

**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, 2021  
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, 2021**

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## *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, 2021 and the related condensed consolidated interim statements of income, comprehensive income for the three-month and nine-month periods ended September 30, 2021, and the condensed consolidated statement of changes in equity and cash flows for the nine-month period then ended, and notes, comprising significant accounting policies 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**

A handwritten signature in black ink, appearing to read 'Mufaddal A. Ali', is written over a faint, circular stamp or watermark.

Mufaddal A. Ali  
License Number 447

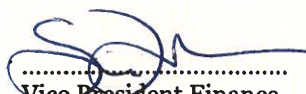
November 2, 2021


**ASTRA INDUSTRIAL GROUP COMPANY AND ITS SUBSIDIARIES  
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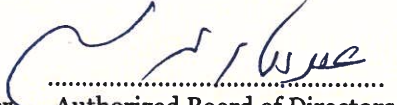
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**  
(All amounts are in Saudi Riyals unless otherwise stated)

		As at September 30, 2021	As at December 31, 2020
	Notes	(Unaudited)	(Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	1,151,399,412	1,188,929,364
Intangible assets	4	32,046,807	32,428,453
Other non-current assets		5,620,667	8,940,929
		<u>1,189,066,886</u>	<u>1,230,298,746</u>
<b>Current assets</b>			
Inventories		795,155,273	743,529,334
Trade receivables	5	1,005,366,459	757,260,116
Due from related parties	6	4,449,747	2,306,030
Prepayments and other current assets	7	135,253,414	113,328,476
Cash and cash equivalents		41,828,448	54,460,204
		<u>1,982,053,341</u>	<u>1,670,884,160</u>
<b>Total assets</b>		<u><b>3,171,120,227</b></u>	<u><b>2,901,182,906</b></u>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Loans and lease liabilities	8	44,161,078	42,568,526
Due to a related party – loan	6	30,052,273	30,052,273
Employees' defined benefit liabilities		130,283,832	122,798,469
		<u>204,497,183</u>	<u>195,419,268</u>
<b>Current liabilities</b>			
Trade payables		287,101,110	223,708,613
Accrued expenses and other current liabilities	9	422,052,971	338,314,733
Due to related parties	6	1,263,382	770,474
Loans and lease liabilities	8	743,971,890	681,689,144
Zakat and income tax payable	10	64,048,349	74,418,980
		<u>1,518,437,702</u>	<u>1,318,901,944</u>
<b>Total liabilities</b>		<u><b>1,722,934,885</b></u>	<u><b>1,514,321,212</b></u>
<b>EQUITY</b>			
Share capital		800,000,000	800,000,000
Statutory reserve		406,568,677	406,568,677
Retained earnings		269,993,819	184,463,118
Foreign currency translation reserve	15	(80,981,259)	(65,185,232)
<b>Equity attributable to shareholders of the parent</b>		<u>1,395,581,237</u>	<u>1,325,846,563</u>
Non-controlling interests		52,604,105	61,015,131
<b>Total equity</b>		<u><b>1,448,185,342</b></u>	<u><b>1,386,861,694</b></u>
<b>Total liabilities and equity</b>		<u><b>3,171,120,227</b></u>	<u><b>2,901,182,906</b></u>

The accompanying notes (1) through (18) form an integral part of these condensed consolidated interim financial statements.

  
.....  
Vice President Finance  
Member

  
.....  
President / Chief Executive Officer


  
.....  
Authorized Board of Directors

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

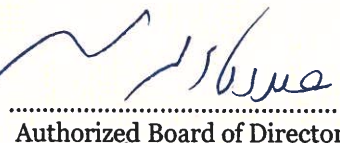
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF INCOME - UNAUDITED**  
(All amounts are in Saudi Riyals unless otherwise stated)

