

ASTRA INDUSTRIAL GROUP COMPANY AND ITS SUBSIDIARIES
(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021
AND REVIEW REPORT

**ASTRA INDUSTRIAL GROUP COMPANY AND ITS SUBSIDIARIES
(A Saudi Joint Stock Company)**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021**

Table of contents	Pages
Report on review of interim financial information	1
Condensed consolidated interim statement of financial position	2
Condensed consolidated interim statement of income	3
Condensed consolidated interim statement of comprehensive income	4
Condensed consolidated interim statement of changes in equity	5
Condensed consolidated interim statement of cash flows	6
Notes to the condensed consolidated interim financial statements	7 - 17



Report on review of interim financial statements

To the shareholders of Astra Industrial Group Company
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Astra Industrial Group Company (the "Company") and its subsidiaries (together the "Group") as of March 31, 2021 and the related condensed consolidated interim statements of income, comprehensive income, changes in equity and cash flows for the three-month then ended and other explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" (IAS 34), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this condensed consolidated interim financial statements based on our review.

Scope of review

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

Conclusion

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

PricewaterhouseCoopers

Mufaddal A. Ali
License Number 447

May 9, 2021



ASTRA INDUSTRIAL GROUP COMPANY AND ITS SUBSIDIARIES
(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
(All amounts are in Saudi Riyals unless otherwise stated)

		As at March 31, 2021	As at December 31, 2020
ASSETS	Notes	(Unaudited)	(Audited)
Non-current assets			
Property, plant and equipment	3	1,163,855,072	1,188,929,364
Intangible assets	4	32,412,178	32,428,453
Other non-current assets		8,366,961	8,940,929
		1,204,634,211	1,230,298,746
Current assets			
Inventories		734,593,751	743,529,334
Trade receivables	5	892,999,405	757,260,116
Due from related parties	7	3,296,090	2,306,030
Prepayments and other current assets		111,256,205	113,328,476
Cash and cash equivalents		40,005,348	54,460,204
		1,782,150,799	1,670,884,160
Total assets		2,986,785,010	2,901,182,906
LIABILITIES AND EQUITY			
LIABILITIES			
Non-current liabilities			
Loans and lease liabilities	6	40,666,412	42,568,526
Due to a related party - loan	7	30,052,273	30,052,273
Employees' defined benefit liabilities		120,231,834	122,798,469
		190,950,519	195,419,268
Current liabilities			
Trade payables		259,106,060	223,708,613
Accrued expenses and other current liabilities	8	359,457,844	338,314,733
Due to related parties	7	704,570	770,474
Loans and lease liabilities	6	685,004,043	681,689,144
Zakat and income tax payable	9	70,552,658	74,418,980
		1,374,825,175	1,318,901,944
Total liabilities		1,565,775,694	1,514,321,212
EQUITY			
Share capital		800,000,000	800,000,000
Statutory reserve		406,568,677	406,568,677
Retained earnings		236,399,101	184,463,118
Foreign currency translation reserve	14	(79,096,396)	(65,185,232)
Equity attributable to shareholders of the parent		1,363,871,382	1,325,846,563
Non-controlling interests		57,137,934	61,015,131
Total equity		1,421,009,316	1,386,861,694
Total liabilities and equity		2,986,785,010	2,901,182,906

The accompanying notes (1) through (16) form an integral part of these condensed consolidated interim financial statements.


Vice President Finance


President / Chief Executive Officer


Authorized Board of Directors Member

ASTRA INDUSTRIAL GROUP COMPANY AND ITS SUBSIDIARIES
(A Saudi Joint Stock Company)

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

	Notes	For the three-month period ended March 31,	
		2021	2020
Revenue	11	599,285,124	509,509,672
Cost of revenue		(349,894,889)	(302,343,268)
Gross profit		249,390,235	207,166,404
Selling and distribution expenses		(73,949,793)	(97,551,680)
General and administrative expenses		(46,426,566)	(47,339,394)
(Provision for) / reversal of impairment of financial assets	5	(16,373,897)	5,721,939
Research expenses		(5,213,533)	(4,949,788)
Income from operations		107,426,446	63,047,481
Finance costs	11	(12,369,713)	(13,808,080)
Other expenses, net	10	(41,056,567)	(10,151,789)
Income before zakat and income tax		54,000,166	39,087,612
Zakat and income tax expense	9	(7,275,413)	(8,395,853)
Net income for the period		46,724,753	30,691,759
Attributable to:			
Shareholders of the parent		50,605,768	34,093,603
Non-controlling interests		(3,881,015)	(3,401,844)
		46,724,753	30,691,759
Earnings per share attributable to shareholders of the parent (basic and diluted)		0.63	0.43

The accompanying notes (1) through (16) form an integral part of these condensed consolidated interim financial statements.

