

**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, 2022
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, 2022**

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Report on review of condensed consolidated interim financial statements

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

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Astra Industrial Group Company (the “Company”) and its subsidiaries (collective referred to as the “Group”) as at June 30, 2022 and the related condensed consolidated interim statements of income, comprehensive income, for the three-month and six-month periods then ended, and the condensed consolidated interim statements of changes in equity and cash flows for the six-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34 - “Interim Financial Reporting” (“IAS 34”), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of review

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

Conclusion

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

PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to read 'Mufaddal A. Ali', is written over a faint, circular blue stamp or watermark.

Mufaddal A. Ali
License Number 447
August 10, 2022

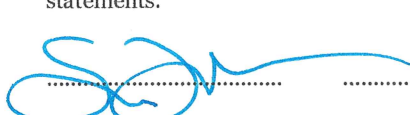
**ASTRA INDUSTRIAL GROUP COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)**

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

(All amounts are in Saudi Riyals unless otherwise stated)

	Notes	As at June 30, 2022 (Unaudited)	As at December 31, 2021 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	3, 13	772,128,929	1,148,057,533
Intangible assets	4	44,738,558	36,160,612
Other non-current assets		5,572,706	6,174,658
		<u>822,440,193</u>	<u>1,190,392,803</u>
Current assets			
Inventories	13	708,834,942	754,746,498
Trade receivables	5	978,435,949	767,361,756
Due from related parties	6	5,000,988	2,468,249
Prepayments and other current assets	7	161,948,447	126,702,285
Cash and cash equivalents		415,898,671	46,314,000
		<u>2,270,118,997</u>	<u>1,697,592,788</u>
Total assets		<u>3,092,559,190</u>	<u>2,887,985,591</u>
LIABILITIES AND EQUITY			
LIABILITIES			
Non-current liabilities			
Loans and lease liabilities	8	37,778,403	40,730,463
Employees' defined benefit liabilities		135,841,654	133,401,876
		<u>173,620,057</u>	<u>174,132,339</u>
Current liabilities			
Trade payables		244,835,656	209,557,850
Accrued expenses and other current liabilities	9	578,493,535	411,296,128
Due to related parties	6	732,351	732,731
Due to a related party – loan	6	37,499,996	30,052,273
Loans and lease liabilities	8	297,526,992	487,809,789
Zakat and income tax payable	10	115,617,688	70,312,634
		<u>1,274,706,218</u>	<u>1,209,761,405</u>
Total liabilities		<u>1,448,326,275</u>	<u>1,383,893,744</u>
EQUITY			
Share capital		800,000,000	800,000,000
Statutory reserve		406,568,677	406,568,677
Retained earnings		519,149,372	321,723,743
Foreign currency translation reserve		(81,125,348)	(76,651,418)
Equity attributable to shareholders of the parent		<u>1,644,592,701</u>	<u>1,451,641,002</u>
Non-controlling interests	16	(359,786)	52,450,845
Total equity		<u>1,644,232,915</u>	<u>1,504,091,847</u>
Total liabilities and equity		<u>3,092,559,190</u>	<u>2,887,985,591</u>

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


Vice President Finance


President / Chief Executive Officer


Authorized Board of Directors Member


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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF INCOME - UNAUDITED

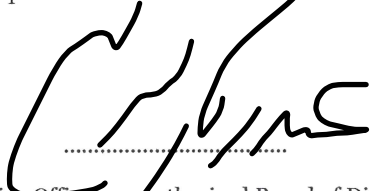
(All amounts are in Saudi Riyals unless otherwise stated)

