

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

**CONDENSED CONSOLIDATED INTERIM FINANCIAL  
STATEMENTS**

**FOR THE THREE-MONTH PERIOD ENDED MARCH 31,  
2023 AND REVIEW REPORT**

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

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH PERIOD ENDED March 31, 2023**

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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 March 31, 2023 and the related condensed consolidated interim statements of income, comprehensive income, changes in equity and cash flows for the three-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 the 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

**May 18, 2023**



**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 March 31, 2023	As at December 31, 2022
	Notes	(Unaudited)	(Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	780,451,353	788,575,226
Intangible assets	4	72,250,561	72,873,861
Other non-current assets		4,560,889	5,132,941
		<b>857,262,803</b>	<b>866,582,028</b>
<b>Current assets</b>			
Inventories		763,765,036	782,631,966
Trade receivables	5	1,084,095,177	837,069,246
Due from related parties	6	31,927,168	31,471,917
Prepayments and other current assets	7	171,258,523	168,451,984
Cash and cash equivalents		714,314,797	675,744,985
Time deposits		163,000,000	163,000,000
		<b>2,928,360,701</b>	<b>2,658,370,098</b>
<b>Total assets</b>		<b>3,785,623,504</b>	<b>3,524,952,126</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Loans and lease liabilities	8	99,880,611	100,358,436
Employees' defined benefit liabilities		135,494,771	137,527,602
		<b>235,375,382</b>	<b>237,886,038</b>
<b>Current liabilities</b>			
Trade payables		259,708,796	242,292,465
Accrued expenses and other current liabilities	9	637,607,683	562,853,088
Deferred tax liability		7,554,589	7,617,206
Due to related parties	6	641,706	470,613
Loans and lease liabilities	8	461,289,638	428,462,658
Zakat and income tax payable	10	140,618,277	132,184,668
		<b>1,507,420,689</b>	<b>1,373,880,698</b>
<b>Total liabilities</b>		<b>1,742,796,071</b>	<b>1,611,766,736</b>
<b>EQUITY</b>			
Share capital		800,000,000	800,000,000
Statutory reserve		406,568,677	406,568,677
Proposed dividends	16	200,000,000	-
Retained earnings		604,110,294	676,974,545
Foreign currency translation reserve	15	(30,956,593)	(34,156,634)
<b>Equity attributable to shareholders of the Company</b>		<b>1,979,722,378</b>	<b>1,849,386,588</b>
Non-controlling interests		63,105,055	63,798,802
<b>Total equity</b>		<b>2,042,827,433</b>	<b>1,913,185,390</b>
<b>Total liabilities and equity</b>		<b>3,785,623,504</b>	<b>3,524,952,126</b>

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

  
Vice President Finance

  
President / Chief Executive Officer

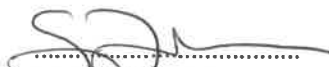
  
Authorized Board of Directors Member

**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)

		<b>For the three-month period ended March 31,</b>	
	<b>Notes</b>	<b>2023</b>	<b>2022</b>
<b>Continuing operations</b>			
Revenue	11	748,278,115	634,518,985
Cost of revenue		(436,304,920)	(360,641,933)
<b>Gross profit</b>		<b>311,973,195</b>	<b>273,877,052</b>
Selling and distribution expenses		(95,586,648)	(105,468,189)
General and administrative expenses		(65,693,647)	(58,784,311)
Provision for impairment of financial assets	5	(5,690,388)	(8,805,415)
Research expenses		(6,218,543)	(5,513,104)
<b>Income from operations</b>		<b>138,783,969</b>	<b>95,306,033</b>
Finance costs, net	8	(3,935,481)	(12,080,215)
Other income / (expenses), net		29,411	(2,443,165)
<b>Income before zakat and income tax</b>		<b>134,877,899</b>	<b>80,782,653</b>
Zakat and income tax expense	10	(12,701,872)	(8,753,437)
<b>Net income for the period from continuing operations</b>		<b>122,176,027</b>	<b>72,029,216</b>
<b>Discontinuing operations</b>			
Gain from discontinued operation	12	-	3,386,856
<b>Net income for the period</b>		<b>122,176,027</b>	<b>75,416,072</b>
<b>Attributable to:</b>			
Shareholders of the Company		122,884,567	74,690,225
Non-controlling interests		(708,540)	725,847
		<b>122,176,027</b>	<b>75,416,072</b>
<b>Earnings per share from continuing operations (basic and diluted)</b>		<b>1.54</b>	<b>0.90</b>
<b>Earnings per share from discontinued operation (basic and diluted)</b>		<b>-</b>	<b>0.03</b>
<b>Earnings per share attributable to shareholders of the Company (basic and diluted)</b>	17	<b>1.54</b>	<b>0.93</b>

