

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

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED  
JUNE 30, 2023 AND REVIEW REPORT**

**ASTRA INDUSTRIAL GROUP COMPANY AND ITS SUBSIDIARIES  
(A SAUDI JOINT STOCK COMPANY)  
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 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 (collectively referred to as the “Group”) as at June 30, 2023 and the related condensed consolidated interim statements of income, other comprehensive income, for the three-month and six-month periods then ended, and the condensed consolidated interim statements of changes in equity and cash flows for the six-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34 - “Interim Financial Reporting” (“IAS 34”), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

### **Scope of review**

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of interim financial information performed by the independent auditor of the entity”, as endorsed in the Kingdom of Saudi Arabia. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, as endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

### **PricewaterhouseCoopers**

Mufaddal A. Ali  
License Number 447  
August 3, 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 June 30, 2023	As at December 31, 2022
	Notes	(Unaudited)	(Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	767,983,330	788,575,226
Intangible assets	4	70,749,209	72,873,861
Other non-current assets		4,297,163	5,132,941
		<b>843,029,702</b>	<b>866,582,028</b>
<b>Current assets</b>			
Inventories		727,104,876	782,631,966
Trade receivables	5	1,125,734,303	837,069,246
Due from related parties	6	32,528,510	31,471,917
Prepayments and other current assets	7	182,549,711	168,451,984
Cash and cash equivalents	8	744,656,387	675,744,985
Time deposits		167,689,508	163,000,000
		<b>2,980,263,295</b>	<b>2,658,370,098</b>
<b>Total assets</b>		<b>3,823,292,997</b>	<b>3,524,952,126</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Loans and lease liabilities	9	86,271,742	100,358,436
Employees' defined benefit liabilities		143,756,333	137,527,602
		<b>230,028,075</b>	<b>237,886,038</b>
<b>Current liabilities</b>			
Trade payables		253,641,744	242,292,465
Accrued expenses and other current liabilities	10	633,548,787	562,853,088
Deferred tax liability		7,345,995	7,617,206
Due to related parties	6	570,721	470,613
Loans and lease liabilities	9	632,853,412	428,462,658
Zakat and income tax payable	11	119,464,864	132,184,668
		<b>1,647,425,523</b>	<b>1,373,880,698</b>
<b>Total liabilities</b>		<b>1,877,453,598</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
Retained earnings		712,990,541	676,974,545
Foreign currency translation reserve	16	(36,208,626)	(34,156,634)
<b>Equity attributable to shareholders of the Company</b>		<b>1,883,350,592</b>	<b>1,849,386,588</b>
Non-controlling interests		62,488,807	63,798,802
<b>Total equity</b>		<b>1,945,839,399</b>	<b>1,913,185,390</b>
<b>Total liabilities and equity</b>		<b>3,823,292,997</b>	<b>3,524,952,126</b>

The accompanying notes (1) through (19) form an integral part of these condensed consolidated interim financial statements.

  
Vice President Finance

  
President / Chief Executive  
Officer

  
Authorized Board of Directors  
Member

**ASTRA INDUSTRIAL GROUP COMPANY AND ITS SUBSIDIARIES**  
**(A SAUDI JOINT STOCK COMPANY)**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF INCOME - UNAUDITED**  
(All amounts are in Saudi Riyals unless otherwise stated)