	Notes	For the three-month period ended June 30,		For the six-month period ended June 30,	
		2022	2021	2022	2021
Continuing operations					
Revenue	12	608,544,428	533,087,193	1,243,063,413	1,127,633,052
Cost of revenue		(382,783,357)	(327,717,515)	(743,425,290)	(664,251,190)
Gross profit		225,761,071	205,369,678	499,638,123	463,381,862
Selling and distribution expenses		(85,070,556)	(82,865,847)	(190,538,745)	(156,685,129)
General and administrative expenses		(38,487,571)	(38,968,957)	(97,271,882)	(84,367,356)
Provision for impairment of financial assets	5	(4,353,890)	(6,532,743)	(13,159,305)	(22,906,640)
Research expenses		(6,448,452)	(5,983,046)	(11,961,556)	(11,196,579)
Income from operations		91,400,602	71,019,085	186,706,635	188,226,158
Finance costs	12	(15,332,106)	(12,744,392)	(27,412,321)	(25,023,668)
Other expenses, net	11	(290,909)	5,439,388	(2,734,074)	(35,617,179)
Income before zakat and income tax		75,777,587	63,714,081	156,560,240	127,585,311
Zakat and income tax expense	10	(1,056,301)	(4,679,859)	(9,809,738)	(11,955,272)
Net income for the period from continuing operations		74,721,286	59,034,222	146,750,502	115,630,039
Discontinued operations					
Gain / (loss) from discontinued operation	13	179,574,747	(7,138,965)	182,961,603	(17,010,029)
Net income for the period		254,296,033	51,895,257	329,712,105	98,620,010
Attributable to:					
Shareholders of the parent		243,096,412	54,599,836	317,786,637	105,205,604
Non-controlling interests		11,199,621	(2,704,579)	11,925,468	(6,585,594)
		254,296,033	51,895,257	329,712,105	98,620,010
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the Group					
Basic and diluted	17	0.94	0.78	1.84	1.45
Earnings per share for profit attributable to the ordinary equity holders of the Group:					
Basic and diluted	17	3.04	0.68	3.97	1.32

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


Vice President Finance


President / Chief Executive Officer


Authorized Board of Directors Member

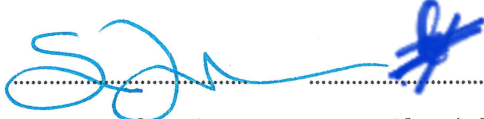
**ASTRA INDUSTRIAL GROUP COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)**

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME -
UNAUDITED**

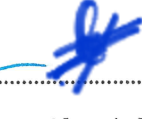
(All amounts are in Saudi Riyals unless otherwise stated)

	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2022	2021	2022	2021
Net income for the period	254,296,033	51,895,257	329,712,105	98,620,010
Other comprehensive income				
<i>Item that may be reclassified to statement of income in subsequent periods:</i>				
Exchange loss on translation of foreign operations	(2,868,124)	(9,886)	(4,482,804)	(13,921,050)
<i>Item that will not to be reclassified to statement of income in subsequent periods:</i>				
Re-measurement loss on employees' defined benefit liabilities	(1,992,290)	(6,121,477)	(340,627)	(4,787,444)
Other comprehensive loss for the period	(4,860,414)	(6,131,363)	(4,823,431)	(18,708,494)
Total comprehensive income for the period	249,435,619	45,763,894	324,888,674	79,911,516
Attributable to:				
Shareholders of the parent	238,228,033	48,500,974	312,951,697	86,525,793
Non-controlling interests	11,207,586	(2,737,080)	11,936,977	(6,614,277)
	249,435,619	45,763,894	324,888,674	79,911,516
Total comprehensive income / (loss) for the period attributable to the owners of the Group arises from:				
Continuing operations	70,230,404	53,141,302	142,752,611	97,582,312
Discontinued operations	167,997,629	(4,640,328)	170,199,086	(11,056,519)
	238,228,033	48,500,974	312,951,697	86,525,793

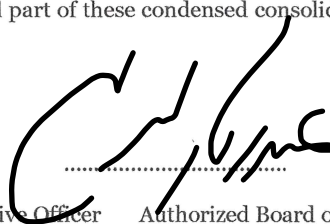
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Vice President Finance



President / Chief Executive Officer





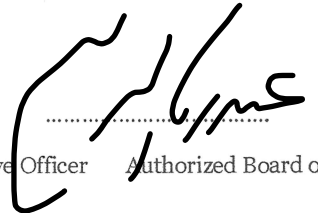
Authorized Board of Directors Member

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

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022**
(All amounts are in Saudi Riyals unless otherwise stated)

