

**Saudi Chemical Holding Company**  
(A Saudi Joint Stock Company)

**Interim Condensed Consolidated Financial  
Statements (Unaudited)  
and Independent Auditor's Review Report  
For the Three-Month Period Ended March 31, 2021**



**Sameh Hassan**  
**Group CFO**

**Thamer Al-Muhaid**  
**Group CEO**

**Eng. Fahad S. Al-Jarbou**  
**Chairman Of BOD**

**Saudi Chemical Holding Company**  
(A Saudi Joint Stock Company)

**Interim Condensed Consolidated Financial Statements**  
**For the Three-Month Period Ended March 31, 2021**

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**Independent Auditor's Review Report on  
Interim Condensed Consolidated Financial Statements**

**To the Shareholders****Saudi Chemical Holding Company**

(A Saudi Joint Stock Company)

Riyadh – Kingdom of Saudi Arabia

**Introduction**

We have reviewed the accompanying interim condensed consolidated statement of financial position of Saudi Chemical Holding Company (the "Company") and its subsidiaries (collectively referred to as the "Group") as at March 31, 2021, and the related interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated 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 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" as endorsed in the Kingdom of Saudi Arabia. A review of interim condensed consolidated 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 interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

**Baker Tilly MKM & Co.**  
Certified Public Accountants**Majed Moncer Alnemmer**  
(Certified Public Accountant – License No. 381)  
Riyadh on Ramadan 22, 1442H  
Corresponding to May 04, 2021G


**Saudi Chemical Holding Company**  
(A Saudi Joint Stock Company)

**Interim Condensed Consolidated Statement of Financial Position**  
**As at March 31, 2021**

	<u>Notes</u>	<b>March 31, 2021</b> <b>Unaudited</b> <b>SR '000</b>	<b>December 31, 2020</b> <b>Audited</b> <b>SR '000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill		469,807	469,807
Intangible assets		6,532	7,052
Property, plant and equipment	3	469,533	478,783
Capital work in progress	3	476,514	423,884
Right-of-use assets		10,936	11,501
		<u>1,433,322</u>	<u>1,391,027</u>
<b>Current assets</b>			
Inventories		1,387,579	1,592,487
Trade receivables	4	2,085,261	1,687,627
Prepayments and other assets		78,844	61,352
Cash and cash equivalents		102,687	150,326
		<u>3,654,371</u>	<u>3,491,792</u>
<b>TOTAL ASSETS</b>		<u><b>5,087,693</b></u>	<u><b>4,882,819</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	5	843,200	843,200
Statutory reserve		326,890	326,890
General reserve		340,000	340,000
Retained earnings		161,098	120,267
<b>Equity attributable to the Shareholders of the Company</b>		<u>1,671,188</u>	<u>1,630,357</u>
Non-controlling interests		7,499	7,138
<b>Total equity</b>		<u>1,678,687</u>	<u>1,637,495</u>
<b>Non-current liabilities</b>			
Saudi Industrial Development Fund's financing	6.1	299,371	298,899
Lease liabilities		6,729	8,316
Employees' defined benefit obligation		61,716	63,769
		<u>367,816</u>	<u>370,984</u>
<b>Current liabilities</b>			
Current portion of Saudi Industrial Development Fund's financing	6.1	20,600	20,600
Current portion of lease liabilities		1,587	2,019
Short-term Islamic financing	6.2	1,669,865	1,399,658
Trade payables		1,132,248	1,236,123
Unpaid dividends		13,308	13,308
Accrued expenses and other liabilities		159,745	168,425
Zakat and income tax payable	7	43,837	34,207
		<u>3,041,190</u>	<u>2,874,340</u>
<b>Total liabilities</b>		<u>3,409,006</u>	<u>3,245,324</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>5,087,693</b></u>	<u><b>4,882,819</b></u>

  
Sameh Hassan  
Group CFO

  
Thamer Al-Muhaid  
Group CEO

  
Eng. Fahad S. Al-Jarbou  
Chairman Of BOD

The accompanying notes form an integral part of these interim condensed consolidated financial statements




Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income  
For the Three-Month Period Ended March 31, 2021

	Notes	Three-month ended March 31	
		2021 Unaudited SR '000	2020 Unaudited SR '000
Revenues	8	969,461	799,581
Cost of revenues		(832,413)	(669,442)
<b>Gross profit</b>		<b>137,048</b>	<b>130,139</b>
Selling and marketing expenses		(40,380)	(36,748)
General and administrative expenses		(27,984)	(30,260)
Impairment of trade receivables	4	(8,000)	(8,831)
<b>Operating profit</b>		<b>60,684</b>	<b>54,300</b>
Finance costs		(10,140)	(11,025)
Other income, net		278	151
<b>Profit before zakat and income tax</b>		<b>50,822</b>	<b>43,426</b>
Zakat and income tax expense	7	(9,630)	(5,195)
<b>Net profit for the period</b>		<b>41,192</b>	<b>38,231</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>41,192</b>	<b>38,231</b>
<b>Net profit for the period attributable to:</b>			
Shareholders of the Company		40,831	37,968
Non-controlling interests		361	263
		<b>41,192</b>	<b>38,231</b>
<b>Total comprehensive income for the period attributable to:</b>			
Shareholders of the Company		40,831	37,968
Non-controlling interests		361	263
		<b>41,192</b>	<b>38,231</b>
<b>Basic and diluted earnings per share (SR)</b>	9	<b>0.48</b>	<b>0.45</b>

  
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**Saudi Chemical Holding Company**  
(A Saudi Joint Stock Company)

**Interim Condensed Consolidated Statement of Changes in Equity**  
**For the Three-Month Period Ended March 31, 2021**

	Attributable to the Shareholders of the Company					Non-controlling interests SR '000	Total equity SR '000
	Share capital SR '000	Statutory reserve SR '000	General reserve SR '000	Retained earnings SR '000	Total SR '000		
As at January 1, 2020 (Audited)	843,200	319,488	340,000	51,278	1,553,966	6,095	1,560,061
Net profit for the period	-	-	-	37,968	37,968	263	38,231
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	37,968	37,968	263	38,231
As at March 31, 2020 (Unaudited)	843,200	319,488	340,000	89,246	1,591,934	6,358	1,598,292
As at January 1, 2021 (Audited)	843,200	326,890	340,000	120,267	1,630,357	7,138	1,637,495
Net profit for the period	-	-	-	40,831	40,831	361	41,192
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	40,831	40,831	361	41,192
As at March 31, 2021 (Unaudited)	843,200	326,890	340,000	161,098	1,671,188	7,499	1,678,687

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Interim Condensed Consolidated Statement of Cash Flows  
For the Three -Month Period Ended March 31, 2021

	Three-month period ended	
	March 31	
	2021	2020
	Unaudited	Unaudited
	SR '000	SR '000
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>	<b>50,822</b>	
Profit before zakat and income tax and non-controlling interests		43,426
<i>Adjustments for</i>		
Amortization	520	1,091
Depreciation	10,278	9,471
Depreciation of right-of-use assets	565	448
Loss (gain) on disposal of property, plant and equipment	6	(80)
Provision for slow-moving inventories	10,660	500
Impairment of trade receivables	8,000	8,656
Provision for employees' defined benefit obligation	1,759	1,921
Finance costs	10,140	11,025
<b>(Increase) decrease in operating assets:</b>		
Inventories	194,248	77,116
Trade receivables	(405,634)	(24,385)
Prepayments and other assets	(17,492)	(24,144)
<b>Increase (decrease) in operating liabilities:</b>		
Trade payables	(103,875)	(331,338)
Accrued expenses and other liabilities	(8,680)	8,993
<b>Cash used in operations</b>	<b>(248,683)</b>	<b>(217,300)</b>
Employees' defined benefit obligation paid	(3,812)	(1,262)
Finance costs paid	(10,140)	(10,669)
<b>Net cash used in operating activities</b>	<b>(262,635)</b>	<b>(229,231)</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>		
Additions to intangible assets	-	(7,500)
Additions to property, plant and equipment and capital work in progress	(53,194)	(31,382)
Proceeds from disposal of property, plant and equipment	2	80
<b>Net cash used in investing activities</b>	<b>(53,192)</b>	<b>(38,802)</b>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES:</u></b>		
Payments of lease liabilities	(2,019)	(522)
Change in short-term Islamic financing	270,207	298,875
<b>Net cash generated from financing activities</b>	<b>268,188</b>	<b>298,353</b>
<b>Net movement in cash and cash equivalents</b>	<b>(47,639)</b>	<b>30,320</b>
Cash and cash equivalents at the beginning of the period	150,326	91,830
<b>Cash and cash equivalents at the end of the period</b>	<b>102,687</b>	<b>122,150</b>
<b>Non-cash transactions:</b>		
Lease liabilities and finance cost transferred to other liabilities	922	1,131