		For the three-month period ended June 30,		For the six-month period ended June 30,	
	Notes	2023	2022	2023	2022
<b>Continuing operations</b>					
Revenue		667,020,375	608,544,428	1,415,298,490	1,243,063,413
Cost of revenue		(389,048,409)	(382,783,357)	(825,353,329)	(743,425,290)
<b>Gross profit</b>		<b>277,971,966</b>	<b>225,761,071</b>	<b>589,945,161</b>	<b>499,638,123</b>
Selling and distribution expenses		(91,051,475)	(85,070,556)	(186,638,123)	(190,538,745)
General and administrative expenses		(54,185,409)	(38,487,571)	(119,879,056)	(97,271,882)
Provision for impairment of financial assets		(2,725,598)	(4,353,890)	(8,415,986)	(13,159,305)
Research expenses	5	(6,096,738)	(6,448,452)	(12,315,281)	(11,961,556)
<b>Income from operations</b>		<b>123,912,746</b>	<b>91,400,602</b>	<b>262,696,715</b>	<b>186,706,635</b>
Finance costs, net		(3,160,223)	(15,332,106)	(7,095,704)	(27,412,321)
Other income / (expenses), net	9.5	729,047	(290,909)	758,458	(2,734,074)
<b>Income before zakat and income tax</b>		<b>121,481,570</b>	<b>75,777,587</b>	<b>256,359,469</b>	<b>156,560,240</b>
Zakat and income tax expense	11	(7,357,867)	(1,056,301)	(20,059,739)	(9,809,738)
<b>Net income for the period from continuing operations</b>		<b>114,123,703</b>	<b>74,721,286</b>	<b>236,299,730</b>	<b>146,750,502</b>
<b>Discontinued operations</b>					
Gain from discontinued operation		-	179,574,747	-	182,961,603
<b>Net income for the period</b>		<b>114,123,703</b>	<b>254,296,033</b>	<b>236,299,730</b>	<b>329,712,105</b>
<b>Attributable to:</b>					
Shareholders of the company		114,744,049	243,096,412	237,628,616	317,786,637
Non-controlling interests		(620,346)	11,199,621	(1,328,886)	11,925,468
		<b>114,123,703</b>	<b>254,296,033</b>	<b>236,299,730</b>	<b>329,712,105</b>
<b>Earnings per share from continuing operations (basic and diluted)</b>		<b>1.43</b>	<b>0.93</b>	<b>2.95</b>	<b>1.83</b>
<b>Earnings per share from discontinued operation (basic and diluted)</b>		<b>-</b>	<b>2.24</b>	<b>-</b>	<b>2.29</b>
<b>Earnings per share attributable to shareholders of the Company (basic and diluted)</b>	18	<b>1.43</b>	<b>3.04</b>	<b>2.97</b>	<b>3.97</b>

The accompanying notes (1) through (19) 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 OTHER COMPREHENSIVE INCOME - UNAUDITED**  
(All amounts are in Saudi Riyals unless otherwise stated)

	<b>For the three-month period ended</b>		<b>For the six-month period ended</b>	
	<b>2023</b>	<b>June 30, 2022</b>	<b>2023</b>	<b>June 30, 2022</b>
<b>Net income for the period</b>	<b>114,123,703</b>	<b>254,296,033</b>	<b>236,299,730</b>	<b>329,712,105</b>
<b>Other comprehensive income</b>				
<i>Item that may be reclassified to statement of income in subsequent periods:</i>				
Exchange loss on translation of foreign operations	(5,252,430)	(2,868,124)	(2,053,604)	(4,482,804)
<i>Item that will not be reclassified to statement of income in subsequent periods:</i>				
Re-measurement loss on employees' defined benefit liabilities	(5,859,307)	(1,992,290)	(1,592,117)	(340,627)
<b>Other comprehensive loss for the period</b>	<b>(11,111,737)</b>	<b>(4,860,414)</b>	<b>(3,645,721)</b>	<b>(4,823,431)</b>
<b>Total comprehensive income for the period</b>	<b>103,011,966</b>	<b>249,435,619</b>	<b>232,654,009</b>	<b>324,888,674</b>
<b>Attributable to:</b>				
Shareholders of the Company	103,628,214	238,228,033	233,964,004	312,951,697
Non-controlling interests	(616,248)	11,207,586	(1,309,995)	11,936,977
	<b>103,011,966</b>	<b>249,435,619</b>	<b>232,654,009</b>	<b>324,888,674</b>
<b>Total comprehensive income for the period attributable to the shareholders of the Company arises from:</b>				
Continuing operations	103,628,214	70,230,404	233,964,004	142,752,611
Discontinued operations	-	167,997,629	-	170,199,086
	<b>103,628,214</b>	<b>238,228,033</b>	<b>233,964,004</b>	<b>312,951,697</b>

The accompanying notes (1) through (19) form an integral part of these condensed consolidated interim financial statements.

