

AL YAMAMAH STEEL INDUSTRIES COMPANY
(A Saudi Joint Stock Company)

Interim condensed Consolidated Financial Statements (Unaudited)
For the three-month period ended 31 December, 2021
With the Independent Auditor's Review Report

AL YAMAMAH STEEL INDUSTRIES COMPANY
(A Saudi Joint Stock Company)

Interim condensed Consolidated Financial Statements (unaudited)
For the three-month period ended December 31, 2021

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Independent Auditor’s Review Report on the Interim Condensed Consolidated Financial Statements

To the shareholders of \ Al Yamamah Steel Industries Company
 (A Saudi Joint Stock Company)

Introduction

We have reviewed the condensed consolidated interim statement of financial position of **Al Yamamah Steel Industries Company (“the Company”) and its subsidiary**, collectively referred to as (“the Group”) as at 31 December 2021 and the condensed consolidated interim statement of profit or loss and other comprehensive income for the three-month period then ended, the condensed consolidated interim statement of changes in equity, the condensed consolidated interim statement of cash flows for the three-month period then ended, and summary of the notes to the condensed consolidated interim financial statements. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 (IAS 34), ‘Interim Financial Reporting’ that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

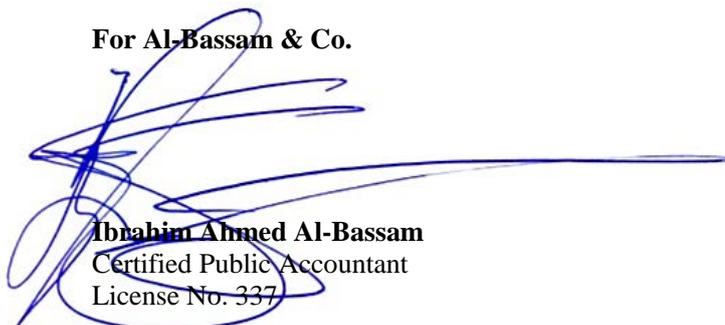
Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, ‘Review of Interim Financial Information Performed by the Independent Auditor of the Entity’ that is 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 that are 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 interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS (34), ‘Interim Financial Reporting’ that is endorsed in the Kingdom of Saudi Arabia.

For Al-Bassam & Co.



Ibrahim Ahmed Al-Bassam
 Certified Public Accountant
 License No. 337



6 February 2022G
 5 Ragab 1443H
 Jeddah, Kingdom of Saudi Arabia

AL YAMAMAH STEEL INDUSTRIES COMPANY
(A Saudi Joint Stock Company)

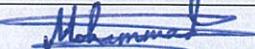
Interim Consolidated Statement of Financial Position (Unaudited)

As at 31 December 2021

(Expressed in Saudi Arabian Riyals)

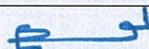
	Note	31 December 2021 (Unaudited)	30 September 2021 (Audited)
Assets			
Non-current assets			
Property, plant and equipment	5	452,191,851	447,338,602
Intangible assets		5,675,281	5,906,636
Right-to-use assets	6	26,627,293	27,387,060
Non-current assets		484,494,425	480,632,298
Current assets			
Inventories, Net	7	568,690,932	624,734,835
Trade receivables, Net	8	324,717,342	275,064,805
Prepayments and other receivables		35,914,995	33,414,480
Investments held at fair value through Profit or loss's statement		1,162,700	1,212,124
Cash and cash equivalents		292,157,027	181,361,839
Current Assets		1,222,642,996	1,115,788,083
Total Assets		1,707,137,421	1,596,420,381
Shareholders' equity and liabilities			
Shareholders' Equity			
Share capital	1	508,000,000	508,000,000
Statutory reserve		92,599,263	89,198,060
Retained earnings		145,943,922	166,133,090
Total equity attributable to shareholders of the Company		746,543,185	763,331,150
Non-controlling interests		147,342,236	141,366,248
Total equity		893,885,421	904,697,398
Liabilities			
Non-current liabilities			
Long term loans- Non-current portion	9	24,910,000	12,500,000
Lease liabilities- Non-current portion	6	23,938,698	25,210,625
Employee benefits		34,207,028	33,624,375
Liability of dismantling and removing of property, plant and equipment		11,757,635	11,699,095
Non-current liabilities		94,813,361	83,034,095
Current liabilities			
Short-term borrowings	9	497,000,000	469,500,000
Long-term loans – current portion	9	10,000,000	10,000,000
Lease liabilities– current portion	6	3,892,712	2,587,382
Provision for contract losses		5,807,780	5,807,780
Dividend payable		51,370,251	571,439
Trade payables		63,595,540	50,374,525
Accrued expenses and other payables		52,607,464	38,869,801
Zakat Provision	10	34,164,892	30,977,961
Current liabilities		718,438,639	608,688,888
Total Liabilities		813,252,000	691,722,983
Total equity and liabilities		1,707,137,421	1,596,420,381