	Notes	For the three-month period ended September 30,		For the nine-month period ended September 30,	
		2021	2020	2021	2020
Revenue	12	<b>611,990,489</b>	433,833,874	<b>1,748,260,743</b>	1,384,855,221
Cost of revenue		<b>(377,592,369)</b>	(254,457,428)	<b>(1,064,733,429)</b>	(832,553,217)
<b>Gross profit</b>		<b>234,398,120</b>	179,376,446	<b>683,527,314</b>	552,302,004
Selling and distribution expenses		<b>(101,082,048)</b>	(82,677,276)	<b>(257,997,789)</b>	(258,004,727)
General and administrative expenses		<b>(54,723,895)</b>	(48,994,763)	<b>(141,638,254)</b>	(127,736,951)
Provision for impairment of financial assets	5	<b>(10,419,883)</b>	(11,720,155)	<b>(33,326,523)</b>	(13,684,523)
Research expenses		<b>(7,861,337)</b>	(6,425,337)	<b>(19,057,916)</b>	(16,999,139)
<b>Income from operations</b>		<b>60,310,957</b>	29,558,915	<b>231,506,832</b>	135,876,664
Finance costs	12	<b>(12,578,869)</b>	(11,309,522)	<b>(37,791,456)</b>	(38,092,645)
Other income (expenses), net	11	<b>2,092,969</b>	4,357,326	<b>(33,315,037)</b>	(8,926,268)
<b>Income before zakat and income tax</b>		<b>49,825,057</b>	22,606,719	<b>160,400,339</b>	88,857,751
Zakat and income tax expense	10	<b>(6,544,792)</b>	(5,064,566)	<b>(18,500,064)</b>	(18,729,763)
<b>Net income for the period</b>		<b>43,280,265</b>	17,542,153	<b>141,900,275</b>	70,127,988
Attributable to:					
Shareholders of the parent		<b>45,373,403</b>	19,204,251	<b>150,579,007</b>	77,520,939
Non-controlling interests		<b>(2,093,138)</b>	(1,662,098)	<b>(8,678,732)</b>	(7,392,951)
		<b>43,280,265</b>	17,542,153	<b>141,900,275</b>	70,127,988
<b>Earnings per share attributable to shareholders of the parent (basic and diluted)</b>		<b>0.57</b>	0.24	<b>1.88</b>	0.97

The accompanying notes (1) through (18) form an integral part of these condensed consolidated interim financial statements.

  
.....  
Vice President Finance  
Member

  
.....  
President / Chief Executive Officer

  
.....  
Authorized Board of Directors

**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 30,	
	2021	2020	2021	2020
<b>Net income for the period</b>	<b>43,280,265</b>	<b>17,542,153</b>	<b>141,900,275</b>	<b>70,127,988</b>
<b>Other comprehensive income</b>				
<i>Item that may be reclassified to statement of income in subsequent periods:</i>				
Exchange (loss) / gain on translation of foreign operations	15 (1,874,977)	623,271	(15,796,027)	(11,157,491)
<i>Item that will not to be reclassified to statement of income in subsequent periods:</i>				
Re-measurement (loss) / gain on employees' defined benefit liabilities	(277,107)	1,461,737	(5,064,551)	3,197,467
<b>Other comprehensive (loss) / income for the period</b>	<b>(2,152,084)</b>	<b>2,085,008</b>	<b>(20,860,578)</b>	<b>(7,960,024)</b>
<b>Total comprehensive income for the period</b>	<b>41,128,181</b>	<b>19,627,161</b>	<b>121,039,697</b>	<b>62,167,964</b>
<b>Attributable to:</b>				
Shareholders of the parent	43,208,880	21,284,755	129,734,673	69,546,687
Non-controlling interests	(2,080,699)	(1,657,594)	(8,694,976)	(7,378,723)
	<b>41,128,181</b>	<b>19,627,161</b>	<b>121,039,697</b>	<b>62,167,964</b>

The accompanying notes (1) through (18) form an integral part of these condensed consolidated interim financial statements.

  
 Vice President Finance  
 Member

  
 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, 2021**

(All amounts are in Saudi Riyals unless otherwise stated)

