

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

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021  
AND REVIEW REPORT

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

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021**

<b>Table of contents</b>	<b>Pages</b>
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 - 16



## 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 and its subsidiaries (the "Group") as of June 30, 2021 and the related condensed consolidated interim statements of income, comprehensive income for the three-month and six-month periods ended June 30, 2021, and the condensed consolidated statement of changes in equity and cash flows for the six-month period then ended, and notes, comprising significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" (IAS 34), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

### Scope of review

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

### Conclusion

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

### PricewaterhouseCoopers

Mufaddal A. Ali  
License Number 447  
August 8, 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 June 30, 2021	As at December 31, 2020
	Notes	(Unaudited)	(Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	1,163,049,492	1,188,929,364
Intangible assets	4	32,454,386	32,428,453
Other non-current assets		8,326,050	8,940,929
		<u>1,203,829,928</u>	<u>1,230,298,746</u>
<b>Current assets</b>			
Inventories		765,350,437	743,529,334
Trade receivables	5	880,279,346	757,260,116
Due from related parties	6	3,497,992	2,306,030
Prepayments and other current assets	7	131,856,950	113,328,476
Cash and cash equivalents		41,768,442	54,460,204
		<u>1,822,753,167</u>	<u>1,670,884,160</u>
<b>Total assets</b>		<u>3,026,583,095</u>	<u>2,901,182,906</u>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Loans and lease liabilities	8	44,200,390	42,568,526
Due to a related party - loan	6	30,052,273	30,052,273
Employees' defined benefit liabilities		129,138,204	122,798,469
		<u>203,390,867</u>	<u>195,419,268</u>
<b>Current liabilities</b>			
Trade payables		257,386,088	223,708,613
Accrued expenses and other current liabilities	9	358,766,579	338,314,733
Due to related parties	6	1,241,852	770,474
Loans and lease liabilities	8	743,853,681	681,889,144
Zakat and income tax payable	10	56,886,871	74,418,980
		<u>1,416,135,071</u>	<u>1,318,901,944</u>
<b>Total liabilities</b>		<u>1,619,525,938</u>	<u>1,514,321,212</u>
<b>EQUITY</b>			
Share capital		800,000,000	800,000,000
Statutory reserve		406,568,677	406,568,677
Retained earnings		224,909,959	184,463,118
Foreign currency translation reserve	15	(79,106,282)	(65,185,232)
Equity attributable to shareholders of the parent		1,352,372,354	1,325,846,563
Non-controlling interests		54,684,803	61,015,131
<b>Total equity</b>		<u>1,407,057,157</u>	<u>1,386,861,694</u>
<b>Total liabilities and equity</b>		<u>3,026,583,095</u>	<u>2,901,182,906</u>

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

  
Vice President Finance

  
President / Chief Executive Officer

  
Authorized Board of Directors Member

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

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

	Notes	For the three-month period ended June 30,		For the six-month period ended June 30,	
		2021	2020	2021	2020
Revenue	12	536,985,130	441,511,675	1,136,270,254	951,021,347
Cost of revenue		(337,246,171)	(275,752,521)	(687,141,060)	(578,095,789)
<b>Gross profit</b>		<b>199,738,959</b>	<b>165,759,154</b>	<b>449,129,194</b>	<b>372,925,558</b>
Selling and distribution expenses		(82,965,948)	(77,775,771)	(156,915,741)	(175,327,451)
General and administrative expenses		(40,487,793)	(31,402,794)	(86,914,359)	(78,742,188)
Provision for impairment of financial assets	5	(6,532,743)	(7,686,307)	(22,906,640)	(1,964,368)
Research expenses		(5,983,046)	(5,624,014)	(11,196,579)	(10,573,802)
<b>Income from operations</b>		<b>63,769,429</b>	<b>43,270,268</b>	<b>171,105,875</b>	<b>106,317,749</b>
Finance costs	12	(12,842,874)	(12,975,043)	(25,212,587)	(26,763,123)
Other expenses, net	11	5,648,561	(3,131,805)	(35,408,086)	(13,263,594)
<b>Income before zakat and income tax</b>		<b>56,575,116</b>	<b>27,163,420</b>	<b>110,575,202</b>	<b>66,251,032</b>
Zakat and income tax expense	10	(4,679,859)	(5,269,344)	(11,955,272)	(13,665,197)
<b>Net income for the period</b>		<b>51,895,257</b>	<b>21,894,076</b>	<b>98,620,010</b>	<b>52,585,835</b>
Attributable to:					
Shareholders of the parent		54,599,836	24,223,065	105,205,604	58,316,888
Non-controlling interests		(2,704,579)	(2,329,009)	(6,585,594)	(5,730,853)
		<b>51,895,257</b>	<b>21,894,076</b>	<b>98,620,010</b>	<b>52,585,835</b>
<b>Earnings per share attributable to shareholders of the parent (basic and diluted)</b>		<b>0.68</b>	<b>0.30</b>	<b>1.32</b>	<b>0.73</b>