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

ASTRA INDUSTRIAL GROUP COMPANY AND ITS SUBSIDIARIES
(A Saudi Joint Stock Company)

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

	For the three-month period ended March 31,	
	2021	2020
Net income for the period	46,724,753	30,691,759
Other comprehensive income		
<i>Item that may be reclassified to statement of income in subsequent periods:</i>		
Exchange loss on translation of foreign operations	(13,911,164)	(9,958,197)
<i>Item that will not to be reclassified to statement of income in subsequent periods:</i>		
Re-measurement gain / (loss) on employees' defined benefit liabilities	1,334,033	(485,940)
Other comprehensive loss for the period	(12,577,131)	(10,444,137)
Total comprehensive income for the period	34,147,622	20,247,622
Attributable to:		
Shareholders of the parent	38,024,819	23,640,777
Non-controlling interests	(3,877,197)	(3,393,155)
	34,147,622	20,247,622

The accompanying notes (1) through (16) form an integral part of these condensed consolidated interim financial statements.





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

ASTRA INDUSTRIAL GROUP COMPANY AND ITS SUBSIDIARIES
(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021

(All amounts are in Saudi Riyals unless otherwise stated)

	Attributable to shareholders of the parent				Total	Non-controlling interests	Total equity
	Share capital	Statutory reserve	Retained earnings	Foreign currency translation reserve			
December 31, 2020 (Audited)	800,000,000	406,568,677	184,463,118	(65,185,232)	1,325,846,563	61,015,131	1,386,861,694
Net income for the period	-	-	50,605,768	-	50,605,768	(3,881,015)	46,724,753
Other comprehensive loss for the period	-	-	1,330,215	(13,911,164)	(12,580,949)	3,818	(12,577,131)
Total comprehensive income for the period	-	-	51,935,983	(13,911,164)	38,024,819	(3,877,197)	34,147,622
March 31, 2021 (Unaudited)	800,000,000	406,568,677	236,399,101	(79,096,396)	1,363,871,382	57,137,934	1,421,009,316
January 1, 2020 (Audited)	800,000,000	406,568,677	70,599,830	(61,887,098)	1,215,281,409	(11,833,272)	1,203,448,137
Net income for the period	-	-	34,093,603	-	34,093,603	(3,401,844)	30,691,759
Other comprehensive income for the period	-	-	(494,629)	(9,958,197)	(10,452,826)	8,689	(10,444,137)
Total comprehensive income for the period	-	-	33,598,974	(9,958,197)	23,640,777	(3,393,155)	20,247,622
March 31, 2020 (Unaudited)	800,000,000	406,568,677	104,198,804	(71,845,295)	1,238,922,186	(15,226,427)	1,223,695,759

The accompanying notes (1) through (16) form an integral part of these condensed consolidated interim financial statements.



Vice President Finance



President / Chief Executive Officer



Authorized Board of Directors Member

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS - UNAUDITED

(All amounts are in Saudi Riyals unless otherwise stated)

	Notes	For the three-month period ended March 31	
		2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before zakat and income tax		54,000,166	39,087,612
Adjustments for non-cash items			
Depreciation and amortization	11	22,233,767	23,924,165
Provision for / (reversal of) impairment of financial assets	5	16,373,897	(5,721,939)
Finance costs	11	12,369,713	13,808,080
Employee defined benefit cost (Reversal of) / provision for near expiry, obsolete and slow-moving inventories		3,894,612	4,735,871
		(1,487,994)	4,033,897
Changes in operating assets and liabilities:			
Inventories		10,423,577	11,550,339
Trade receivables		(152,113,186)	(89,201,874)
Due from related parties		(990,060)	(3,400,536)
Prepayments and other assets		2,072,271	3,763,152
Trade payables		35,397,447	44,917,026
Accrued expenses and other current liabilities		21,143,111	72,720,305
Due to related parties		(65,904)	57,005
End of service benefits paid		(5,127,214)	(4,010,741)
Zakat and income tax paid		(3,639,432)	(16,103,154)
Net cash generated from operating activities		14,484,771	100,159,208
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions for property, plant and equipment	3	(12,074,993)	(16,478,809)
Proceeds from sale of property, plant and equipment		10,614	228,212
Additions to intangible assets		(502,142)	(579,010)
Other non-current assets		573,968	1,332,769
Net cash used in investing activities		(11,992,553)	(15,496,838)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net movement in short-term and long-term loans		4,550,798	(44,070,993)
Payment of lease liabilities		(3,617,700)	(3,629,687)
Finance costs paid		(11,890,026)	(13,249,490)
Net cash used in financing activities		(10,956,928)	(60,950,170)
Net change in cash and cash equivalents		(8,464,710)	23,712,200
Cash and cash equivalents at the beginning of the period		54,460,204	45,279,521
Net foreign exchange loss		(5,990,146)	(3,062,662)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		40,005,348	65,929,059