  
Vice President Finance

  
President / Chief Executive Officer

  
Authorized Board of Directors Member

**ASTRA INDUSTRIAL GROUP COMPANY AND ITS SUBSIDIARIES**  
**(A SAUDI JOINT STOCK COMPANY)**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022**  
(All amounts are in Saudi Riyals unless otherwise stated)

Note	Attributable to shareholders of the Company						Non-controlling interests	Total equity
	Share capital	Statutory reserve	Proposed dividends	Retained earnings	Foreign currency translation reserve	Total		
<b>December 31, 2022 (Audited)</b>	<b>800,000,000</b>	<b>406,568,677</b>	-	<b>676,974,545</b>	<b>(34,156,634)</b>	<b>1,849,386,588</b>	<b>63,798,802</b>	<b>1,913,185,390</b>
Net income / (loss) for the period	-	-	-	<b>237,628,616</b>	-	<b>237,628,616</b>	<b>(1,328,886)</b>	<b>236,299,730</b>
Other comprehensive (loss) / income for the period	-	-	-	<b>(1,612,620)</b>	<b>(2,051,992)</b>	<b>(3,664,612)</b>	<b>18,891</b>	<b>(3,645,721)</b>
<b>Total comprehensive income / (loss) for the period</b>	-	-	-	<b>236,015,996</b>	<b>(2,051,992)</b>	<b>233,964,004</b>	<b>(1,309,995)</b>	<b>232,654,009</b>
Proposed dividends	-	-	<b>200,000,000</b>	<b>(200,000,000)</b>	-	-	-	-
Approved dividends	-	-	<b>(200,000,000)</b>	-	-	<b>(200,000,000)</b>	-	<b>(200,000,000)</b>
<b>June 30, 2023 (Unaudited)</b>	<b>800,000,000</b>	<b>406,568,677</b>	-	<b>712,990,541</b>	<b>(36,208,626)</b>	<b>1,883,350,592</b>	<b>62,488,807</b>	<b>1,945,839,399</b>
January 1, 2022 (Audited)	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 for the period	-	-	-	317,786,637	-	317,786,637	11,925,468	329,712,105
Other comprehensive (loss) / income for the period	-	-	-	(361,008)	(4,473,930)	(4,834,938)	11,507	(4,823,431)
<b>Total comprehensive income for the period</b>	-	-	-	317,425,629	(4,473,930)	312,951,699	11,936,975	324,888,674
Proposed dividends	-	-	120,000,000	(120,000,000)	-	-	-	-
Approved dividends	-	-	(120,000,000)	-	-	(120,000,000)	(64,747,606)	(184,747,606)
<b>June 30, 2022 (Unaudited)</b>	<b>800,000,000</b>	<b>406,568,677</b>	-	<b>519,149,372</b>	<b>(81,125,348)</b>	<b>1,644,592,701</b>	<b>(359,786)</b>	<b>1,644,232,915</b>

The accompanying notes (1) through (19) 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 six-month period ended June 30	
	Notes	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income before zakat and income tax			
- Continuing operations		256,359,469	156,560,240
- Discontinued operations		-	182,961,603
Income before zakat and income tax including discontinued operations		256,359,469	339,521,843
<b>Adjustments for non-cash items</b>			
Depreciation and amortization		40,790,446	37,999,520
Finance costs		28,585,634	27,628,848
Provision for impairment of financial assets	5	8,415,986	13,159,305
Provision for near expiry, obsolete and slow-moving inventories		23,955,854	31,009,594
Gain on disposal group - sale of Alanmaa	13	-	(182,961,603)
Employee defined benefit cost		10,904,997	9,357,734
<b>Changes in operating assets and liabilities:</b>			
Inventories		31,571,236	(98,241,781)
Trade receivables		(297,081,043)	(226,416,831)
Due from related parties		(1,056,593)	(2,532,739)
Prepayments and other assets		(19,596,082)	(2,251,571)
Trade payables		11,349,279	46,834,623
Accrued expenses and other current liabilities		70,695,699	152,739,860
Due to related parties		100,108	7,447,343
End of service benefits paid		(6,268,383)	(7,258,582)
Zakat and income tax paid		(32,546,905)	(26,914,277)
<b>Net cash generated from operating activities</b>		<b>126,179,702</b>	<b>119,121,286</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to property, plant and equipment		(28,267,389)	(24,728,592)
Proceeds from sale of property, plant and equipment		-	683,143,937
Additions to intangible assets		(1,242,249)	(10,572,015)
Other non-current assets		835,778	601,952
<b>Net cash (used in) / generated from investing activities</b>		<b>(28,673,860)</b>	<b>648,445,282</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net movement in short-term and long-term loans		203,774,749	(187,790,074)
Payment of lease liabilities		(4,917,053)	(4,210,545)
Finance costs paid		(27,356,229)	(26,777,514)
Dividends paid	17	(200,000,000)	(120,000,000)
Time deposit		(4,689,508)	-
Non-controlling interest, net		-	(64,756,482)
<b>Net cash used in financing activities</b>		<b>(33,188,041)</b>	<b>(403,534,615)</b>
<b>Net change in cash and cash equivalents</b>			
Cash and cash equivalents at the beginning of the period		64,317,801	364,031,953
Net foreign exchange gain		675,744,985	46,314,000
		4,593,601	5,552,718
<b>Cash and cash equivalents at the end of the period</b>	8	<b>744,656,387</b>	<b>415,898,671</b>

The accompanying notes (1) through (19) form an integral part of these condensed consolidated interim financial statements.