Chief Financial Officer



Mohammad Abu Farha

Chief Executive Officer



Yousef Bazaid

Vice Chairman



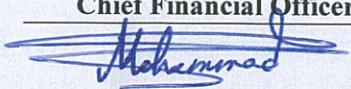
Raed Al-Mudaiheem

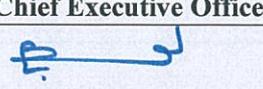
The accompanying notes are an integral part of these interim condensed consolidated financial statements

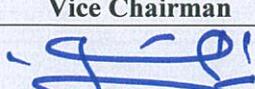
AL YAMAMAH STEEL INDUSTRIES COMPANY
(A Saudi Joint Stock Company)

Interim Consolidated Statement of Profit or Loss and other comprehensive income (Unaudited)
For the three-month period ended December 31, 2021
(Expressed in Saudi Arabian Riyals)

	<u>Note</u>	For the three-month period ended 31 December	
		2021 (Unaudited)	2020 (Unaudited)
Revenue		464,241,267	434,867,731
Cost of sales		<u>(398,042,397)</u>	<u>(355,628,772)</u>
Gross profit		66,198,870	79,238,959
Selling and Marketing expenses		(7,692,336)	(7,761,563)
Administrative expenses		<u>(12,636,100)</u>	<u>(10,823,709)</u>
Profit from operation		45,870,434	60,653,687
Other operating revenues		870,149	87,865
Realized gain from Investments held at fair value through Profit or loss's statement		505,270	--
Unrealized loss from Investments held at fair value through Profit or loss's statement		(49,424)	--
Financial charges		<u>(3,536,937)</u>	<u>(3,598,009)</u>
Income before zakat		43,659,492	57,143,543
Zakat expense	10	<u>(3,671,469)</u>	<u>(5,375,051)</u>
Net Profit		39,988,023	51,768,492
Total comprehensive income		39,988,023	51,768,492
<u>Total comprehensive Profit attributable to:</u>			
- Shareholders of the Company		34,012,035	42,665,235
- Non-controlling interests		5,975,988	9,103,257
		<u>39,988,023</u>	<u>51,768,492</u>
<u>Total comprehensive income attributable to:</u>			
- Shareholders of the Company		34,012,035	42,665,235
- Non-controlling interests		5,975,988	9,103,257
		<u>39,988,023</u>	<u>51,768,492</u>
<u>Earnings per share to net income for the period:</u>			
- Basic	11	0.67	0.84
- Diluted		0.67	0.84

Chief Financial Officer

Mohammad Abu Farha

Chief Executive Officer

Yousef Bazaid

Vice Chairman

Raed Al-Mudaiheem

The accompanying notes an integral part of these interim condensed consolidated financial statements

AL YAMAMAH STEEL INDUSTRIES COMPANY
(A Saudi Joint Stock Company)

Interim Consolidated Statement of Changes in Equity (Unaudited)

For the three-month period ended December 31, 2021

(Expressed in Saudi Arabian Riyals)