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**Saudi Chemical Holding Company**  
(A Saudi Joint Stock Company)

**Notes to the Interim Condensed Consolidated Financial Statements (Continued)**  
**For the Three-Month Period Ended March 31, 2021**

**1. Legal Status and Nature of Operations**

Saudi Chemical Holding Company (the "Company") is a Saudi Joint Stock Company registered in Riyadh, Kingdom of Saudi Arabia, under Commercial Registration No. 1010006161 issued in Riyadh on Safar 12, 1392H corresponding to March 28, 1972G. The Company is listed on Tadawul stock exchange.

The share capital of the Company comprises 84,320,000 shares of SR 10 each (see note 5 for more information).

The Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in:

- Managing the subsidiaries or participating in the management of other investees and providing the required support for these entities and real estate ownership;
- Manufacturing and selling of explosives and their derivatives for civil or military uses and providing technical support services in explosions;
- Manufacturing, wholesale and retail trading in medicines, medical materials and syrups, pharmaceutical preparations, medical and surgical tools and equipment, supplies of hospitals and medical centres and its related spare parts and food items; and
- Manufacture of ammonium nitrate.

The registered office of the Company is: P.O. Box 2665 Riyadh 11461, Kingdom of Saudi Arabia.

These interim condensed consolidated financial statements include the financial statements of the Company and the financial statements of its following subsidiaries:

Subsidiary	Country of incorporation	Effective ownership as at	
		March 31, 2021	December 31, 2020
Saudi International Trading Company ("SITCO Pharma")	Kingdom of Saudi Arabia	99%	99%
Suez International Nitrate Company ("SINCO")	Arab Republic of Egypt	100%	100%
Chemical Company for Commercial Investment Limited ("CCCIL")	Kingdom of Saudi Arabia	100%	100%
AJA Pharmaceuticals Industries Company Limited ("AJA Pharma Company")	Kingdom of Saudi Arabia	100%	100%
Saudi Chemical Company Limited ("SCCL")	Kingdom of Saudi Arabia	100%	100%

**2. Basis of Preparation**

**2.1 Statement of compliance**

These interim condensed consolidated financial statements have been prepared in accordance with the requirements of International Accounting Standard (34) "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Certified Public Accountants.

These interim condensed consolidated financial statements do not include all the information and disclosures required in a full set of consolidated financial statements prepared in accordance with International Financial Reporting Standards, and therefore should be read in conjunction with the Group's annual consolidated financial statements for the year ended December 31, 2020.





## **2. Basis of Preparation (Continued)**

### **2.2 Presentation and functional currency**

These interim condensed consolidated financial statements are presented in thousands of Saudi Riyals (SR) unless stated otherwise. Saudi Riyal (SR) is also the functional currency of the Group. Saudi Riyal (SR) is the presentation currency of the Company and all its subsidiaries except for SINCO which uses United States Dollar (USD) as its presentation currency.

### **2.3 Consistency of accounting policies**

The accounting policies adopted and the methods of computation followed in the preparation of these 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 December 31, 2020.

### **2.4 Accounting judgement, estimates and assumptions:**

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

In preparing these interim condensed consolidated financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty including the risk management policies were the same as those that were applied to the annual financial statements as of and for the year ended December 31, 2020.