	Note	Attributable to shareholders of the parent				Total	Non-controlling interests	Total equity
		Share capital	Statutory reserve	Retained earnings	Foreign currency translation reserve			
December 31, 2021 (Audited)		800,000,000	406,568,677	321,723,743	(76,651,418)	1,451,641,002	52,450,845	1,504,091,847
Net income for the period		-	-	317,786,637	-	317,786,637	11,925,468	329,712,105
Other comprehensive loss for the period		-	-	(361,008)	(4,473,930)	(4,834,938)	11,507	(4,823,431)
Total comprehensive income for the period		-	-	317,425,629	(4,473,930)	312,951,699	11,936,975	324,888,674
Dividends	16	-	-	(120,000,000)	-	(120,000,000)	(64,747,606)	(184,747,606)
June 30, 2022 (Unaudited)		800,000,000	406,568,677	519,149,372	(81,125,348)	1,644,592,701	(359,786)	1,644,232,915
January 1, 2021 (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	16	-	-	(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

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

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

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS - UNAUDITED


(All amounts are in Saudi Riyals unless otherwise stated)

	Notes	For the six-month period ended June 30	
		2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before zakat and income tax			
Continuing operations		156,560,240	127,585,311
Discontinued operations		182,961,603	(17,010,029)
Income before zakat and income tax including discontinued operations		339,521,843	110,575,282
Adjustments for non-cash items			
Depreciation and amortization	12	37,999,520	44,655,296
Finance costs	12	27,628,848	25,212,587
Provision for impairment of financial assets	5	13,159,305	22,906,640
Provision for near expiry, obsolete and slow-moving inventories		31,009,594	11,609,729
Gain on disposal group - sale of Alanmaa	13	(182,961,603)	-
Employee defined benefit cost		9,357,734	8,255,759
Changes in operating assets and liabilities:			
Inventories		(98,241,781)	(33,430,832)
Trade receivables		(226,416,831)	(145,925,870)
Due from related parties		(2,532,739)	(1,191,962)
Prepayments and other assets		(2,251,571)	(18,528,474)
Trade payables		46,834,623	33,677,475
Accrued expenses and other current liabilities		152,739,860	18,451,844
Due to related parties		7,447,343	471,380
End of service benefits paid		(7,258,582)	(6,703,468)
Zakat and income tax paid		(26,914,277)	(21,584,750)
Net cash generated from operating activities		119,121,286	48,450,636
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment	3	(24,728,592)	(35,489,921)
Proceeds from sale of property, plant and equipment	3, 13	683,143,937	1,065,560
Additions to intangible assets		(10,572,015)	(969,253)
Other non-current assets		601,952	614,879
Net cash generated from / (used in) investing activities		648,445,282	(34,778,735)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net movement in short-term and long-term loans		(187,790,074)	66,510,280
Payment of lease liabilities		(4,210,545)	(4,632,627)
Finance costs paid		(26,777,514)	(23,293,839)
Dividends paid	16	(120,000,000)	(60,000,000)
Non-controlling interest, net	16	(64,756,482)	283,947
Net cash used in financing activities		(403,534,615)	(21,132,239)
Net change in cash and cash equivalents		364,031,953	(7,460,338)
Cash and cash equivalents at the beginning of the period		46,314,000	54,460,204
Net foreign exchange gain / (loss)		5,552,718	(5,231,424)
Cash and cash equivalents at the end of the period		415,898,671	41,768,442

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


Vice President Finance


President / Chief Executive Officer


Authorized Board of Directors Member

**Astra Industrial Group Company and Its Subsidiaries
(A SAUDI JOINT STOCK COMPANY)**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022**

(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, 2021.

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, 2022 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, 2021.

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

2.2 Significant accounting policies

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended December 31, 2021.

2.3 New and amended standards adopted by the Group

There are no new standards issued, however, there are number of amendments to standards which are effective from 1 January 2022 and has been explained in Group annual consolidated financial statements, but they do not have a material effect on the Group’s condensed consolidated interim financial statements.