The accompanying notes from (1) to (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 OTHER COMPREHENSIVE  
INCOME - UNAUDITED**

(All amounts are in Saudi Riyals unless otherwise stated)

	<b>For the three-month period ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>Net income for the period</b>	<b>122,176,027</b>	<b>75,416,072</b>
<b>Other comprehensive income</b>		
<i>Item that may be reclassified to statement of income in subsequent periods:</i>		
Exchange gain/(loss) on translation of foreign operations	<b>3,198,826</b>	<b>(1,614,680)</b>
<i>Item that will not to be reclassified to statement of income in subsequent periods:</i>		
Re-measurement gain on employees' defined benefit liabilities	<b>4,267,190</b>	<b>1,651,663</b>
<b>Other comprehensive gain for the period</b>	<b>7,466,016</b>	<b>36,983</b>
<b>Total comprehensive income for the period</b>	<b>129,642,043</b>	<b>75,453,055</b>
<b>Attributable to:</b>		
Shareholders of the Company	<b>130,335,790</b>	<b>74,723,664</b>
Non-controlling interests	<b>(693,747)</b>	<b>729,391</b>
	<b>129,642,043</b>	<b>75,453,055</b>
<b>Total comprehensive income for the period attributable to the shareholders of the Group arises from:</b>		
Continuing operations	<b>130,335,790</b>	<b>72,522,207</b>
Discontinued operations	<b>-</b>	<b>2,201,457</b>
	<b>130,335,790</b>	<b>74,723,664</b>

The accompanying notes from (1) to(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 CHANGES IN EQUITY**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023**

(All amounts are in Saudi Riyals unless otherwise stated)

Note	Share capital	Statutory reserve	Proposed dividend	Retained earnings	Foreign currency translation reserve	Attributable to shareholders of the Company	Non-controlling interests	Total equity
<b>December 31, 2022</b> <b>(Audited)</b>	800,000,000	406,568,677	-	676,974,545	(34,156,634)	1,849,386,588	63,798,802	1,913,185,390
Net income/(loss)	-	-	-	122,884,567	-	122,884,567	(708,540)	122,176,027
Other comprehensive income	-	-	-	4,251,182	3,200,041	7,451,223	14,793	7,466,016
<b>Total comprehensive income</b>	-	-	-	127,135,749	3,200,041	130,335,790	(693,747)	129,642,043
Proposed dividends	-	-	200,000,000	(200,000,000)	-	-	-	-
<b>March 31, 2023</b> <b>(Unaudited)</b>	800,000,000	406,568,677	200,000,000	604,110,294	(30,956,593)	1,979,722,378	63,105,055	2,042,827,433
<b>December 31, 2021</b> <b>(Audited)</b>	800,000,000	406,568,677	-	321,723,743	(76,651,418)	1,451,641,002	52,450,845	1,504,091,847
Net income	-	-	-	74,690,225	-	74,690,225	725,847	75,416,072
Other comprehensive income / (loss)	-	-	-	1,640,651	(1,607,212)	33,439	3,544	36,983
<b>Total comprehensive income</b>	-	-	-	76,330,876	(1,607,212)	74,723,664	729,391	75,453,055
Proposed dividends	-	-	120,000,000	(120,000,000)	-	-	-	-
<b>March 31, 2022</b> <b>(Unaudited)</b>	800,000,000	406,568,677	120,000,000	278,054,619	(78,258,630)	1,526,364,666	53,180,236	1,579,544,902