### **2.5 Significant matters during the period**

During March 2020, the World Health Organisation ("WHO") declared the Coronavirus ("COVID-19") outbreak as a pandemic in recognition of its rapid spread across the globe. This outbreak has also affected the GCC region including KSA. Governments all over the world took steps to contain the spread of virus. Saudi Arabia in particular has implemented closure of borders, released social distancing guidelines and enforced country wide lockdown and curfews.

In response to the rapid spread of the virus and the resulting disruption of some social and economic activities, the management is assessing the impact on its current and future operational activities and has taken a series of preventive and precautionary measures, including activating of remote work to ensure the safety of its employees and their families.

As of the date of preparation of the financial statements for the three-month period ended March 31, 2021, the management has not identified any significant impact on Group's operations and financial results from the COVID-19 outbreak. These developments could impact future financial results, cashflows and financial condition and the management will continue to assess the nature and extent of the impact on its business and financial results

### **2.6 Significant Accounting Policies**

#### **New Standards, Amendment to Standards and Interpretations:**

There are no new standards issued, however, there are number of amendments to standards which are effective from January 1, 2021, and have been explained in Group's annual consolidated financial statements, but they do not have a material effect on the Group's interim condensed consolidated financial statements.



**Notes to the Interim Condensed Consolidated Financial Statements (Continued)**  
**For the Three-Month Period Ended March 31, 2021**

**3. Property, Plant and Equipment and Capital Work in Progress**

The following is a summary of the movement in property, plant and equipment:

	<b>Three Months ended March 31, 2021</b>	Three Months ended March 31, 2020
	<b>Unaudited SR'000</b>	Unaudited SR'000
Additions	1,036	5,347
Disposals	(8)	-
Transfers in	-	344
Depreciation expense	(10,278)	(9,471)

Assets with a net book value of SR 8 thousand were disposed by the Group during the Three Months ended March 31, 2021 (March 31, 2020: nil), resulting in a loss on sale of SR 6 thousand (March 31, 2020: gain on sale of SR 80 thousand).

The following is a summary of the movement in the capital work in progress:

	<b>Three Months ended March 31, 2021</b>	Three Months ended March 31, 2020
	<b>Unaudited SR'000</b>	Unaudited SR'000
Additions	52,630	26,035
Transfers out	-	(344)

Finance costs included in the cost of qualifying assets during the Three Months ended March 31, 2021 amounted to nil (March 31, 2020: SR 696 thousand).

Capital work in progress as at March 31, 2021 represents mainly the costs incurred in constructing the Group's pharmaceutical factory in Ha'il Industrial City, new explosives plant in Riyadh, as well as other projects undertaken to comply with security regulations. Refer to note 11.2 for the capital commitments associated with those works in progress.

The Group's pharmaceutical factory in Ha'il and the explosives plant in Riyadh including the buildings, machineries, vehicles and all related assets have been pledged to the benefit of SIDF to secure the related loans.

**4. Trade Receivables**

Trade receivables, as at March 31, 2021, includes balances which are due from Saudi Arabian government organizations amounting to SR 1,515 million, that is 73% of total trade receivables (December 31, 2020: SR 1,138 million, that is 67% of total trade receivables). Such organizations have strong credit ratings in the Saudi Arabian market. Revenues for the Three Months ended March 31, 2021 includes sales which were made to one customer amounting to SR 475 million, that is 49% of total revenues (March 31, 2020: SR 90 million, that is 11% of total revenues).

Expected credit loss on trade receivables of SR 8 million was recognised by the Group during the Three Months ended March 31, 2021 (March 31, 2020: SR 8.8 million).

**5. Share Capital**

As at March 31, 2021, the share capital of the Company was SR 843,200,000 (December 31, 2020: SR 843,200,000) which is comprised of 84,320,000 shares (December 31, 2020: 84,320,000 shares) of SR 10 each.



