Astra Industrial Group Company and Its Subsidiaries

(A Saudi Joint Stock Company)

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 AND INDEPENDENT AUDITOR'S REPORT

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

CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024

CONTENTS

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Independent auditor's report
To the Shareholders of Astra Industrial Group Company
(A Saudi Joint Stock Company)

Opinion

We have audited the consolidated financial statements of Astra Industrial Group Company and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia that is relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with that Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key Audit Matter (continued)

Key audit matter	How our audit addressed the key audit matter
Expected Credit Loss allowance against trade receivables	
As at 31 December 2024, the group's gross carrying amount of trade receivables amounted to SR 1.23 billion against which a loss allowance for expected credit losses of SR 107.88 million is maintained. The Group uses the simplified approach for expected credit loss model (ECL) as required by International Financial Reporting Standard 9 (Financial Instruments) (IFRS 9) to calculate the loss allowance for expected credit losses for trade receivables. The key area of judgement includes assumptions used in ECL model in determining probability of default, loss given default and macro-economic information to adjust the historical loss rates. We considered this as a key audit matter as it involves complex calculations and use of assumptions by management in addition to the materiality of the amounts involved. Refer to note 2.4 to the consolidated financial statements for accounting policy relating to allowance for impairment of trade receivables, note 3.3 for the accounting estimates, assumptions and judgements note 9 and 32.2 for the related disclosures.	Our audit procedures included, among others, the following: • Assessed the design, implementation, and operating effectiveness of the key controls over the trade receivables aging reports. • Tested the completeness and accuracy of data used in the ECL calculation. • Involved our internal specialist to assess reasonableness of the significant estimates and assumptions, including probability of default, loss given default and those relating to future economic events that are used to calculate the expected credit loss. • Tested the mathematical accuracy of the ECL model. • Ensured that the ECL model is consistently being followed and it is as per the requirements of IFRS 9. • Assessed the adequacy of the relevant disclosures included in the consolidated financial statements.

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Independent auditor's report (continued)
To the Shareholders of Astra Industrial Group Company
(A Saudi Joint Stock Company)

Other matter

The consolidated financial statement of the group for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 22 Sha'ban 1445H (Corresponding to 3 March 2024).

Other information included in The Group's 2024 Annual Report

Other information consists of the information included in the Group's 2024 annual report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information in its annual report. The Group's 2024 annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants and the applicable provisions of the Regulations for Companies and Company's By-laws, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance i.e, the Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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Independent auditor's report (continued)
To the Shareholders of Astra Industrial Group Company
(A Saudi Joint Stock Company)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

for Ernst & Young Professional Services

Abdullah A. Alshenaibir
Certified Public Accountant
License No. (583)

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سجل تجاري ١٠١٠٣٨٣٨٢١
CR. 1010383821
شركة إرنست ويونغ للخدمات المهنية
(مهنية ذات مسؤولية محدودة)
Ernst & Young Professional Services
(Professional LLC)

Riyadh: 25 Sha'ban 1446H
(24 February 2025)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024
(All amounts are in Saudi Riyals unless otherwise stated)

	Note	*31 December 2024*	*31 December 2023*
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5, 6	**818,402,051**	756,215,395
Intangible assets	7	**47,358,433**	48,260,580
Goodwill	7.1	**28,452,798**	28,452,798
Investment in long-term sukuks	31	**646,602,430**	-
Deferred tax asset	18.4	**6,161,987**	7,369,611
		1,546,977,699	840,298,384
CURRENT ASSETS			
Inventories	8	**686,150,033**	715,791,315
Prepayments and other current assets	11	**127,273,281**	147,797,290
Due from related parties	10.3	**1,093,108**	2,558,249
Trade and other receivables	9	**1,120,865,782**	944,382,662
Short term investment at amortized cost	12	**667,656,179**	563,184,618
Cash and cash equivalents	13	**178,046,106**	1,058,096,691
		2,781,084,489	3,431,810,825
TOTAL ASSETS		**4,328,062,188**	4,272,109,209
LIABILITIES AND EQUITY			
LIABILITIES			
NON-CURRENT LIABILITIES			
Loans and lease liabilities	14	**74,538,644**	159,713,004
Employees defined benefit liabilities	15	**157,378,526**	145,042,012
Deferred tax liability	18.5	**6,051,128**	7,024,624
		237,968,298	311,779,640
CURRENT LIABILITIES			
Loans and lease liabilities	14	**441,117,549**	811,652,362
Trade payables	16	**236,009,029**	239,301,111
Due to related parties	10.4	**29,979,736**	31,905,166
Accrued expenses and other current liabilities	17	**762,088,293**	676,509,655
Zakat and income tax payable	18.2	**89,930,576**	69,853,516
		1,559,125,183	1,829,221,810
TOTAL LIABILITIES		**1,797,093,481**	2,141,001,450
EQUITY			
Share capital	19	**800,000,000**	800,000,000
Statutory reserve	20	**-**	406,568,677
Retained earnings		**1,745,007,965**	951,359,918
Foreign currency translation reserve	32.1.1	**(21,201,887)**	(30,025,983)
Equity attributable to shareholders of the parent		**2,523,806,078**	2,127,902,612
Non-controlling interests	29	**7,162,629**	3,205,147
NET EQUITY		**2,530,968,707**	2,131,107,759
TOTAL LIABILITIES AND EQUITY		**4,328,062,188**	4,272,109,209

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

The accompanying notes (1) through (37) form an integral part of these consolidated financial statements.

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024
(All amounts are in Saudi Riyals unless otherwise stated)

	Note	*31 December 2024*	*31 December 2023*
Revenue	26	**3,062,261,277**	2,819,586,562
Cost of revenue	21	**(1,719,969,160)**	(1,637,280,682)
Gross profit		**1,342,292,117**	1,182,305,880
Selling and distribution expenses	22	**(412,380,888)**	(375,508,778)
General and administrative expenses	23	**(223,579,786)**	(233,964,096)
Provision for impairment for trade and other receivables	9.2	**(19,317,168)**	(13,954,103)
Research expenses		**(28,537,920)**	(25,602,243)
Income from operations		**658,476,355**	533,276,660
Finance costs		**(107,265,778)**	(70,661,890)
Other income, net	24	**74,701,348**	50,268,172
Income before zakat and income tax		**625,911,925**	512,882,942
Zakat	18.1	**(61,358,558)**	(30,532,376)
Current income tax charge	18.1	**(14,088,786)**	(6,612,840)
Deferred tax		**2,410,806**	8,384,892
		(73,036,538)	(28,760,324)
Net income for the year from continuing operations		**552,875,387**	484,122,618
Discontinued operation			
Profit / (loss) after tax for the year from discontinued operation	33.1	**48,213,111**	(10,993,448)
Net income for the year		**601,088,498**	473,129,170
Attributable to			
Shareholders of the Parent	25	**589,340,930**	475,326,552
Non-controlling interests		**11,747,568**	(2,197,382)
		601,088,498	473,129,170
Earnings per share from continuing operations (basic and diluted)		**6.91**	6.05
Earnings per share from discontinued operation (basic and diluted)		**0.60**	(0.14)
Earnings per share attributable to shareholders of the Parent (basic and diluted)	25	**7.37**	5.94

Vice President Finance

President / Chief Executive Officer

Authorized Board of Directors Member

The accompanying notes (1) through (37) form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024
(All amounts are in Saudi Riyals unless otherwise stated)

	Note	***31 December 2024***	*31 December 2023*
Net income for the year		**601,088,498**	473,129,170
Other comprehensive income (OCI) to be reclassified to income in subsequent years:			
Exchange income on translation of foreign operations		**8,826,149**	4,128,021
		8,826,149	4,128,021
Other comprehensive income not to be reclassified to income in subsequent years:			
Re-measurement (loss) on employee defined benefit liabilities	15.1	**(2,252,560)**	(880,969)
		6,573,589	3,247,052
Total comprehensive income for the year		**607,662,087**	476,376,222
Attributable to:			
Shareholders of the Parent		**595,903,466**	478,516,024
Non-controlling interests		**11,758,621**	(2,139,802)
		607,662,087	476,376,222

Vice President Finance

President / Chief Executive Officer

Authorized Board of Directors Member

The accompanying notes (1) through (37) form an integral part of these consolidated financial statements.

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024
(All amounts are in Saudi Riyals unless otherwise stated)

		Attributable to shareholders of the Parent						
	Note	*Share capital*	*Statutory Reserve*	*Retained earnings*	*Foreign Currency Translation reserve*	*Total*	*Non-Controlling interests*	*Net equity*
1 January 2024		**800,000,000**	**406,568,677**	**951,359,918**	**(30,025,983)**	**2,127,902,612**	**3,205,147**	**2,131,107,759**
Net income for the year		-	-	**589,340,930**	-	**589,340,930**	**11,747,568**	**601,088,498**
Other comprehensive income		-	-	**(2,261,560)**	**8,824,096**	**6,562,536**	**11,053**	**6,573,589**
Total comprehensive income		-	-	**587,079,370**	**8,824,096**	**595,903,466**	**11,758,621**	**607,662,087**
Dividends	34	-	-	**(200,000,000)**	-	**(200,000,000)**	-	**(200,000,000)**
Disposal of a subsidiary		-	-	-	-	-	**(7,801,139)**	**(7,801,139)**
Transfer		-	**(406,568,677)**	**406,568,677**	-	-	-	-
31 December 2024		**800,000,000**	-	**1,745,007,965**	**(21,201,887)**	**2,523,806,078**	**7,162,629**	**2,530,968,707**
1 January 2023		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 for the year		-	-	475,326,552	-	475,326,552	(2,197,382)	473,129,170
Other comprehensive income		-	-	(941,179)	4,130,651	3,189,472	57,580	3,247,052
Total comprehensive income		-	-	474,385,373	4,130,651	478,516,024	(2,139,802)	476,376,222
Dividends	34	-	-	(200,000,000)	-	(200,000,000)	(58,453,853)	(258,453,853)
31 December 2023		800,000,000	406,568,677	951,359,918	(30,025,983)	2,127,902,612	3,205,147	2,131,107,759

Vice President Finance

President
/ Chief Executive Officer

Authorized Board of
Directors Member

The accompanying notes (1) through (37) form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

(All amounts are in Saudi Riyals unless otherwise stated)

	Note	*31 December 2024*	*31 December 2023*
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before zakat and income tax - Continuing operations		**625,911,925**	512,882,942
Discontinued operation		**48,213,111**	(10,993,448)
Income before zakat and income tax including discontinued operation		**674,125,036**	501,889,494
Adjustments for non-cash items			
Depreciation and amortization	5, 7	**80,957,535**	90,429,629
Finance costs		**110,737,068**	79,476,316
Finance income on sukuks	31	**(7,680,115)**	-
Provision for near expiry, obsolete and slow- moving inventories	8.1, 21	**23,258,296**	46,015,758
Employee defined benefit costs	15.1	**22,860,615**	23,211,578
Provision for impairment of trade and other receivables	9.2	**19,317,168**	13,975,423
Gain on disposal of a subsidiary	33.1	**(48,894,883)**	-
Gain on disposal of PPE	24	**(507,325)**	(273,030)
Net monetary loss / (gain)	24	**1,454,435**	(2,305,487)
Net foreign exchange differences		**(613,041)**	(8,238,978)
Changes in operating assets and liabilities:			
Inventories		**6,637,875**	25,748,300
Trade and other receivables		**(198,564,268)**	(116,787,227)
Due from related parties		**1,347,026**	1,666,050
Prepayments and other current assets		**18,493,418**	28,495,201
Trade payables		**2,164,217**	(2,991,354)
Accrued expenses and other current liabilities		**90,615,127**	50,510,925
Due to related parties		**(1,925,430)**	228,319
Employees defined benefit paid	15.1	**(10,613,136)**	(16,578,137)
Zakat and income tax paid	18.2	**(54,235,415)**	(34,943,718)
Net cash generated from operating activities		**728,934,203**	679,529,062
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		**(252,364,067)**	(70,654,352)
Proceed from disposals of property, plant and equipment		**3,028,392**	1,473,192
Additions to intangible assets	7.2	**(6,129,810)**	(17,435,610)
Purchase of investment in long-term sukuks	31	**(655,164,502)**	-
Proceeds from sale of a subsidiary		**34,928,389**	-
Amount received from purchaser of a subsidiary		**129,550,000**	-
Net cash used in investing activities		**(746,151,598)**	(86,616,770)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net movement in short-term loans	14.1	**(379,782,156)**	315,489,506
Purchase of time deposits, net	12	**(104,471,561)**	(400,184,618)
Proceeds from long-term loans	14.1	**15,819,000**	146,190,781
Repayment of long-term loans	14.1	**(89,111,229)**	(5,112,265)
Dividends paid	34	**(200,000,000)**	(200,000,000)
Payment of principal portion of lease liabilities		**(7,743,918)**	(7,605,736)
Coupon income from investment in long-term sukuks		**16,242,188**	-
Finance costs paid		**(108,358,046)**	(77,227,438)
Non-controlling interest – Net		**(7,801,139)**	(2,630)
Net cash used in financing activities		**(865,206,861)**	(228,452,400)
Net change in cash and cash equivalents		**(882,424,256)**	364,459,892
Cash and cash equivalents at the beginning of the year		**1,058,096,691**	675,744,985
Net foreign exchange gain		**2,373,671**	17,891,814
Cash and cash equivalents at the end of the year	13	**178,046,106**	1,058,096,691

For supplement schedule of significant non-cash information, see note 36 to these consolidated financial statements.