The accompanying notes from (1) to (18) 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 three-month period ended March 31,	
	Notes	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income before zakat and income tax			
Continuing operations		134,877,899	80,782,653
Discontinued operations		-	3,386,856
Income before zakat and income tax including discontinued operations		134,877,899	84,169,509
<b>Adjustments for non-cash items</b>			
Depreciation and amortization	11	20,381,073	19,051,511
Finance costs		14,200,373	12,260,507
Provision for impairment of financial assets	5	5,690,388	8,805,415
Provision for near expiry, obsolete and slow-moving inventories		11,053,758	8,922,550
Employee defined benefit cost		5,647,238	4,898,023
<b>Changes in operating assets and liabilities:</b>			
Inventories		7,813,172	(30,404,660)
Trade receivables		(252,716,319)	(140,763,523)
Due from related parties		(455,251)	(2,003,108)
Prepayments and other assets		(2,806,539)	(2,661,055)
Trade payables		17,416,331	53,881,500
Accrued expenses and other current liabilities		74,754,595	84,165,205
Due to related parties		171,093	(140,234)
End of service benefits paid		(3,412,879)	(3,227,579)
Zakat and income tax paid		(4,049,943)	(923,815)
<b>Net cash generated from operating activities</b>		<b>28,564,989</b>	<b>96,030,246</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions for property, plant and equipment	3	(9,656,570)	(11,839,730)
Additions to intangible assets		(1,110,870)	(202,179)
Other non-current assets		572,052	373,589
<b>Net cash used in investing activities</b>		<b>(10,195,388)</b>	<b>(11,668,320)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net movement in short-term and long-term loans		32,940,306	(71,279,307)
Payment of lease liabilities		(1,623,505)	(3,467,693)
Finance costs paid		(13,574,650)	(11,834,840)
<b>Net cash generated from / (used in) financing activities</b>		<b>17,742,151</b>	<b>(86,581,840)</b>
<b>Net change in cash and cash equivalents</b>		<b>36,111,752</b>	<b>(2,219,914)</b>
Cash and cash equivalents at the beginning of the period		675,744,985	46,314,000
Cash and cash equivalents of disposal group classified as held for sale	12	-	(13,235,713)
Net foreign exchange gain		2,458,060	4,076,128
<b>Cash and cash equivalents at the end of the period</b>		<b>714,314,797</b>	<b>34,934,501</b>
<b>Significant non-cash transaction</b>			
Trade receivable write-off		-	7,643,272
Proposed dividend	16	200,000,000	120,000,000

The accompanying notes from (1) to (18) 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 THREE-MONTH PERIOD ENDED MARCH 31, 2023**  
(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, 2022.

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 three-month period ended March 31, 2023 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, 2022.

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, 2022.

**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 January 1, 2023 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 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 March 31, 2023, 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, 2022. Management will continue to monitor the situation and any changes required will be reflected in future reporting periods.

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

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023**  
(All amounts are in Saudi Riyals unless otherwise stated)

**3 PROPERTY, PLANT AND EQUIPMENT**

	<b>March 31, 2023 (Unaudited)</b>	<b>December 31, 2022 (Audited)</b>
Beginning - net book value	<b>788,575,226</b>	1,148,057,533
Additions for the period / year	<b>9,656,570</b>	81,043,082
Depreciation charge for the period / year	<b>(18,623,594)</b>	(74,667,818)
Impairment loss	-	(8,616,116)
Disposals / Hyperinflation, net - for the period / year*	<b>2,057,079</b>	(343,024,082)
Exchange differences	<b>(1,213,928)</b>	(14,217,373)
<b>Closing - net book value</b>	<b>780,451,353</b>	788,575,226

This includes SR 352 million related to disposal of Alanmee (Note 12).