**Notes to the Interim Condensed Consolidated Financial Statements (Continued)**  
**For the Three-Month Period Ended March 31, 2021**

**6. Financing**

**6.1 Saudi Industrial Development Fund's financing**

One of the subsidiaries of the Group (AJA Pharmaceuticals Industries Company Limited) signed a long term financing facility agreement with Saudi Industrial Development Fund ("SIDF") for the purpose of financing the capital expenditure of the plant in Ha'il, amounting to SR 157.5 million, of which SR 157.5 million was utilised up to March 31, 2021 (December 31, 2020: SR 157.5 million). The proceeds received from the SIDF were originally reduced by processing fees of SR 11.8 million, and hence the balance of this financing appears net of amortized transaction cost amounting to SR 6.8 million as at March 31, 2021 (December 31, 2020: SR 7 million). Total finance is repayable, after a grace period, in fifteen consecutive semi-annual instalments starting from Jumada Althani 15, 1442H corresponding to January 28, 2021G with the last instalment due on Rabi' Al-Thani 15, 1449H corresponding to September 16, 2027G. The agreement includes certain financial covenants, and is secured by a promissory note, and pledge of the subsidiary's property, plant and equipment. As at March 31, 2021 the subsidiary is in discussion with SIDF to reschedule the loan and did not make the first repayment due on January 28, 2021G.

Also, one of the subsidiaries of the Group (Saudi Chemical Company Limited) signed a long term financing facility agreement with Saudi Industrial Development Fund ("SIDF") for the purpose of financing the capital expenditure of the new plant in Riyadh, amounting to SR 229 million. of which SR 183.2 million was utilised up to March 31, 2021 (December 31, 2020: SR 183.2 million). The proceeds received from the SIDF were originally reduced by processing fees of SR 14.6 million, and hence the balance of this financing appears net of amortized transaction cost amounting to SR 13.9 million as at March 31, 2021 (December 31, 2020: SR 14.2 million). The total finance is repayable, after a grace period, in fourteen consecutive semi-annual instalments starting from Rabei' Althani 15, 1444H corresponding to November 9, 2022G with the last instalment due on Shawwal 15, 1450H corresponding to February 28, 2029G. The agreement includes certain financial covenants, and is secured by a promissory note, and pledge of the subsidiary's property, plant and equipment.

The following represents a summary of information about the Saudi Industrial Development Fund's financing:

	<b>March 31, 2021</b>	December 31, 2020
	<b>Unaudited</b>	Audited
	<b><u>SR'000</u></b>	<u>SR'000</u>
Facility limit	<b>386,500</b>	386,500
Withdrawals	<b>340,700</b>	340,700
Less: Processing fees	<b>(20,729)</b>	(21,201)
	<b><u>319,971</u></b>	<u>319,499</u>
<b>Of which:</b>		
Non-current portion	<b>299,371</b>	298,899
Current portion	<b>20,600</b>	20,600
	<b><u>319,971</u></b>	<u>319,499</u>



**Saudi Chemical Holding Company**  
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**Notes to the Interim Condensed Consolidated Financial Statements (Continued)**  
**For the Three-Month Period Ended March 31, 2021**

**6. Financing (continued)**

**6.2 Short-term Islamic financing**

The Group is using Islamic financing to finance its business operations. These facilities bear finance costs at SIBOR plus prevailing market rates. The facilities are secured by promissory notes. The facilities agreements include covenants requiring the maintenance of certain levels of financial ratios, and one of the agreements includes acknowledged assignment of SIDF financing's proceeds in favour of the lending bank. The following represents a summary of information about the short-term Islamic financing:

	Amounts utilized in the form of			Unutilized amounts SR'000
	Facility limit SR'000	Withdrawals SR'000	(Note 11.2) Letters of credit SR'000	
<b>As at March 31, 2021 (Unaudited)</b>				
Saudi Chemical Holding Company	389,725	120,975	-	14,321
Saudi International Trading Company	3,209,700	1,305,082	246,246	162,679
Chemical Company for Commercial Investment Limited	65,000	27,617	-	-
AJA Pharmaceuticals Industries Company Limited	123,000	74,996	4,123	-
Saudi Chemical Company Limited	340,722	141,195	-	574
<b>Total</b>	<b>4,128,147</b>	<b>1,669,865</b>	<b>250,369</b>	<b>177,574</b>