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

  
Vice President Finance

  
President / Chief Executive Officer

  
Authorized Board of Directors Member

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

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

	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2021	2020	2021	2020
<b>Net income for the period</b>	<b>51,895,257</b>	<b>21,894,076</b>	<b>98,620,010</b>	<b>52,585,835</b>
<b>Other comprehensive income (loss)</b> <i>Item that may be reclassified to statement of income in subsequent periods:</i>				
Exchange loss on translation of foreign operations	(9,886)	(1,822,565)	(13,921,050)	(11,780,762)
<i>Item that will not be reclassified to statement of income in subsequent periods:</i>				
Re-measurement (loss) gain on employees' defined benefit liabilities	(6,121,477)	2,221,670	(4,787,444)	1,735,730
<b>Other comprehensive income (loss) for the period</b>	<b>(6,131,363)</b>	<b>399,105</b>	<b>(18,708,494)</b>	<b>(10,045,032)</b>
<b>Total comprehensive income for the period</b>	<b>45,763,894</b>	<b>22,293,181</b>	<b>79,911,516</b>	<b>42,540,803</b>
<b>Attributable to:</b>				
Shareholders of the parent	48,500,974	24,621,155	88,525,793	48,261,932
Non-controlling interests	(2,737,080)	(2,327,974)	(6,614,277)	(5,721,129)
	<b>45,763,894</b>	<b>22,293,181</b>	<b>79,911,516</b>	<b>42,540,803</b>

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





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

ASTRA INDUSTRIAL GROUP COMPANY AND ITS SUBSIDIARIES  
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CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021  
(All amounts are in Saudi Riyals unless otherwise stated)

Note	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	-	-	105,205,604	-	105,205,604	(6,585,594)	98,620,010
Other comprehensive loss for the period	-	-	(4,758,763)	(13,921,050)	(18,679,813)	(28,681)	(18,708,494)
Total comprehensive income for the period	-	-	100,446,841	(13,921,050)	86,525,791	(6,614,275)	79,911,516
Acquisition of a subsidiary	-	-	-	-	-	283,947	283,947
Dividends	-	-	(60,000,000)	-	(60,000,000)	-	(60,000,000)
June 30, 2021 (Unaudited)	800,000,000	406,568,677	224,909,959	(79,106,282)	1,352,372,354	54,684,803	1,407,057,157
January 1, 2020 (Audited)	800,000,000	406,568,677	70,590,830	(61,887,098)	1,215,281,409	(11,833,272)	1,203,448,137
Net income for the period	-	-	58,316,688	-	58,316,688	(5,730,853)	52,585,835
Other comprehensive income for the period	-	-	1,730,215	(11,780,762)	(10,050,547)	5,515	(10,045,032)
Total comprehensive income for the period	-	-	60,046,903	(11,780,762)	48,266,141	(5,725,338)	42,540,803
Increase of shareholding in a subsidiary	-	-	(6,098,124)	-	(6,098,124)	14,517,124	8,419,000
June 30, 2020 (Unaudited)	800,000,000	406,568,677	124,548,609	(73,667,860)	1,257,449,426	(3,041,486)	1,254,407,940

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Astra Industrial Group Company and its Subsidiaries  
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CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS - UNAUDITED  
(All amounts are in Saudi Riyals unless otherwise stated)

