533

Astra Industrial Group Company and Its Subsidiaries
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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022
(All amounts are in Saudi Riyals unless otherwise stated)

4 INTANGIBLE ASSETS

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Goodwill	25,206,754	25,206,754
Software and licenses	20,768,880	10,953,858
	45,975,634	36,160,612

5 TRADE RECEIVABLES

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Not yet past due	707,899,369	572,782,830
Past due	331,540,029	334,530,184
	1,039,439,398	907,313,014
Provision for impairment	(150,195,972)	(139,951,258)
	889,243,426	767,361,756

5.1 As at September 30, 2022, trade receivables include retention receivables of SAR 13.3 million (December 31, 2021: SAR 42.2 million) and unbilled receivables of SAR 66.3 million (December 31, 2021: SAR 42.0 million).

5.2 Movement in the provision for impairment of trade receivables was as follows:

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Opening balance	139,951,258	146,646,647
Provision for the period / year	22,172,521	22,462,819
Adjustments / write - offs during the period / year	(11,927,807)	(29,158,208)
Closing balance	150,195,972	139,951,258

5.3 Expected credit loss analysis for trade receivables was as follows:

September 30, 2022 (Unaudited)

Buckets	Gross receivables	Provision	Net receivables
Current (not yet past due)	707,899,368	(2,942,772)	704,956,596
<u>Past due</u>			
1 to 180 days	167,867,842	(40,424,395)	127,443,447
181 to 360 days	35,827,927	(11,568,564)	24,259,363
361 to 540 days	38,769,001	(16,240,027)	22,528,974
541 to 720 days	16,535,686	(8,329,782)	8,205,904
721 to 900 days	10,251,613	(9,808,794)	442,819
901 to 1080 days	9,758,053	(8,351,730)	1,406,323
More than 1080 days	52,529,908	(52,529,908)	-
	1,039,439,398	(150,195,972)	889,243,426

Astra Industrial Group Company and Its Subsidiaries
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022

(All amounts are in Saudi Riyals unless otherwise stated)

5. TRADE RECEIVABLES (continued)

5.3 Expected credit loss analysis for trade receivables was as follows: (continued)

December 31, 2021 (Audited)

Buckets	Gross receivables	Provision	Net receivables
Current (not yet past due)	572,780,978	(2,085,424)	570,695,554
<u>Past due</u>			
1 to 180 days	175,600,845	(26,347,636)	149,253,209
181 to 360 days	55,655,815	(22,466,072)	33,189,743
361 to 540 days	16,132,033	(9,814,575)	6,317,458
541 to 720 days	12,642,181	(7,306,878)	5,335,303
721 to 900 days	11,166,800	(8,677,737)	2,489,063
901 to 1080 days	6,092,458	(6,011,032)	81,426
More than 1080 days	57,241,904	(57,241,904)	-
	<u>907,313,014</u>	<u>(139,951,258)</u>	<u>767,361,756</u>

5.4 For additional details about trade receivables please refer to Note 12 - Segment reporting.

6 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

6.1 Due from related parties comprises of the following:

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Astra Farms Company - Saudi Arabia (Affiliate company)	2,923,453	1,801,155
Other	2,322,607	667,094
	<u>5,246,060</u>	<u>2,468,249</u>

Due from related parties are unsecured and recoverable in cash.

6.2 Due to related parties comprises of the following:

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Nour Communications Company - Saudi Arabia (Affiliate company)	415,163	538,628
Other	249,814	194,103
	<u>664,977</u>	<u>732,731</u>

Due to related parties are unsecured and payable in cash.

Astra Industrial Group Company and Its Subsidiaries
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022

(All amounts are in Saudi Riyals unless otherwise stated)

6 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (continued)

6.3 Due to a related party - loan

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Al Maseera International Company (a shareholder in Tanmiya)	37,499,996	30,052,273

6.4 Key management personnel compensation

Key management personnel compensation for the nine-month period ended September 30, 2022 amounted to SAR 11.9 million (September 30, 2021: SAR 10.2 million).

7 PREPAYMENTS AND OTHER CURRENT ASSETS

This includes consideration receivable of SR 37.5 million (2021: Nil) in respect of sale of Alanmaa (refer note 13).