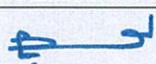
	Note	Share capital	Statutory reserve	Retained earnings	Total	Non-controlling interests	Total equity
For the three-month period ended 31 December 2021							
Balance at 1 October 2021 (Audited)		508,000,000	89,198,060	166,133,090	763,331,150	141,366,248	904,697,398
Comprehensive loss for the period							
Income for the period		--	--	34,012,035	34,012,035	5,975,988	39,988,023
Total comprehensive loss for the period (Unaudited)		--	--	34,012,035	34,012,035	5,975,988	39,988,023
Transferred to statutory reserve		--	3,401,203	(3,401,203)	--	--	--
Dividends to non-controlling interests		--	--	(50,800,000)	(50,800,000)	--	(50,800,000)
Balance at 31 December 2021(Unaudited)		508,000,000	92,599,263	145,943,922	746,543,185	147,342,236	893,885,421
For the three-month period ended 31 December 2020							
Balance at 1 October 2020 (Audited)		508,000,000	68,414,889	66,105,408	642,520,297	138,889,226	781,419,523
Comprehensive income for the year							
Income for the period		--	--	42,665,235	42,665,235	9,103,257	51,768,492
Total comprehensive income for the period (Unaudited)		--	--	42,665,235	42,665,235	9,103,257	51,768,492
Transferred to statutory reserve		--	4,266,524	(4,266,524)	--	--	--
Balance at 31 December 2020 (Unaudited)		508,000,000	72,681,413	104,504,119	685,185,532	148,002,483	833,188,015

Chief Financial Officer



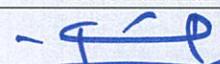
Mohammad Abu Farha

Chief Executive Officer



Yousef Bazaid

Vice Chairman



Raed Al-Mudaiheem

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AL YAMAMAH STEEL INDUSTRIES COMPANY
(A Saudi Joint Stock Company)

Interim Consolidated Statement of Cash Flows (Unaudited)
For the three-month period ended December 31, 2021
(Expressed in Saudi Arabian Riyals)

	Note	<u>2021</u> <u>(Unaudited)</u>	<u>2020</u> <u>(Unaudited)</u>
<u>Cash flows from operating activities</u>			
Profit / (loss) for the period before zakat		43,659,492	57,134,543
Adjustments:			
Depreciation on property, plant and equipment		10,589,421	10,438,475
Amortization of intangibles		231,356	231,356
(Gains) / losses on disposal of property, plant and equipment		(28,550)	(25,804)
Inventories utilized provision		(591,821)	--
Unrealized loss from Investments held at fair value through Profit or loss's statement		49,424	
Right of use asset depreciation		759,768	643,700
Finance costs	6	3,536,937	3,598,009
Provision for expected credit losses		2,200,000	--
Provision for employee benefits charged for the period		1,370,944	1,295,471
		<u>61,776,971</u>	<u>73,324,750</u>
<u>Changes in operating assets and liabilities</u>			
Trade receivables		(51,852,537)	33,589,304
Inventories		56,043,903	(150,234,705)
Prepayments and other receivables		(2,552,540)	(4,442,403)
Trade payables		13,221,014	(2,532,437)
Accrued expenses and other payables		14,512,230	7,270,651
Cash generated from operations		<u>91,149,041</u>	<u>(43,024,840)</u>
Paid Zakat	10	(484,538)	(3,214,090)
Paid employee's benefits		(788,290)	(2,733,639)
Net cash generated from operating activities		<u>89,876,213</u>	<u>(48,972,569)</u>
<u>Cash flows from investing activities</u>			
Purchase of property, plant and equipment		(15,444,788)	(2,798,742)
Proceeds from the disposal of property, plant and equipment		28,668	113,355
Net cash (used in) investing activities		<u>(15,416,120)</u>	<u>(2,685,387)</u>
<u>Cash flows from financing activities</u>			
Changes in balance of loans and credit facilities		39,910,000	60,893,750
Finance costs paid		(3,217,311)	(3,215,799)
Payment of lease obligations	6	(356,406)	(388,078)
Dividends paid		(1,188)	-
Net cash (used in) financing activities		<u>36,335,095</u>	<u>57,289,873</u>
Net decrease in cash and cash equivalents balance		110,795,188	5,631,917
Cash and cash equivalents at the beginning of the year		181,361,839	18,456,920
Cash and cash equivalents at the end of the year		<u>292,157,027</u>	<u>24,088,837</u>

Chief Financial Officer



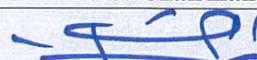
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Raed Al-Mudaiheem

The accompanying notes an integral part of these consolidated financial statements