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

The accompanying notes (1) through (37) form an integral part of these consolidated financial statements.

1 ORGANIZATION AND ACTIVITIES

Astra Industrial Group Company (the "Group" / "AIG") and its subsidiaries (together the "Group") is a Saudi joint stock company operating under commercial registration number 1010069607 issued in Riyadh, Saudi Arabia on Muharram 9, 1409H (corresponding to August 22, 1988). The address of the Group's head office is as follows:

Astra Industrial Group
P.O. Box 1560
Riyadh 11441
Kingdom of Saudi Arabia (KSA)

The principal activities of the Group are as follows:

- Building, managing, operating and investing in industrial plants.
- Production, marketing and distribution of medicine and pharmaceutical products.
- Production of polymer compounds, plastic additives, color concentrates and other plastic products.
- Production of compounded fertilizers and agriculture pesticides and wholesale and retail trading of fertilizers, fungicides and insecticides.
- Metal based construction of buildings, building frames, and productions of steel products.
- Operating plant for processing of minerals and production of industrial mineral.

2 MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia ("IFRS") and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

These consolidated financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies such as employees defined benefit liabilities which are recognised at the present value of future obligations using the Projected Unit Credit Method.

(All amounts are in Saudi Riyals unless otherwise stated)

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.2 Basis of consolidation

The subsidiaries included in these consolidated financial statements are as follows:

Subsidiary Company	*Country of Incorporation*	***Percentage of effective ownership (Directly or indirectly)*** ***2024***	*2023*
Pharmaceuticals segment:			
Tabuk Pharmaceutical Manufacturing Company ("TPMC")	Kingdom of Saudi Arabia	**100**	100
TPMC has the following subsidiaries:			
- Tabuk Pharmaceutical Research Company	The Hashemite Kingdom of Jordan	**100**	100
- Tabuk Pharmaceutical Company Limited ("TPCL Sudan")	Republic of the Sudan	**100**	100
- Tabuk Pharmaceutical Manufacturing Company	Arab republic of Egypt	**100**	100
- Eurl Societe Tabuk Algerie	People's Democratic Republic of Algeria	**100**	100
Specialty chemical segment:			
Astra Polymer Compounding Company Limited ("Polymer")	Kingdom of Saudi Arabia	**100**	100
Polymer has the following subsidiaries:			
- Astra Polymers free zone Imalat Sanayi Ve Ticaret Anonim Sirketi. ("Astra Polymers Free Zone")	Republic of Turkey	**100**	100
- Astra Polymer Pazarlama San. Ve Tic. A.Ş	Republic of Turkey	**100**	100
- Astra Specialty Compounds India Private Limited	Republic of India	**100**	100
- Astra Polymers Company Industries – Sole LLC	United Arab Emirates	**100**	-
- Astra Polymers Maroc	Kingdom of Morocco	**100**	-
Astra Industrial Complex Co. Ltd. for Fertilizer and Agrochemicals ("AstraChem")	Kingdom of Saudi Arabia	**100**	100
AstraChem has the following subsidiaries:			
- AstraChem Saudia	People's Democratic Republic of Algeria	**100**	100
- AstraChem Morocco	Kingdom of Morocco	**100**	100
- Aggis International Limited	British Virgin Islands	**100**	100
- Chemidor Tarim Ticaret Limited Sirketi, formally (AstraChem Turkey)	Republic of Turkey	**100**	100
- AstraChem Syria	Syrian Arab Republic	**100**	100
- AstraChem Tashqand	Republic of Uzbekistan	**100**	100
- Astra Industrial Complex Co. Ltd. for Fertilizer and Agrochemicals, Jordan	The Hashemite Kingdom of Jordan	**100**	100
- Astra Nova, Turkey	Republic of Turkey	**100**	100
- AstraChem Ukraine Ltd.	Ukraine	**100**	100
- Astra Industrial Complex Company Egypt ("Astrachem Egypt")	Arab republic of Egypt	**100**	100
- AstraChem Agricultural Saudi Jordan Co.	Arab republic of Egypt	**100**	100
- Astra Industrial Complex for Fertilizers and Agrochemicals and Investments	Sultanate of Oman	**100**	100
- Al Hadaba Al Khadra ("Al Hadaba") Company Limited – Jordon	The Hashemite Kingdom of Jordan	**100**	100
- AstraChem Agriculture Co, LLC.	United Arab Emirates	**100**	100
- Universal United Chemicals Co. Ltd.	People's Republic of China	**100**	100
- Astra Agricultural Company Limited	Kingdom of Saudi Arabia	**100**	100

(All amounts are in Saudi Riyals unless otherwise stated)

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.2 Basis of consolidation (continued)

- CHEMNOVA Limited Liability Company	People's Democratic Republic of Algeria	**49**	49
- Agrostulln GmbH	Federal Republic of Germany	**100**	100
- AstraChem Germany GmbH	Federal Republic of Germany	**100**	-
- Astra Agricultural Products	State of Qatar	**100**	-
- **Steel industries segment:**			
- International Building Systems Factory Company Limited ("IBSF")	Kingdom of Saudi Arabia	**100**	100
Astra Energy LLC ("Astra Energy")	The Hashemite Kingdom of Jordan	**76**	76
- Astra Energy has the following subsidiary:			
- Fertile Crescent for Electricity Generation Company	Republic of Iraq	**76**	76
- Al-Tanmiya Company for Steel Manufacturing ("Tanmiya")	The Hashemite Kingdom of Jordan	**65**	65
- **Others:**			
- Astra Mining Company Limited ("Astra Mining") Note 33	Kingdom of Saudi Arabia	**-**	77.3
- Astra Arabia Real Estate Company ("Astra Real Estate")	Kingdom of Saudi Arabia	**100**	100
- Desert Pearl Invest Limited	British Virgin Islands	**100**	-

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 Group as a lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.4 Financial instruments

Classification of financial assets depends on the Group's business model for managing its financial assets and the contractual terms of the cash flows. The Group classifies its financial assets as:

- Financial assets measured at amortised cost, or
- Financial assets measured at fair value

Gains or losses of assets measured at fair value will be recognised either through the consolidated statement of profit or loss or through the consolidated statement of other comprehensive income ("OCI").

Sukuks, loans as well as trade receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interests, are measured at amortised cost.

<u>Initial measurement</u>

Financial assets are initially measured at its fair value, plus transaction costs in the case of a financial asset not at fair value through profit or loss. Transaction costs of financial assets carried at fair value through P&L are recognised in the consolidated statement of profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows meet the requirements as solely payment of principal and interest.

<u>Subsequent measurement</u>

Debt instruments

Currently, the Group subsequently measures its debt instruments at amortized cost.

Financial assets held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI) are measured at amortised cost. A gain or loss on a debt investment subsequently measured at amortised cost and not part of a hedging relationship is recognised in the consolidated statement of profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

<u>De-recognition</u>

A financial asset or a part of a financial asset is de-recognised when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
    a) Group has transferred substantially all the risks and rewards of the asset, or
    b) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

<u>Impairment</u>

The Group assesses on a forward-looking basis the Expected Credit Losses ("ECL") associated with its debt instruments as part of its financial assets, carried at amortised cost.

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 Financial instruments (continued)

Impairment (continued)

For accounts receivables, the Group applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables. To measure the expected credit losses, receivables are grouped based on shared credit risk characteristics and the days past due. Expected loss rates are derived from historical information of the Group and are adjusted to reflect the expected future outcome which also incorporates forward looking information for macroeconomic factors.

The financial assets, other than trade receivables and long-term sukuks, which include cash and cash equivalents, time deposit, due from related parties and some of other current assets, of the Group are categorized as follows:

(a) Performing: these represent the financial assets where customers have a low risk of default and a strong capacity to meet contractual cash flows. Less than 30 days past due balances do not result in significant increase in credit risk and are considered as performing.

The Group measures the loss allowance for performing financial assets at an amount equal to 12-month expected credit losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime. 12-month expected credit losses are the portion of expected credit losses that results from default events on the financial assets that are possible within 12 months after the reporting date.

(b) Underperforming: these represent the financial assets where there is a significant increase in credit risk and that is presumed if the customer is more than 30 days past due in making a contractual payment.

The Group measures the loss allowance for underperforming financial assets at an amount equal to lifetime expected credit losses.

(c) Non-performing: these represent defaulted financial assets. A default on a financial asset is considered when the customer fails to make a contractual payment/installment within 90 days after they fall due.

The Group measures the loss allowance for non-performing financial assets at an amount equal to lifetime expected credit losses.

A credit loss, is calculated as the present value (at original effective profit rate) of the difference between:

(a) The contractual cash flows that are due to the Group under the contract; and

(b) The cash flows that the Group expects to receive.

Financial assets are written-off only when it is past due for at least one year and there is no reasonable expectation of recovery. Where financial assets are written off, the Group continues to engage enforcement activities to attempt to recover the receivable due. Where recoveries are made, after write-off, they are presented as part of provision for impairment-net and are recognised as other income in the consolidated statement of other comprehensive income/loss.

2.5 Fair value measurement

The Group measures financial instruments such as sukuks at fair value at each balance sheet date.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability;

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.5 Fair value measurement (continued)

The principal or the most advantageous market must be accessible by the Group.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable;

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.
The Group's Valuation Committee determines the policies and procedures for both recurring fair value measurement, and for non-recurring measurement, such as assets held for sale in discontinued operations.
For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.
Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in note 31.

2.6 Revenue recognition

The Group generates revenue from the sale of pharmaceutical products, specialty chemicals and steel structures. The Group also generates revenue from rendering of services as in the pharmaceutical, specialty chemical and steel segments, there are few contracts where the Group provides toll manufacturing services to the customers in pharmaceutical and specialty chemical segments where the revenue is recognised at the point in time and installations services in steel segment where the revenue recognised over time.

(i) Revenue from sale of goods

The Group generates revenue from the sale of pharmaceutical products, specialty chemicals and steel segments. Where the revenue is recognised at point in time.

The following are some of the key indicators used by the Group in determining when control has passed to the customer:

i. The Group has a right to payment for the product or service;

ii. The customer has legal title to the product;

iii. The Group has transferred physical possession of the product to the customer;

iv. The customer has the significant risks and rewards of ownership of the product; and

v. The customer has accepted the product.

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.6 Revenue recognition (continued)

The pharmaceutical segment of the Group has arrangements with customers related to goods return. Therefore, a refund liability (included in accrued expenses and other liabilities) is recognised for the products expected to be returned. Accumulated experience is used to estimate such returns at the time of sale at a portfolio level (expected value method) and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. Returned product cannot be resold so no asset is recorded for the right to recover inventory associated with returns.

The group has issued free goods to specific customers instead of discounts. The group recognized revenue from free goods when transferred to the customer and a contract liability is recognised when the free goods are due but still not transferred to the customer.

(ii) Revenue from rendering of services

The Group also generates revenue from rendering of services as in the pharmaceutical, specialty chemical and steel segments, there are few contracts where the Group provides toll manufacturing services to the customers in pharmaceutical and specialty chemical segments where the revenue is recognised at the point in time and installations services in steel segment where the revenue recognised over time.

The Group evaluates the control assessment of services rendered to customers either directly or through the involvement of third-party vendors. The Group is acting as a principal where it is responsible to make the decisions around effective utilization of internal resources and/or vendors/sub-contractors in steel structuring services and in the eventual delivery of the deliverables fulfilling the customer's requirements. Where the Group is the primary obligor within the context of the contract with the customer and has the direct responsibility to provide the services either directly or indirectly, the revenue is recorded on gross basis as a principal.

For limited number of contracts in IBSF, one of the subsidiaries operating in steel industry, part of revenues is recognised over a period of time based on work certified using the input method. In general, the agreed performance periods for such contracts are up to one year. IBSF provides assurance type warranty, where the company provide assurance that the product will function as expected (See note 26.4).

In the pharmaceutical and specialty chemical segments, there are few contracts where the Group provides toll manufacturing services to the customers i.e the Group receives the goods from principal and after processing either returns the goods to the principal or sell to the customers as per the principal instructions. For such services, the Group acts as an agent and accordingly recognised the net amount as service revenue (See note 26.5).

The service revenue is recognised when the related performance obligations are satisfied.