2.4 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 condensed consolidated interim balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the condensed consolidated interim balance sheet.

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 condensed consolidated interim statement of profit or loss and other comprehensive income.

**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, 2022**
(All amounts are in Saudi Riyals unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 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, 2022, 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, 2021, except for the estimation related to tax effect for discontinued operation. Management will continue to monitor the situation and any changes required will be reflected in future reporting periods.

3. PROPERTY, PLANT AND EQUIPMENT

	Note	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Beginning - net book value		1,148,057,533	1,188,929,364
Additions for the period / year		24,728,592	74,405,201
Depreciation charge for the period / year		(36,817,949)	(92,441,684)
Disposals / write - offs, net - for the period / year		(1,453,093)	(1,322,933)
Exchange differences		(10,762,696)	(21,512,415)
Assets of disposal group - sale of Alanmaa	13	(351,623,458)	-
Closing - net book value		<u>772,128,929</u>	<u>1,148,057,533</u>

4. INTANGIBLE ASSETS

	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Goodwill	25,206,754	25,206,754
Software and licenses	19,531,804	10,953,858
	<u>44,738,558</u>	<u>36,160,612</u>

5. TRADE RECEIVABLES

	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Not yet past due	794,562,640	572,782,830
Past due	329,808,047	334,530,184
	<u>1,124,370,687</u>	<u>907,313,014</u>
Provision for impairment	(145,934,738)	(139,951,258)
	<u>978,435,949</u>	<u>767,361,756</u>

5.1 As at June 30, 2022, trade receivables include retention receivables of SAR 11.8 million (December 31, 2021: SAR 42.2 million) and unbilled receivables of SAR 66.5 million (December 31, 2021: SAR 42.0 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, 2022
(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, 2022 (Unaudited)	December 31, 2021 (Audited)
Opening balance	139,951,258	146,646,647
Provision for the period / year	13,159,305	22,462,819
Adjustments / write - offs during the period / year	<u>(7,175,825)</u>	<u>(29,158,208)</u>
Closing balance	<u>145,934,738</u>	<u>139,951,258</u>

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

June 30, 2022 (Unaudited)

Buckets	Gross receivables	Provision	Net receivables
Current (not yet past due)	794,562,640	(3,188,958)	791,373,682
<u>Past due</u>			
1 to 180 days	168,898,434	(39,127,065)	129,771,369
181 to 360 days	46,381,164	(24,912,720)	21,468,444
361 to 540 days	37,755,758	(7,433,604)	30,322,154
541 to 720 days	6,616,196	(4,927,114)	1,689,082
721 to 900 days	10,293,804	(7,611,623)	2,682,181
901 to 1080 days	9,645,004	(8,515,967)	1,129,037
More than 1080 days	<u>50,217,687</u>	<u>(50,217,687)</u>	-
	<u>1,124,370,687</u>	<u>(145,934,738)</u>	<u>978,435,949</u>

December 31, 2021 (Audited)

Buckets	Gross receivables	Provision	Net receivables
Current (not yet past due)	572,780,978	(2,085,424)	570,695,554
<u>Past due</u>			
1 to 180 days	175,600,845	(26,347,636)	149,253,209
181 to 360 days	55,655,815	(22,466,072)	33,189,743
361 to 540 days	16,132,033	(9,814,575)	6,317,458
541 to 720 days	12,642,181	(7,306,878)	5,335,303
721 to 900 days	11,166,800	(8,677,737)	2,489,063
901 to 1080 days	6,092,458	(6,011,032)	81,426
More than 1080 days	<u>57,241,904</u>	<u>(57,241,904)</u>	-
	<u>907,313,014</u>	<u>(139,951,258)</u>	<u>767,361,756</u>

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

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6. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

6.1 Due from related parties comprises of the following:

	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Astra Farms Company - Saudi Arabia (Affiliate company)	3,207,962	1,801,155
Other	1,793,026	667,094
	<u>5,000,988</u>	<u>2,468,249</u>

Due from related parties are unsecured and recoverable in cash.