The accompanying notes (1) through (16) form an integral part of these condensed consolidated interim financial statements.

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

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

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021**

(All amounts are in Saudi Riyals unless otherwise stated)

1 ORGANIZATION AND ACTIVITIES

Astra Industrial Group Company (the "Company"/ "AIG") is a Saudi Joint Stock Company operating under commercial registration number 1010069607 issued in Riyadh on 9 Muharram 1409H (August 22, 1988). The address of the Group's head office and the principal activities of AIG and its subsidiaries (collectively the "Group") remain the same as disclosed in the Group's annual consolidated financial statements for the year ended December 31, 2020.

These condensed consolidated interim financial statements have been reviewed, not audited.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These condensed consolidated interim financial statements for the three-month period ended March 31, 2021 have been prepared in accordance with IAS 34 'Interim Financial Reporting' ("IAS 34"), as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should therefore be read in conjunction with the Group's annual consolidated financial statements for the year ended December 31, 2020.

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

2.2 Summary of significant accounting policies

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2020.

2.3 New and amended standards adopted by the Group

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

2.4 Significant accounting estimates and judgements

The preparation of the Group's condensed consolidated interim financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liability affected in future periods. The Group based its assumptions and estimates on parameters available when the condensed consolidated interim financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

As at March 31, 2021, management believes that all sources of estimation uncertainty remain similar to those disclosed in the Group's annual consolidated financial statements for the year ended December 31, 2020. Management will continue to monitor the situation and any changes required will be reflected in future reporting periods.

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

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021**

(All amounts are in Saudi Riyals unless otherwise stated)

3 PROPERTY, PLANT AND EQUIPMENT

	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
Beginning - net book value	1,188,929,364	1,225,369,236
Additions for the period / year	12,074,993	62,431,224
Depreciation charge for the period / year	(21,863,564)	(88,554,842)
Disposals / write – offs, net - for the period / year	(10,614)	(1,142,007)
Exchange differences*	(15,275,107)	(9,174,247)
Closing - net book value	1,163,855,072	1,188,929,364

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

4 INTANGIBLE ASSETS

	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
Goodwill	25,206,754	25,206,754
Software and licenses	7,205,424	7,221,699
	32,412,178	32,428,453

The goodwill was generated from the acquisition of Astra Nova, Turkey (SAR 9 million) and Astra Polymers Free Zone, Turkey (SAR 16 million). The recoverable amount of goodwill is determined based on value-in-use calculations. These calculations use cash flow projections which are based on financial budgets approved by the management covering a five-year period as well as the factors used in computing terminal value. Terminal value was calculated using earnings multiple / Gordon Growth Model for the final year of the forecast period.

5 TRADE RECEIVABLES

	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
Not yet past due	667,071,315	529,877,387
Past due	386,363,908	374,029,376
	1,053,435,223	903,906,763
Provision for impairment	(160,435,818)	(146,646,647)
	892,999,405	757,260,116
Provision to trade receivables coverage ratio	15.23%	16.22%
Provision to past due trade receivables coverage ratio	41.52%	39.21%

5.1 As at March 31, 2021, trade receivables include retention receivables of SAR 13.4 million (December 31, 2020: SAR 21.7 million) and unbilled receivables of SAR 42.1 million (December 31, 2020: SAR 24 million).