The Group determines whether it is a principal or agent for each specified services promised to the customer. When the Group acts as an agent and satisfies a performance obligation, the Group recognises revenue at net amount of any fee or commission to which it expects to be entitled, from principal, in exchange for rendering of services to the other party. In such cases, the Group does not recognise the related inventory in the consolidated financial statements.

(i) Principal versus agent

Significant judgement is required in determining whether the Group is acting as principal, reporting revenue on a gross basis, or acting as an agent, reporting revenue on a net basis. The Group evaluates the following indicators amongst others when determining whether it is acting as a principal or agent in the transaction and recording revenue on a gross, or net, basis:

(i) The Group is primarily responsible for fulfilling the promise to provide the specified goods or service;

(ii) The Group has inventory risk before the specified good or service has been transferred to a customer;

(iii) The Group has discretion in establishing the price for the specified good or service.

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.6 Revenue recognition (continued)

(ii) Revenue from rendering of services (continued)

The Group assesses different categories of revenue in the light of the above indicators, however, before concluding on whether it is acting as a principal or an agent, the Group exercises judgement considering the nature of the product and solution offering, complexity involved in delivering the product and solution, level of control available to the Group in the process of delivering the product and solution.

Sales of product and services in which the Group acts as a principal are presented on a gross basis.

Sales of product and services where there is no involvement of the Group for fulfilling the performance obligation is presented on a net basis.

Amounts collected by the group on behalf of a third party are accounted for as a payable in the statement of consolidated financial position until they are settled and do not gross up revenue and expenses. Similarly, amounts prepaid by the group to a third party on behalf of customers are recognised as a receivable until they are recovered and do not gross up revenues and expenses.

Multiple performance obligations

Some contracts include multiple performance obligations, such as the delivery and installation of steel structures. In such cases, at contract inception the total selling price is allocated to goods based on the standalone selling prices of goods and the residual is allocated to installation services. The revenue is recognised when each performance obligation is satisfied under the terms of the contract. When contracts contain customer acceptance provisions, revenue is recognised upon the satisfaction of the acceptance criteria.

For determining standalone selling price, the Group uses observable prices wherever available. When evidence from recent transactions is not available to confirm that the prices are representative of the standalone selling price, then adjusted market assessment approach, cost plus margin approach or residual value approach as prescribed in IFRS 15 will be used to estimate the standalone selling prices.

The amount of revenue to be recognised is based on the consideration that the Group expects to receive, at contract inception, in exchange for its goods and services. The Group determined the transaction price in respect of each of its contracts with customers by assessing the impact, if any, of variable consideration, the existence of significant financing component, any non-cash consideration and the amount paid or payable to the customers. The Group determined that there is no major impact of above items on transaction price.

See Note 26 for the details of revenue recognised during 2024 and 2023.

2.7 Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at the acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects to measure the non-controlling interest in the acquiree at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in general and administrative expenses.

In a business combination achieved in stages, the Group remeasures its previously held interest in the acquiree at its acquisition-date fair value and recognise the resulting gain or loss, if any, in the consolidated statement of profit or loss.

When the Group acquires a business, it assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Contingent consideration, if any, to be transferred by the acquirer will be recognised at fair value at the acquisition date. All contingent consideration (except that which is classified as equity) is measured at fair value with the changes in fair value in income. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.7 Business combination and goodwill (continued)

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests) and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the consolidated statement of profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation.

Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

On first time adoption of IFRS, the Group has applied exemption whereby IAS 21 was not retrospectively applied to.

fair value adjustments and goodwill from business combinations that occurred before the date of transition to IFRS. Such fair value adjustments and goodwill are treated as assets and liabilities of the parent rather than as assets and liabilities of the acquiree. Therefore, those assets and liabilities are already expressed in the functional currency of the Parent or are non-monetary foreign currency items and no further translation differences occur.

2.8 Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash and bank balances unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.9 Foreign currencies

The Group's consolidated financial statements are presented in Saudi Riyals ("SR"), which is also the Company's functional and Group's presentation currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to consolidated statement of profit or loss reflects the amount that arises from using this method.

(i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency spot rate at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is classified to consolidated statement of profit or loss. Repayment of intercompany loans are considered as disposal or partial disposal. Tax charges and credits, if any, attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

(ii) Group companies

On consolidation, the assets and liabilities of foreign operations (whose functional currency is not the currency of a hyperinflationary economy) including comparatives, are translated into Saudi Riyals at the rate of exchange prevailing at the reporting date and their statement of profit or loss are translated at the average exchange rates. The exchange differences arising on the translation of foreign operations are recognised in OCI. On partial or full disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in the consolidated statement of profit or loss.

(iii) Hyperinflation at the Group level

On consolidation, the financial statements of foreign operations (whose functional currency is the currency of a hyperinflationary economy), are translated into Saudi Riyals at the rate of exchange prevailing at the reporting date. Prior to translating the financial statements of foreign operations in a hyperinflationary economy, the statement of income and non-monetary statement of financial position items are restated taking into account changes in the general purchasing power of the functional currency based on the inflation up to the statement of financial position date. The net monetary gain or loss is recognised as part of 'Other income (expenses)' in the consolidated statement of profit or loss. The comparative amounts presented previously in a stable currency are not restated.

(iv) Hyperinflation at subsidiary in hyperinflationary economy level

At the beginning of the first period of application, the components of equity, except retained earnings, are restated by applying a general price index from the dates the components were contributed or otherwise arose. These restatements are recognised directly in OCI. Restated retained earnings are derived from all other amounts in the restated statement of financial position. If on initial application of hyperinflation accounting the restated value of the non-monetary assets exceed their recoverable amount, the initial adjustment is capped at the recoverable amount and the net increase is recorded directly in retained earnings. At the end of the first period and in subsequent periods, all components of equity are restated by applying a general price index from the beginning of the period or the date of contribution, if later.

(i) Zakat and foreign income tax

Zakat is provided for in accordance with Zakat, Tax and Customs Authority regulations. Income tax for foreign entities is provided for in accordance with the relevant income tax regulations of the countries of incorporation. Adjustments arising from final Zakat and Foreign income tax assessments are recorded in the period in which such assessments are made.

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.10 Zakat and income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and unused tax losses can be utilised.

Such deferred tax assets and liabilities are not recognised if the temporary difference and unused tax losses arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.11 Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any, except for land and projects under construction which are stated at cost. Such cost includes the cost of replacing parts of the property, plant and equipment and borrowing costs for qualifying assets if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria is satisfied. All other repairs and maintenance costs are recognised in the consolidated statement of profit or loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use, is included in the cost of the respective asset if the recognition criteria for a provision are met.
Depreciation on a straight-line basis is calculated over the estimated useful lives of the assets as follows:

	Years
Buildings	10 - 33
Leasehold improvements	The lower of lease period or 4 - 10
Machinery and equipment	5 - 20
Furniture, fixtures and office equipment	3 - 10
Vehicles	4

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.11 Property, plant and equipment (continued)

A units of production method of depreciation is applied where the Unit of Production method will depreciate the assets in a manner that more accurately reflects the economic benefits of the assets over their remaining useful life than the straight-line method. Currently, Astra Mining is the only subsidiary of the Group, where the unit of production method is being used to depreciate their machinery and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each period end and adjusted accordingly, if appropriate.

Leasehold improvements are depreciated over the shorter of the estimated useful life or the remaining term of the lease. The capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

2.12 Leases

Leases are recognised as a right-of-use asset and a corresponding liability, at the date at which the leased asset is available for use by the Group. Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, if that rate can be determined, or the group's incremental borrowing rate. Generally, the Group uses the incremental borrowing rate as the discount rate.

Lease payments include in the measurement of lease liabilities comprise the following:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payment that are based on an index or a rate;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Subsequently, the lease liabilities are measured at amortized cost using the effective interest rate method. It is re-measured when there is a change in future lease payments arising from a change in index or rate, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liabilities are re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in consolidated statement of profit or loss if the carrying amount of right-of-use asset is reduced to zero.

Right-of-use ("ROU") assets

Right-of-use assets are initially measured at cost, comprising the following:

- The amount of the initial measurement of lease liability,
- Any lease payments made at or before the commencement date less any lease incentives received,
- Any initial direct costs, and
- Restoration costs.

Refundable security deposits are not included in the initial measurement of a right-of-use asset. However, the difference between the nominal amount of the refundable security deposits and its fair value at the commencement of the lease represent, an additional lease payment which is prepaid and accordingly added to the initial carrying amount of the right-of-use asset and released to the consolidated statement of profit or loss over the lease term as part of the depreciation of that asset.

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-to-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurement of lease liabilities.

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.13 Lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

Short-term and low value leases

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the consolidated statement of profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office equipment and furniture.

2.14 Borrowings and borrowing costs

2.14.1 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The borrowings are classified as a current liability when the remaining maturity is less than 12 months.

2.14.2 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.15 Intangible assets (other than goodwill and intangible assets with indefinite useful lives)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in the consolidated statement of profit or loss when it is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over their useful economic lives, which ranges from 2 to 7 years. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss in the expense category consistent with the function of the intangible assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit or loss when the asset is derecognised.

2.16 Impairment of goodwill and intangible assets with indefinite useful lives

These are tested for impairment annually as at 31 December, and when circumstances indicate that the carrying value may be impaired.

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.16 Impairment of goodwill and intangible assets with indefinite useful lives (continued)

Impairment is determined by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill or intangible asset relates. Where the recoverable amount of the cash-generating unit is less than their carrying amount, an impairment loss is recognised.

Impairment losses relating to goodwill cannot be reversed in future periods.

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

Non-current assets (or disposal group) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, if any.

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

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the consolidated statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the consolidated statement of financial position.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the consolidated statement of profit or loss and other comprehensive income.

2.18 Research costs

Research costs are expensed as incurred.

2.19 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost of raw and packing materials, consumables and finished goods is principally determined on a weighted average cost basis. Inventories of work in progress and finished goods include cost of materials, labor and an appropriate proportion of direct overheads based on normal level of activity. When inventories become old or obsolete, a provision for slow-moving and obsolete inventories is provided and charged to the consolidated statement of profit or loss.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs to sell.

2.20 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.20 Impairment of non-financial assets (continued)

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used such as valuation multiples (including earnings multiples), quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group bases its impairment calculation on detailed projections which are prepared separately for each of the Group's CGU to which the individual assets are allocated. These projections are generally covering a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit or loss.

2.21 Trade receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

2.22 Trade payables

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.23 Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at banks and on hand and, short-term deposits including Murabaha investments with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.24 Expenses

Selling and marketing expenses are those that mainly relate to salesmen of the Group. All other expenses are allocated to general and administration expenses in accordance with allocation factors determined as appropriate by the Group.

2.25 Dividends to shareholders

The Group recognises a liability to make cash or non-cash distributions to shareholders of the Parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Regulations for Companies of Saudi Arabia, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.26 Provisions

(i) General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit or loss net of any reimbursement, if any.

If the effect of the time value of money is material, provisions are discounted using a current rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance costs.

(ii) Employees' benefit

The Group recognises a liability when an employee has provided service in exchange for employee benefits to be paid in the future and an expense when the Group consumes the economic benefits arising from service provided by an employee in exchange for employee benefits. Employee benefits are short-term employee benefits, post-employment benefits, other long-term employee benefits and termination benefits.

(a) Short-term employee benefits

Provision is made for benefits accruing to employees in respect of salaries and wages, vacation leaves, ticket and other benefits when it is probable that settlement will be required and they are capable of being measured reliably. Provisions made in respect of employee benefits expected to be settled within 12 months, if any, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Provisions made in respect of employee benefits, which are not expected to be settled within 12 months, are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

(b) Employee benefit obligations

The Group operates a defined benefit scheme for its employees in accordance with the applicable labor regulations. The cost of providing the benefits under the defined benefits plan is determined using the projected unit credit method. Actuarial gains and losses are recognised in full in the period in which they occur in other comprehensive income. Such actuarial gains and losses are also immediately recognised in the retained earnings and are not reclassified to consolidated statement of profit or loss in subsequent periods.

Interest expense is calculated by applying the discount rate to the net employees defined benefit liabilities. The Group recognises the following changes in the net defined benefit obligation under "Cost of sales", 'General and administrative expenses" and "Selling and distribution expenses" in the consolidated statement of profit or loss (by function).

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and,
- Net interest expense or income

The defined benefit asset or liability comprises the present value of the defined benefit obligation, less past service costs and less the fair value of plan assets out of which the obligations are to be settled. However, currently the plan is unfunded and has no assets.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated 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 consolidated 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.

Significant accounting judgements, estimates and assumptions are described below:

3.1 Going concern

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 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, the consolidated financial statements continue to be prepared on the going concern basis. Also see Note 30 (Capital management) and 32.3 (Liquidity risk).