**4 INTANGIBLE ASSETS**

	<b>March 31, 2023 (Unaudited)</b>	<b>December 31, 2022 (Audited)</b>
Goodwill	<b>28,452,798</b>	28,452,798
Software and licenses	<b>19,839,091</b>	16,733,940
Customer's relationship	<b>23,958,672</b>	27,687,123
	<b>72,250,561</b>	72,873,861

**5 TRADE RECEIVABLES**

	<b>March 31, 2023 (Unaudited)</b>	<b>December 31, 2022 (Audited)</b>
Not yet past due	<b>910,572,035</b>	662,869,648
Past due	<b>286,995,260</b>	283,248,350
	<b>1,197,567,295</b>	946,117,998
Provision for impairment	<b>(113,472,118)</b>	(109,048,752)
	<b>1,084,095,177</b>	837,069,246

Provision to trade receivables coverage ratio **9%** 12%

Provision to past due trade receivables coverage ratio **40%** 38%

**5.1** As at March 31, 2023, trade receivables include retention receivables of SAR 24.6 (December 31, 2022: SAR 23.2 million) and unbilled receivables of SAR 68.2 million (December 31, 2022: SAR 90.9 million).

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

	<b>March 31, 2023 (Unaudited)</b>	<b>December 31, 2022 (Audited)</b>
Opening balance	<b>109,048,752</b>	139,951,258
Provision for the period / year	<b>5,690,388</b>	5,299,606
Exchange differences / write - offs during the period / year	<b>(1,267,022)</b>	(36,202,112)
Closing balance	<b>113,472,118</b>	109,048,752

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

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023**  
 (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:

**March 31, 2023 (Unaudited)**

	<b>Gross receivables</b>	<b>Provision</b>	<b>Net receivables</b>
Current (not yet past due)	<b>910,572,035</b>	<b>(2,590,590)</b>	<b>907,981,445</b>
<b><u>Past due</u></b>			
1 to 180 days	<b>145,263,876</b>	<b>(3,661,070)</b>	<b>141,602,806</b>
181 to 360 days	<b>25,058,861</b>	<b>(13,755,120)</b>	<b>11,303,741</b>
361 to 540 days	<b>16,093,258</b>	<b>(7,888,657)</b>	<b>8,204,601</b>
541 to 720 days	<b>31,066,404</b>	<b>(16,065,130)</b>	<b>15,001,274</b>
721 to 900 days	<b>9,936,627</b>	<b>(9,935,317)</b>	<b>1,310</b>
901 to 1080 days	<b>8,071,552</b>	<b>(8,071,552)</b>	<b>-</b>
More than 1080 days	<b>51,504,682</b>	<b>(51,504,682)</b>	<b>-</b>
	<b>1,197,567,295</b>	<b>(113,472,118)</b>	<b>1,084,095,177</b>

**December 31, 2022 (Audited)**

	<b>Gross receivables</b>	<b>Provision</b>	<b>Net receivables</b>
Current (not yet past due)	<b>662,869,648</b>	<b>(2,120,779)</b>	<b>660,748,869</b>
<b><u>Past due</u></b>			
1 to 180 days	<b>147,239,853</b>	<b>(6,059,962)</b>	<b>141,179,891</b>
181 to 360 days	<b>31,412,161</b>	<b>(10,217,656)</b>	<b>21,194,505</b>
361 to 540 days	<b>15,534,613</b>	<b>(4,756,405)</b>	<b>10,778,208</b>
541 to 720 days	<b>17,750,824</b>	<b>(14,584,403)</b>	<b>3,166,421</b>
721 to 900 days	<b>9,671,195</b>	<b>(9,669,843)</b>	<b>1,352</b>
901 to 1080 days	<b>6,436,908</b>	<b>(6,436,908)</b>	<b>-</b>
More than 1080 days	<b>55,202,796</b>	<b>(55,202,796)</b>	<b>-</b>
	<b>946,117,998</b>	<b>(109,048,752)</b>	<b>837,069,246</b>

**5.4** For additional details about trade receivables please refer to Note 11 - Segment reporting.

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

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023**  
 (All amounts are in Saudi Riyals unless otherwise stated)