AL YAMAMAH STEEL INDUSTRIES COMPANY
(A Saudi Joint Stock Company)

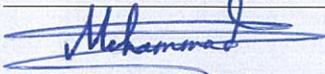
Interim Consolidated Statement of Cash Flows (Unaudited) (Continued)

For the three-month period ended December 31, 2021

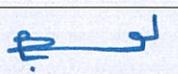
(Expressed in Saudi Arabian Riyals)

	<u>Note</u>	<u>2021</u> <u>(Unaudited)</u>	<u>2020</u> <u>(Unaudited)</u>
<u>*Non-cash transactions</u>			
Financial charges for dismantling of property, machinery and equipment provision		58,540	57,393
Impact of adoption of IFRS (16)	6	389,809	380,603

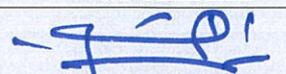
Chief Financial Officer


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Raed Al-Mudaiheem

The accompanying notes an integral part of these consolidated financial statements

AL YAMAMAH STEEL INDUSTRIES COMPANY
(A Saudi Joint Stock Company)

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

For the three-month period ended December 31, 2021

(Expressed in Saudi Arabian Riyals)

1. General

Al Yamamah Steel Industries Company (“the Company” or “the Parent Company”) is a Saudi Joint Stock Company registered in Riyadh under Commercial Registration No. 1010070794 dated 1/06/1409H as per the Minister of Commerce Decree No. (726) dated 20/3/1427H and His Highness approval on the incorporation of the Company No (1491) dated 30/05/1427H, corresponding to 26/06/2006. The Company is operating under Industrial License No, 144/X dated 22/03/1409H and the amendments pursuant to it.

The Company's activities are:

- Manufacture of tubes, pipes and hollow shapes from iron,
- Manufacture of metal structures and their parts for bridges and towers,
- Manufacture of poles and their parts, including (poles, lighting cabins, traffic lights, etc.),
- Manufacture and installation of prefabricated steel structures for industrial facilities.

The Company operates through its factories in the following cities in the Kingdom and these factories operate under the following commercial registrations and their dates:

Factory	City/Place	CR Number	Date of CR
Al Yamamah Steel Industries Company	Jeddah	4030068043	28/4/1410H
Al Yamamah for Electric Poles	Jeddah	4030148938	9/3/1425H
Al Yamamah Steel Industries Company	Dammam	2050059045	7/3/1429H
Al Yamamah for Production of Electric Power Towers	Jeddah	4030180886	9/7/1429H
Al Yamamah Industrial Solar Energy Systems Factory	Jeddah	4030304080	9/9/1439H
Al Yamamah Wind Power Systems (under construction)	Jeddah	4030304267	13/9/1439H

As at June 30, 2021, the authorized, subscribed and fully paid up capital of the company amounted to 508 million (30 September 2020: SR 508 million) divided into 50.8 million shares (30 September 2020: 50.8 million shares), each of SA 10. (30 September 2020: SA10).

The consolidated financial statements include the financial statements of the Company, its branches, and the subsidiary mentioned below, which its head office is located in Riyadh and its factory is located in Yanbu, (collectively referred to as the “Group”):

Company Name	County of incorporation	Ownership percentage
Al Yamamah Company for Reinforcing Steel Bars	Kingdom of Saudi Arabia	72.5%

The subsidiary is principally engaged in producing, wholesale and retail trading of reinforcing steel bars.

The registered address of the Company is as follows:

Al Yamamah Steel Industries Company

Riyadh 11583

P.O. Box 55303

Kingdom of Saudi Arabia

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

For the three-month period ended December 31, 2021

(Expressed in Saudi Arabian Riyals)

2. BASIS OF PREPERATION

Statement of Compliance

The consolidated financial statements for the three-month period ended December 31, 2021 have been prepared in accordance with International Accounting Standard 34 ('Interim Financial Reporting') as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by Saudi Organization for Certified Public Accountants.

The interim consolidated financial statement not included the applicable information and notes needed to prepare year end consolidated financial statement accordance with international financial reporting as endorsed in the Kingdom of Saudi Arabia, so must review with the year-end consolidated financial statement on September 30, 2021.