6.2 Due to related parties comprises of the following:

	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Nour Communications Company - Saudi Arabia (Affiliate company)	415,163	538,628
Other	317,188	194,103
	<u>732,351</u>	<u>732,731</u>

Due to related parties are unsecured and payable in cash.

6.3 Due to a related party - loan

	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Al Maseera International Company (a shareholder in Tanmiya)	<u>37,499,996</u>	<u>30,052,273</u>

6.4 Key management personnel compensation

Key management personnel compensation for the six-month period ended June 30, 2022 amounted to SAR 7.9 million (June 30, 2021: SAR 5.8 million).

7. PREPAYMENTS AND OTHER CURRENT ASSETS

This includes consideration receivable of SR 37.5 million (2021: SR Nil) in respect of sale of Alanmaa (refer note 13).

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8. LOANS AND LEASE LIABILITIES

<u>June 30, 2022 (Unaudited)</u>	Current	Non-current	Total
Short-term loans	290,691,220	-	290,691,220
Long-term loans	2,007,992	9,353,952	11,361,944
	292,699,212	9,353,952	302,053,164
Lease liabilities	4,827,780	28,424,451	33,252,231
	297,526,992	37,778,403	335,305,395
<u>December 31, 2021 (Audited)</u>	Current	Non-current	Total
Short-term loans	479,543,678	-	479,543,678
Long-term loans	2,756,990	7,542,570	10,299,560
	482,300,668	7,542,570	489,843,238
Lease liabilities	5,509,121	33,187,893	38,697,014
	487,809,789	40,730,463	528,540,252

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

	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Saudi Riyals and United States Dollar	121,800,000	311,593,324
Turkish Lira	67,002,424	81,884,711
Other	113,250,740	96,365,203
	302,053,164	489,843,238

8.2 The major borrowings of Group are short term which are priced based on SAIBOR plus with an agreed fixed rate. The monthly average of three months SAIBOR during the period was 2.77% (2021: 0.79%). As at June 30, 2022, the SAIBOR was 2.92% (2021: 0.79%).

During the six-month period ended June 30, 2022 and 2021, the finance costs related to Turkey based subsidiaries was SAR 14.1 million (June 30, 2021: SAR 12.0 million). As at June 30, 2022, the Turkish LIBOR (Lira Interbank Offered Rate) was 31.33% (June 30, 2021: 19.48%).

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, 2022, facilities amounting to SAR 2.05 billion were undrawn (December 31, 2021: SAR 1.99 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.

8.4 Long-term loans

The Group also has long-term loan facilities with banks to finance its capital assets. As at June 30, 2022, an amount of SAR 58.64 million was undrawn (December 31, 2021: SAR 72.7 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.

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9. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Sales commission and promotional expenses	164,238,839	110,445,349
Contract liabilities	137,850,755	69,057,978
Accrued expenses	103,130,333	78,844,303
Employees' benefits	97,439,604	101,245,555
Contract liabilities - expected sales returns	46,301,175	41,984,386
Other	29,532,829	9,718,557
	578,493,535	411,296,128

10. ZAKAT AND INCOME TAX

There is no change in the status of zakat and income tax assessments of the Group since December 31, 2021.

Further, during the period, the Group has submitted its consolidated zakat and income tax returns for the year ended December 31, 2021. The liability has been increased because of the recognition of tax provision on disposal of Alanmaa.

11. OTHER EXPENSES, NET

Comparative period expenses include SAR 42.5 million related to foreign exchange losses that mainly arise from one of the subsidiary in Sudan.