**6 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES**

**6.1** Due from related parties comprises of the following:

	<b>March 31, 2023 (Unaudited)</b>	<b>December 31, 2022 (Audited)</b>
Al Massera – (shareholder in a subsidiary)	<b>27,247,612</b>	27,247,612
Astra Farms Company - Saudi Arabia – (entity under common control)	<b>2,358,366</b>	1,982,702
Arab Supply and Trading Company – (shareholder)	<b>751,579</b>	751,579
Other	<b>1,569,611</b>	1,490,024
	<b>31,927,168</b>	31,471,917

Due from related parties are unsecured and recoverable in cash.

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

	<b>March 31, 2023 (Unaudited)</b>	<b>December 31, 2022 (Audited)</b>
Nour Communications Company - Saudi Arabia (entity under common control)	<b>415,163</b>	415,163
Tharawat Mining Company – Saudi Arabia (shareholder in a subsidiary)	<b>15,946</b>	15,946
Other	<b>210,597</b>	39,504
	<b>641,706</b>	470,613

Due to related parties are unsecured and payable in cash.

**6.3** Key management personnel compensation

Key management personnel compensation for the three-month period ended March 31, 2023 amounted to SAR SAR 4.2 million (March 31, 2022: SAR 3.6 million).

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**7 PREPAYMENTS AND OTHER CURRENT ASSETS**

	<b>March 31, 2023 (Unaudited)</b>	<b>December 31, 2022 (Audited)</b>
<b><i>Financial assets</i></b>		
Refundable deposits	<b>11,810,381</b>	10,831,086
Restricted bank balances	<b>156,262</b>	19,601
	<b>11,966,643</b>	10,850,687
<b><i>Non-financial assets</i></b>		
Advances to suppliers	<b>55,011,714</b>	58,739,495
Prepaid expenses	<b>37,779,457</b>	35,673,608
Consideration receivable*	<b>37,500,000</b>	37,500,000
Value-added tax and other prepaid taxes	<b>20,460,325</b>	16,639,179
Advances to employees	<b>6,421,416</b>	6,579,562
Other	<b>2,118,968</b>	2,469,453
	<b>159,291,880</b>	157,601,297
	<b>171,258,523</b>	168,451,984

\*This represents consideration receivable from the sale on Alanmaa, a subsidiary, which expected to be collected during 2023.

**8 LOANS AND LEASE LIABILITIES**

<b><u>March 31, 2023 (Unaudited)</u></b>	<b>Current</b>	<b>Non-current</b>	<b>Total</b>
Short-term loans	<b>451,496,905</b>	-	<b>451,496,905</b>
Long-term loans	<b>3,973,057</b>	<b>48,820,120</b>	<b>52,793,177</b>
	<b>455,469,962</b>	<b>48,820,120</b>	<b>504,290,082</b>
Lease liabilities	<b>5,819,676</b>	<b>51,060,491</b>	<b>56,880,167</b>
	<b>461,289,638</b>	<b>99,880,611</b>	<b>561,170,249</b>
<b><u>December 31, 2022 (Audited)</u></b>	<b>Current</b>	<b>Non-current</b>	<b>Total</b>
Short-term loans	417,565,949	-	417,565,949
Long-term loans	4,948,466	48,835,361	53,783,827
	422,514,415	48,835,361	471,349,776
Lease liabilities	5,948,243	51,523,075	57,471,318
	428,462,658	100,358,436	528,821,094

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

	<b>March 31, 2023 (Unaudited)</b>	<b>December 31, 2022 (Audited)</b>
Saudi Riyals and United States Dollar	<b>257,900,251</b>	244,758,770
Turkish Lira	<b>86,046,636</b>	78,176,869
Other	<b>160,343,195</b>	148,414,137
	<b>504,290,082</b>	471,349,776

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**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 5.58% (2022: 1.04%). As at March 31, 2023, the SAIBOR was 5.66% (2022: 1.47%).