	Note	Share capital	Statutory reserve	Retained earnings	Foreign currency translation reserve	Attributable to shareholders of the parent	Non-controlling interests	Total equity
<b>December 31, 2020 (Audited)</b>		800,000,000	406,568,677	184,463,118	(65,185,232)	1,325,846,563	61,015,131	1,386,861,694
Net income for the period		-	-	150,579,007	-	150,579,007	(8,678,732)	141,900,275
Other comprehensive loss for the period		-	-	(5,048,306)	(15,796,027)	(20,844,333)	(16,245)	(20,860,578)
<b>Total comprehensive income for the period</b>		-	-	145,530,701	(15,796,027)	129,734,674	(8,694,977)	121,039,697
Formation of a subsidiary	1	-	-	-	-	-	283,951	283,951
Dividends	16	-	-	(60,000,000)	-	(60,000,000)	-	(60,000,000)
<b>September 30, 2021 (Unaudited)</b>		800,000,000	406,568,677	269,993,819	(80,981,259)	1,395,581,237	52,604,105	1,448,185,342
January 1, 2020 (Audited)		800,000,000	406,568,677	70,599,830	(61,887,098)	1,215,281,409	(11,833,272)	1,203,448,137
Net income for the period		-	-	77,520,939	-	77,520,939	(7,392,951)	70,127,988
Other comprehensive income / (loss) for the period		-	-	3,189,393	(11,157,491)	(7,968,098)	8,074	(7,960,024)
<b>Total comprehensive income for the period</b>		-	-	80,710,332	(11,157,491)	69,552,841	(7,384,877)	62,167,964
Increase of shareholding in a subsidiary		-	-	(6,098,124)	-	(6,098,124)	14,517,124	8,419,000
September 30, 2020 (Unaudited)		800,000,000	406,568,677	145,212,038	(73,044,589)	1,278,736,126	(4,701,025)	1,274,035,101

The accompanying notes (1) through (18) form an integral part of these condensed consolidated interim financial statements.


  
 Vice President Finance .....



  
 .....
   
 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)

		<b>For the nine-month period ended September 30</b>	
	<b>Notes</b>	<b>2021</b>	<b>2020</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income before zakat and income tax		160,400,339	88,857,751
<b>Adjustments for non-cash items</b>			
Depreciation and amortization	12	68,106,436	67,720,210
Finance costs	12	37,791,456	38,092,645
Provision for impairment of financial assets	5	33,326,523	13,684,523
Provision for near expiry, obsolete and slow-moving inventories		19,879,287	18,865,222
Employee defined benefit cost		12,689,332	14,424,463
<b>Changes in operating assets and liabilities:</b>			
Inventories		(71,505,226)	(145,950,522)
Trade receivables		(281,432,866)	(85,103,186)
Due from related parties		(2,143,717)	770,121
Prepayments and other assets		(21,924,938)	(11,528,239)
Trade payables		63,392,497	102,158,513
Accrued expenses and other current liabilities		83,738,238	114,683,458
Due to related parties		776,856	1,975,496
End of service benefits paid		(10,268,520)	(14,896,896)
Zakat and income tax paid		(21,736,242)	(25,468,541)
<b>Net cash generated from operating activities</b>		<b>71,089,455</b>	<b>178,285,018</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment	3	(48,356,230)	(39,358,396)
Proceeds from sale of property, plant and equipment		1,158,087	1,276,604
Additions to intangible assets		(994,111)	(1,354,640)
Other non-current assets		3,320,262	2,936,240
<b>Net cash used in investing activities</b>		<b>(44,871,992)</b>	<b>(36,500,192)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net movement in short-term and long-term loans		67,997,123	(89,749,258)
Payment of lease liabilities		(5,560,887)	(2,944,732)
Finance costs paid		(36,352,388)	(38,092,645)
Dividends paid	16	(60,000,000)	-
<b>Net cash used in financing activities</b>		<b>(33,916,152)</b>	<b>(130,786,635)</b>
<b>Net change in cash and cash equivalents</b>		<b>(7,698,689)</b>	<b>10,998,191</b>
Cash and cash equivalents at the beginning of the period		54,460,204	45,279,521
Net foreign exchange loss		(4,933,067)	(1,843,047)
<b>Cash and cash equivalents at the end of the period</b>		<b>41,828,448</b>	<b>54,434,665</b>
<b>Supplement schedule of non-cash information</b>			
Increase of shareholding in a subsidiary		-	8,419,000

The accompanying notes (1) through (18) form an integral part of these condensed consolidated interim financial statements.

  
.....  
Vice President Finance  
Member

  
.....  
President / Chief Executive Officer

  
.....  
Authorized Board of Directors



**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, 2021**  
(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 (corresponding to 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, 2020, except during the period ended September 30, 2021, one of the subsidiary (i.e; Astra Industrial Complex Co. Ltd. for Fertilizer and Agrochemicals) of the Group established a Company in Algeria namely “CHEMNOVA Limited Liability Company” with 49% shareholding. The Group has significant control on the CHEMNOVA Limited Liability Company through its subsidiary Astra Industrial Complex Co. Ltd. for Fertilizer and Agrochemicals, therefor, the investment in CHEMNOVA Limited Liability Company is considered a subsidiary to the Group and is consolidated in its financial statements.