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

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021**

(All amounts are in Saudi Riyals unless otherwise stated)

5 TRADE RECEIVABLES (continued)

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

	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
Opening balance	146,646,647	105,680,407
Provision for the period / year	16,373,897	55,467,270
Adjustments / write - offs during the period / year	<u>(2,584,726)</u>	<u>(14,501,030)</u>
Closing balance	<u>160,435,818</u>	<u>146,646,647</u>

5.3 Provision for / (reversal) of impairment - net

	For the three-month period ended March 31,	
	2021	2020
	(Unaudited)	(Unaudited)
Impairment provision charge	16,373,897	13,848,659
Recoveries from a customer of power and steel industries segment after write-off, net of direct recovery fee of SR 4.6 million.	-	<u>(19,570,598)</u>
Net provision / (reversal) of impairment	<u>16,373,897</u>	<u>(5,721,939)</u>

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

March 31, 2021 (Unaudited)

Buckets	Gross receivables	Provision	Net receivables
Current (not yet past due)	667,071,315	(3,284,055)	663,787,260
	<u>667,071,315</u>	<u>(3,284,055)</u>	<u>663,787,260</u>
1 to 180 days	183,060,952	(24,803,585)	158,257,367
181 to 360 days	40,412,391	(10,088,279)	30,324,112
	<u>223,473,343</u>	<u>(34,891,864)</u>	<u>188,581,479</u>
361 to 540 days	45,113,566	(12,517,549)	32,596,017
541 to 720 days	13,710,150	(6,952,445)	6,757,705
	<u>58,823,716</u>	<u>(19,469,994)</u>	<u>39,353,722</u>
721 to 900 days	12,030,249	(10,841,548)	1,188,701
901 to 1080 days	11,955,090	(11,866,847)	88,243
	<u>23,985,339</u>	<u>(22,708,395)</u>	<u>1,276,944</u>
More than 1080 days	80,081,510	(80,081,510)	-
Past due	386,363,908	(157,151,763)	229,212,145
	<u>1,053,435,223</u>	<u>(160,435,818)</u>	<u>892,999,405</u>

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

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021**

(All amounts are in Saudi Riyals unless otherwise stated)

5 TRADE RECEIVABLES (continued)

December 31, 2020 (Audited)

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

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

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

6 LOANS AND LEASE LIABILITIES

<u>March 31, 2021 (Unaudited)</u>	Current	Non-current	Total
Short-term loans	678,429,302	-	678,429,302
Long-term loans	1,324,356	5,446,904	6,771,260
	679,753,658	5,446,904	685,200,562
Lease liabilities	5,250,385	35,219,508	40,469,893
	685,004,043	40,666,412	725,670,455
<u>December 31, 2020 (Audited)</u>	Current	Non-current	Total
Short-term loans	674,331,608	-	674,331,608
Long-term loans	1,787,928	4,530,228	6,318,156
	676,119,536	4,530,228	680,649,764
Lease liabilities	5,569,608	38,038,298	43,607,906
	681,689,144	42,568,526	724,257,670

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

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021**

(All amounts are in Saudi Riyals unless otherwise stated)

6 LOANS AND LEASE LIABILITIES (continued)

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

	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
Saudi Riyals and United States Dollar	532,736,453	528,359,637
Turkish Lira	83,140,791	85,958,199
Other	69,323,318	66,331,928
	<u>685,200,562</u>	<u>680,649,764</u>

6.2 The major borrowings of the Group are short term which settle on monthly or quarterly basis and are priced based on Saudi Arabian Interbank Offered Rate (SAIBOR) plus an agreed fixed rate. As at March 31, 2021, the three-month SAIBOR was 0.79% (March 31, 2020: 1.17%).

During the three-month period ended March 31, 2021 and 2020, the finance costs related to Turkey based subsidiaries was SAR 4.5 million. As at March 31, 2021, the Turkish LIBOR (Lira Interbank Offered Rate) was 19.95% (March 31, 2020: 9.47%).

6.3 Short-term loans

The Group has bank facilities in the form of Murabaha, short-term tawarruq and other conventional credit facilities to meet its working capital requirements. As at March 31, 2021, facilities amounting to SAR 2.13 billion were undrawn (December 31, 2020: SAR 2.14 billion). The facilities bear special commission at prevailing market rates which are mostly based on SAIBOR and denominated in Saudi Riyals. These facilities are secured by corporate guarantees from AIG and are settled on a monthly or quarterly basis.

6.4 Long-term loans

The Group also has long-term loan facilities with banks to finance its capital assets. As at March 31, 2021, an amount of SAR 3.29 million was undrawn (December 31, 2020: SAR 3.87 million). These facilities are secured by corporate guarantees from AIG and bear special commission charges at agreed fixed rates. The facilities are denominated in foreign currencies (mainly Algerian Dinar) and repayable within five years through monthly and quarterly equal installments from the date these facilities were availed.