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12. SEGMENT REPORTING

	Pharmaceuti -cals	Specialty chemical	Power and steel industries	Other	Total
<u>For the six month ended June 30, 2022 (Unaudited)</u>					
Revenue from sale of goods	501,229,914	434,211,916	110,812,501	16,510,123	1,062,764,454
Revenue from rendering of services	41,853,899	123,063,748	15,381,312	-	180,298,959
Total revenue	543,083,813	557,275,664	126,193,813	16,510,123	1,243,063,413
Gross profit	312,626,728	180,030,613	3,931,311	3,049,471	499,638,123
Depreciation and amortization	(22,332,862)	(7,657,814)	(4,635,287)	(3,373,557)	(37,999,520)
Finance costs	(6,607,046)	(17,479,469)	(1,832,457)	(1,493,349)	(27,412,321)
Income before zakat and tax	107,793,223	71,777,838	(5,704,358)	(17,306,463)	156,560,240
<u>For the six months ended June 30, 2021 (Unaudited)</u>					
Revenue from sale of goods	465,743,510	400,763,327	98,899,210	16,484,375	981,890,422
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	121,618,465	16,484,375	1,127,633,052
Gross profit (loss)	285,738,419	166,706,955	8,525,896	2,410,592	463,381,862
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)	(2,173,124)	(1,126,234)	(25,023,668)
Income (loss) before zakat and tax	78,174,538	66,989,992	(355,106)	(17,224,113)	127,585,311
<u>As at June 30 2022 (Unaudited)</u>					
Property, plant and equipment including right-of-use assets	422,367,847	158,172,274	70,669,628	120,919,180	772,128,929
Trade receivables	589,781,360	365,759,529	163,981,956	4,847,842	1,124,370,687
Provision for impairment of trade receivables	(39,333,455)	(85,853,381)	(20,392,891)	(355,011)	(145,934,738)
Trade receivables - net	550,447,905	279,906,148	143,589,065	4,492,831	978,435,949
Total assets	1,350,677,886	860,083,106	443,500,553	438,297,645	3,092,559,190
Total liabilities	701,268,080	341,826,172	224,255,170	180,976,853	1,448,326,275

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12. SEGMENT REPORTING (continued)

	Pharmaceuti -cals	Specialty chemical	Power and steel industries	Other	Total
<u>As at December 31, 2021</u>					
<u>(Audited)</u>					
Property, plant and equipment including right- of-use assets	438,312,014	165,378,125	425,578,630	118,788,764	1,148,057,533
Trade receivables	417,136,100	294,846,224	191,435,221	3,895,469	907,313,014
Provision for impairment of trade receivables	(39,641,070)	(70,695,559)	(29,259,618)	(355,011)	(139,951,258)
Trade receivables - net	377,495,030	224,150,665	162,175,603	3,540,458	767,361,756
Total assets	1,157,761,861	787,309,181	805,067,537	137,847,012	2,887,985,591
Total liabilities	529,082,898	345,640,939	329,581,676	179,588,231	1,383,893,744

Selected financial information summarized by geographic location is as follows:

	KSA	Republic of Iraq	Africa	Turkey	Sudan	Other locations	Total
<u>Revenue (six months)</u>							
June 30, 2022 (Unaudited)	780,415,614	30,372,142	82,519,115	168,280,894	11,750,349	169,725,299	1,243,063,413
June 30, 2021 (Unaudited)	718,243,803	23,153,194	92,709,854	155,976,362	12,753,704	124,796,135	1,127,633,052
<u>Non-current assets (as at)</u>							
June 30, 2022 (Unaudited)	698,897,571	-*	65,252,992	16,572,533	3,247,049	38,470,048	822,440,193
December 31, 2021 (Audited)	702,736,730	351,829,409	72,539,546	19,373,290	2,600,411	41,313,417	1,190,392,803

* Non-current assets related to Republic of Iraq is for Tanmiya subsidiary which was disposed off during the period, refer to Note 13.

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13. DISPOSAL GROUP – SALE OF ALANMAA

On February 7, 2022, Al-Tanmiya Company for Steel Manufacturing (“Tanmiya”) signed an agreement with an Iraqi based entity for exiting its entire investment in Alanmaa for Construction Materials Production Ltd. (Alanmaa) for transaction price of SAR 731.2 million. Based on management assessment, it is considered as a major geography in respect of its Power and steel industries in Iraq and therefore considered as discontinued operations.

During April 2022, the Group received the majority of the sales proceed and also transferred the shares to the buyer after obtaining the related regulatory approvals.