 Vice President Finance	 President / Chief Executive Officer	 Authorized Board of Directors Member
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**Astra Industrial Group Company and Its Subsidiaries**  
**(A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 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 (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 and six-month periods ended June 30, 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 1 January 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 June 30, 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.

**3 PROPERTY, PLANT AND EQUIPMENT**

	<b>June 30, 2023 (Unaudited)</b>	<b>December 31, 2022 (Audited)</b>
Beginning - net book value	788,575,226	1,148,057,533
Additions for the period / year	31,703,618	81,043,082
Depreciation charge for the period / year	(37,104,920)	(74,667,818)
Impairment loss	-	(8,616,116)
Disposals / write - offs, net - for the period / year	(6,546,549)	(343,024,082)
Exchange differences	(8,644,045)	(14,217,373)
<b>Closing - net book value</b>	<b>767,983,330</b>	<b>788,575,226</b>

**Astra Industrial Group Company and Its Subsidiaries**  
**(A SAUDI JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2023**  
(All amounts are in Saudi Riyals unless otherwise stated)

**3 PROPERTY, PLANT AND EQUIPMENT (continued)**

Impairment assessment was done for the steel industry as at June 30, 2023 and the results of impairment test indicated no impairment charge because there was a large headroom.

**4 INTANGIBLE ASSETS**

	<b>June 30, 2023 (Unaudited)</b>	<b>December 31, 2022 (Audited)</b>
Goodwill	<b>28,452,798</b>	28,452,798
Software and licenses	<b>19,092,007</b>	16,733,940
Customer's relationship	<b>23,204,404</b>	27,687,123
	<b>70,749,209</b>	72,873,861

**5 TRADE RECEIVABLES**

	<b>June 30, 2023 (Unaudited)</b>	<b>December 31, 2022 (Audited)</b>
Not yet past due	<b>908,993,492</b>	662,869,648
Past due	<b>332,187,625</b>	283,248,350
	<b>1,241,181,117</b>	946,117,998
Provision for impairment	<b>(115,446,814)</b>	(109,048,752)
	<b>1,125,734,303</b>	837,069,246
Provision to trade receivables coverage ratio	<b>9%</b>	12%
Provision to past due trade receivables coverage ratio	<b>35%</b>	38%

**5.1** As at June 30, 2023, trade receivables include retention receivables of SAR 30.7 million (December 31, 2022: SAR 23.2 million) and unbilled receivables of SAR 69 million (December 31, 2022: SAR 90.9 million).

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

	<b>June 30, 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>8,415,986</b>	5,299,606
Exchange differences / write - offs during the period / year	<b>(2,017,924)</b>	(36,202,112)
Closing balance	<b>115,446,814</b>	109,048,752

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

**June 30, 2023 (Unaudited)**

	<b>Gross receivables</b>	<b>Provision</b>	<b>Net receivables</b>
<b>Current (not yet past due)</b>	<b>908,993,492</b>	<b>(15,769,073)</b>	<b>893,224,419</b>
<b>Past due</b>			
<b>1 to 180 days</b>	<b>200,131,056</b>	<b>(5,945,935)</b>	<b>194,185,121</b>
<b>181 to 360 days</b>	<b>21,172,515</b>	<b>(12,350,110)</b>	<b>8,822,405</b>
<b>361 to 540 days</b>	<b>10,808,947</b>	<b>(6,402,038)</b>	<b>4,406,909</b>
<b>541 to 720 days</b>	<b>17,644,920</b>	<b>(6,622,329)</b>	<b>11,022,591</b>
<b>721 to 900 days</b>	<b>20,603,574</b>	<b>(6,702,215)</b>	<b>13,901,359</b>
<b>901 to 1080 days</b>	<b>8,559,044</b>	<b>(8,387,545)</b>	<b>171,499</b>
<b>More than 1080 days</b>	<b>53,267,569</b>	<b>(53,267,569)</b>	<b>-</b>
	<b>1,241,181,117</b>	<b>(115,446,814)</b>	<b>1,125,734,303</b>