CHEMNOVA Limited Liability Company main activates are import, Phytosanitary products, tools and equipment and its spare parts related to farming industry.

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, 2021 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, 2020.

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

**2.2 Summary of 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, 2020.

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

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

**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, 2021**  
(All amounts are in Saudi Riyals unless otherwise stated)

**2 SIGNIFICANT ACCOUNTING POLICIES**

**2.4 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, 2021, 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, 2020. Management will continue to monitor the situation and any changes required will be reflected in future reporting periods.

**3 PROPERTY, PLANT AND EQUIPMENT**

	<b>September 30, 2021</b>	<b>December 31, 2020</b>
<b>Note</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
Beginning - net book value	<b>1,188,929,364</b>	1,225,369,236
Additions for the period / year	<b>48,356,230</b>	62,431,224
Depreciation charge for the period / year	<b>(66,954,578)</b>	(88,554,842)
Disposals / write - offs, net - for the period / year	<b>(1,158,087)</b>	(1,142,007)
Exchange differences	<b>3.1 (17,773,517)</b>	(9,174,247)
<b>Closing - net book value</b>	<b><u>1,151,399,412</u></b>	<u>1,188,929,364</u>

3.1 This mainly arises from the Group's operations in Sudan.

**4 INTANGIBLE ASSETS**

	<b>September 30, 2021</b>	<b>December 31, 2020</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Goodwill	<b>25,206,754</b>	25,206,754
Software and licenses	<b>6,840,053</b>	7,221,699
	<b><u>32,046,807</u></b>	<u>32,428,453</u>

**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, 2021**  
(All amounts are in Saudi Riyals unless otherwise stated)

**5 TRADE RECEIVABLES**

	<b>September 30, 2021 (Unaudited)</b>	<b>December 31, 2020 (Audited)</b>
Not yet past due	717,530,998	529,877,387
Past due	<u>439,158,764</u>	<u>374,029,376</u>
	<b>1,156,689,762</b>	<b>903,906,763</b>
Provision for impairment	<u>(151,323,303)</u>	<u>(146,646,647)</u>
	<b><u>1,005,366,459</u></b>	<b><u>757,260,116</u></b>
Provision to trade receivables coverage ratio	<u>13.08%</u>	<u>16.22%</u>
Provision to past due trade receivables coverage ratio	<u>34.46%</u>	<u>39.21%</u>
More than one year past due provision coverage ratio	<u>85.11%</u>	<u>76.03%</u>

**5.1** As at September 30, 2021, trade receivables include retention receivables of SAR 36.5 million (December 31, 2020: SAR 21.7 million) and unbilled receivables of SAR 29.7 million (December 31, 2020: SAR 24 million).

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

	<b>September 30, 2021 (Unaudited)</b>	<b>December 31, 2020 (Audited)</b>
Opening balance	146,646,647	105,680,407
Provision for the period / year	33,326,523	55,467,270
Adjustments / write - offs during the period / year	<u>(28,649,867)</u>	<u>(14,501,030)</u>
Closing balance	<b><u>151,323,303</u></b>	<b><u>146,646,647</u></b>

**5.3** Provision for impairment - net

	<b>For the nine-month period ended September 30,</b>	
	<b>2021</b>	<b>2020</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Impairment provision charge	33,326,523	33,255,121
Recoveries from a customer of power and steel industries segment after write-off, net of direct recovery fee of SR 4.6 million.	-	<u>(19,570,598)</u>
Net provision for impairment	<b><u>33,326,523</u></b>	<b><u>13,684,523</u></b>

**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, 2021**  
(All amounts are in Saudi Riyals unless otherwise stated)