The accounting policies for this interim financial statement matching with accounting policies for the year end consolidated financial statement on September 30, 2021.

Basis of measurement

The accompanying financial statements are prepared on the historical cost basis, except the international standard for financial reporting allowed to use another evaluation measurement method.

The preparation of interim condensed consolidated financial statements in accordance with International Financial Reporting Standards requires management to make judgments, estimates and assumptions that may affect the application of accounting policies and the amounts disclosed in the interim condensed financial statements. These important estimates and assumptions were disclosed in the annual financial statements for the year ended September 30, 2021.

Items included in the Group's interim condensed consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates (the "functional currency"). The interim condensed consolidated financial statements are presented in Saudi Riyals, which is the functional and presentation currency.

Going Concern

The management of the group prepare evaluation for the group ability to continues on the basis of going concern, and have a full conviction the group have enough resources to continues on the short run future, in addition to the management doesn't have significant doubts for the group ability to continues for this way.

So the accompanying financial statements were prepared on the basis of going concern.

3. SIGNIFICANT ACCOUNTING POLICIES

3/1 The basis of consolidated financial statement

The financial statement for the group included the financial statement for the company and subsidiaries as disclosed in note 1.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Group ceases to control the subsidiary. Control is achieved when a company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

For the three-month period ended December 31, 2021

(Expressed in Saudi Arabian Riyals)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3/1 The basis of consolidated financial statement (Continued)

The company have a rights to prepare reevaluation for the subsidiaries already have a control on it, If the company have indicators refer to there are some changes on the control cases we discussed above.

Assets, Liabilities, Revenue and expenses for the subsidiaries companies will be included in the year-end consolidated financial statement for the parent company.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Any changes in the percentage of share for subsidiaries companies without loss control, record as a normal transaction for equity statement, but when loss the control on the subsidiaries do below:

- De - recognition for the assets and liabilities related to subsidiaries
- De – recognition non-controlling interest
- Recognize any amount received by fair value.
- Recognize fair value for all investment.
- Recognize deficit or surplus at profit or loss

The balances classified previously at other comprehensive income will be reclassified at profit or loss statement or retained earnings after the parent company loss the control for this subsidiaries.

Elimination process:

We must eliminate any intragroup transactions or balance in additions to any unrealized gain or loss generate from intragroup transaction during prepare financial statement.

Share of Non-Controlling interest:

We recognize non-controlling interest after the date of acquisition and presented separately at the statement of equity.

3/2 New issued standard but not applied yet

The following new standard issued but not applied till the date of issue Interim Consolidated Statement and the group didn't expect any significant change during apply these standards.

<u>Applying date</u>	<u>New standard or amendment</u>
January 1, 2021	International financial reporting standard 17 (Insurance contracts)
January 1, 2022	Classification of Liabilities (amendment on the international financial reporting standard 1)
Available to apply (option)	Amendment on the international financial reporting standard 10 and 28

AL YAMAMAH STEEL INDUSTRIES COMPANY
(A Saudi Joint Stock Company)

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

For the three-month period ended December 31, 2021

(Expressed in Saudi Arabian Riyals)

4. SEGMENTAL INFORMATION

The presentation of key segments is determined on the basis that the risks and rewards of the Group are substantially affected by the differences in the products of those segments. These segments are organized and managed separately according to the nature of the services and products, each forming a separate unit. The operational segments set out below are determined by distinguishing business activities from which the Group generates revenues and incurs costs.

The economic characteristics are reviewed and the operating segments are aggregated on the basis of the organization made by the Chief Operating Decision Maker at least every quarter and reviewed by Group's senior management.

The Group is operating its activities in the Kingdom of Saudi Arabia through the following main business sectors:

The construction sector includes the following:

- a) Production of steel pipes
- b) Al Yamamah Factory for Reinforcing Steel Bars
- c) Factory of space frame structures

Electricity sector including:

- a) Electric Power Towers Factory.
- b) Electric Poles Factory.
- c) Al Yamamah Industrial Solar Energy Systems Factory

Others:

Represent properties belong to the public administration.