8 LOANS AND LEASE LIABILITIES

<u>September 30, 2022 (Unaudited)</u>	Current	Non-current	Total
Short-term loans	423,022,299	-	423,022,299
Long-term loans	1,577,378	8,170,020	9,747,398
	424,599,677	8,170,020	432,769,697
Lease liabilities	4,920,719	28,225,925	33,146,644
	429,520,396	36,395,945	465,916,341
<u>December 31, 2021 (Audited)</u>	Current	Non-current	Total
Short-term loans	479,543,678	-	479,543,678
Long-term loans	2,756,990	7,542,570	10,299,560
	482,300,668	7,542,570	489,843,238
Lease liabilities	5,509,121	33,187,893	38,697,014
	487,809,789	40,730,463	528,540,252

8.1 The details of Group's borrowing in different currencies were as follows:

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Saudi Riyals and United States Dollar	244,758,770	311,593,324
Turkish Lira	70,012,591	81,884,711
Other	117,998,336	96,365,203
	432,769,697	489,843,238

Astra Industrial Group Company and Its Subsidiaries
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022

(All amounts are in Saudi Riyals unless otherwise stated)

8 LOANS AND LEASE LIABILITIES (continued)

8.2 The major borrowings of Group are short term which are priced based on SAIBOR plus with an agreed fixed rate. The monthly average of three months SAIBOR during the period was 3.44% (2021: 0.79%). As at September 30, 2022, the SAIBOR was 4.12% (2021: 0.81%).

During the nine-month period ended September 30, 2022 and 2021, the finance costs related to Turkey based subsidiaries was SAR 21.2 million (September 30, 2021: SAR 18.2 million). As at September 30, 2022, the Turkish LIBOR (Lira Interbank Offered Rate) was 19.4% (September 30, 2021: 18.4%).

8.3 Short-term loans

The Group has bank facilities in the form of Murabaha, short-term tawarruq and other conventional credit facilities to meet its working capital requirements. As at September 30, 2022, facilities amounting to SAR 2.03 billion were undrawn (December 31, 2021: SAR 1.99 billion). The facilities bear special commission at prevailing market rates which are mostly based on SAIBOR and denominated in Saudi Riyals. These facilities are secured by corporate guarantees from AIG.

8.4 Long-term loans

The Group also has long-term loan facilities with banks to finance its capital assets. As at September 30, 2022, an amount of SAR 60.3 million was undrawn (December 31, 2021: SAR 72.7 million). These facilities are secured by corporate guarantees from AIG and bear special commission charges at agreed fixed rates. The facilities are denominated in foreign currencies (mainly Algerian Dinar) and repayable within five years through monthly and quarterly equal installments from the date these facilities were availed.

9 ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Sales commission and promotional expenses	154,923,597	110,445,349
Contract liabilities	142,051,408	69,057,978
Accrued expenses	109,071,114	78,844,303
Employees' benefits	99,322,855	101,245,555
Contract liabilities - expected sales returns	47,603,565	41,984,386
Other	35,302,245	9,718,557
	<u>588,274,784</u>	<u>411,296,128</u>

10 ZAKAT AND INCOME TAX

There is no change in the status of zakat and income tax assessments of the Group since December 31, 2021.

Further, during the period, the Group has submitted its consolidated zakat and income tax returns for the year ended December 31, 2021. The liability has been increased because of the recognition of tax provision on disposal of Alanmaa.

11 OTHER INCOME/(EXPENSES), NET

Comparative nine-months period expenses include SAR 42.5 million related to foreign exchange losses that mainly arise from one of the subsidiary in Sudan.

Astra Industrial Group Company and Its Subsidiaries
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022
 (All amounts are in Saudi Riyals unless otherwise stated)

12 SEGMENT REPORTING

	Pharmaceuti- cals	Specialty chemical	Power and steel industries	Other	Total
<u>For the nine month ended</u>					
<u>September 30, 2022</u>					
<u>(Unaudited)</u>					
Revenue from sale of goods	736,155,188	621,913,670	205,187,585	25,514,124	1,588,770,567
Revenue from rendering of services	67,801,296	176,419,367	32,139,304	-	276,359,967
Total revenue	803,956,484	798,333,037	237,326,889	25,514,124	1,865,130,534
Gross profit	450,136,209	247,998,132	17,007,870	4,438,080	719,580,291
Depreciation and amortization	(33,785,461)	(12,019,112)	(6,701,134)	(5,131,141)	(57,636,848)
Finance costs	(10,625,029)	(26,029,582)	(2,202,849)	(2,618,843)	(41,476,303)
Income before zakat and tax	156,616,881	91,030,105	2,616,394	(20,740,752)	229,522,628
	Pharmaceuti- cals	Specialty chemical	Power and steel industries	Other	Total
<u>For the nine months ended</u>					
<u>September 30, 2021</u>					
<u>(Unaudited)</u>					
Revenue from sale of goods	700,902,731	570,032,581	157,754,286	26,452,867	1,455,142,465
Revenue from rendering of services	48,881,474	154,235,123	81,364,479	-	284,481,076
Total revenue	749,784,205	724,267,704	239,118,765	26,452,867	1,739,623,541
Gross profit	449,560,412	233,005,588	19,156,201	4,835,786	706,557,987
Depreciation and amortization	(32,648,158)	(14,986,645)	(14,671,211)	(5,800,422)	(68,106,436)
Finance costs	(8,723,516)	(23,492,520)	(3,555,515)	(1,725,237)	(37,496,788)
Income before zakat and tax	121,845,064	83,626,384	5,090,977	(27,334,502)	183,227,923
	Pharmaceuti- cals	Specialty chemical	Power and steel industries	Other	Total
<u>As at September 30 2022</u>					
<u>(Unaudited)</u>					
Property, plant and equipment including right-of-use assets	416,008,082	155,625,899	71,878,839	119,883,905	763,396,725
Trade receivables	481,166,910	333,044,842	218,423,856	6,803,790	1,039,439,398
Provision for impairment of trade receivables	(44,467,873)	(86,690,504)	(18,682,584)	(355,011)	(150,195,972)
Trade receivables - net	436,699,037	246,354,338	199,741,272	6,448,779	889,243,426
Total assets	1,258,461,918	855,188,709	523,840,661	682,007,776	3,319,499,064
Total liabilities	778,952,121	340,147,780	298,860,999	186,616,989	1,604,577,889