During the three-month period ended March 31, 2023, the finance costs related to Turkey based subsidiaries was SAR 4.9 million (March 31, 2022: SAR 5.7 million). As at March 31, 2023, the Turkish LIBOR (Lira Interbank Offered Rate) was 14.78% (March 31, 2022: 14.00%).

**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 March 31, 2023, facilities amounting to SAR 2.12 Billion were undrawn (December 31, 2022: SAR 2.05 billion). The facilities bear commissions 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 March 31, 2023, an amount of SAR 60M SAR was undrawn (December 31, 2022: SAR 52.9 million). These facilities are secured by corporate guarantees from AIG and bear commission charges at agreed fixed rates. The facilities are denominated in foreign currencies (mainly Euro and 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>March 31, 2023 (Unaudited)</b>	<b>December 31, 2022 (Audited)</b>
<b>Financial liabilities</b>		
Accrued expenses	<b>93,710,300</b>	98,841,022
Other	<b>46,938,105</b>	45,077,169
	<b>140,648,405</b>	143,918,191
<b>Non-financial liabilities</b>		
Employees' benefits	<b>157,204,408</b>	122,613,038
Sales commission and promotional expenses	<b>150,749,112</b>	93,818,569
Contract liabilities	<b>141,247,959</b>	159,639,087
Contract liabilities - expected sales returns	<b>47,757,799</b>	42,864,203
	<b>496,959,278</b>	418,934,897
	<b>637,607,683</b>	562,853,088

**10 ZAKAT AND INCOME TAX**

There is no change in the status of zakat and income tax assessments of the Group since December 31, 2022.

Further, during the period, the Group has submitted its consolidated zakat and income tax returns for the year ended December 31, 2022.

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**11 SEGMENT REPORTING**

	<b>Pharmaceuti- cals</b>	<b>Specialty chemical</b>	<b>Steel industry</b>	<b>Other</b>	<b>Total</b>
<b><u>For the three month ended March 31, 2023 (Unaudited)</u></b>					
Revenue from sale of goods	<b>335,991,318</b>	<b>232,331,258</b>	<b>78,446,480</b>	<b>8,200,773</b>	<b>654,969,829</b>
Revenue from rendering of services	<b>25,321,825</b>	<b>62,113,282</b>	<b>5,873,179</b>	<b>-</b>	<b>93,308,286</b>
Total revenue	<b>361,313,143</b>	<b>294,444,540</b>	<b>84,319,659</b>	<b>8,200,773</b>	<b>748,278,115</b>
Gross profit	<b>225,401,067</b>	<b>82,512,457</b>	<b>3,796,746</b>	<b>262,925</b>	<b>311,973,195</b>
Depreciation and amortization	<b>(12,009,347)</b>	<b>(4,442,773)</b>	<b>(2,137,051)</b>	<b>(1,791,902)</b>	<b>(20,381,073)</b>
Finance costs	<b>(4,408,182)</b>	<b>(7,280,062)</b>	<b>(587,736)</b>	<b>(1,924,393)</b>	<b>(14,200,373)</b>
Income / (loss) before zakat and tax	<b>105,411,418</b>	<b>37,641,656</b>	<b>(6,084,312)</b>	<b>(2,090,863)</b>	<b>134,877,899</b>
	<b>Pharmace uti-cals</b>	<b>Specialty chemical</b>	<b>Steel industry</b>	<b>Other</b>	<b>Total</b>
<b><u>For the three- month ended March 31, 2022 (Unaudited)</u></b>					
Revenue from sale of goods	266,671,297	216,457,534	50,106,969	7,553,955	540,789,755
Revenue from rendering of services	21,395,997	62,890,104	9,443,129	-	93,729,230
Total revenue	288,067,294	279,347,638	59,550,098	7,553,955	634,518,985
Gross profit	170,585,434	97,316,181	5,034,496	940,941	273,877,052
Depreciation and amortization	(10,991,057)	(3,920,555)	(2,548,026)	(1,591,873)	(19,051,511)
Finance costs	(2,919,627)	(7,313,245)	(1,233,675)	(613,668)	(12,080,215)
Income / (loss) before zakat and tax	51,610,218	41,673,282	(866,626)	(11,634,221)	80,782,653