**5 TRADE RECEIVABLES (continued)**

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

**September 30, 2021 (Unaudited)**

<b>Buckets</b>	<b>Gross receivables</b>	<b>Provision</b>	<b>Net receivables</b>
<b>Current (not yet past due)</b>	<b>717,530,998</b>	<b>(2,915,730)</b>	<b>714,615,268</b>
1 to 180 days	264,709,862	(26,261,861)	238,448,001
181 to 360 days	52,277,588	(18,161,647)	34,115,941
	<b>316,987,450</b>	<b>(44,423,508)</b>	<b>272,563,942</b>
361 to 540 days	19,422,896	(11,679,596)	7,743,300
541 to 720 days	24,232,214	(15,940,942)	8,291,272
	<b>43,655,110</b>	<b>(27,620,538)</b>	<b>16,034,572</b>
721 to 900 days	9,086,824	(7,553,417)	1,533,407
901 to 1080 days	11,611,158	(10,991,888)	619,270
	<b>20,697,982</b>	<b>(18,545,305)</b>	<b>2,152,677</b>
More than 1080 days	57,818,222	(57,818,222)	-
<b>Past due</b>	<b>439,158,764</b>	<b>(148,407,573)</b>	<b>290,751,191</b>
	<b>1,156,689,762</b>	<b>(151,323,303)</b>	<b>1,005,366,459</b>

**December 31, 2020 (Audited)**

<b>Buckets</b>	<b>Gross receivables</b>	<b>Provision</b>	<b>Net receivables</b>
<b>Current (not yet past due)</b>	<b>529,877,387</b>	<b>(2,520,948)</b>	<b>527,356,439</b>
1 to 180 days	169,915,863	(18,744,286)	151,171,577
181 to 360 days	53,987,339	(11,247,854)	42,739,485
	<b>223,903,202</b>	<b>(29,992,140)</b>	<b>193,911,062</b>
361 to 540 days	34,887,118	(9,875,650)	25,011,468
541 to 720 days	16,422,955	(10,017,272)	6,405,683
	<b>51,310,073</b>	<b>(19,892,922)</b>	<b>31,417,151</b>
721 to 900 days	12,723,974	(10,715,516)	2,008,458
901 to 1080 days	17,615,425	(15,048,419)	2,567,006
	<b>30,339,399</b>	<b>(25,763,935)</b>	<b>4,575,464</b>
More than 1080 days	68,476,702	(68,476,702)	-
<b>Past due</b>	<b>374,029,376</b>	<b>(144,125,699)</b>	<b>229,903,677</b>
	<b>903,906,763</b>	<b>(146,646,647)</b>	<b>757,260,116</b>

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**5 TRADE RECEIVABLES (continued)**

**5.5** The expected credit loss is calculated based on a loss rate methodology. Loss rates are calculated using a 'roll rate' method (provision matrix approach) based on the probability of a receivable progressing through successive stages of delinquency to write-off. Loss rates are based on the default probability calculated on average flow rates of past 12 quarters. The loss rates are adjusted based on factor considering the future economic outlook. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics – geographic region, and type of customer i.e. government or private. This assessment is performed at each subsidiary level and consistent with last year. In segment reporting disclosure, trade receivables and related provision were specified which mainly represent the common risk characteristics.

**5.6** 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:

	<b>September 30, 2021 (Unaudited)</b>	<b>December 31, 2020 (Audited)</b>
Astra Farms Company - Saudi Arabia (Affiliate company)	2,685,047	1,485,070
Other	1,764,700	820,960
	<u>4,449,747</u>	<u>2,306,030</u>

Due from related parties are unsecured and recoverable in cash.

**6.2** Due to related parties comprises of the following:

	<b>September 30, 2021 (Unaudited)</b>	<b>December 31, 2020 (Audited)</b>
Nour Communications Company - Saudi Arabia (Affiliate company)	1,154,879	755,699
Tharawat Mining Company – Saudi Arabia (partner in a subsidiary)	15,946	6,163
Other	92,557	8,612
	<u>1,263,382</u>	<u>770,474</u>

Due to related parties are unsecured and payable in cash.

**6.3** Due to a related party - loan

	<b>September 30, 2021 (Unaudited)</b>	<b>December 31, 2020 (Audited)</b>
Al Maseera International Company (a shareholder in Tanmiya)	<u>30,052,273</u>	<u>30,052,273</u>

**6.4** Key management personnel compensation

Key management personnel compensation for the nine-month period ended September 30, 2021 amounted to SAR 10.2 million (September 30, 2020: SAR 8.5 million).