7 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

7.1 Due from related parties comprises of the following:

	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
Astra Farms Company - Saudi Arabia (Affiliate company)	1,924,067	1,485,070
Other	1,372,023	820,960
	<u>3,296,090</u>	<u>2,306,030</u>

Due from related parties are unsecured and recoverable in cash.

7.2 Due to related parties comprises of the following:

	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
Nour Communications Company – Saudi Arabia (Affiliate company)	483,070	755,699
Tharawat Mining Company – Saudi Arabia (partner in a subsidiary)	15,946	6,163
Other	205,554	8,612
	<u>704,570</u>	<u>770,474</u>

Due to related parties are unsecured and payable in cash.

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

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021**

(All amounts are in Saudi Riyals unless otherwise stated)

7 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (continued)

7.3 Due to a related party - loan

	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
Al Maseera International Company (a shareholder in Tanmiya)	30,052,273	30,052,273

7.4 Key management personnel compensation

Key management personnel compensation for the three-month period ended March 31, 2021 amounted to SAR 2.9 million (March 31, 2020: SAR 2.8 million).

8 ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

The increase mainly arises from employee benefits which amounted to SAR 100 million as at March 31, 2021 (December 31, 2020: SAR 80 million).

9 ZAKAT AND INCOME TAX

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

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

10 OTHER EXPENSES, NET

	March 31, 2021 (Unaudited)	March 31, 2020 (Unaudited)
Foreign exchange losses	(43,805,470)	(11,095,326)
Others	2,748,903	943,537
	(41,056,567)	(10,151,789)

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

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021**
(All amounts are in Saudi Riyals unless otherwise stated)

11 SEGMENT REPORTING

	Pharmaceuti- cals	Specialty chemical	Power and steel industries	Other	Total
<u>March 31, 2021</u>					
<u>(Unaudited)</u>					
Revenue from sale of goods	248,611,381	214,951,082	49,948,440	7,642,084	521,152,987
Revenue from rendering of services	8,809,941	54,789,989	14,532,207	-	78,132,137
Total revenue	257,421,322	269,741,071	64,480,647	7,642,084	599,285,124
Inter segment revenue	-	-	-	-	-
Revenue from third parties	257,421,322	269,741,071	64,480,647	7,642,084	599,285,124
Gross profit (loss)	175,915,738	92,079,372	(4,326,981)	692,501	264,360,630
Depreciation and amortization	(10,856,260)	(5,124,807)	(4,381,598)	(1,871,102)	(22,233,767)
Finance costs	(3,130,910)	(7,446,958)	(1,245,472)	(546,373)	(12,369,713)
Income (loss) before zakat and tax	39,310,909	36,879,267	(10,034,458)	(12,155,552)	54,000,166
	Pharmaceuti- cals	Specialty chemical	Power and steel industries	Other	Total
<u>March 31, 2020</u>					
<u>(Unaudited)</u>					
Revenue from sale of goods	256,568,637	172,101,160	21,376,141	8,552,742	458,598,680
Revenue from rendering of services	6,645,176	32,584,359	11,681,457	-	50,910,992
Total revenue	263,213,813	204,685,519	33,057,598	8,552,742	509,509,672
Inter segment revenue	-	-	-	-	-
Revenue from third parties	263,213,813	204,685,519	33,057,598	8,552,742	509,509,672
Gross profit (loss)	151,312,604	66,399,074	(11,799,443)	1,254,169	207,166,404
Depreciation and amortization	(10,430,955)	(5,435,188)	(6,341,982)	(1,716,040)	(23,924,165)
Finance costs	(3,884,822)	(6,558,102)	(2,469,552)	(895,604)	(13,808,080)
Income (loss) before zakat and tax	31,564,267	20,882,831	(7,790,906)	(5,568,580)	39,087,612

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

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021**
(All amounts are in Saudi Riyals unless otherwise stated)