	Segment reporting			
	Construction Segment	Electricity Segment	Others	Total
31 December 2021 (Unaudited)				
Revenue	334,092,241	130,149,026	--	464,241,267
Sale cost	(280,121,392)	(117,921,005)	--	(398,042,397)
Segment's net profit	<u>39,595,798</u>	<u>392,224</u>	--	<u>39,988,022</u>
Segment Asset	<u>1,018,535,035</u>	<u>668,811,660</u>	<u>19,790,726</u>	<u>1,707,137,421</u>
Segment liabilities	<u>556,320,577</u>	<u>239,046,551</u>	<u>17,884,872</u>	<u>813,252,000</u>
31 December 2020 (Unaudited)				
Revenue	323,823,098	111,044,633	--	434,867,731
Sale cost	(256,964,529)	(98,664,243)	--	(355,628,772)
Segment's net profit	<u>50,015,697</u>	<u>1,752,795</u>	--	<u>51,768,492</u>
Segment Asset	<u>1,086,385,518</u>	<u>410,194,746</u>	<u>18,809,452</u>	<u>1,515,389,716</u>
Segment liabilities	<u>450,663,279</u>	<u>207,294,236</u>	<u>24,244,186</u>	<u>682,201,701</u>

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

For the three-month period ended December 31, 2021
(Expressed in Saudi Arabian Riyals)

5. PROPERTY, PLANT AND EQUIPMENT

5/1 The following is a statement of the net book value of property, plant and equipment:

	30 December 2021 (Unaudited)	30 September 2021 (Audited)
Total cost	910 ,803 ,989	895,870,641
Total compound depreciation	451 ,601 ,536	441,521,437
Impairment losses	7 ,010 ,602	7,010,602
Net carrying amount	452 ,191 ,851	447,338,602

- a) The buildings of the Company include buildings with net book value amounting to SR 112.9 million as at 31 December 2021(30 September 2021: SR 115.5 million) are constructed on lands leased from the Saudi Authority for Industrial Cities and Technical Areas (MODON) for 20 years, started on 29 Shawal 1429H, and the lease is renewable for a similar period with similar or with other terms as agreed upon between the concerned parties, except for the poles and towers factories, as they are constructed on a land owned by the Company.
- b) The buildings of the subsidiary's factory with net book value amounting to SR 70.76 million as at 31 December 2021 (30 September 2021: SR72 million) are constructed on a piece of land leased from the Royal Commission for Yanbu for 35years, started on 5 Rabie Thani 1427H for a nominal annual lease. Rent is renewable for concessive periods with the same terms and other terms as agreed between relevant parties.

5/2 Capital work in progress represents the following projects:

	30 December 2021 (Unaudited)	30 September 2021 (Audited)
Advanced to vendors	18,674,450	15,290,508
Al Yamamah Solar Power Systems Factory	15,026,788	5,890,147
Pipe forming and perforating machine (Jeddah pipes)	--	5,196,056
Project of adding laser cutting machines - Al-Abraj Factory	3,816,169	3,813,559
Wind Power Energy Systems Project	539,657	412,603
Renovation and development project of the galvanizing basin - columns	347,696	347,696
Expansion works of Jeddah pipe factory	1,368,897	104,592
Smelting Project - Rebar	90,463	90,463
Kiln Floor Lifting Cylinder - Rebar	79,035	16,350
Expansion of the fourth production line in the Dammam factory	713,370	12,872
	40,656,525	31,174,846

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6. LEASES CONTRACTS

The movement in the right-of-use-assets as follow:

	31 December 2021 (Unaudited)	30 September 2021 (Audited)
<u>Cost</u>		
Balance at beginning of period / Year	33,143,633	31,453,800
Additions for the period / year	--	1,689,833
Disposals during the period / year	--	--
Balance at ending of period / Year	33,143,633	33,143,633
<u>Accumulated Depreciation</u>		
Balance at beginning of period / Year	5,756,573	2,812,760
Depreciation during the period / year	759,767	2,943,813
Balance at ending of period / Year	6,516,340	5,756,573
Net balance ending of period / Year	26,627,293	27,387,060

- The movement in the lease liabilities is as follows:

	31 December 2021 (Unaudited)	30 September 2021 (Audited)
Balance at beginning of the period / year	27,798,007	28,477,359
Additions for the period / year	--	1,689,833
Depreciation during the period / year	389,809	1,584,456
Paid during the period / year	(356,406)	(3,953,641)
Balance at end of period / year	27,831,410	27,798,007