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

13.1 Financial performance and cash flow information

	From January 1, 2022 to April 20, 2022	From January 1, 2021 to June 30, 2021
Revenue	29,448,595	8,637,201
Expenses	(19,288,380)	(25,647,230)
Income / (loss) before zakat and income tax	10,160,215	(17,010,029)
Zakat and income tax expense	-	-
Net income / (loss) from discontinued operation	10,160,215	(17,010,029)
Other comprehensive loss from discontinued operation	-	-
Total comprehensive income / (loss) from discontinued operation	10,160,215	(17,010,029)
Net cash generated from / (used in) operating activities	12,418,849	(1,714,512)
Net cash used in investing activities	(226,345)	-
Net cash used in financing activities	(4,603,258)	(73,547)
Net increase / (decrease) in cash and cash equivalent from the discontinued operation	7,589,246	(1,788,059)

13.2 Assets and liabilities of disposal group

The following assets and liabilities for sale in relation to the discontinued operations as at April 20, 2022:

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

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13. DISPOSAL GROUP - SALE OF ALANMAA (continued)

The net gain on disposal was as follows:

	<u>2022</u>
Consideration received	678,375,000
Consideration receivable	<u>37,500,000</u>
Total consideration net of commission	715,875,000
Net assets of disposal group	(463,948,612)
Provision for estimated tax liability	(63,750,000)
Provision for expense	<u>(15,375,000)</u>
Net gain on disposals	<u>172,801,388</u>

The net gain from discontinued operations was as follows:

	<u>2022</u>
Total comprehensive income from discontinued operation	10,160,215
Net gain on disposals	<u>172,801,388</u>
	<u>182,961,603</u>

14. CONTINGENCIES AND COMMITMENTS

There was no significant change in the contingencies and commitment level since December 31, 2021.

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:

Country of operations	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Sudan	22,850,185	22,677,749
Egypt	29,913,657	28,325,086
Other	<u>28,361,506</u>	25,648,583
	<u>81,125,348</u>	76,651,418

16. DIVIDENDS

The Company's Annual General Assembly in its meeting held on April 21, 2022 approved the cash dividend of SAR 120 million (2021: SAR 60 million) at SAR 1.5 (2021: SAR 0.75) per share for distribution from the retained earnings.

During the period the dividend paid to Non-controlling interests amounting to SR 64.7 million.

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17. EARNINGS PER SHARE

	For the six-month period ended June 30,	
	2022	2021
Profit / (loss) attributable to the ordinary equity holders of the Group used in calculating basic and diluted earnings per share:		
- From continuing operations	147,587,551	116,262,123
- From discontinued operation	170,199,086	(11,056,519)
	317,786,637	105,205,604
Weighted average number of ordinary shares outstanding during the period	80,000,000	80,000,000
Basic and diluted earnings / (loss) per share		
- From continuing operations attributable to the ordinary equity holders of the Group	1.84	1.45
- From discontinued operation attributable to the ordinary equity holders of the Group	2.13	(0.13)
Total basic and diluted earnings per share attributable to the ordinary equity holders of the Group	3.97	1.32

18. Hyperinflation

One of the subsidiaries of the Group, namely Astra Nova Turkey, operates in Republic of Turkey, which considered to be a hyperinflationary economy for the period ended June 30, 2022. Based on the management assessment, the official exchange rate of Turkish Lira (TRY) 0.2245 equal to SAR 1 was considered as the closing foreign exchange rate and the related foreign operations translated at that rate. The financial statements of Astra Nova 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 Astra Nova Turkey at June 30, 2022 was 978.78.

Property, plant and equipment of Astra Nova Turkey position as at June 30, 2022 in the Group financial statements was as follows:

Property, plant and equipment	2022
Adjusted cost after hyperinflation	30,251,551
Accumulated depreciation and impairment	(21,717,282)
Net book value	8,534,269

During 2022, the Group recognised gain on the monetary position arising from hyperinflation in Turkey amounting to SAR 22.7 million (SAR 8.5 million related to property, plant, and equipment and SAR 14.2 million related to inventory).

19. BOARD OF DIRECTORS' APPROVAL

These condensed consolidated interim financial statements were approved by the Group's Board of Directors on August 10, 2022.