3.2 Impairment of non-financial assets (Note 2.15, 5, 7)

Impairment tests are undertaken on the basis of the smallest identifiable group of assets (cash-generating unit), or individual assets, for which there are largely independent cash inflows. The key assumptions used to determine the different cash-generating units involves significant judgment from management. In general, each subsidiary and manufacturing plant were considered as separate CGUs.

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on the most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

3.2 Impairment of non-financial assets (Note 2.15, 5, 7) (continued)

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

The sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. Management of the company has considered and assessed reasonably possible changes for input to the sensitivity analysis and other key assumptions and has not identified any instances that could cause the carrying amount of the CGU to exceed its recoverable amount because the impairment assessment has a large headroom.

3.3 Impairment of financial assets (Note 2.4, 9, 32.2)

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

3.4 Impairment of inventories (Note 8)

The Group determines its provision for near expiry, obsolete and slow-moving inventories based upon historical experience, current condition, and current and future expectations with respect to its use. The estimate of the Group's provision for inventory could change from period to period, which could be due to assessment of the future usage of inventories. The risk of impairment of inventories mainly arises from pharmaceutical segment as the pharmaceutical products are subject to expiry.

3.5 Defined benefit plan (Note 15)

The cost of the defined benefit plan and the present value of the obligation are determined using actuarial techniques. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and other factors.

Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and pension increases are based on expected future inflation rates.

3.6 Zakat and income tax

The Company and its wholly owned subsidiaries are subject to zakat in accordance with the regulations of the ZATCA. A provision for zakat and income tax is estimated at the end of each reporting period in accordance with the regulations of the ZATCA and on a yearly basis zakat and income tax returns are submitted to the ZATCA. Differences, if any, at the finalization of final assessments are accounted for when such amounts are determined.

3.7 Right-of-use assets and lease liabilities

Extension and termination options are included in a number of leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate (IBR) is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

(All amounts are in Saudi Riyals unless otherwise stated)

4 STANDARDS, INTERPRETATIONS AND AMENDMENTS

New and amended standards and interpretations

Following are the standards and amendments effective on 1 January 2024 or after (unless otherwise stated) and do not have a material impact on the Group's financial statements. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IAS (1): Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the Board issued amendments to IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer settlement must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification
- Disclosures

The standard has no impact on the Group's financial statements.

Amendments to IFRS (16): Lease Liability in a Sale and Leaseback

These amendments require the seller-lessee to subsequently measure liabilities arising from the transaction and in a way that it does not recognise any gain or loss related to the right of use that it retained.

The standard has no impact on the Group's financial statements.

Disclosures: Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of the financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The standard has no impact on the Group's financial statements.

4.1 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The adoption of these standards and interpretations is not expected to have any material impact on the Group on the effective date.

Standard, Amendment or Interpretation	***Effective date***
- Lack of exchangeability – Amendments to IAS 21	1 January 2025
- Amendments to IFRS (9) and IFRS (7): Classification and Measurement of Financial Instruments	1 January 2026
- Volume (11): Annual Improvements to IFRS Accounting Standards	1 January 2026
- Amendments to IFRS (9) and IFRS (7): Power Purchase Agreements	1 January 2026
- IFRS 18 Presentation and Disclosure in Financial Statements – Replace IAS (1) Presentation of Financial Statements	1 January 2027
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures	1 January 2027
- Amendments to IFRS (10) and IAS (28): Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture	The effective date of this amendment is postponed indefinitely

(All amounts are in Saudi Riyals unless otherwise stated)

5 PROPERTY, PLANT AND EQUIPMENT

2024	**Land and buildings**	**Leasehold improvements**	**Machinery and equipment**	**Furniture, fixtures and office equipment**	**Vehicles**	**Work in progress**	**Total**
Cost:							
Opening balance	**608,653,511**	**27,626,771**	**906,287,607**	**99,621,942**	**38,546,707**	**59,032,061**	**1,739,768,599**
Additions	**11,806,725**	**2,276,831**	**37,953,449**	**10,281,421**	**3,822,580**	**190,228,816**	**256,369,822**
Impact of hyperinflation on cost (Note 24.2)	**435,687**	**12,946**	**5,008,981**	**579,557**	**(301,706)**	**484,180**	**6,219,645**
Transfers	**5,840,777**	**44,550**	**10,973,066**	**1,681,771**	**137,829**	**(18,677,993)**	**-**
Disposals	**(2,234,231)**	**(1,647,275)**	**(20,055,867)**	**(8,629,935)**	**(2,206,432)**	**(505,617)**	**(35,279,357)**
Disposal of a subsidiary (note 33)	**(25,259,822)**	**(703,043)**	**(121,571,798)**	**(1,598,943)**	**(2,537,399)**	**(1,968,653)**	**(153,639,658)**
Exchange differences	**(51,932,643)**	**(192,935)**	**(25,630,540)**	**(3,853,794)**	**(2,599,162)**	**(5,862,213)**	**(90,071,287)**
Closing balance	**547,310,004**	**27,417,845**	**792,964,898**	**98,082,019**	**34,862,417**	**222,730,581**	**1,723,367,764**
Accumulated depreciation and impairment loss:							
Opening balance	**300,002,531**	**13,391,094**	**554,624,059**	**78,496,891**	**30,543,781**	**6,494,849**	**983,553,205**
Charges for the year	**18,608,725**	**1,528,166**	**43,036,441**	**7,669,587**	**3,000,595**	**-**	**73,843,514**
Impact of hyperinflation on accumulated depreciation (Note 24.2)	**(591,389)**	**7,582**	**3,849,465**	**503,937**	**(482,073)**	**-**	**3,287,522**
Disposals	**(1,176,252)**	**(1,469,013)**	**(19,102,687)**	**(8,479,980)**	**(2,530,358)**	**-**	**(32,758,290)**
Disposal of a subsidiary (note 33)	**(5,754,779)**	**(149,478)**	**(31,328,048)**	**(1,156,886)**	**(1,999,372)**	**-**	**(40,388,563)**
Exchange differences	**(49,629,066)**	**(96,250)**	**(26,382,175)**	**(3,860,457)**	**(2,185,544)**	**(418,183)**	**(82,571,675)**
Closing balance	**261,459,770**	**13,212,101**	**524,697,055**	**73,173,092**	**26,347,029**	**6,076,666**	**904,965,713**
Net book value:							
31 December 2024	**285,850,234**	**14,205,744**	**268,267,843**	**24,908,927**	**8,515,388**	**216,653,915**	**818,402,051**

As at 31 December 2024:
- The land and buildings include land amounting to SR 40.4 million (2023: SR 40.66 million).
- ROU net book value was SR 36.64 million (2023: 40.38 million). See Note 6.
- Exchange differences mainly arise from TPCL Sudan and AstraNova Turkey. See Note 24.2.
- Work in progress as at 31 December 2024 relates to the development and enhancement works in various factories across segments and the works being done on the building in Riyadh, Kingdom of Saudi Arabia, where the Group is planning to have their new headquarters in. The management expects that the work in progress will be completed within a year.

(All amounts are in Saudi Riyals unless otherwise stated)

5 PROPERTY, PLANT AND EQUIPMENT (continued)

2023	*Land and buildings*	*Leasehold improvements*	*Machinery and equipment*	*Furniture, Fixtures and office equipment*	*Vehicles*	*Work in progress*	*Total*
Cost:							
Opening balance	606,888,545	23,108,926	874,103,074	97,717,796	40,413,893	72,412,513	1,714,644,747
Additions	14,004,538	7,060,343	14,607,512	8,360,390	2,677,899	32,487,899	79,198,581
Impact of hyperinflation on cost (Note 24.2)	43,144,617	9,613	23,722,917	3,020,298	937,604	4,258,280	75,093,329
Transfers	6,292,967	-	22,670,552	1,209,320	85,406	(30,258,245)	-
Disposals	(17,298,726)	(2,510,431)	(4,564,869)	(7,426,313)	(1,533,323)	(14,261,951)	(47,595,613)
Exchange differences	(44,378,429)	(41,680)	(24,251,579)	(3,259,549)	(4,034,772)	(5,606,435)	(81,572,444)
Closing balance	608,653,512	27,626,771	906,287,607	99,621,942	38,546,707	59,032,061	1,739,768,600
Accumulated depreciation and impairment loss:							
Opening balance	281,880,121	15,191,264	513,748,307	79,440,050	31,767,141	4,042,638	926,069,521
Charges for the year	19,979,190	718,994	44,604,200	6,386,288	3,005,250	-	74,693,922
Impact of hyperinflation on accumulated depreciation (Note 24.2)	40,247,578	6,531	21,858,531	2,932,352	653,677	3,256,573	68,955,242
Disposals	(1,934)	(2,510,330)	(4,092,751)	(7,297,438)	(1,533,941)	-	(15,436,394)
Exchange differences	(42,102,424)	(15,365)	(21,494,228)	(2,964,361)	(3,348,346)	(804,362)	(70,729,086)
Closing balance	300,002,531	13,391,094	554,624,059	78,496,891	30,543,781	6,494,849	983,553,205
Net book value:							
31 December 2023	308,650,981	14,235,677	351,663,548	21,125,051	8,002,926	52,537,212	756,215,395

As at 31 December 2023:
- The land and buildings include land amounting to SR 40.66 million (2022: SR 40.45 million).
- ROU net book value was SR 40.38 (2022: 55.2 million). See Note 6.
- Exchange differences mainly arise from TPCL Sudan. See Note 24.2.
- Work in progress as at 31 December 2023 relates to the development and enhancement works in various factories across segments. The management expects that the work in progress will be completed within a year.

(All amounts are in Saudi Riyals unless otherwise stated)

6 LEASES

The Group holds various properties and vehicles on lease. Rental contracts period after considering extension options reach between 2 to 22 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

6.1 The consolidated statement of financial position included the following amounts relating to leases:

	31 December 2024	*31 December 2023*
Right-of-use assets		
Land and buildings	**35,591,063**	39,445,859
Vehicles	**1,048,605**	938,296
	36,639,668	40,384,155
Lease liabilities		
Non-current	**35,189,243**	38,035,507
Current	**5,623,537**	5,412,061
	40,812,780	43,447,568

Right-of-use assets and lease liabilities were included in the line item “Property, plant and equipment (note 5)” and “Loans and lease liabilities (note 14)”, respectively, in the consolidated statement of financial position. Also refer to note 26 for additional details about right-of-use assets.

6.2 The consolidated statement of profit or loss included the following amounts related to leases:

	2024	*2023*
Depreciation charge of right-of-use assets	**5,720,327**	6,436,487
Interest expense (included in finance costs)	**2,379,023**	2,248,878
	8,099,350	8,685,365

6.3 Additions in right-of-use assets amounted to SR 4 million during the year ended 31 December 2024 (SR 8.5 million during the year ended 31 December 2023). The total cash outflow for leases during the year ended 31 December 2024 amounted to SR 7.7 million (2023: SR 7.6 million).

6.4 The contractual maturities of lease liabilities (undiscounted basis) are as follows:

	2024	*2023*
Less than one year	**10,755,471**	7,470,131
More than one year	**45,854,255**	45,929,701
	56,609,726	53,399,832

6.5 Short-term leases expense for the year amounted to SR 17.3 million (2023: SR 18.7 million).

6.6 The future minimum lease payments have been discounted, using an effective interest rate of approximately 3% to 5% per annum, to its present value.

(All amounts are in Saudi Riyals unless otherwise stated)

7 INTANGIBLE ASSETS

	Note	***2024***	*2023*
Software and licenses	7.2	**29,091,366**	25,162,346
Customer's relationship	7.3	**18,267,067**	23,098,234
		47,358,433	48,260,580

7.1 Goodwill

	2024	*2023*
Cost	**53,659,552**	53,659,552
Accumulated impairment	**(25,206,754)**	(25,206,754)
Net book value	**28,452,798**	28,452,798

During September 2022, Astra Chem, a wholly owned subsidiary, signed a purchase agreement to acquire 100% shares of Agrostulln GmbH located in Stulln, Bavaria in Federal Republic of Germany, goodwill arose as a result of this transaction. The Group performed its annual impairment test in 2024. The recoverable amount of this CGU is determined based on value-in-use calculations. These calculations use cash flow projections which are based on financial budgets approved by management covering a five-year period as well as the factors used in computing terminal value. The impairment test indicated no impairment charge because there was a large headroom..