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**5 TRADE RECEIVABLES (continued)**

**December 31, 2022 (Audited)**

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

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

**6 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES**

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

	<b>June 30, 2023 (Unaudited)</b>	<b>December 31, 2022 (Audited)</b>
Al Massera – (shareholder in Tanmiya)	<b>27,247,612</b>	27,247,612
Astra Farms Company - Saudi Arabia – (entity under common control)	<b>2,641,584</b>	1,982,702
Arab Supply and Trading Company – (shareholder)	<b>1,009,279</b>	751,579
Other	<b>1,630,035</b>	1,490,024
	<u><b>32,528,510</b></u>	<u>31,471,917</u>

Due from related parties are unsecured and recoverable in cash.

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

	<b>June 30, 2023 (Unaudited)</b>	<b>December 31, 2022 (Audited)</b>
Nour Communications Company - Saudi Arabia (entity under common control)	<b>415,163</b>	415,163
Astra Food Company - Commercial Branch - Saudi Arabia (entity under common control)	<b>139,612</b>	39,504
Tharawat Mining Company – Saudi Arabia (shareholder in a subsidiary)	<b>15,946</b>	15,946
	<u><b>570,721</b></u>	<u>470,613</u>

Due to related parties are unsecured and payable in cash.

**6.3** Key management personnel compensation

Key management personnel compensation for the six-month period ended June 30, 2023 amounted to SAR 8.4 million (June 30, 2022: SAR 7.9 million).

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**7 PREPAYMENTS AND OTHER CURRENT ASSETS**

	<b>June 30, 2023 (Unaudited)</b>	<b>December 31, 2022 (Audited)</b>
<b><i>Financial assets</i></b>		
Refundable deposits	<b>11,886,622</b>	10,831,086
Restricted bank balances	<b>323,130</b>	19,601
	<b>12,209,752</b>	10,850,687
<b><i>Non-financial assets</i></b>		
Advances to suppliers	<b>61,285,179</b>	58,739,495
Prepaid expenses	<b>47,697,156</b>	35,673,608
Consideration receivable*	<b>37,500,000</b>	37,500,000
Value-added tax and other prepaid taxes	<b>12,932,184</b>	16,639,179
Advances to employees	<b>7,220,330</b>	6,579,562
Other	<b>3,705,110</b>	2,469,453
	<b>170,339,959</b>	157,601,297
	<b>182,549,711</b>	168,451,984

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

**8 CASH AND CASH EQUIVALENTS**

	<b>June 30, 2023 (Unaudited)</b>	<b>December 31, 2022 (Audited)</b>
Bank balances	<b>102,682,626</b>	131,085,768
Time deposit*	<b>640,811,765</b>	543,751,993
Cash in hand	<b>1,161,996</b>	907,224
	<b>744,656,387</b>	675,744,985

\*This represent deposits of Murabaha investment with a maturity of three months or less.

**9 LOANS AND LEASE LIABILITIES**

<b><u>June 30, 2023 (Unaudited)</u></b>	<b>Current</b>	<b>Non-current</b>	<b>Total</b>
Short-term loans	<b>623,640,113</b>	-	<b>623,640,113</b>
Long-term loans	<b>3,198,331</b>	<b>48,286,081</b>	<b>51,484,412</b>
	<b>626,838,444</b>	<b>48,286,081</b>	<b>675,124,525</b>
Lease liabilities	<b>6,014,968</b>	<b>37,985,661</b>	<b>44,000,629</b>
	<b>632,853,412</b>	<b>86,271,742</b>	<b>719,125,154</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

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

	<b>June 30, 2023 (Unaudited)</b>	<b>December 31, 2022 (Audited)</b>
Saudi Riyals and United States Dollar	<b>450,310,495</b>	244,758,770
Turkish Lira	<b>66,111,667</b>	78,176,869
Algerian Dinar	<b>64,620,890</b>	46,273,250
Euro	<b>44,018,374</b>	46,737,014
Other	<b>50,063,099</b>	55,403,873
	<b>675,124,525</b>	471,349,776

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

- 9.2** The major borrowings of Group are short term which are priced based on SAIBOR plus with an agreed fixed rate. The monthly average of six month SAIBOR during the period was 5.84% (2022: 2.77%). As at June 30, 2023, the SAIBOR was 5.95% (2022: 2.92%).