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**11 SEGMENT REPORTING (continued)**

	Pharmaceuti- cals	Specialty chemical	Steel industry	Other	Total
<b><u>As at March 31, 2023 (Unaudited)</u></b>					
Property, plant and equipment other than ROU assets	390,750,983	146,916,244	72,189,163	116,845,007	726,701,397
Right-of-use assets	37,743,809	13,307,453	1,473,394	1,225,300	53,749,956
Trade receivables	602,608,893	362,489,864	227,393,191	5,075,347	1,197,567,295
Provision for impairment of trade receivables	(48,502,789)	(45,028,189)	(19,586,129)	(355,011)	(113,472,118)
Trade receivables – net	554,106,104	317,461,675	207,807,062	4,720,336	1,084,095,177
Total assets	1,359,469,645	974,670,385	581,096,361	870,387,113	3,785,623,504
Total liabilities	784,435,558	429,088,259	298,366,301	230,905,953	1,742,796,071
	Pharmaceuti- cals	Specialty chemical	Steel industry	Other	Total
<b><u>As at December 31, 2022 (Audited)</u></b>					
Property, plant and equipment other than ROU assets	400,566,476	146,173,217	69,168,085	117,460,162	733,367,940
Right of use assets	39,126,597	13,286,092	1,529,771	1,264,826	55,207,286
Trade receivables	430,167,945	291,903,326	219,503,311	4,543,416	946,117,998
Provision for impairment of trade receivables	(43,527,818)	(45,879,794)	(19,286,129)	(355,011)	(109,048,752)
Trade receivables net	386,640,127	246,023,532	200,217,182	4,188,405	837,069,246
Total assets	1,196,638,675	906,445,062	571,069,942	850,798,447	3,524,952,126
Total liabilities	721,796,594	389,160,059	283,694,993	217,115,090	1,611,766,736



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**11 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 (three months)</u></b>							
March 31, 2023 (Unaudited)	<b>525,956,398</b>	<b>2,541,153</b>	<b>62,087,448</b>	<b>64,226,838</b>	<b>23,343,785</b>	<b>70,122,493</b>	<b>748,278,115</b>
March 31, 2022 (Unaudited)	396,575,553	13,033,304	45,988,100	86,431,809	10,361,557	82,128,662	634,518,985
<b><u>Non-current assets</u></b>							
March 31, 2023 (Unaudited)	<b>667,661,003</b>	-	<b>62,627,736</b>	<b>31,545,719</b>	<b>4,162,399</b>	<b>91,265,946</b>	<b>857,262,803</b>
December 31, 2022 (Audited)	676,222,733	-	65,040,059	29,133,982	3,973,799	92,211,455	866,582,028

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**12 DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE**

Based on management assessment, Al-Tanmiya Company for Steel Manufacturing ("Tanmiya") is considered as a major line of business in respect of its Power and steel industries. On February 7, 2022, 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.

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.

An analysis of the results in relation to the operations of disposal group classified as held for sale during the period ended March 31, 2022 is as follows:

**12.1 Financial performance and cash flow information**

	<b>For the three-month period ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
Revenue	-	26,335,304
Expenses	-	(22,948,448)
Income before zakat and income tax	-	3,386,856
Zakat and income tax expense	-	-
<b>Net income from discontinued operation</b>	-	3,386,856
Other comprehensive loss from discontinued operation	-	-
<b>Total comprehensive income from discontinued operation</b>	-	3,386,856
Net cash generated from operating activities	-	12,635,256
Net cash used in investing activities	-	(64,271)
Net cash used in financing activities	-	(572,206)
<b>Net increase in cash and cash equivalent from the discontinued operation</b>	-	11,998,779

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

The following assets and liabilities are classified as held for sale in relation to the discontinued operations as at March 31, 2022:

	<b>2022</b>
<u>Assets relating to disposal group classified as held for sale</u>	
Property, plant and equipment	351,461,384
Prepayments and other current assets	7,678,971
Trade and other receivables	2,531,210
Inventories	93,347,377
Cash and cash equivalents	13,235,713
<b>Total assets of disposal group classified as held for sale</b>	<b>468,254,655</b>
<u>Liabilities relating to disposal group classified as held for sale</u>	
Lease liabilities	2,062,926
Accrued expenses and other current liabilities	7,018,358
Zakat and income tax payable	604,358
Trade and other payables	13,398,334
Due to related parties	30,052,273
<b>Total liabilities of disposal group classified as held for sale</b>	<b>53,136,249</b>

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**13 CONTINGENCIES AND COMMITMENTS**

There was no significant change in the contingencies and commitment level since December 31, 2022.

**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>March 31, 2023 (Unaudited)</b>	<b>December 31, 2022 (Audited)</b>
Cash and cash equivalents	714,314,797	675,744,985
Time deposit	163,000,000	163,000,000
Short-term loans	(451,496,905)	(417,565,949)
Long-term loans	(52,793,177)	(53,783,827)
Lease liabilities	(56,880,167)	(57,471,318)
Net debt	<b>316,144,548</b>	<b>309,923,891</b>
<b>Current ratio</b>	<b>1.94</b>	<b>1.93</b>
<b>Unused credit facilities (in SAR billions)</b>	<b>2.18</b>	<b>1.99</b>

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

	<b>March 31, 2023 (Unaudited)</b>	<b>December 31, 2022 (Audited)</b>
Equity	2,042,827,433	1,913,185,390
Liabilities	1,742,796,071	1,611,766,736
Total capital structure	<b>3,785,623,504</b>	<b>3,524,952,126</b>
Gearing ratio	<b>46.04%</b>	<b>45.72%</b>

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

- (a) The Group's current assets are more than its current liabilities; and
- (b) The Group manages its liquidity risk by ensuring that bank borrowing facilities from multiple banks are available (see Note 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>March 31, 2023 (Unaudited)</b>	<b>December 31, 2022 (Audited)</b>
Sudan	7,951,913	7,949,021
Egypt	17,986,525	19,627,670
Other	5,018,155	6,579,943
	<b>30,956,593</b>	<b>34,156,634</b>

**16 DIVIDENDS**

During March 2023, the Board of Director of the Group recommended dividend of SAR 200 million at SAR 2.5 per share (March 2022: SAR 120 million at SAR 1.5 per share) for distribution from the retained earnings. This is not recognized as a liability.

**17 EARNINGS PER SHARE**

The Group presents basic and diluted earnings per shares (EPS) for its ordinary shares. Basic EPS is calculated by dividing profit for the period attributable to the ordinary equity holders of the Group separately from each of the continuing and discontinued operations by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit for the period attributable to ordinary equity holders of the Group and the weighted average number of ordinary shares outstanding during the period for the effects of all dilutive potential ordinary shares. Since the group has no such dilutive potential ordinary shares, the calculation and presentation of basic and diluted EPS of the Group will be the same.

The following table reflects the profit and weighted average number of ordinary shares used in the computations:

	<b>For the three-month period ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
Profit attributable to the ordinary equity holders of the Group used in calculating basic and diluted earnings per share:		
- From continuing operations	122,884,567	72,488,768
- From discontinued operation	-	2,201,457
	<b>122,884,567</b>	<b>74,690,225</b>
Weighted average number of ordinary shares outstanding during the period	<b>80,000,000</b>	80,000,000
<b>Basic and diluted earnings per share</b>		
- From continuing operations attributable to the ordinary equity holders of the Group	1.54	0.90
- From discontinued operation attributable to the ordinary equity holders of the Group	-	0.03
Total basic and diluted earnings per share attributable to the ordinary equity holders of the Group	<b>1.54</b>	<b>0.93</b>

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**18 BOARD OF DIRECTORS' APPROVAL**

These condensed consolidated interim financial statements were approved by the Group's Board of Directors on May 18, 2023.