	Amounts utilized in the form of			Unutilized amounts SR'000
	Facility limit SR'000	Withdrawals SR'000	(Note 11.2) Letters of credit SR'000	
<b>As at December 31, 2020 (Audited)</b>				
Saudi Chemical Holding Company	389,725	171,725	-	14,321
Saudi International Trading Company	3,209,700	988,848	296,894	252,046
Chemical Company for Commercial Investment Limited	65,000	35,662	9,117	-
AJA Pharmaceuticals Industries Company Limited	123,000	82,429	4,551	-
Saudi Chemical Company Limited	340,722	120,994	-	574
<b>Total</b>	<b>4,128,147</b>	<b>1,399,658</b>	<b>310,562</b>	<b>266,941</b>



**Notes to the Interim Condensed Consolidated Financial Statements (Continued)**  
**For the Three-Month Period Ended March 31, 2021**

**7. Zakat and Income Tax**

Zakat and income tax provisions of SR 9.4 million were recognised by the Group during the Three Months ended March 31, 2021 (March 31, 2020: SR 5.2 million).

The Company, SITCO Pharma, CCCIL, AJA Pharma and SCCL have filed their zakat declarations and obtained zakat certificates for the years up to 2019.

During the year ended December 31, 2020, The Company obtained the final zakat assessments for the years 2014 to 2018 from the General Authority of Zakat and Tax, which resulted in an additional amount of SR 10,227,611, and are being contested by the Company in accordance with the relevant procedures.

During the year ended December 31, 2019, SITCO and CCCIL obtained the final zakat assessments for years up to 2017 from the General Authority of Zakat and Tax.

During the period ended March 31, 2021, Aja Pharma obtained the final assessments for the year 2019 from the General Authority of Zakat and Tax.

**8. Revenues**

	<b>Three months ended March 31</b>	
	<b>2021</b>	<b>2020</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>SR'000</b>	<b>SR'000</b>
Sale of goods	979,443	808,338
Rendering of services	-	2,229
Discounts	(9,982)	(10,986)
	<u>969,461</u>	<u>799,581</u>

**9. Basic and Diluted Earnings Per Share**

Earnings per share is computed using net profit for the period attributable to Shareholders of the Company based on the weighted average number of shares outstanding during such period. The diluted earnings per share are the same as the basic earnings per share as the Group does not have any dilutive instruments in issue.

**10. Financial Instruments**

The following are the categories of the financial assets and liabilities carried on the interim condensed consolidated statement of financial position:

	<b>March 31, 2021</b>	<b>December 31, 2020</b>
	<b>Unaudited</b>	<b>Audited</b>
	<b>SR '000</b>	<b>SR '000</b>
<b>Financial assets at amortized cost</b>		
Trade receivables	2,085,261	1,687,627
Other assets	36,575	35,990
Cash and cash equivalents	102,687	150,326
<b>Total financial assets at amortized cost</b>	<u>2,224,523</u>	<u>1,873,943</u>
<b>Financial liabilities at amortised cost:</b>		
Saudi Industrial Development Fund's financing	319,971	319,499
Lease liabilities	8,316	10,335
Short-term Islamic financing	1,669,865	1,399,658
Trade payables	1,132,248	1,236,123
Unpaid dividends	13,308	13,308
Accrued expenses and other liabilities *	79,256	77,540
<b>Total financial liabilities at amortized cost</b>	<u>3,222,964</u>	<u>3,056,463</u>

\* Except for unearned commission and advances from customers.

The Group did not provide fair value disclosures, as the book value of the financial assets and liabilities is a reasonable approximation of the fair value.



**Notes to the Interim Condensed Consolidated Financial Statements (Continued)**  
**For the Three-Month Period Ended March 31, 2021**

**11. Contingent Liabilities and Commitments**

**11.1 Contingent liabilities**

As at March 31, 2021, the Group had outstanding letters of guarantee amounting to SR 178 million (December 31, 2020: SR 267 million), issued in the normal course of business of the Group.

**11.2 Commercial and Capital commitments**

As at March 31, 2021, the Group had outstanding letters of credit amounting to SR 250 million (December 31, 2020: SR 311 million) and capital commitments outstanding as at March 31, 2021, in respect of capital work in progress projects of SR 180 million (December 31, 2020: SR 194 million).