	Notes	For the six-month period ended June 30	
		2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income before zakat and income tax		110,575,282	66,251,032
<b>Adjustments for non-cash items</b>			
Depreciation and amortization			
Finance costs	12	44,655,296	45,221,382
Provision for impairment of financial assets	12	25,212,587	26,783,123
Provision for near expiry, obsolete and slow-moving inventories	5	22,906,640	1,964,368
Employee defined benefit cost		11,609,729	12,348,126
		8,255,759	9,896,074
<b>Changes in operating assets and liabilities:</b>			
Inventories		(33,430,632)	(34,565,550)
Trade receivables		(145,925,670)	(55,294,032)
Due from related parties		(1,191,962)	(2,747,719)
Prepayments and other assets		(18,528,474)	(25,490,854)
Trade payables		33,677,476	97,910,784
Accrued expenses and other current liabilities		18,451,844	51,639,304
Due to related parties		471,380	1,560,107
End of service benefits paid		(6,703,468)	(6,736,067)
Zakat and income tax paid		(21,584,750)	(16,215,144)
<b>Net cash generated from operating activities</b>		<b>48,450,636</b>	<b>172,534,934</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to property, plant and equipment	3	(35,489,921)	(28,041,537)
Proceeds from sale of property, plant and equipment		1,065,560	1,319,113
Additions to intangible assets		(969,253)	(1,179,353)
Other non-current assets		614,879	2,078,081
<b>Net cash used in investing activities</b>		<b>(34,778,735)</b>	<b>(25,823,696)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net movement in short-term and long-term loans		66,510,280	(117,955,270)
Payment of lease liabilities		(4,632,627)	(5,373,935)
Finance costs paid		(23,293,839)	(26,224,533)
Dividends paid		(60,000,000)	-
Non-controlling Interest, net	16	283,947	-
<b>Net cash used in financing activities</b>		<b>(21,132,239)</b>	<b>(149,553,738)</b>
<b>Net change in cash and cash equivalents</b>		<b>(7,460,338)</b>	<b>(2,842,500)</b>
Cash and cash equivalents at the beginning of the period		54,460,204	45,279,521
Net foreign exchange loss		(5,231,424)	(1,734,111)
<b>Cash and cash equivalents at the end of the period</b>		<b>41,768,442</b>	<b>40,702,910</b>
<b>Supplement schedule of non-cash information</b>			
Increase of shareholding in a subsidiary		-	8,419,000

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 SIX-MONTH PERIOD ENDED JUNE 30, 2021**

(All amounts are in Saudi Riyals unless otherwise stated)

**1 ORGANIZATION AND ACTIVITIES**

Astra Industrial Group Company (the "Company"/ "AIG") is a Saudi Joint Stock Company operating under commercial registration number 1010069607 issued in Riyadh on 9 Muharram 1409H (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 six-month period ended June 30, 2021 have been prepared in accordance with IAS 34 'Interim Financial Reporting' ("IAS 34"), as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

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

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

**2.2 Summary of significant accounting policies**

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

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

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

**2.4 Significant accounting estimates and judgements**

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

As at June 30, 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 SIX-MONTH PERIOD ENDED JUNE 30, 2021**  
(All amounts are in Saudi Riyals unless otherwise stated)

**3 PROPERTY, PLANT AND EQUIPMENT**

	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)
Beginning - net book value	1,188,929,364	1,225,369,236
Additions for the period / year	35,489,921	62,431,224
Depreciation charge for the period / year	(43,911,870)	(88,554,842)
Disposals / write - offs, net - for the period / year	(1,065,560)	(1,142,007)
Exchange differences	3.1 (16,392,363)	(9,174,247)
<b>Closing - net book value</b>	<b>1,163,049,492</b>	<b>1,188,929,364</b>

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

**4 INTANGIBLE ASSETS**

	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)
Goodwill	25,206,754	25,206,754
Software and licenses	7,247,632	7,221,699
	<b>32,454,386</b>	<b>32,428,453</b>

**5 TRADE RECEIVABLES**

	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)
Not yet past due	638,918,960	529,877,387
Past due	408,066,599	374,029,376
	<b>1,046,985,559</b>	903,906,763
Provision for impairment	(166,706,213)	(146,646,647)
	<b>880,279,346</b>	757,260,116
Provision to trade receivables coverage ratio	<b>15.92%</b>	16.22%
Provision to past due trade receivables coverage ratio	<b>40.85%</b>	39.21%

**5.1** As at June 30, 2021, trade receivables include retention receivables of SAR 13.6 million (December 31, 2020: SAR 21.7 million) and unbilled receivables of SAR 38.8 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 SIX-MONTH PERIOD ENDED JUNE 30, 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:

	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)
Opening balance	146,646,647	105,680,407
Provision for the period / year	22,906,640	55,467,270
Adjustments / write - offs during the period / year	(2,847,074)	(14,501,030)
Closing balance	<u>166,706,213</u>	<u>146,646,647</u>