The key assumptions used for value-in-use calculations for impairment as at 31 December 2024 were as follows:

	Agrostulln GmbH Germany
Revenue growth rate (average)	**5%**
Discount rate	**10%**
Terminal growth rate	**1.48%**

7.2 Software and licenses

	2024	*2023*
Cost		
Opening balance	**74,259,520**	54,088,139
Additions for the year	**6,129,810**	17,435,610
Impact of hyperinflation on cost (Note 24.2)	**4,005,638**	4,004,339
Disposals / Transfers	**-**	2,227,486
Exchange differences	**(2,332,947)**	(3,496,054)
Closing balance	**82,062,021**	74,259,520
Amortization		
Opening balance	**49,097,174**	37,354,199
Amortization for the year	**4,199,016**	12,606,094
Impact of hyperinflation on cost (Note 24.2)	**1,699,644**	1,101,372
Exchange differences	**(2,025,179)**	(1,964,491)
Closing balance	**52,970,655**	49,097,174
Net book value	**29,091,366**	25,162,346

(All amounts are in Saudi Riyals unless otherwise stated)

7 INTANGIBLE ASSETS (continued)

7.3 Customers relationship

	2024	*2023*
Cost		
Opening balance	**26,325,869**	27,687,123
Exchange differences	**(1,484,664)**	866,232
Disposals/Transfers	-	(2,227,486)
Closing balance	**24,841,205**	26,325,869
Amortization		
Opening balance	**3,227,635**	-
Exchange differences	**431,498**	98,022
Provided during the year	**2,915,005**	3,129,613
Closing balance	**6,574,138**	3,227,635
Net book value	**18,267,067**	23,098,234

8 INVENTORIES

	2024	*2023*
Raw and packing materials	**328,410,973**	324,853,810
Finished goods	**305,777,382**	334,180,606
Work-in-process	**53,198,599**	63,429,431
Goods in transit	**16,382,328**	19,963,904
Consumables	**32,792,519**	33,124,642
	736,561,801	775,552,393
Provision for near expiry, obsolete and slow - moving inventories. (Note 8.1)	**(50,411,768)**	(59,761,078)
	686,150,033	715,791,315

8.1 Provision for near expiry, obsolete and slow-moving inventories movement:

	Note	*2024*	*2023*
Opening balance		**59,761,078**	46,653,769
Provision for the year	21	**23,258,296**	46,015,758
Disposal of a subsidiary		**(173,078)**	-
Write-offs during the year	36	**(27,024,028)**	(28,985,075)
Exchange differences	36	**(5,410,500)**	(3,923,374)
Closing balance		**50,411,768**	59,761,078

(All amounts are in Saudi Riyals unless otherwise stated)

9 TRADE AND OTHER RECEIVABLES (also see note 32.2.1.3)

	2024	*2023*
Not yet past due	**976,922,011**	766,017,077
Past due	**251,826,267**	288,382,500
	1,228,748,278	1,054,399,577
Provision for impairment	**(107,882,496)**	(110,016,915)
	1,120,865,782	944,382,662
Provision to trade receivables coverage ratio	**9%**	10%
Provision to past due trade receivables coverage ratio	**43%**	38%

9.1 As at 31 December 2024, trade receivables include retention receivables of SR 59.15 million (2023: SR 34.3 million) and contract assets (unbilled receivables) of SR 58.5 million (2023: SR 100.4 million).

9.2 Movements in the provision for impairment of trade and other receivables was as follows:

	Note	*2024*	*2023*
Opening balance		**110,016,915**	109,048,752
Provision for the year		**19,317,168**	13,975,423
Write-offs during the year	36	**(15,692,111)**	(8,505,647)
Exchange differences	36	**(5,383,145)**	(4,501,613)
Disposal of a subsidiary	33	**(376,331)**	-
Closing balance		**107,882,496**	110,016,915

9.3 Movement in contract assets and contract liabilities were as follows:

Contract assets (unbilled receivables)

	2024	*2023*
Opening balance	**100,435,303**	90,893,876
Transfers from contract assets recognised at the beginning of the year to receivables	**(73,022,596)**	(57,884,787)
Increases as a result of changes in the measure of progress	**31,134,675**	67,426,214
	58,547,382	100,435,303

Contract liabilities (deferred revenue / customer advances) (Note 17)

	2024	*2023*
Opening balance	**131,570,566**	159,639,087
Revenue recognised that was included in the contract liability balance at the beginning of the period	**124,144,240**	(115,758,230)
Increases due to cash received, excluding amounts recognized as revenue during the period	**(107,523,018)**	87,689,709
	148,191,788	131,570,566

Majority of the contract liabilities are expected to be recognised as revenues in the next financial year.

(All amounts are in Saudi Riyals unless otherwise stated)

10 RELATED PARTY TRANSACTIONS AND BALANCES

10.1 Significant transactions with related parties in the ordinary course of business included in the consolidated financial statements are summarized below:

Related party	***Relationship***	***Nature of transactions***	***2024***	*2023*
Al Massera	Shareholder in a subsidiary	Dividends – Non cash transaction	-	58,453,846
Prince Fahad Bin Sultan Hospital	Entity under common control	Sales	**3,907,734**	3,041,201
Astra Food Company – Commercial Branch	Entity under common control	Purchases	**1,420,423**	1,487,124
Nour Internet for Communications and Information Technology Company	Affiliate	Purchases	**1,086,885**	851,712
Astra Farms Company	Entity under common control	Sales Purchases	**267,897** **518,025**	886,570 414,749
Arab Supply and Trading Company (ASTRA) - construction branch	Shareholder	Sales Purchases	**509,574** -	1,423,100 761,167

10.2 Key management personnel include directors and key executives at the Group level. Transactions with those are summarized below:

	2024	*2023*
Short-term employee benefits (salaries and other allowances)	**36,233,140**	19,002,822
Post-employment benefit (end-of-service benefits)	**424,890**	417,701
	36,658,030	19,420,523

10.3 Due from related parties comprises of the following:

	2024	*2023*
Current assets - unsecured (recoverable in cash):		
Astra Farms Company (entity under common control)	**194,589**	1,923,564
Arab Supply and Trading Company (ASTRA) - construction branch	**2,767**	-
Prince Fahd Bin Sultan Hospital (entity under common control)	**895,752**	634,685
	1,093,108	2,558,249

10.4 Due to related parties comprises of the following:

	2024	*2023*
Current liabilities – unsecured (payable in cash):		
Nour Internet for Communications and Information Technology Company (affiliate)	**361,830**	492,885
Al Maseera (shareholder in a subsidiary)	**29,330,714**	31,206,234
Other	**287,192**	206,047
	29,979,736	31,905,166

(All amounts are in Saudi Riyals unless otherwise stated)

11 PREPAYMENTS AND OTHER CURRENT ASSETS

	2024	*2023*
Financial assets		
Refundable deposits	**7,313,232**	2,980,564
Restricted bank balances	**143,644**	148,707
Consideration receivable *	**37,500,000**	37,500,000
	44,956,876	40,629,271
Non-financial assets		
Advances to suppliers	**21,979,434**	39,311,119
Prepaid expenses	**35,958,247**	38,349,957
Value-added tax and other prepaid taxes	**17,856,027**	21,041,686
Advances to employees (Note 11.1)	**4,309,915**	6,742,823
Other	**2,212,782**	1,722,434
	82,316,405	107,168,019
	127,273,281	147,797,290

* This represents consideration receivable from the sale on Alanmaa, a subsidiary. This amount was subsequently received in 2025.

11.1 The advances to employees are secured against employee defined benefit liabilities.

12 SHORT TERM INVESTMENT AT AMORTIZED COST

As at 31 December 2024, the amount represents investment in open-ended mutual funds with a maturity of more than three months from the date of the investment. As at 31 December 2023, the amount represented deposits of Murabaha investments with a maturity of more than three months. The Group classified these investments at amortized cost as they pass solely payment of principal and interest (SPPI) based on the business model prepared by the Group.

13 CASH AND CASH EQUIVALENTS

	2024	*2023*
Bank balances	**46,621,664**	46,812,937
Time deposit*	**130,490,611**	1,009,901,496
Cash in hand	**933,831**	1,382,258
	178,046,106	1,058,096,691

* This represents deposits of Murabaha investment with a maturity of three months or less. ECL allowance has been computed and the impact is not material.

(All amounts are in Saudi Riyals unless otherwise stated)

14 LOANS AND LEASE LIABILITIES

2024	***Current***	***Non-current***	***Total***
Short-term loans			
Murabaha	**200,447,663**	-	**200,447,663**
Conventional	**152,825,636**	-	**152,825,636**
	353,273,299	-	**353,273,299**
Long-term loans – Murabaha	**81,004,594**	**33,013,781**	**114,018,375**
Long-term loans – Conventional	**1,216,119**	**6,335,620**	**7,551,739**
	82,220,713	**39,349,401**	**121,570,114**
	435,494,012	**39,349,401**	**474,843,413**
Lease liabilities	**5,623,537**	**35,189,243**	**40,812,780**
	441,117,549	**74,538,644**	**515,656,193**

2023	*Current*	*Non-current*	*Total*
Short-term loans			
Murabaha	542,311,324	-	542,311,324
Conventional	190,744,131	-	190,744,131
	733,055,455	-	733,055,455
Long-term loans - Murabaha	70,000,000	70,000,000	140,000,000
Long-term loans - Conventional	3,184,846	51,677,497	54,862,343
	73,184,846	121,677,497	194,862,343
	806,240,301	121,677,497	927,917,798
Lease liabilities	5,412,061	38,035,507	43,447,568
	811,652,362	159,713,004	971,365,366

14.1 Movement of loans were as follows:

2024	***Short-term loans***	***Long-term loans***	***Total***
Opening balance	**733,055,454**	**194,862,343**	**927,917,797**
Receipts	**4,725,765,038**	**15,819,000**	**4,741,584,038**
Repayments	**(4,975,997,193)**	**(89,111,229)**	**(5,065,108,422)**
Disposal of a subsidiary	**(129,550,000)**	-	**(129,550,000)**
Closing balance	**353,273,299**	**121,570,114**	**474,843,413**

2023	*Short-term loans*	*Long-term loans*	*Total*
Opening balance	417,565,949	53,783,827	471,349,776
Receipts	1,890,755,337	146,190,781	2,036,946,118
Repayments	(1,575,265,831)	(5,112,265)	(1,580,378,096)
Closing balance	733,055,455	194,862,343	927,917,798

14 LOANS AND LEASE LIABILITIES (continued)

14.2 Short-term loans

The Group has bank facilities in the form of Murabaha, short-term tawarruq and other conventional credit facilities to meet the working capital requirements. As at 31 December 2024, facilities amounting to SR 2.51 billion were undrawn (31 December 2023: SR 1.63 billion). The facilities bear special commission at prevailing market rates which are mostly based on Saudi Arabian Interbank Offered Rate (SAIBOR) and denominated in Saudi Riyals. These facilities are secured by corporate guarantees from AIG.

14.3 Long-term loans

The Group also have long-term loan facilities with banks to finance its capital assets. As at 31 December 2024 an amount of SR 43.6 million was undrawn (31 December 2023: SR 66 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 Euro) and repayable within five years through monthly and quarterly equal installments from the date these facilities were availed.

15 EMPLOYEE DEFINED BENEFIT LIABILITIES

15.1 Reconciliation of present value of liability

	2024	*2023*
Opening balance	**145,042,012**	137,527,602
Amount recognised *in the consolidated statement of profit or loss*		
Current service costs	**15,471,111**	16,488,794
Interest cost on benefit obligation	**7,389,504**	6,722,784
	22,860,615	23,211,578
Amount recognised *in the consolidated statement of other comprehensive income*		
Actuarial gain / (loss) attributable to:		
Shareholders of the Parent	**2,261,560**	941,179
Non-controlling interests	**(9,000)**	(60,210)
	2,252,560	880,969
Benefits paid	**(10,613,136)**	(16,578,137)
Disposal of a subsidiary (note 33)	**(2,163,525)**	-
Closing balance	**157,378,526**	145,042,012

(All amounts are in Saudi Riyals unless otherwise stated)

15 EMPLOYEE DEFINED BENEFIT LIABILITIES (continued)

15.2 The significant actuarial assumptions used in determining employees' end-of-service benefits liability are shown below:

	2024	*2023*
Discount rate	**5.25%**	4.65%
Future salary increment rate	**2.10%**	2.1%
Retirement age	**60 years**	60 years

15.3 The maturity profile of the obligation

	2024	***2023***
Less than 1 year	**16,064,492**	13,136,320
1 year to 5 years	**88,560,162**	71,926,234
More than 5 years	**103,119,294**	96,652,162
	207,743,948	181,714,716

15.4 The weighted average duration of the plan was 7 years as at 31 December 2024 and 2023.

15.5 Sensitivity analysis on significant actuarial assumptions of employees' defined benefits liabilities:

	2024	*2023*
Discount rate + 0.5%	**(5,271,159)**	(5,042,055)
Discount rate - 0.5%	**5,562,375**	5,385,618
Long-term salary + 0.5%	**4,426,902**	4,341,712
Long-term salary - 0.5%	**(4,254,073)**	(4,113,281)

16 TRADE PAYABLES

	2024	*2023*
Trade payables	**236,009,029**	239,301,111

Trade payables are non-interest bearing and are normally settled within 90 days terms.