During the six-month period ended June 30, 2023, the finance costs related to Turkey based subsidiaries was SAR9.3 million (June 30, 2022: SAR 14.1 million). As at June 30, 2023, the Turkish LIBOR (Lira Interbank Offered Rate) was 18.39% (June 30, 2022: 31.26%).

**9.3 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 June 30, 2023, facilities amounting to SAR 1.8 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.

**9.4 Long-term loans**

The Group also has long-term loan facilities with banks to finance its capital assets. As at June 30, 2023, an amount of SAR 57.8 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.

**9.5 Finance costs, net**

	<b>For the six-month period ended June 30, 2023 (Unaudited)</b>	<b>For the six-month period ended June 30, 2022 (Unaudited)</b>
Finance cost	<b>(28,585,634)</b>	(27,706,993)
Interest income	<b>21,489,930</b>	294,672
	<b>(7,095,704)</b>	<b>(27,412,321)</b>

**10 ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES**

	<b>June 30, 2023 (Unaudited)</b>	<b>December 31, 2022 (Audited)</b>
<b>Financial liabilities</b>		
Accrued expenses	<b>129,473,904</b>	98,841,022
Other	<b>44,127,574</b>	45,077,169
	<b>173,601,478</b>	143,918,191
<b>Non-financial liabilities</b>		
Employees' benefits	<b>128,288,239</b>	122,613,038
Sales commission and promotional expenses	<b>151,178,017</b>	93,818,569
Contract liabilities	<b>131,785,119</b>	159,639,087
Contract liabilities - expected sales returns	<b>48,695,934</b>	42,864,203
	<b>459,947,309</b>	418,934,897
	<b>633,548,787</b>	562,853,088

**11 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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**12 SEGMENT REPORTING**

	Pharmaceuti- cals	Specialty chemical	Steel industries	Other	Total
<b><u>For the six month ended June 30, 2023 (Unaudited)</u></b>					
Revenue from sale of goods	623,622,018	429,293,416	145,730,270	15,633,079	1,214,278,783
Revenue from rendering of services	49,562,388	123,299,564	28,157,755	-	201,019,707
Total revenue	673,184,406	552,592,980	173,888,025	15,633,079	1,415,298,490
Gross profit	417,460,221	162,756,135	9,189,206	539,599	589,945,161
Depreciation and amortization	(23,946,147)	(8,845,585)	(4,196,103)	(3,802,611)	(40,790,446)
Finance costs	(8,573,177)	(14,418,234)	(1,586,832)	(4,007,391)	(28,585,634)
Income / (loss) before zakat and tax	198,444,639	76,731,292	(2,679,344)	(16,137,118)	256,359,469
	Pharmaceuti- cals	Specialty chemical	Steel industries	Other	Total
<b><u>For the six months ended June 30, 2022 (Unaudited)</u></b>					
Revenue from sale of goods	501,229,914	434,211,916	110,812,501	16,510,123	1,062,764,454
Revenue from rendering of services	41,853,899	123,063,748	15,381,312	-	180,298,959
Total revenue	543,083,813	557,275,664	126,193,813	16,510,123	1,243,063,413
Gross profit	312,626,728	180,030,613	3,931,311	3,049,471	499,638,123
Depreciation and amortization	(22,332,862)	(7,657,814)	(4,635,287)	(3,373,557)	(37,999,520)
Finance costs	(6,607,046)	(17,479,469)	(1,832,457)	(1,493,349)	(27,412,321)
Income / (loss) before zakat and tax	107,793,223	71,777,838	(5,704,358)	(17,306,463)	156,560,240

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**12 SEGMENT REPORTING (continued)**

	Pharmaceuti- cals	Specialty chemical	Steel industry	Other	Total
<b><u>As at June 30, 2023 (Unaudited)</u></b>					
Property, plant and equipment other than ROU assets	387,775,094	152,027,191	70,793,372	115,642,134	726,237,791
Right-of-use assets	26,194,680	12,948,069	1,417,016	1,185,774	41,745,539
Trade receivables	626,217,119	394,513,197	215,297,115	5,153,686	1,241,181,117
Provision for impairment of trade receivables	(49,977,711)	(45,325,165)	(19,788,926)	(355,012)	(115,446,814)
Trade receivables – net	576,239,408	349,188,032	195,508,189	4,798,674	1,125,734,303
Total assets	1,363,601,237	988,574,035	564,508,827	906,608,898	3,823,292,997
Total liabilities	793,948,705	480,622,600	366,845,638	236,036,655	1,877,453,598
	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