Astra Industrial Group Company and Its Subsidiaries
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022
(All amounts are in Saudi Riyals unless otherwise stated)

12. SEGMENT REPORTING (continued)

	Pharmaceuti- cals	Specialty chemical	Power and steel industries	Other	Total
<u>As at December 31, 2021</u> <u>(Audited)</u>					
Property, plant and equipment including right-of-use assets	438,312,014	165,378,125	425,578,630	118,788,764	1,148,057,533
Trade receivables	417,136,100	294,846,224	191,435,221	3,895,469	907,313,014
Provision for impairment of trade receivables	(39,641,070)	(70,695,559)	(29,259,618)	(355,011)	(139,951,258)
Trade receivables - net	377,495,030	224,150,665	162,175,603	3,540,458	767,361,756
Total assets	1,157,761,861	787,309,181	805,067,537	137,847,012	2,887,985,591
Total liabilities	529,082,898	345,640,939	329,581,676	179,588,231	1,383,893,744

Selected financial information summarized by geographic location is as follows:

	KSA	Republic of Iraq	Africa	Turkey	Sudan	Other locations	Total
<u>Revenue (nine months)</u>							
September 30, 2022 (Unaudited)	1,172,086,416	41,469,071	123,860,802	229,319,755	36,738,778	261,655,712	1,865,130,534
September 30, 2021 (Unaudited)	1,133,656,721	31,851,457	144,008,177	236,216,051	27,131,779	166,759,356	1,739,623,541
<u>Non-current assets (as at)</u>							
September 30, 2022 (Unaudited)	692,058,089	-	65,643,573	16,139,083	3,650,536	37,543,743	815,035,024
December 31, 2021 (Audited)	702,736,730	351,829,409	72,539,546	19,373,290	2,600,411	41,313,417	1,190,392,803

* Non-current assets related to Republic of Iraq is for Tanmiya subsidiary which was disposed off during the period, refer to Note 13.

13. DISPOSAL GROUP – SALE OF ALANMAA

On February 7, 2022, Al-Tanmiya Company for Steel Manufacturing ("Tanmiya") signed an agreement with an Iraqi based entity for exiting its entire investment in Alanmaa for Construction Materials Production Ltd. (Alanmaa) for transaction price of SAR 731.2 million. Based on management assessment, it is considered as a major geography in respect of its Power and steel industries in Iraq and therefore considered as discontinued operations.

During April 2022, the Group received the majority of the sales proceed and also transferred the shares to the buyer after obtaining the related regulatory approvals.

Astra Industrial Group Company and Its Subsidiaries
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022
 (All amounts are in Saudi Riyals unless otherwise stated)

13 DISPOSAL GROUP – SALE OF ALANMAA (continued)

An analysis of the results in relation to the operations of disposal group - sale of Alanmaa is as follows:

13.1 Financial performance and cash flow information

	From January 1, 2022 to April 20, 2022	From January 1, 2021 to September 30, 2021
Revenue	29,448,595	8,637,201
Expenses	(19,288,380)	(31,464,785)
Income / (loss) before zakat and income tax	10,160,215	(22,827,584)
Zakat and income tax expense	-	-
Net income / (loss) from discontinued operation	10,160,215	(22,827,584)
Other comprehensive loss from discontinued operation	-	-
Total comprehensive income / (loss) from discontinued operation	10,160,215	(22,827,584)
Net cash generated from / (used in) operating activities	12,418,849	(3,729,591)
Net cash used in investing activities	(226,345)	-
Net cash (used in) / generated from financing activities	(4,603,258)	1,530,225
Net increase / (decrease) in cash and cash equivalent from the discontinued operation	7,589,246	(2,199,366)

13.2 Assets and liabilities of disposal group

The following assets and liabilities for sale in relation to the discontinued operations as at April 20, 2022:

	2022
<u>Assets relating to disposal group</u>	
Property, plant and equipment	351,623,458
Prepayments and other current assets	6,666,332
Trade and other receivables	2,183,333
Inventories	113,143,743
Cash and cash equivalents	9,856,063
Total assets of disposal group	483,472,929
<u>Liabilities relating to disposal group</u>	
Lease liabilities	2,083,555
Accrued expenses and other current liabilities	5,279,589
Zakat and income tax payable	604,356
Trade and other payables	11,556,817
Total liabilities of disposal group	19,524,317
Net assets of disposal group	463,948,612

Astra Industrial Group Company and Its Subsidiaries
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022
 (All amounts are in Saudi Riyals unless otherwise stated)

13. DISPOSAL GROUP - SALE OF ALANMAA (continued)

13.2 Assets and liabilities of disposal group (continued)

The net gain on disposal was as follows:

	2022
Consideration received	678,375,000
Consideration receivable	37,500,000
Total consideration net of commission	715,875,000
Net assets of disposal group	(463,948,612)
Provision for estimated tax liability	(63,750,000)
Provision for expense	(15,375,000)
Net gain on disposals	172,801,388

The net gain from discontinued operations was as follows:

	2022
Total comprehensive income from discontinued operation	10,160,215
Net gain on disposals	172,801,388
	182,961,603

14. CONTINGENCIES AND COMMITMENTS

There was no significant change in the contingencies and commitment level since December 31, 2021.

15. CAPITAL AND FINANCIAL RISK MANAGEMENT

15.1 The Group's capital and financial risk management strategies were not significantly changed since last year end. All financial assets and financial liabilities were classified and measured at amortized cost.

15.2 Foreign currency translation reserve as of financial position date was as follows:

Country of operations	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Sudan	22,854,496	22,677,749
Egypt	30,069,968	28,325,086
Other	28,294,095	25,648,583
	81,218,559	76,651,418

16. DIVIDENDS

The Company's Annual General Assembly in its meeting held on April 21, 2022 approved the cash dividend of SAR 120 million (2021: SAR 60 million) at SAR 1.5 (2021: SAR 0.75) per share for distribution from the retained earnings.

During the period the dividend paid to Non-controlling interests amounting to SR 64.7 million.

Astra Industrial Group Company and Its Subsidiaries
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022
(All amounts are in Saudi Riyals unless otherwise stated)

17. EARNINGS PER SHARE

	For the nine-month period ended September 30,	
	2022	2021
Profit / (loss) attributable to the ordinary equity holders of the Group used in calculating basic and diluted earnings per share:		
- From continuing operations	218,452,697	165,416,936
- From discontinued operation	170,199,086	(14,837,930)
	388,651,783	150,579,006
Weighted average number of ordinary shares outstanding during the period	80,000,000	80,000,000
Basic and diluted earnings / (loss) per share		
- From continuing operations attributable to the ordinary equity holders of the Group	2.73	2.07
- From discontinued operation attributable to the ordinary equity holders of the Group	2.13	(0.19)
Total basic and diluted earnings per share attributable to the ordinary equity holders of the Group	4.86	1.88

18. Hyperinflation

One of the subsidiaries of the Group, namely Astra Nova Turkey, operates in Republic of Turkey, which considered to be a hyperinflationary economy for the period ended September 30, 2022. Based on the management assessment, the official exchange rate of Turkish Lira (TRY) 0.2020 equal to SAR 1 was considered as the closing foreign exchange rate and the related foreign operations translated at that rate. The financial statements of Astra Nova Turkey have been restated for the changes in the general purchasing power of the functional currency and, as a result, are stated in terms of the measuring unit current (i.e. consumer price index) at the end of the reporting period. Based on the management judgement, estimates and assessment of available information, the consumer price index used by Astra Nova Turkey at September 30, 2022 was 1,058.

Property, plant and equipment of Astra Nova Turkey position as at September 30, 2022 in the Group financial statements was as follows:

Property, plant and equipment	2022
Adjusted cost after hyperinflation	27,120,902
Accumulated depreciation and impairment	(19,860,821)
Net book value	7,260,081

During 2022, the Group recognised gain on the monetary position arising from hyperinflation in Turkey amounting to SAR 30.2 million (SAR 11.6 million related to property, plant, and equipment and SAR 18.6 million related to inventory).

19. SUBSEQUENT EVENT

During September 2022, a wholly owned subsidiary signed a purchase agreement to acquire 100% shares of Agrostulln GmbH located in Federal Republic of Germany (Specialty in chemicals), for a consideration amounting to SAR 51.5 million (Euro 14 million). The legal formalities were not completed before the period ended September 30, 2022.

20. BOARD OF DIRECTORS' APPROVAL

These condensed consolidated interim financial statements were approved by the Group's Board of Directors on November 1, 2022.