- The following are the lease obligations as classified in the consolidated statement of financial position:

	31 December 2021 (Unaudited)	30 September 2021 (Audited)
Current liability	3,892,712	2,587,382
Non-current liability	23,938,698	25,210,625
Balance at end of period / year	27,831,410	27,798,007

7. INVENTORIES

7/1 Inventories comprise the following:

	Note	31 December 2021 (Unaudited)	30 September 2021 (Audited)
Raw materials		395,198,024	397,579,164
Finished goods		93,728,708	111,953,818
Spares not for sale		20,294,012	18,320,936
Work in progress		47,929,416	47,781,053
Goods in transit		31,823,176	69,974,089
		588,973,336	645,609,060
Less: Allowance for slow moving inventory items	7/2	(20,282,404)	(20,874,225)
		568,690,932	624,734,835

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7. INVENTORIES (CONTINUED)

7/2 Movement on provision for slow moving inventory during the year as follows:

	31 December 2021 (Unaudited)	30 September 2021 (Audited)
Balance at beginning of the period / year	20,874,225	10,979,785
Provided during the period / year	--	9,894,440
Utilized during the period / year	(591,821)	--
Balance at end of period / year	20,282,404	20,874,225

8. TRADE RECEIVABLES, Net

8/1 Trade receivables comprise the following:

	Note	31 December 2021 (Unaudited)	30 September 2021 (Audited)
Trade receivables - related parties	13	104,955,045	115,541,953
Trade customers - other parties		235,273,985	172,834,540
		340,229,030	288,376,493
Less: Expected credit loss provision	8/2	(15,511,688)	(13,311,688)
		324,717,342	275,064,805

8/2 The movement in allowance for expected credit losses during the period/ year is as follows:

	31 December 2021 (Unaudited)	30 September 2021 (Audited)
Balance, at beginning of the period / year	13,311,688	10,515,973
Provided during the period / year	2,200,000	2,795,715
Balance at end of period / year	15,511,688	13,311,688

8/3 As at December 31, 2021, 62% of total sales for the period belongs to only main 8 customers with outstanding balances amounted to SR 197,135,125 (67% at 30 September 2021: SR 195,585,467).

8/4 Ageing of the trade receivables is as follows:

<u>Duration</u>	31 December 2021 (Unaudited)		30 September 2021 (Audited)	
	Due Balances	Impairment In value	Due Balances	Impairment In value
Not due	252,293,380	1,447,195	225,247,642	1,419,533
From 0 to 90 days	24,260,312	270,085	8,827,982	675,313
From 91 to 180 days	48,365,715	5,645,621	45,147,344	5,915,088
Over 181 Days	15,309,723	8,148,787	9,153,525	5,301,754
	340,229,030	15,511,688	288,376,493	13,311,688

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9. BANK FACILITIES

Bank facilities from local banks

As on December 31, 2021, the group has bank facilities totaling 2.025 billion Saudi riyals (September 30, 2021: 1.83 billion Saudi riyals) with some local banks, of which the user amounted to 1.089 million Saudi riyals (30 September 2021: 925 million Saudi riyals), represented in letters of guarantee, documentary credits and short-term bank facilities to cover the working capital requirements of the group. It also includes a long-term bank facility granted by the Arab National Bank to the parent company to contribute to the establishment of the Al-Yamamah Factory for Solar Energy Systems and the Al-Yamamah Factory for Wind Energy Systems and financing the working capital. All bank facilities bear bank commissions according to the prevailing market rates and are secured by promissory notes issued by the parent company, the subsidiary company of local banks and the Saudi Industrial Development Fund.