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**7 PREPAYMENTS AND OTHER CURRENT ASSETS**

	September 30, 2021 (Unaudited)	December 31, 2020 (Audited)
<b>Financial assets</b>		
Restricted bank balances	43,795	3,781,765
Refundable deposits and insurance claims	<u>6,869,139</u>	<u>5,403,128</u>
	<u>6,912,934</u>	<u>9,184,893</u>
<b>Non-financial assets</b>		
Prepaid expenses	31,205,107	25,796,060
Advances to suppliers	69,181,243	52,371,338
Value-added tax	11,612,921	12,053,943
Employees' receivables	12,298,333	10,798,750
Other	<u>4,042,876</u>	<u>3,123,492</u>
	<u>128,340,480</u>	<u>104,143,583</u>
	<u>135,253,414</u>	<u>113,328,476</u>

**8 LOANS AND LEASE LIABILITIES**

<u>September 30, 2021 (Unaudited)</u>	Current	Non-current	Total
Short-term loans	737,622,324	-	737,622,324
Long-term loans	<u>1,069,026</u>	<u>9,955,540</u>	<u>11,024,566</u>
	738,691,350	9,955,540	748,646,890
Lease liabilities	<u>5,280,540</u>	<u>34,205,538</u>	<u>39,486,078</u>
	<u>743,971,890</u>	<u>44,161,078</u>	<u>788,132,968</u>
<u>December 31, 2020 (Audited)</u>	Current	Non-current	Total
Short-term loans	674,331,608	-	674,331,608
Long-term loans	1,787,928	4,530,228	6,318,156
	676,119,536	4,530,228	680,649,764
Lease liabilities	<u>5,569,608</u>	<u>38,038,298</u>	<u>43,607,906</u>
	<u>681,689,144</u>	<u>42,568,526</u>	<u>724,257,670</u>

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

	September 30, 2021 (Unaudited)	December 31, 2020 (Audited)
Saudi Riyals and United States Dollar	566,832,980	528,359,637
Turkish Lira	97,353,292	85,958,199
Other	<u>84,460,618</u>	<u>66,331,928</u>
	<u>748,646,890</u>	<u>680,649,764</u>

**8.2** The major borrowings of the Group are short term which settle on monthly or quarterly basis and are priced based on Saudi Arabian Interbank Offered Rate (SAIBOR) plus an agreed fixed rate. As at September 30, 2021, the nine-month SAIBOR was 0.81% (September 30, 2020: 0.87 %).

During the nine-month period ended September 30, 2021 and 2020, the finance costs related to Turkey based subsidiaries was SAR 18.2 million (September 30, 2020: SAR 11.3 million). As at September 30, 2021, the Turkish LIBOR (Lira Interbank Offered Rate) was 18.4% (September 30, 2020: 12.8%).

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**8 LOANS AND LEASE LIABILITIES (continued)**

**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, 2021, facilities amounting to SAR 1.74 billion were undrawn (December 31, 2020: SAR 2.14 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 and are settled on a monthly or quarterly basis.

**8.4 Long-term loans**

The Group also has long-term loan facilities with banks to finance its capital assets. As at September 30, 2021, an amount of SAR 8.98 million was undrawn (December 31, 2020: SAR 3.87 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**

	<b>September 30, 2021 (Unaudited)</b>	<b>December 31, 2020 (Audited)</b>
Sales commission and promotional expenses	<b>137,343,465</b>	99,270,349
Accrued expenses	<b>73,260,729</b>	71,805,398
Employees' benefits	<b>83,900,621</b>	80,085,041
Contract liabilities	<b>77,036,061</b>	40,009,804
Contract liabilities - expected sales returns	<b>41,991,043</b>	36,484,335
Other	<b>8,521,052</b>	10,659,806
	<b><u>422,052,971</u></b>	<b><u>338,314,733</u></b>

**10 ZAKAT AND INCOME TAX**

There is no change in the status of zakat and income tax assessments of the Group since December 31, 2020.

Further, during the period, the Group has submitted its consolidated zakat and income tax returns for the year ended December 31, 2020 and bank guarantees of SR 61 million related to prior years were released.