17 ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	2024	*2023 (refer note 35(ii))*
Financial liabilities		
Sales commission and promotional expenses	**137,763,126**	113,105,679
Accrued expenses	**131,546,706**	117,112,922
Other	**48,965,558**	46,500,323
	318,275,390	276,718,924
Non-financial liabilities		
Contract liabilities (Note 9.3)	**148,191,788**	131,570,566
Employees' benefits	**235,406,273**	217,001,636
Contract liabilities - expected sales returns	**60,214,842**	51,218,529
	443,812,903	399,790,731
	762,088,293	676,509,655

(All amounts are in Saudi Riyals unless otherwise stated)

18 ZAKAT AND INCOME TAX

18.1 Zakat and current income tax expense for the year

	Note	***2024***	*2023*
Zakat charge for the year		**61,358,558**	30,718,384
Current income tax charge for the year		**14,088,786**	6,612,840
	18.2	**75,447,344**	37,331,224

18.2 Movement of zakat and current income tax was as follows:

	Note	***2024***	*2023(refer note 35(ii))*
Opening balance		**69,853,516**	69,039,026
Charge for the year	18.1	**75,447,344**	37,331,224
Paid during the year		**(54,235,415)**	(34,943,718)
Foreign exchange gain primarily from TPLC Sudan		**(961,791)**	(1,573,016)
Disposal of a subsidiary (note 33)		**(173,078)**	-
Closing balance		**89,930,576**	69,853,516

18.3 Status of assessments

The Company and its wholly-owned subsidiaries have submitted their consolidated zakat returns up to 31 December 2023 and have received the corresponding zakat certificates. Assessments with the Zakat, Tax, and Customs Authority (ZATCA) have been finalized for all periods up to 31 December 2018. During the year in August 2024, ZATCA has issued assessments for the years ended 31 December 2019 and 2020, with an additional zakat liability of SAR 25.7 million. The Company has accepted the partial amount of SR 4.5 million and contested for the remaining amount of SR 21.2 million to ZATCA in Oct 2024. The appeal got rejected by ZATCA in January 2025. The Company has filed a second level appeal to General Secretariat of the Tax Committees (GSTC) in January 2025. The matter is now pending with GSTC.

Based on the Group’s assessment, it is not anticipated that any material liabilities, other than currently recognized, will be incurred as a result of outstanding assessments.

18.4 Deferred tax asset amount to SR 6.16 million (2023: SR 7.4 million) which include of SR 324k (2023: SR 1.8 million) related to TPMC Algeria, where the entity suffered losses in prior years and those losses would be deductible from future taxable profits.

18.5 Deferred tax liability amounting SR 6.05 million (2023: SR 7 million) is related to Agrosulln GmbH.

(All amounts are in Saudi Riyals unless otherwise stated)

19 SHARE CAPITAL

The authorized, issued and paid-up share capital of the Company as at 31 December 2024 comprises of 80,000,000 shares (31 December 2023: 80,000,000 shares) of SR 10 each. The share capital is held as follows:

	2024	*2023*
Saudi founding shareholders*	**55.30%**	56.50%
Public	**44.70%**	43.50%
	100.00%	100.00%

* This include Arab Supply and Trading Company, Saudi Arabia which holds 47.14% (2023: 47.14%), where the major shareholders are Mr. Sabih Tahir Darwesh Masri and Mr. Khaled Sabih Tahir Darwesh Masri (ultimate controlling persons).

20 STATUTORY RESERVE

The General Assembly in its extraordinary meeting held on 18 Thul-Hijjah 1445H (corresponding to 24 June 2024) approved the amendment in Astra Industrial Group bylaws to transfer the statutory reserve balance of SR 406,568,677 to retained earnings.

21 COST OF REVENUES

	Note	***2024***	*2023*
Material costs		**1,112,435,246**	1,082,361,966
Employees' salaries and benefits		**274,129,732**	255,702,625
Contracting and construction work		**124,030,130**	79,824,353
Depreciation and amortization		**58,130,773**	57,180,241
Provision for near expiry, obsolete and slow-moving inventory	8.1	**23,258,296**	46,015,758
Other overheads		**127,984,983**	116,195,739
		1,719,969,160	1,637,280,682

22 SELLING AND DISTRIBUTION EXPENSES

	2024	*2023*
Employees' salaries and benefits	**202,195,734**	194,750,251
Marketing, advertising and promotions	**108,776,973**	90,115,207
Distribution, travel and freight charges	**43,579,725**	43,156,849
Rent and utilities	**10,940,693**	10,725,220
Depreciation	**9,505,703**	8,837,815
Other	**37,382,060**	27,923,436
	412,380,888	375,508,778

(All amounts are in Saudi Riyals unless otherwise stated)

23 GENERAL AND ADMINISTRATIVE EXPENSES

	2024	*2023*
Employees' benefits	**154,516,321**	152,140,455
Professional fees	**19,984,179**	23,947,221
Rent, Insurance and utilities	**13,849,125**	14,653,755
Depreciation and amortization	**8,557,621**	13,937,015
Travel and transportation	**5,625,504**	4,692,060
Repair and maintenance	**3,292,349**	3,672,896
Board of Directors' remuneration	**3,237,151**	3,243,000
Other	**14,517,536**	17,677,694
	223,579,786	233,964,096

24 OTHER INCOME, NET

	2024	*2023*
Finance income	**88,579,555**	53,924,134
Reclassification of exchange loss from consolidated OCI to statement of income – Note 24.1	**(7,927,591)**	-
Foreign exchange loss – Note 24.1	**(5,003,506)**	(6,234,479)
Net monetary (loss) / gain - Note 24.2	**(1,454,435)**	2,305,487
Other	**507,325**	273,030
	74,701,348	50,268,172

24.1 During 2024, the share capital of TPCL Sudan was reduced by SR 7.9 million. Therefore, the related foreign exchange loss was reclassified from OCI to the consolidated statement of profit or loss and was recognised as part of foreign exchange and hyperinflation amounting to SAR SR 7.9 million.

24.2 Three of the subsidiaries of the Group, namely TPCL Sudan, Chemidor Turkey and AstraNova Turkey, operate in Sudan and Turkey, which continue to be a hyperinflationary economy. Based on the management assessment, the official exchange rate of Sudanese Pounds (SDG) 564.97 to SAR 1 (2023: SDG 267.38 equal to SAR 1) and Turkish Lira (TRY) 9.41 to SAR 1 (2023: TRY 7.94 to SAR 1) were considered as the closing foreign exchange rate and the related foreign operations translated at that rate. The financial statements of TPCL Sudan, Chemidor Turkey and AstraNova Turkey have been restated for the changes in the general purchasing power of the functional currency and, as a result, are stated in terms of the measuring unit current (i.e. consumer price index) at the end of the reporting period. Based on the management judgement, estimates and assessment of available information, the consumer price index used by TPCL Sudan at December 31, 2024 was 245,819 (2023: consumer price index of 116,012)., and consumer price index used by Chemidor Turkey and AstraNova Turkey was 2684.55 (2023: 1859.38).

25 EARNINGS PER SHARE

Basic and diluted, earnings per share

Basic earnings per share (EPS) is calculated by dividing the profit / loss for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is calculated by dividing the net profit attributable to ordinary equity holders of the parent (after adjusting interest on convertible shares) by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares, if any.

(All amounts are in Saudi Riyals unless otherwise stated)

25 EARNINGS PER SHARE (continued)

Basic and diluted, earnings per share (continued)
The following table reflects the income and weighted average number of ordinary shares used in the computations:

	2024	*2023*
Income attributable to shareholders of the Parent	**589,340,930**	475,326,552
Weighted average number of ordinary shares	**80,000,000**	80,000,000
Basic and diluted, earning per share	**7.37**	5.94

26 SEGMENT REPORTING

26.1 A segment is a distinguishable component of the Group that is engaged either in providing products or services (a business segment) or in providing products or services within a particular economic environment (a geographic segment), which is subject to risks and rewards that are different from those of other segments.

For management purposes, the Group was organised into business units based on their products and services and has the following reportable segments:

Pharmaceuticals

Pharmaceuticals' segment, which develops, manufactures, markets and distributes branded generic pharmaceuticals and under-licensed products globally.

Specialty chemical

Specialty chemical segment, which produces Masterbatch, dust-free additives and custom-made thermoplastic compounds plus liquid and paste colorants for polymer manufacturing, polymer converting and plastics processing industries in addition with manufacturing, importing and distributing a range of agrochemicals, fertilizers, public health and veterinary pesticides, seeds and other agricultural inputs.

Steel

Steel segment, which produces steel billets, pre-engineered steel buildings and steel structures and rebar.

Other

Other segment is the residual segment and comprises of Astra Industrial Group Holding Company, Astra Arabia Real Estate Company and Desert Pearl Invest Limited.

No operating segments have been aggregated to form the above reportable operating segments.

(All amounts are in Saudi Riyals unless otherwise stated)

26 SEGMENT REPORTING (continued)

26.2 The Group’s Executive Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss for each segment.

The Group's consolidated financial information by business segments, were as follows:

	Pharmaceuticals	***Specialty chemical***	***Steel industries***	***Other***	***Total***
31 December 2024					
Property, plant and equipment other than ROU assets	**368,882,416**	**174,848,517**	**75,361,629**	**162,669,821**	**781,762,383**
Right of use assets	**22,271,939**	**13,288,978**	**1,078,751**	**-**	**36,639,668**
Trade and other receivables	**590,145,925**	**332,520,555**	**306,081,798**	**-**	**1,228,748,278**
Provision for impairment of trade receivables	**(37,315,548)**	**(44,392,181)**	**(26,174,767)**	**-**	**(107,882,496)**
Trade receivables net	**552,830,377**	**288,128,374**	**279,907,031**	**-**	**1,120,865,782**
Total assets	**1,312,509,664**	**903,730,941**	**574,104,986**	**1,537,716,597**	**4,328,062,188**
Total liabilities	**734,554,662**	**482,509,536**	**480,852,178**	**99,177,105**	**1,797,093,481**

	Pharmaceut-Icals	*Specialty chemical*	*Steel industries*	*Other*	*Total*
31 December 2023					
Property, plant and equipment other than ROU assets	336,979,453	159,147,992	73,142,036	112,751,803	682,021,284
Right of use assets	56,702,883	15,080,244	1,304,261	1,106,723	74,194,111
Trade receivables	469,326,488	343,153,035	233,371,194	8,548,860	1,054,399,577
Provision for impairment of trade receivables	(45,840,253)	(43,832,389)	(19,967,941)	(376,332)	(110,016,915)
Trade receivables net	423,486,235	299,320,646	213,403,253	8,172,528	944,382,662
Total assets	1,166,584,468	927,241,062	531,361,710	1,646,921,969	4,272,109,209
Total liabilities	727,559,762	425,722,735	343,174,489	644,544,464	2,141,001,450

(All amounts are in Saudi Riyals unless otherwise stated)

26 SEGMENT REPORTING (continued)

26.2 The Group's Executive Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss for each segment. (continued)

	Pharmaceuticals	***Specialty chemical***	***Steel industries***	***Other***	***Total***
For the year ended 31 December 2024					
Revenue from sale of goods	**1,387,357,945**	**798,116,412**	**388,516,044**	**-**	**2,573,990,401**
Revenue from rendering of services	**66,579,738**	**248,568,245**	**173,122,893**	**-**	**488,270,876**
Total revenue	**1,453,937,683**	**1,046,684,657**	**561,638,937**	**-**	**3,062,261,277**
Gross profit	**920,108,452**	**337,628,372**	**84,555,293**	**-**	**1,342,292,117**
Depreciation and amortization	**(49,755,104)**	**(20,073,597)**	**(9,183,416)**	**(1,945,418)**	**(80,957,535)**
Finance costs	**(24,087,722)**	**(56,891,743)**	**(11,148,403)**	**(15,137,910)**	**(107,265,778)**
Income / (loss) before zakat and tax	**433,498,999**	**111,664,893**	**47,177,996**	**33,570,037**	**625,911,925**

	Pharmaceuti-Cals	*Specialty chemical*	*Steel industries*	*Other*	*Total*
For the year ended 31 December 2023					
Revenue from sale of goods	1,203,970,086	811,197,130	371,122,722	-	2,386,289,938
Revenue from rendering of services	99,016,106	245,917,035	88,363,483	-	433,296,624
Total revenue	1,302,986,192	1,057,114,165	459,486,205	-	2,819,586,562
Gross profit	806,159,570	324,041,860	52,104,450	-	1,182,305,880
Depreciation and amortization	(54,875,849)	(18,650,854)	(8,372,369)	(1,314,235)	(83,213,307)
Finance costs	(20,944,122)	(42,862,484)	(4,806,428)	(2,048,856)	(70,661,890)
Income before zakat and tax	366,226,789	116,076,044	24,789,629	5,790,480	512,882,942

26.3 The Group's operations are conducted principally in Saudi Arabia, in addition to Iraq, Africa and other areas. Selected financial information as at and for the year ended 31 December by geographic area were as follows:

	Kingdom of Saudi Arabia	***Republic of Iraq***	***Africa***	***Turkey***	***Sudan (Note 24.1)***	***Other areas***	***Total***
2024							
Revenues	**2,157,849,143**	**78,690,505**	**255,120,166**	**153,131,363**	**21,055,843**	**396,414,257**	**3,062,261,277**
Non-current assets	**1,331,412,191**	**-**	**59,843,591**	**39,554,559**	**88,318**	**116,079,040**	**1,546,977,699**
2023							
Revenue	1,921,477,287	54,747,642	229,128,419	201,099,431	44,561,689	368,572,094	2,819,586,562
Non-current assets	638,967,765	-	59,109,361	44,355,187	2,744,672	95,121,399	840,298,384

(All amounts are in Saudi Riyals unless otherwise stated)

26 SEGMENT REPORTING (continued)

26.4 The Group's majority of the revenue was recognized at point in time. For limited number of contracts in IBSF, one of the subsidiaries operating in steel industry, service revenue amounting to SR 173.1 million for the year ended 31 December 2024 (2023: SR 88.4 million) was recognised over the period of time based on work certified. In general, the agreed performance period for such contracts were up to one year. IBSF provides assurance type warranty, where the company provide assurance that the product will function as expected. There was no history of warranty claims and there were no expectations that such claims will arise therefore, no provision was recognised (also see Note 2.5 of these consolidated financial statements).