5.3 Provision for impairment - net

	For the six-month period ended June 30,	
	2021 (Unaudited)	2020 (Unaudited)
Impairment provision charge	22,906,640	21,534,966
Recoveries from a customer of power and steel industries segment after write-off, net of direct recovery fee of SR 4.6 million.	-	(19,570,598)
Net provision for impairment	<u>22,906,640</u>	<u>1,964,368</u>

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

**June 30, 2021 (Unaudited)**

Buckets	Gross receivables	Provision	Net receivables
Current (not yet past due)	638,918,960	(2,715,420)	636,203,540
1 to 180 days	204,770,522	(22,594,217)	182,176,305
181 to 360 days	52,497,852	(20,560,338)	31,937,514
	<u>257,268,374</u>	<u>(43,154,555)</u>	<u>214,113,819</u>
361 to 540 days	33,639,557	(15,425,828)	18,213,729
541 to 720 days	13,459,015	(7,406,024)	6,052,991
	<u>47,098,572</u>	<u>(22,831,852)</u>	<u>24,266,720</u>
721 to 900 days	9,444,068	(6,308,954)	3,135,114
901 to 1080 days	12,264,693	(9,704,540)	2,560,153
	<u>21,708,761</u>	<u>(16,013,494)</u>	<u>5,695,267</u>
More than 1080 days	81,990,892	(81,990,892)	-
<b>Past due</b>	<u>408,066,599</u>	<u>(163,990,793)</u>	<u>244,075,806</u>
	<u>1,046,985,559</u>	<u>(166,706,213)</u>	<u>880,279,346</u>

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

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021**

(All amounts are in Saudi Riyals unless otherwise stated)

**5 TRADE RECEIVABLES (continued)**

**December 31, 2020 (Audited)**

<b>Buckets</b>	<b>Gross receivables</b>	<b>Provision</b>	<b>Net receivables</b>
Current ( <b>not yet past due</b> )	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)	-
<b>Past due</b>	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 12 - Segment reporting.

**6 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES**

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

	<b>June 30, 2021 (Unaudited)</b>	<b>December 31, 2020 (Audited)</b>
Astra Farms Company - Saudi Arabia (Affiliate company)	2,485,087	1,485,070
Other	1,012,905	820,960
	<b>3,497,992</b>	<b>2,306,030</b>

Due from related parties are unsecured and recoverable in cash.

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

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021**

(All amounts are in Saudi Riyals unless otherwise stated)

**6 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (continued)**

6.2 Due to related parties comprises of the following:

	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)
Nour Communications Company - Saudi Arabia (Affiliate company)	1,154,879	755,699
Tharawat Mining Company – Saudi Arabia (partner in a subsidiary)	15,946	6,163
Other	71,027	8,612
	<u>1,241,852</u>	<u>770,474</u>

Due to related parties are unsecured and payable in cash.

6.3 Due to a related party - loan

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

6.4 Key management personnel compensation

Key management personnel compensation for the six-month period ended June 30, 2021 amounted to SAR 5.8 million (June 30, 2020: SAR 5.7 million).

**7 PREPAYMENTS AND OTHER CURRENT ASSETS**

	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)
<b>Financial assets</b>		
Restricted bank balances	45,550	3,781,765
Refundable deposits and insurance claims	4,147,645	4,296,341
	<u>4,193,195</u>	<u>8,078,106</u>
<b>Non-financial assets</b>		
Prepaid expenses	37,265,980	28,170,812
Advances to suppliers	60,671,535	52,371,338
Value-added tax	16,129,839	10,785,978
Employees' receivables	11,969,725	10,798,750
Other	1,626,676	3,123,492
	<u>127,663,755</u>	<u>105,250,370</u>
	<u>131,856,950</u>	<u>113,328,476</u>

**8 LOANS AND LEASE LIABILITIES**

<u>June 30, 2021 (Unaudited)</u>	Current	Non-current	Total
Short-term loans	737,250,509	-	737,250,509
Long-term loans	1,198,714	9,670,195	10,868,909
	<u>738,449,223</u>	<u>9,670,195</u>	<u>748,119,418</u>
Lease liabilities	5,404,458	34,530,195	39,934,653
	<u>743,853,681</u>	<u>44,200,390</u>	<u>788,054,071</u>

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

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021**

(All amounts are in Saudi Riyals unless otherwise stated)

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

<b><u>December 31, 2020 (Audited)</u></b>	<b>Current</b>	<b>Non-current</b>	<b>Total</b>
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