**11 OTHER EXPENSES, NET**

	<b>September 30, 2021 (Unaudited)</b>	<b>September 30, 2020 (Unaudited)</b>
Foreign exchange losses	<b>(49,476,122)</b>	(16,332,430)
Others	<b>16,161,085</b>	7,406,162
	<b><u>(33,315,037)</u></b>	<b><u>(8,926,268)</u></b>

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**12 SEGMENT REPORTING**

	Pharmaceuti- cals	Specialty chemical	Power and steel industries	Other	Total
<b><u>For the nine month ended September 30, 2021 (Unaudited)</u></b>					
Revenue from sale of goods	700,902,731	570,032,580	166,391,488	26,452,868	1,463,779,667
Revenue from rendering of services	48,881,474	154,235,123	81,364,479	-	284,481,076
Total revenue	749,784,205	724,267,703	247,755,967	26,452,868	1,748,260,743
Gross profit / (loss)	449,560,412	233,005,588	(3,874,472)	4,835,786	683,527,314
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)	(3,850,183)	(1,725,237)	(37,791,456)
Income / (loss) before zakat and tax	121,845,064	83,626,384	(17,736,608)	(27,334,501)	160,400,339

	Pharmaceuti- cals	Specialty chemical	Power and steel industries	Other	Total
<b><u>For the nine month ended September 30, 2020 (Unaudited)</u></b>					
Revenue from sale of goods	649,796,548	490,721,971	53,641,071	23,503,938	1,217,663,528
Revenue from rendering of services	27,667,870	111,055,338	28,468,485	-	167,191,693
Total revenue	677,464,418	601,777,309	82,109,556	23,503,938	1,384,855,221
Gross profit	379,807,534	193,885,512	(24,454,511)	3,063,469	552,302,004
Depreciation and amortization	(31,829,496)	(15,226,286)	(15,593,377)	(5,071,051)	(67,720,210)
Finance costs	(12,502,231)	(16,707,108)	(5,532,739)	(3,350,567)	(38,092,645)
Income / (loss) before zakat and tax	74,592,570	66,211,558	(34,365,449)	(17,580,928)	88,857,751

	Pharmaceuti- cals	Specialty chemical	Power and steel industries	Other	Total
<b><u>September 30, 2021 (Unaudited)</u></b>					
Property, plant and equipment including right-of-use assets	436,473,479	165,893,585	430,854,799	118,177,549	1,151,399,412
Trade receivables	591,798,436	383,622,373	174,810,302	6,458,651	1,156,689,762
Provision for impairment of trade receivables	(50,875,832)	(70,916,596)	(29,175,864)	(355,011)	(151,323,303)
Trade receivables - net	540,922,604	312,705,777	145,634,438	6,103,640	1,005,366,459
Total assets	1,333,528,123	908,435,383	792,785,280	136,371,441	3,171,120,227
Total liabilities	711,622,433	459,816,614	381,093,289	170,402,549	1,722,934,885



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**12 SEGMENT REPORTING (continued)**

	<b>Pharmaceuti- cals</b>	<b>Specialty chemical</b>	<b>Power and steel industries</b>	<b>Other</b>	<b>Total</b>
<b><u>December 31, 2020 (Audited)</u></b>					
Property, plant and equipment including right-of-use assets	451,477,904	175,435,149	444,697,855	117,318,456	1,188,929,364
Trade receivables	432,530,738	332,058,538	136,653,440	2,664,047	903,906,763
Provision for impairment of trade receivables	(44,659,994)	(72,463,863)	(29,522,790)	-	(146,646,647)
Trade receivables - net	387,870,744	259,594,675	107,130,650	2,664,047	757,260,116
Total assets	1,208,653,669	785,633,759	771,658,487	135,236,991	2,901,182,906
Total liabilities	640,143,518	372,233,906	343,560,240	158,383,548	1,514,321,212

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**12 SEGMENT REPORTING (continued)**

Selected financial information summarized by geographic location is as follows:

	<b>KSA</b>	<b>Republic of Iraq</b>	<b>Africa</b>	<b>Turkey</b>	<b>Sudan</b>	<b>Other locations</b>	<b>Total</b>
<b><u>Revenue (nine months)</u></b>							
September 30, 2021							
(Unaudited)	<b>1,133,656,721</b>	<b>40,488,658</b>	<b>144,008,177</b>	<b>236,216,051</b>	<b>27,131,779</b>	<b>166,759,357</b>	<b>1,748,260,743</b>
September 30, 2020							
(Unaudited)	875,194,491	23,646,362	94,182,247	172,741,162	58,843,684	160,247,275	1,384,855,221
<b><u>Non-current assets</u></b>							
September 30, 2021							
(Unaudited)	<b>699,464,428</b>	<b>355,250,763</b>	<b>73,508,304</b>	<b>16,612,238</b>	<b>2,397,768</b>	<b>41,833,385</b>	<b>1,189,066,886</b>
December 31, 2020							
(Audited)	717,117,966	363,411,100	71,640,439	16,760,454	15,699,946	45,668,841	1,230,298,746

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**13 CONTINGENCIES AND COMMITMENTS**

There was no significant change in the contingencies and commitment level since December 31, 2020.