Selected financial information summarized by geographic location is as follows:

	KSA	Republic of Iraq	Africa	Turkey	Sudan	Other locations	Total
<b><u>Revenue (six months)</u></b>							
June 30, 2023 (Unaudited)	970,905,407	15,311,530	120,048,088	105,829,918	29,233,362	173,970,185	1,415,298,490
June 30, 2022 (Unaudited)	780,415,614	30,372,142	82,519,115	168,280,894	11,750,349	169,725,299	1,243,063,413
<b><u>Non-current assets (as at)</u></b>							
June 30, 2023 (Unaudited)	655,210,264	-	62,737,563	29,944,075	4,534,649	90,603,151	843,029,702
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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**13 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 proceeds 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 June 30, 2023 is as follows:

**13.1 Financial performance and cash flow information**

	<b>For the six-month period ended June 30,</b>	
	<b>2023</b>	<b>2022</b>
Revenue	-	29,448,595
Expenses	-	(19,288,380)
Income before zakat and income tax	-	10,160,215
Zakat and income tax expense	-	-
<b>Net income from discontinued operation</b>	-	10,160,215
Other comprehensive income from discontinued operation	-	-
<b>Total comprehensive income from discontinued operation</b>	-	10,160,215
Net cash generated from operating activities	-	12,418,849
Net cash used in investing activities	-	(226,345)
Net cash used in financing activities	-	(4,603,258)
<b>Net increase in cash and cash equivalents from the discontinued operation</b>	-	7,589,246

**13.2 Assets and liabilities of disposal group**

The following assets and liabilities are classified as held for sale in relation to the discontinued operations as at June 30, 2022:

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

**14 CONTINGENCIES AND COMMITMENTS**

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

**15 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.



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**15 LIQUIDITY RISK AND GOING CONCERN (continued)**

The calculation of net debt was as follows:

	<b>June 30, 2023 (Unaudited)</b>	<b>December 31, 2022 (Audited)</b>
Cash and cash equivalents	744,656,387	675,744,985
Time deposit	167,689,508	163,000,000
Short-term loans	(623,640,113)	(417,565,949)
Long-term loans	(51,484,412)	(53,783,827)
Lease liabilities	(44,000,629)	(57,471,318)
Net debt	<u>193,220,741</u>	<u>309,923,891</u>
<b>Current ratio</b>	<u>1.81</u>	<u>1.93</u>
<b>Unused credit facilities (in SAR billions)</b>	<u>1.86</u>	<u>1.99</u>

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

	<b>June 30, 2023 (Unaudited)</b>	<b>December 31, 2022 (Audited)</b>
Equity	1,945,839,399	1,913,185,390
Liabilities	1,877,453,598	1,611,766,736
Total capital structure	<u>3,823,292,997</u>	<u>3,524,952,126</u>
Gearing ratio	<u>49.11%</u>	<u>45.72%</u>

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 9).

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.

**16 CAPITAL AND FINANCIAL RISK MANAGEMENT**

**16.1** 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.

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

	<b>June 30, 2023 (Unaudited)</b>	<b>December 31, 2022 (Audited)</b>
<b>Country of operations</b>		
Sudan	7,946,404	7,949,021
Egypt	17,982,536	19,627,670
Other	10,279,686	6,579,943
	<u>36,208,626</u>	<u>34,156,634</u>

**17 DIVIDENDS**

During March 2023, the Board of Director of the Group proposed 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. The Company's Annual General Assembly in its meeting held on May 28, 2023 approved the cash dividend of the proposed amount.

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**18 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 six-month period ended</b>	
	<b>June 30,</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	<b>237,628,616</b>	147,587,551
- From discontinued operation	-	170,199,086
	<b>237,628,616</b>	<b>317,786,637</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	<b>2.97</b>	1.84
- From discontinued operation attributable to the ordinary equity holders of the Group	-	2.13
Total basic and diluted earnings per share attributable to the ordinary equity holders of the Group	<b>2.97</b>	<b>3.97</b>

**19 BOARD OF DIRECTORS' APPROVAL**

These condensed consolidated interim financial statements were approved by the Group's Board of Directors on August 3, 2023.