**12. Segment Information**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group evaluates segmental performance on the basis of profit or loss from operations. The Group's operations are principally in the explosives, medicines and medical supplies and production of ammonium nitrate. Certain selected financial information for the above-mentioned business segments is summarized below. Except for the information related to the production of ammonium nitrate segment that is located in the Arab Republic of Egypt, all other information is related to the business segments in the Kingdom of Saudi Arabia.

	Explosives <u>SR'000</u>	Medicines and medical supplies <u>SR'000</u>	Production of ammonium nitrate <u>SR'000</u>	Total <u>SR'000</u>
<b>Balances as at March 31, 2021 (Unaudited)</b>				
Segment assets	1,252,112	3,747,163	88,418	5,087,693
Segment liabilities	556,500	2,850,276	2,230	3,409,006
<b>Balances as at December 31, 2020 (Audited)</b>				
Segment assets	1,261,897	3,533,254	87,668	4,882,819
Segment liabilities	574,785	2,668,764	1,775	3,245,324



Notes to the Interim Condensed Consolidated Financial Statements (Continued)  
For the Three-Month Period Ended March 31, 2021

12. Segment Information (continued)

	Explosives <u>SR'000</u>	Medicines and medical supplies <u>SR'000</u>	Production of ammonium nitrate <u>SR'000</u>	Total <u>SR'000</u>
<b>For the three-month period ended March 31, 2021 (Unaudited)</b>				
External revenues	81,634	899,753	10,617	992,004
Intersegment revenues	-	(17,332)	(5,211)	(22,543)
<b>Net revenues</b>	<b>81,634</b>	<b>882,421</b>	<b>5,406</b>	<b>969,461</b>
Amortization	(11)	(509)	-	(520)
Depreciation	(2,875)	(6,199)	(1,204)	(10,278)
Depreciation of right-of-use assets	(163)	(402)	-	(565)
Impairment of trade receivables	(3,000)	(5,000)	-	(8,000)
Other expenses	(61,092)	(842,714)	(5,100)	(908,906)
<b>Segment comprehensive income</b>	<b>14,493</b>	<b>27,597</b>	<b>(898)</b>	<b>44,192</b>

	Explosives <u>SR'000</u>	Medicines and medical supplies <u>SR'000</u>	Production of ammonium nitrate <u>SR'000</u>	Total <u>SR'000</u>
<b>For the three-month period ended March 31, 2020 (Unaudited)</b>				
External revenues	72,045	742,322	15,025	829,392
Intersegment revenues	-	(16,285)	(13,526)	(29,811)
<b>Net revenues</b>	<b>72,045</b>	<b>726,037</b>	<b>1,499</b>	<b>799,581</b>
Amortization	(12)	(1,079)	-	(1,091)
Depreciation	(2,922)	(5,323)	(1,226)	(9,471)
Depreciation of right-of-use assets	(166)	(282)	-	(448)
Impairment of trade receivables	(2,149)	(6,682)	-	(8,831)
Other expenses	(50,865)	(689,724)	(920)	(741,509)
<b>Segment comprehensive income</b>	<b>15,931</b>	<b>22,947</b>	<b>(647)</b>	<b>38,231</b>



**Notes to the Interim Condensed Consolidated Financial Statements (Continued)**  
**For the Three-Month Period Ended March 31, 2021**

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**13. Dividends**

The Board of Directors in their meeting which was held on Sha'ban 26, 1442H corresponding to April 08, 2021G, proposed for shareholder's approval at General Assembly a dividend of SR 41,160,000 (SR 0.50 per share) for the year ended 31 December 2020.

**14. Subsequent Events**

The management of the Group believes that no significant events have occurred subsequent to the period end that may require adjustment to or disclosure in these interim condensed consolidated financial statements.

**15. Approval of the Interim Condensed Consolidated Financial Statements**

These interim condensed consolidated financial statements have been approved by the Board of Directors of the Company on Ramadan 22, 1442H corresponding to May 04, 2021G.