26.5 In the pharmaceutical and specialty chemical segments, there are few contracts where the Group provides toll manufacturing services to the customers i.e the Group receives the goods from Principal and after processing either returns the goods to the Principal or sell to the customers as per the Principal instructions. For such services, the Group acts as an Agent and accordingly recognised the net amount as service revenue.

27 BANK GUARANTIES

As at 31 December 2024, the Group had contingent liabilities arising in the normal course of business. The Group's bankers have issued letters of credit amounting to SR 104.9 million (31 December 2023: 102.9 million) and letters of guarantee amounting to SR 288.5 million (31 December 2023: SR 164.8 million).

28 COMMITMENTS

The Group in the normal course of business has entered into arrangements with suppliers for the purchase of machines and equipment and other services. The capital commitments at 31 December 2024 amounted to SR 49.6 million (31 December 2023: SR 52.9 million).

29 NON-CONTROLLING INTERESTS

Accumulated non-controlling interests as at the financial position date were as follows:

Entity	*Note*	***2024***	*2023*
Tanmiya	(a)	**7,402,075**	6,496,876
Disposal of a subsidiary - Astra Mining (note 33)		**-**	(3,152,238)
Other		**(239,446)**	(139,491)
		7,162,629	3,205,147

(All amounts are in Saudi Riyals unless otherwise stated)

29 NON-CONTROLLING INTERESTS (continued)

(a) Tanmiya functional and presentation currency is US Dollar. Financial information extracted from Tanmiya draft financial statements (converted to Saudi Riyals) was as follows:

	2024	*2023*
Statement of financial position		
Cash and cash equivalents	**79,737,319**	78,656,464
Total current assets	**135,228,112**	134,278,920
Total non-current assets	**-**	-
Current liabilities	**114,079,279**	115,716,416
Non-current liabilities	**-**	-
Total liabilities	**114,079,279**	115,716,416
Equity	**21,148,833**	18,562,504
Statement of income		
Revenue	-	-
Depreciation	-	-
Loss from operations	**(705,278)**	(1,317,791)
Finance costs	**(67,504)**	(139,406)
Other income	**4,046,556**	3,109,980
Total comprehensive income*	**2,586,282**	999,660
Statement of cash flows		
Net cash used in operating activities	**1,335,398**	(2,716,031)
Net cash generated from investing activities	-	-
Net cash generated from financing activities	-	2,974,324

30 CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital. For capital management purposes, capital was considered as equal to the total equity of the Group.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2024 and 2023. At the consolidated statement of financial position date, gearing ratio analysis by the management was as follows:

	2024	*2023*
Equity	**2,530,968,707**	2,131,107,759
Liabilities	**1,797,093,481**	2,141,001,450
Total capital structure	**4,328,062,188**	4,272,109,209
Gearing ratio	**41.52%**	50.12%

(All amounts are in Saudi Riyals unless otherwise stated)

31 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group. The fair value of an asset or a liability is measured using assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The fair value of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Valuation techniques

Management assessed that the fair values of current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The non-current asset and financial liabilities carried at amortized cost and the related carrying amounts approximate to fair value. There have been no changes compared to prior year.

Based on the contractual cash flows criteria and business model, the Group's all financial assets, excluding cash and bank balances, and financial liabilities are classified at amortized cost. The breakdown of financial assets and liabilities as at the financial position date was as follows:

	2024	*2023*
Financial assets – non-current		
Investment in long-term sukuks*	**646,602,430**	-
Financial assets – current		
Other current assets (Note 11)	**44,956,876**	40,629,271
Due from related parties	**1,093,108**	2,558,249
Trade and other receivables	**1,120,865,782**	944,382,662
Short-term investment at amortized cost	**667,656,179**	563,184,618
Cash and cash equivalents	**178,046,106**	1,058,096,691
Financial liabilities		
Non- current liabilities		
Loans and lease liabilities	**74,538,644**	159,713,004
Current liabilities		
Loans and lease liabilities	**441,117,549**	811,652,362
Trade payables	**236,009,029**	239,301,111
Due to related parties	**29,979,736**	31,905,166
Accrued expenses and other current liabilities (Note 17)	**318,275,390**	276,718,924

* During the year, the Group made an investment of SR 655 million in quoted semi-annual government sukuks denoted in USD. These sukuks carry a fixed coupon rate of 5.25% and will be redeemed in 2030. These sukuks carry a credit rating of A+. The finance income recorded by the Group on these sukuks during the year amounts to SR 7,680,115. The Group classified this investment at amortized cost as it passes solely payment of principal and interest (SPPI) based on the business model prepared by the Group.

32 FINANCIAL RISK MANAGEMENT

The Group's activities are subject to financial risks such as market risk, credit risk and liquidity risk.

32.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk relevant to the Group are:

- Foreign currency exchange risk, and
- Commission (interest) rate risk

Financial instruments affected by market risk includes financial assets and liabilities.

32.1.1 Foreign currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's functional and reporting currency is the Saudi Riyal. The Group's transactions are mainly in Saudi Riyals and US Dollars, which are currently pegged. Management monitors the fluctuations in currency exchange rates and believes that the currency risk is not significant.

The net of financial assets and liabilities in multiple foreign currencies other than USD were less than SR 50 million which considered as insignificant. Therefore, the related sensitivities for each currency was not disclosed.

Foreign currency translation reserve as at financial position date was as follows:

Country of operations	*Note*	***2024***	*2023*
Sudan		**112,156**	(7,987,720)
Egypt	(a)	**(19,661,734)**	(17,939,013)
Other	(b)	**(1,652,309)**	(4,099,250)
		(21,201,887)	(30,025,983)

(a) As at 31 December 2024, the Group's net assets before intercompany elimination in Egypt were of SR 2.3 million (2023: SR 0.6 million net liabilities before intercompany elimination), therefore the remaining exposure of Group's foreign operation in Egypt was considered to be insignificant.

(b) Other includes mainly Turkey, Algeria and India.

32.1.2 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in the market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations at floating interest rates and as at the financial position date the related exposure was not significant. The Group manages its exposure to interest rate risk by maintaining a balanced portfolio of long-term and short-term loans and continuously monitoring movements in interest rates.

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

Borrowing currency	*Note*	***2024***	*2023*
Saudi Riyals and United States Dollar	(a)	**268,920,000**	673,632,161
Turkish Lira	(b)	**16,169,271**	84,121,541
Others		**189,754,142**	170,164,096
		474,843,413	927,917,798

32 FINANCIAL RISK MANAGEMENT (continued)

32.1.2 Interest rate risk (continued)

(a) 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 year was 5.7% (2023: 5.6%). As at December 2024, the SAIBOR was 5.6% (2023: 5.15%). If the SAIBOR increased or decreased by 100 basis points will have less than SR 3 million effect on the profitability of the Group.

(b) During the year, the interest expenses related to Turkey based subsidiaries was SR 38.6 million (2023: SR 29.1 million). As at 31 December 2024, the Turkish LIBOR (Lira Interbank Offered Rate) was 55.99% (2023: 52.73%). The increase or decrease in Turkish LIBOR by 100 basis points, will have effect of SR 1 million on the profitability of the Group.

The Group's receivables carried at amortised cost are not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

32.2 Credit risk (Also see note 2.4, 3.3, and 9)

Credit risk is the risk that one party will fail to discharge an obligation and will cause the other party to incur a financial loss. The Group seeks to manage its credit risk with respect to banks by only dealing with reputable banks and with respect to customers by setting credit limits for individual customers, monitoring outstanding receivables and ensuring close follow-ups.

32.2.1 Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and controls relating to customer credit risk management. In general, the Group's credit terms range between 30 days to 180 days. Outstanding customer receivables are regularly monitored. A default on a financial asset is when the counterparty fails to make contractual payments within 1080 days of when they fall due or it becomes probable a customer will enter into a bankruptcy or will not be able to pay the Group's due amounts.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively.

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.

32.2.1.1 Changes in assumptions including incorporation of forward-looking information

The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. The Group has used gross domestic product (GDP) growth rate and inflation as their key macroeconomic factors giving equal weightages to each. The macro-economic factors have been updated based on the latest available information.

The average credit losses of trade receivables of wide range of customers with shared risk characteristics at the Group level is a reasonable estimate of the probability weighted amount.

Further, the Group has also considered different scenarios with the different weightage and concluded that the current level of provision is sufficient to cover the related credit risk in compliance with the requirements of IFRS 9.

(All amounts are in Saudi Riyals unless otherwise stated)

32 FINANCIAL RISK MANAGEMENT (continued)

32.2 Credit risk (Also see note 2.4, 3.3, and 9) (continued)

32.2.1 Trade receivables (continued)

32.2.1.3 Sensitivity analysis

The increase or decrease of 10% change in macro-economic factors will result to a SR 3 million increase or SR 3 million decrease in the ECL provision.

The Group evaluates the concentration of risk with respect to trade receivables as low, considering the companies' operations relates to diversified segments (also see Note 26). As at 31 December 2024, from geographical concentrations perspective, the Group's major concentration of net receivables was in Saudi Arabia and Turkey, because the balances in any other country was not more than 5%.:

2024	***Gross receivables***	***Provision***	***Net Receivables***
Saudi Arabia	**1,040,669,818**	**(85,590,472)**	**955,079,346**
Turkey	**46,731,347**	**(3,990,034)**	**42,741,313**
Other countries	**141,347,113**	**(18,301,990)**	**123,045,123**
	1,228,748,278	**(107,882,496)**	**1,120,865,782**

2023	*Gross Receivables*	*Provision*	*Net Receivables*
Saudi Arabia	843,273,477	(78,971,300)	764,302,177
Turkey	76,155,851	(4,670,664)	71,485,187
Other countries	134,970,249	(26,374,951)	108,595,298
	1,054,399,577	(110,016,915)	944,382,662

(All amounts are in Saudi Riyals unless otherwise stated)

32 FINANCIAL RISK MANAGEMENT (continued)

32.2 Credit risk (Also see note 2.4, 3.3, and 9) (continued)

32.2.1 Trade receivables (continued)

32.2.1.3 Sensitivity analysis (continued)

Expected credit loss analysis which was performed on a company-by-company level as at 31 December was as follows:

2024	***Gross receivables***	***Provision***	***Net receivables***	***Average loss rates***
Buckets				
Current (Not yet past due)	**976,922,011**	**(8,684,790)**	**968,237,221**	**1%**
1 to 180 days	**119,505,184**	**(7,058,080)**	**112,447,104**	**6%**
181 to 360 days	**36,315,889**	**(4,540,562)**	**31,775,327**	**13%**
	155,821,073	**(11,598,642)**	**144,222,431**	
361 to 540 days	**13,082,371**	**(9,734,611)**	**3,347,760**	**74%**
541 to 720 days	**9,037,292**	**(6,284,149)**	**2,753,143**	**70%**
	22,119,663	**(16,018,760)**	**6,100,903**	
721 to 900 days	**6,697,572**	**(4,877,511)**	**1,820,061**	**73%**
901 to 1080 days	**4,921,700**	**(4,436,534)**	**485,166**	**90%**
	11,619,272	**(9,314,045)**	**2,305,227**	
More than 1080 days	**62,266,259**	**(62,266,259)**	**-**	**100%**
Past due	**251,826,267**	**(99,197,706)**	**152,628,561**	
	1,228,748,278	**(107,882,496)**	**1,120,865,782**	

2023	*Gross receivables*	*Provision*	*Net receivables*	*Average loss rates range*
Buckets				
Current (not yet past due)	766,017,077	(16,781,286)	749,235,791	2%
1 to 180 days	157,403,751	(6,767,619)	150,636,132	4%
181 to 360 days	38,564,357	(14,037,586)	24,526,771	36%
	195,968,108	(20,805,205)	175,162,903	
361 to 540 days	13,247,624	(9,510,862)	3,736,762	72%
541 to 720 days	5,866,158	(3,869,667)	1,996,491	66%
	19,113,782	(13,380,529)	5,733,253	
721 to 900 days	11,060,565	(4,604,259)	6,456,306	42%
901 to 1080 days	13,458,881	(5,664,472)	7,794,409	42%
	24,519,446	(10,268,731)	14,250,715	
More than 1080 days	48,781,164	(48,781,164)	-	100%
Past due	288,382,500	(93,235,629)	195,146,871	
	1,054,399,577	(110,016,915)	944,382,662	

32 FINANCIAL RISK MANAGEMENT (continued)

32.2 Credit risk (Also see note 2.4, 3.3, and 9) (continued)

32.2.1 Trade receivables (continued)

32.2.1.3 Sensitivity analysis (continued)

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on bank balances is low considering the Group has outstanding loans balances and credit facilities with the various banks, in Saudi Arabia, with good credit ratings (in the range of A+ to BBB+) as aligned from external credit rating companies such as Moody's and Fitch, so concentration risk is also low.