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

	<b>June 30, 2021 (Unaudited)</b>	<b>December 31, 2020 (Audited)</b>
Saudi Riyals and United States Dollar	<b>575,781,206</b>	528,359,637
Turkish Lira	<b>89,486,679</b>	85,958,199
Other	<b>82,851,533</b>	66,331,928
	<b>748,119,418</b>	680,649,764

8.2 The major borrowings of the Group are short term which settle on monthly or quarterly basis and are priced based on Saudi Arabian Interbank Offered Rate (SAIBOR) plus an agreed fixed rate. As at June 30, 2021, the six-month SAIBOR was 0.79% (June 30 2020: 0.99%).

During the six-month period ended June 30, 2021 and 2020, the finance costs related to Turkey based subsidiaries was SAR 11.9 million. As at June 30, 2021, the Turkish LIBOR (Lira Interbank Offered Rate) was 19.48% (June 30, 2020: 7.87%).

**8.3 Short-term loans**

The Group has bank facilities in the form of Murabaha, short-term tawarruq and other conventional credit facilities to meet its working capital requirements. As at June 30, 2021, facilities amounting to SAR 1.82 billion were undrawn (December 31, 2020: SAR 2.14 billion). The facilities bear special commission at prevailing market rates which are mostly based on SAIBOR and denominated in Saudi Riyals. These facilities are secured by corporate guarantees from AIG and are settled on a monthly or quarterly basis.

**8.4 Long-term loans**

The Group also has long-term loan facilities with banks to finance its capital assets. As at June 30, 2021, an amount of SAR 5.13 million was undrawn (December 31, 2020: SAR 3.87 million). These facilities are secured by corporate guarantees from AIG and bear special commission charges at agreed fixed rates. The facilities are denominated in foreign currencies (mainly Algerian Dinar) and repayable within five years through monthly and quarterly equal installments from the date these facilities were availed.

**9 ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES**

	<b>June 30, 2021 (Unaudited)</b>	<b>December 31, 2020 (Audited)</b>
Sales commission and promotional expenses	<b>113,954,133</b>	99,270,349
Accrued expenses	<b>48,980,890</b>	71,805,398
Employees' benefits	<b>81,103,631</b>	80,085,041
Contract liabilities - expected sales returns	<b>36,866,002</b>	36,484,335
Contract liabilities	<b>64,347,443</b>	40,009,804
Other	<b>11,514,480</b>	10,659,806
	<b>356,766,579</b>	338,314,733

**10 ZAKAT AND INCOME TAX**

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

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

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021**  
(All amounts are in Saudi Riyals unless otherwise stated)

**10 ZAKAT AND INCOME TAX (continued)**

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

**11 OTHER EXPENSES, NET**

	June 30, 2021 (Unaudited)	June 30, 2020 (Unaudited)
Foreign exchange losses	(42,247,547)	(15,848,126)
Others	6,839,541	2,564,532
	<u>(35,408,006)</u>	<u>(13,283,594)</u>