**14 LIQUIDITY RISK AND GOING CONCERN**

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value.

The calculation of net debt was as follows:

	<b>September 30, 2021 (Unaudited)</b>	<b>December 31, 2020 (Audited)</b>
Cash and cash equivalents	<b>41,828,448</b>	54,460,204
Short-term loans	<b>(737,622,324)</b>	(674,331,608)
Long-term loans	<b>(11,024,566)</b>	(6,318,156)
Lease liabilities	<b>(39,486,078)</b>	(43,607,906)
Due to a related party – loan	<b>(30,052,273)</b>	(30,052,273)
Net debt	<b>(776,356,793)</b>	(699,849,739)
<b>Current ratio</b>	<b>1.31</b>	1.27
<b>Unused credit facilities (in SAR billions)</b>	<b>1.75</b>	2.14

At the statement of financial position date, gearing ratio analysis by the management was as follows:

	<b>September 30, 2021 (Unaudited)</b>	<b>December 31, 2020 (Audited)</b>
Equity	<b>1,448,185,342</b>	1,386,861,694
Liabilities	<b>1,722,934,885</b>	1,514,321,212
Total capital structure	<b>3,171,120,227</b>	2,901,182,906
Gearing ratio	<b>54.33%</b>	52.20%

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

- (a) The Group's current assets are more than its current liabilities; and
- (b) The Group manages its liquidity risk by ensuring that bank borrowing facilities from multiple banks are available (see Note 8).

The Group operates in diversified industries including pharmaceutical, specialty chemical, power and steel and other. Further, the operations are geographically spread in various locations. Management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources and borrowing facilities from multiple banks to continue in business for the foreseeable future. Moreover, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as going concern. Therefore, these condensed consolidated interim financial statements have been prepared on a going concern basis.

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**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:

<b>Country of operations</b>	<b>September 30, 2021 (Unaudited)</b>	<b>December 31, 2020 (Audited)</b>
Sudan	<b>41,666,334</b>	30,996,898
Egypt	<b>28,333,667</b>	28,342,303
Other	<b>10,981,258</b>	5,846,031
	<b>80,981,259</b>	65,185,232

**16 DIVIDENDS**

The Company's Annual General Assembly in its meeting held on Shaaban 29, 1442H (corresponding to April 11, 2021) approved the cash dividend of SAR 60 million at SAR 0.75 per share for distribution from the retained earnings.

**17 IMPACT OF COVID-19**

The existence of novel coronavirus (Covid-19) was confirmed in early 2020 and causing disruptions to businesses and economic activity across the globe. In response to the spread of the Covid-19 in GCC and other territories where Group operates and its resulting disruptions to the social and economic activities in those markets, AIG's management has proactively assessed its impacts on its operations and has taken a series of preventive measures to ensure the health and safety of its employees, customers, consumers and wider community and continuity of supply of its products throughout its markets. Notwithstanding these challenges, AIG's business operations currently remain largely unaffected as the pharmaceutical and other industries in which the Group operates in general are exempted from various bans and constraints imposed by various regulatory authorities including exemption from curfew hours and cargo shipping and flight operations restrictions. Based on these factors, Covid-19 pandemic has had no material adverse effects on AIG's reported financial results for the period ended September 30, 2021.

AIG has considered potential impacts of the current economic uncertainties and volatility in determination of the reported amounts of the Group's financial and non-financial assets and these are considered to represent management's best assessment based on observable information on the period end date. Markets however remain volatile and the recorded amounts remain sensitive to market fluctuations.

It is currently expected that disruptions to a broad range of economic activities will slow economic growth in many countries, particularly in the coming few months and later the situation will improve. However, if COVID-19 outbreak will be prolonged then it could have effect on the future business performance and impairment assessments of the Group's non-current assets and expected credit losses. AIG's management continues to monitor the situation closely.

**18 BOARD OF DIRECTORS' APPROVAL**

These condensed consolidated interim financial statements were approved by the Group's Board of Directors on November 2, 2021.