(All amounts are in Saudi Riyals unless otherwise stated)

32 FINANCIAL RISK MANAGEMENT (continued)

32.3 Liquidity risk

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 and current ratio was as follows:

	Cash and cash equivalents	*Time deposit*	*Short-term loans*	*Long-term loans*	*Lease liabilities*	*Total*
Balance as January 1, 2024	**1,058,096,691**	**563,184,618**	**(733,055,455)**	**(194,862,343)**	**(43,447,568)**	**649,915,943**
Non-cash transactions						
Finance expenses	-	-	**(99,686,287)**	**(8,671,759)**	**(2,379,022)**	**(110,737,068)**
Addition of lease liabilities	-	-	-	-	**(4,005,755)**	**(4,005,755)**
Net non-cash flow transaction	**2,373,671**	-	-	-	-	**2,373,671**
Cash flow transaction						
Proceeds from loans and borrowings	-	-	**(4,725,765,038)**	**(15,819,000)**	-	**(4,741,584,038)**
Disposal of a subsidiary	-	-	**129,550,000**	-	**1,275,647**	**130,825,647**
Payment of loans and borrowings	-	-	**4,975,997,194**	**89,111,229**	-	**5,065,108,423**
Payment of finance cost	-	-	**99,686,287**	**8,671,759**	-	**108,358,046**
Lease payments	-	-	-	-	**7,743,918**	**7,743,918**
Proceeds from time deposit	-	**(563,184,618)**	-	-	-	**(563,184,618)**
Time deposit investment	-	**667,656,179**	-	-	-	**667,656,179**
Change in cash and cash equivalents	**(882,424,256)**	-	-	-	-	**(882,424,256)**
Net cash flow	**(880,050,585)**	**104,471,561**	**379,782,156**	**73,292,229**	**2,634,788**	**(319,869,851)**
Balance as 31 December 2024	**178,046,106**	**667,656,179**	**(353,273,299)**	**(121,570,114)**	**(40,812,780)**	**330,046,092**
Balance as January 1, 2023	675,744,985	163,000,000	(417,565,949)	(53,783,827)	(57,471,318)	309,923,891
Non-cash transactions						
Finance expenses	-	-	(66,372,607)	(7,822,485)	(2,248,878)	(76,443,970)
Addition of lease liabilities	-	-	-	-	(8,544,229)	(8,544,229)
Net non-cash flow transaction	17,891,814	-	-	-	-	17,891,814
Cash flow transactions						
Proceeds from loans and borrowings	-	-	(1,890,755,337)	(146,190,781)	-	(2,036,946,118)
Payment of loans and borrowings	-	-	1,575,265,831	5,112,265	-	1,580,378,096
Payment of finance cost	-	-	66,372,607	7,822,485	2,248,878	76,443,970
Lease payments	-	-	-	-	5,356,858	5,356,858
Adjustments	-	-	-	-	17,211,121	17,211,121
Proceeds from time deposit	-	(163,000,000)	-	-	-	(163,000,000)
Time deposit investment	-	563,184,618	-	-	-	563,184,618
Change in cash and cash equivalents	364,459,892	-	-	-	-	364,459,892
Net cash flow	382,351,706	400,184,618	(315,489,506)	(141,078,516)	14,023,750	339,992,052
Balance as 31 December 2023	1,058,096,691	563,184,618	(733,055,455)	(194,862,343)	(43,447,568)	649,915,943

(All amounts are in Saudi Riyals unless otherwise stated)

32 FINANCIAL RISK MANAGEMENT (continued)

32.3 Liquidity risk (continued)

The Group's net debt position and, current ratio, and gearing ratio (see Note 30) were improved as compared to last year. Further, the Group manages its liquidity risk by ensuring that bank borrowing facilities from multiple banks are available thorough out the year (see Note 14). Therefore, the management believes that there is no risk of Group not meeting its obligations.

32.4 Maturity profile of the Group's financial liabilities (undiscounted basis)

	Less than 3 months	***3 to 12 Months***	***1 to 5 Years***	***Total***
2024				
Lease liabilities	**-**	**10,755,471**	**45,854,255**	**56,609,726**
Short-term loans	**353,273,299**	-	-	**353,273,299**
Long-term loans	**4,888,285**	**77,332,428**	**39,349,401**	**121,570,114**
Trade payables	**236,009,029**	-	-	**236,009,029**
Accrued expenses and other liabilities (note 17)	**318,275,390**	-	-	**318,275,390**
Due to related parties	**29,979,736**	-	-	**29,979,736**
	942,425,739	**88,087,899**	**85,203,656**	**1,115,717,294**

	Less than 3 months	*3 to 12 Months*	*1 to 5 Years*	*Total*
2023				
Lease liabilities	-	7,470,131	45,929,701	53,399,832
Short-term loans	733,055,455	-	-	733,055,455
Long-term loans	1,346,479	73,209,388	120,306,476	194,862,343
Trade payables	239,301,111	-	-	239,301,111
Accrued expenses and other liabilities (note 17)	276,718,924	-	-	276,718,924
Due to related parties	31,905,166	-	-	31,905,166
	1,282,327,135	80,679,519	166,236,177	1,529,242,831

33 DISPOSAL GROUP – SALE OF ASTRA MINING COMPANY LIMITED

At 31 December 2023, Astra Mining Company Limited ("Astra Mining") was being owned 77.3% by Astra Industrial Group Company and 22.7% being owned by Tharwat Mining Company. On 21 February 2024, Astra Industrial Group Company and Tharwat Mining Company signed an agreement with Saudi Lime Industries Company (the "purchaser") for exiting its entire investment in Astra Mining for a transaction price of SR 35 million for 100% equity stake and also the purchaser will settle the amounts due to the Group by Astra Mining of SR 129.6 million. The deal was subject to completion of certain conditions by the buyer. These conditions were fulfilled on 19 May 2024. Accordingly, the control was transferred to the buyer on that date and the Group has recognized its share of gain amounting to SAR 37.8 million (representing 77.3% of consolidated gain on disposal of SAR 48.9 million).

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

(All amounts are in Saudi Riyals unless otherwise stated)

33 DISPOSAL GROUP – SALE OF ASTRA MINING COMPANY LIMITED (continued)

33.1 Financial performance and cash flow information

	From 1 January 2024 to 19 May 2024	*From 1 January 2023 to 31 December 2023*
Revenue	**16,899,336**	38,915,966
Expenses (net)	**(14,114,432)**	(40,908,980)
Operating income	**2,784,904**	(1,993,014)
Finance cost	**(3,471,290)**	(8,814,426)
Loss before zakat and tax from discontinued operation	**(686,386)**	(10,807,440)
Zakat and income tax benefit / (expense)	**4,614**	(186,008)
Post zakat and tax (loss) of discontinued operation	**(681,772)**	(10,993,448)
Gain on sale of discontinued operation	**48,894,883**	-
Profit / (loss) after tax for the period from discontinued operation	**48,213,111**	(10,993,448)
Actuarial gain on employees defined benefit plan	**39,649**	265,238
Other comprehensive income for the year from discontinued operation	**39,649**	265,238

33.2 Assets and liabilities of disposal group

The major class of assets and liabilities of Astra Mining for sale in relation to the discontinued operation as at 19 May 2024 are as follows:

	19 May 2024
Assets relating to disposal group	
Property, plant and equipment	**113,251,095**
Trade receivables	**8,147,125**
Inventories	**5,155,611**
Prepayments and other current assets	**2,186,831**
Cash and cash equivalents	**71,611**
Total assets of discontinued operation	**128,812,273**
Liabilities relating to disposal group	
Due to related party	**129,550,000**
Trade, accrued and other payables	**10,492,789**
Employees defined benefit liabilities	**2,194,724**
Lease liabilities	**1,103,392**
Short term borrowings	**-**
Total liabilities of discontinued operation	**143,340,905**
Net assets of discontinued operation	**(14,528,632)**

(All amounts are in Saudi Riyals unless otherwise stated)

33 DISPOSAL GROUP – SALE OF ASTRA MINING COMPANY LIMITED (continued)

The net cash flows generated / (incurred) by Astra Mining are as follows:

	From 1 January 2024 to 19 May 2024	*From 1 January 2023 to 31 December 2023*
Operating	**3,612,046**	5,517,217
Investing	**(66,877)**	(325,177)
Financing	**(4,193,747)**	(3,129,600)
Net cash outflow	**(648,578)**	2,062,440

Earnings/(loss) per share:

	From 1 January 2024 to 19 May 2024	*From 1 January 2023 to 31 December 2023*
Basic, profit / (loss) for the period from discontinued operations	**0.603**	(0.137)

34 DIVIDENDS

During March 2024, the Board of Director of the Group proposed dividend of SR 200 million at SR 2.5 per share (March 2023: SR 200 million at SR 2.5 per share) for distribution from the retained earnings. The Group's Annual General Assembly in its meeting held on 24 June 2024 approved the cash dividend of the proposed amount.

35 COMPARATIVE FIGURES

i- Certain comparative figures related to Statement of profit or loss have been reclassified to conform with the presentation in the current year as below:

	Amounts as previously presented	*Discontinued operation*	*Reclassification*	*Reclassified amounts*
Revenue	**2,858,502,528**	**(38,915,966)**	**-**	**2,819,586,562**
Cost of revenue	**(1,671,693,014)**	**34,412,332**	**-**	**(1,637,280,682)**
Gross profit	**1,186,809,514**	**(4,503,634)**	**-**	**1,182,305,880**
Selling and distribution expenses	**(376,931,793)**	**1,423,015**	**-**	**(375,508,778)**
General and administrative expenses	**(239,032,378)**	**5,068,282**	**-**	**(233,964,096)**
Provision for impairment for trade and other receivables	**(13,975,423)**	**21,320**	**-**	**(13,954,103)**
Income from operations	**531,267,677**	**2,008,983**	**-**	**533,276,660**
Finance costs, net	**(25,552,181)**	**-**	**25,552,181**	**-**
Finance costs	**-**	**8,814,426**	**(79,476,316)**	**(70,661,890)**
Foreign exchange and hyperinflation	**(3,639,994)**	**-**	**3,639,994**	**-**
Other income, net	**-**	**(15,969)**	**50,284,141**	**50,268,172**
Income before zakat and income tax	**502,075,502**	**10,807,440**	**-**	**512,882,942**
Zakat	**(30,718,384)**	**186,008**	**-**	**(30,532,376)**
Discontinued operation	**-**	**10,993,448**	**-**	**10,993,448**
Net impact on net income for the year	**-**	**-**	**-**	**-**

(All amounts are in Saudi Riyals unless otherwise stated)

35 COMPARATIVE FIGURES (continued)

ii- Certain comparative figures related to Statement of financial position have been reclassified to conform with the presentation in the current year as below:

	Amounts as previously presented	*Reclassification*	*Reclassified amounts*
Zakat and income tax payable	**132,999,158**	**(63,145,642)**	**69,853,516**
Accrued expenses and other current liabilities	**613,364,013**	**63,145,642**	**676,509,655**

36 SUPPLEMENT SCHEDULE OF SIGNIFICANT NON-CASH INFORMATION

	Note	***2024***	*2023*
Right-of-use assets	6	**4,005,755**	8,544,229
Lease liabilities	6, 14	**4,005,755**	8,544,229
Inventory write-off / Exchange difference	8.1	**32,434,528**	32,908,449
Trade receivable write-off / Exchange difference	9.2	**21,075,256**	(13,007,260)
Net monetary (loss) / gain	24	**(1,454,435)**	2,305,487

37 BOARD OF DIRECTORS' APPROVAL

These consolidated financial statements were approved by the Board of Directors on 20 Sha'ban 1446H (corresponding to 19 February 2025).