11 SEGMENT REPORTING (continued)

	Pharmaceuti- cals	Specialty chemical	Power and steel industries	Other	Total
<u>March 31, 2021</u>					
<u>(Unaudited)</u>					
Property, plant and equipment including right-of-use assets	434,173,069	170,032,175	440,445,537	119,204,291	1,163,855,072
Trade receivables	520,356,124	392,607,661	137,261,329	3,210,109	1,053,435,223
Provision for impairment of trade receivables	(47,427,59)	(83,495,762)	(29,157,45)	(355,011)	(160,435,818)
Trade receivables - net	472,928,534	309,111,899	108,103,874	2,855,098	892,999,405
Total assets	1,250,733,196	855,836,165	742,265,488	137,950,161	2,986,785,010
Total liabilities	660,166,168	413,164,122	324,100,980	168,344,424	1,565,775,694
<u>December 31, 2020</u>					
<u>(Audited)</u>					
Property, plant and equipment including right-of-use assets	451,477,904	175,435,149	444,697,855	117,318,456	1,188,929,364
Trade receivables	432,530,738	332,058,538	136,653,440	2,664,047	903,906,763
Provision for impairment of trade receivables	(44,659,994)	(72,463,863)	(29,522,790)	-	(146,646,647)
Trade receivables - net	387,870,744	259,594,675	107,130,650	2,664,047	757,260,116
Total assets	1,208,653,669	785,633,759	771,658,487	135,236,991	2,901,182,906
Total liabilities	640,143,518	372,233,906	343,560,240	158,383,548	1,514,321,212

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021

(All amounts are in Saudi Riyals unless otherwise stated)

11 SEGMENT REPORTING (continued)

Selected financial information summarized by geographic location is as follows:

	KSA	Republic of Iraq	Africa	Turkey	Sudan	Other locations	Total
<u>Revenue</u>							
March 31, 2021 (Unaudited)	400,979,094	15,889,472	48,269,684	78,919,530	6,545,785	48,681,559	599,285,124
March 31, 2020 (Unaudited)	345,556,503	5,153,657	33,849,721	60,128,275	22,082,385	42,739,131	509,509,672
<u>Non-current assets</u>							
March 31, 2021 (Unaudited)	709,458,302	361,171,099	72,406,610	18,154,959	2,304,269	41,138,972	1,204,634,211
December 31, 2020 (Audited)	717,117,966	363,411,100	71,640,439	16,760,454	15,699,946	45,668,841	1,230,298,746

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

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021**
(All amounts are in Saudi Riyals unless otherwise stated)

12 CONTINGENCIES AND COMMITMENTS

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

13 LIQUIDITY RISK AND GOING CONCERN

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

The calculation of net debt was as follows:

	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
Cash and cash equivalents	40,005,348	54,460,204
Short-term loans	(678,429,302)	(674,331,608)
Long-term loans	(6,771,260)	(6,318,156)
Lease liabilities	(40,469,893)	(43,607,906)
Due to a related party – loan	(30,052,273)	(30,052,273)
Net debt	(715,717,380)	(699,849,739)
Current ratio	1.30	1.27
Unused credit facilities (in SAR billions)	2.14	2.14

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

	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
Equity	1,421,009,316	1,386,861,694
Liabilities	1,565,775,694	1,514,321,212
Total capital structure	2,986,785,010	2,901,182,906
Gearing ratio	52.42%	52.20%

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

- (a) *The Group's current assets are more than its current liabilities; and*
- (b) The Group manages its liquidity risk by ensuring that bank borrowing facilities from multiple banks are available (see Note 6).

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

14 CAPITAL AND FINANCIAL RISK MANAGEMENT

- 14.1** The Group's capital and financial risk management strategies were not significantly changed since last year end. All financial assets and financial liabilities were classified and measured at amortized cost.

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

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021**

(All amounts are in Saudi Riyals unless otherwise stated)

14 CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

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

Country of operations	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
Sudan	41,429,554	30,996,898
Egypt	28,331,404	28,342,303
Other	9,335,438	5,846,031
	79,096,396	65,185,232

15 IMPACT OF COVID-19

The existence of novel coronavirus (Covid-19) was confirmed in early 2020 and causing disruptions to businesses and economic activity across the globe. In response to the spread of the Covid-19 in GCC and other territories where Group operates and its resulting disruptions to the social and economic activities in those markets, AIG's management has proactively assessed its impacts on its operations and has taken a series of preventive measures to ensure the health and safety of its employees, customers, consumers and wider community and continuity of supply of its products throughout its markets. Notwithstanding these challenges, AIG's business operations currently remain largely unaffected as the pharmaceutical and other industries in which the Group operates in general are exempted from various bans and constraints imposed by various regulatory authorities including exemption from curfew hours and cargo shipping and flight operations restrictions. Based on these factors, Covid-19 pandemic has had no material effects on AIG's reported financial results for the period ended March 31, 2021.

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

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

16 BOARD OF DIRECTORS' APPROVAL

These condensed consolidated interim financial statements were approved by the Group's Board of Directors on May 9, 2021.