**12 SEGMENT REPORTING**

	Pharmaceuti- cals	Specialty chemical	Power and steel industries	Other	Total
<b><u>June 30, 2021 (Unaudited)</u></b>					
Revenue from sale of goods	465,743,510	400,763,327	107,536,412	16,484,375	990,527,624
Revenue from rendering of services	21,317,031	101,706,344	22,719,255	-	145,742,630
Total revenue	487,060,541	502,469,671	130,255,667	16,484,375	1,136,270,254
Inter segment revenue	-	-	-	-	-
Revenue from third parties	487,060,541	502,469,671	130,255,667	16,484,375	1,136,270,254
Gross profit	285,738,419	166,706,955	(5,726,772)	2,410,592	449,129,194
Depreciation and amortization	(21,697,970)	(10,201,468)	(8,806,379)	(3,949,479)	(44,655,296)
Finance costs	(6,239,867)	(15,484,443)	(2,362,043)	(1,126,234)	(25,212,587)
Income before zakat and tax	78,174,538	66,989,992	(17,365,135)	(17,224,113)	110,575,282
	Pharmaceuti- cals	Specialty chemical	Power and steel industries	Other	Total
<b><u>June 30, 2020 (Unaudited)</u></b>					
Revenue from sale of goods	462,130,663	343,320,131	33,524,329	14,922,422	853,897,545
Revenue from rendering of services	14,572,945	66,978,998	15,571,859	-	97,123,802
Total revenue	476,703,608	410,299,129	49,096,188	14,922,422	951,021,347
Inter segment revenue	-	-	-	-	-
Revenue from third parties	476,703,608	410,299,129	49,096,188	14,922,422	951,021,347
Gross profit (loss)	261,786,766	129,160,533	(19,724,502)	1,702,761	372,925,558
Depreciation and amortization	(20,930,332)	(10,308,424)	(10,785,351)	(3,197,275)	(45,221,382)
Finance costs	(7,728,662)	(12,110,079)	(4,262,828)	(2,681,554)	(26,783,123)
Income (loss) before zakat and tax	59,022,343	43,620,921	(23,826,557)	(12,565,675)	66,251,032
	Pharmaceuti- cals	Specialty chemical	Power and steel industries	Other	Total
<b><u>June 30 2021 (Unaudited)</u></b>					
Property, plant and equipment including right- of-use assets	441,161,703	167,076,434	436,554,400	118,256,955	1,163,049,492
Trade receivables	493,417,957	384,278,225	164,232,666	5,056,711	1,046,985,559
Provision for impairment of trade receivables	(49,417,315)	(87,758,022)	(29,175,865)	(355,011)	(166,706,213)
Trade receivables - net	444,000,642	296,520,203	135,056,801	4,701,700	880,279,346
Total assets	1,246,354,332	884,276,171	756,157,130	139,795,462	3,026,583,095
Total liabilities	660,816,637	449,199,291	346,416,620	163,093,390	1,619,525,938

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

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021**  
(All amounts are in Saudi Riyals unless otherwise stated)

**12 SEGMENT REPORTING** (continued)

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

Selected financial information summarized by geographic location is as follows:

	KSA	Republic of Iraq	Africa	Turkey	Sudan	Other locations	Total
<b><u>Revenue</u></b>							
June 30, 2021 (Unaudited)	718,243,803	31,790,396	92,709,854	155,976,362	12,753,704	124,796,135	1,136,270,254
June 30, 2020 (Unaudited)	617,226,942	16,363,488	63,260,965	116,858,624	33,213,085	104,098,243	951,021,347
<b><u>Non-current assets</u></b>							
June 30, 2021 (Unaudited)	707,995,020	358,947,708	74,052,210	17,960,711	2,148,732	42,725,547	1,203,829,928
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

**13 CONTINGENCIES AND COMMITMENTS**

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

**14 LIQUIDITY RISK AND GOING CONCERN**

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

The calculation of net debt was as follows:

	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)
Cash and cash equivalents	41,768,442	54,460,204
Short-term loans	(737,250,509)	(674,331,608)
Long-term loans	(10,868,909)	(6,318,156)
Lease liabilities	(39,934,653)	(43,607,906)
Due to a related party – loan	(30,052,273)	(30,052,273)
Net debt	<b>(776,337,902)</b>	<b>(699,849,739)</b>
<b>Current ratio</b>	<b>1.29</b>	<b>1.27</b>
<b>Unused credit facilities (in SAR billions)</b>	<b>1.82</b>	<b>2.14</b>

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

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021**

(All amounts are in Saudi Riyals unless otherwise stated)

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

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

	<b>June 30, 2021 (Unaudited)</b>	<b>December 31, 2020 (Audited)</b>
Equity	<b>1,407,057,157</b>	1,386,861,694
Liabilities	<b>1,619,525,938</b>	1,514,321,212
Total capital structure	<b>3,026,583,095</b>	2,901,182,906
Gearing ratio	<b>53.51%</b>	52.20%

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

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

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

**15 CAPITAL AND FINANCIAL RISK MANAGEMENT**

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

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

<b>Country of operations</b>	<b>June 30, 2021 (Unaudited)</b>	<b>December 31, 2020 (Audited)</b>
Sudan	<b>41,704,003</b>	30,996,898
Egypt	<b>28,311,614</b>	28,342,303
Other	<b>9,090,665</b>	5,846,031
	<b>79,106,282</b>	65,185,232

**16 DIVIDENDS**

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

**17 IMPACT OF COVID-19**

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

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

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021**

(All amounts are in Saudi Riyals unless otherwise stated)

**17 IMPACT OF COVID-19** (continued)

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

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

**18 BOARD OF DIRECTORS' APPROVAL**

These condensed consolidated interim financial statements were approved by the Group's Board of Directors on August 8, 2021.