During August 2021, the company obtained the approval of the Saudi Industrial Development Fund dated 15 Ramadan 1442 H corresponding to April 27, 2021 to grant a loan to Al Yamamah Solar Energy Systems Company Factory in the amount of 49,700,000 SR, to finance 50% of the property, machinery, equipment and working capital eligible for financing, provided that The amount is disbursed in installments until Shawwal 29, 1443 H corresponding to May 30, 2022, and an amount of 3,750,000 SR is deducted from these payments on a pro-rata basis from the entire value of the loan, representing prepaid financing expenses in addition to semi-annual financing expenses to be paid throughout the validity of the agreement. The maximum limit was agreed upon, and the company received an amount of 13,785,000 SR, representing 30% of the loan value (14,910,000 SR) after deducting 30% of the fees (1,125,000 SR). The loan is paid in semi-annual installments starting on Shawwal 15, 1444 H corresponding to May 5, 2023, and ending on 15 Rabi' al-Thani 1450 H corresponding to September 5, 2028. This loan is secured by promissory notes issued by Al-Yamamah Steel Industries Company in favor of the Saudi Industrial Development Fund covering the entire amount and payments, and mortgage the buildings and facilities erected or to be erected on the factory land with the entire factory, its machinery, equipment, accessories, accessories and everything that is obtained It must later be for the project. The agreement includes certain financial covenants.

Banks Facilities and Loans are shown in condensed interim financial position statement as follow:

	31 December 2021 (Unaudited)	30 September 2021 (Audited)
Short term Loans (9/1)	507,000,000	479,500,000
Long Term Loans	24,910,000	12,500,000
	531,910,000	492,000,000

9/1 Short-term loans

Short-term loans represent outstanding amounts of overdrafts and short term loans facilities with some commercial banks to finance the working capital of the companies of the Group,

Short term bank borrowings comprise the following:

	31 December 2021 (Unaudited)	30 September 2021 (Audited)
Arab National Bank	263,500,000	333,500,000
Banque Saudi Fransi	233,500,000	136,000,000
Current portion from Long term Loans	10,000,000	10,000,000
	507,000,000	479,500,000

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9/2 Long term loans

Long term loans comprise the following:

	31 December 2021 (Unaudited)	30 September 2021 (Audited)
Arab National Bank (9/2/1)	10,000,000	12,500,000
Saudi Industrial Development Fund (9/2/2)	14,910,000	--
	24,910,000	12,500,000

Non-current portion of long-term loans are due as follows:

9/2/1 Arab National Bank

<u>Year</u>	31 December 2021 (Unaudited)	30 September 2021 (Audited)
2023	7,500,000	10,000,000
2024	2,500,000	2,500,000
	10,000,000	12,500,000

9/2/2 Saudi Industrial Development Fund

<u>Year</u>	31 December 2021 (Unaudited)	30 September 2021 (Audited)
2023	750,000	--
2024	1,800,000	--
2025	2,250,000	--
2026	3,900,000	--
2027	3,000,000	--
2028	3,210,000	--
	14,910,000	--

Movement on Loans as follow:

	31 December 2021 (Unaudited)	30 September 2021 (Audited)
Balance, at beginning of period / year	492,000,000	429,753,401
Addition during the period / Year	527,410,000	1,670,000,000
Less: payments during the period / year	(487,500,000)	(1,607,753,401)
Balance at the end of the period / year	531,910,000	492,000,000

10. ZAKAT

a) **Movement summary on Zakat provision is as follows:**

	31 December 2021 (Unaudited)	30 September 2021 (Audited)
Balance beginning of period / year	30,977,961	21,325,153
Add: Charge for the period / year	3,199,521	14,777,970
Prior years differences	471,948	9,614,150
Less: payments during the period / year	(484,538)	(14,739,312)
Balance at the end of the period / year	34,164,892	30,977,961

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b) Zakat status

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The Company has submitted Zakat declarations for the years from the beginning of the establishment until the year ended 30 September 2021. Accordingly, the Company paid the due Zakat and obtained a valid Zakat certificate up to 30 January 2023.

The Company has received Zakat assessments for the years from 2008 through 2011, in which the GAZT raised additional Zakat differences amounting to SR 9.9 million. The Company objected against the said assessments. The Company's objection was filed with the Primary Zakat and Tax Committee, according to which the Company submitted a letter of guarantee to GAZT with the claimed amount. A decision was issued by the committee to accept the objection for the fiscal year 2011.

The Tax Appeal Committee issued its decision No. (1875) dated 26/6/1439H, corresponding to 14/3/2018, that is approved by the Minister of Finance under the letter No. (4989) dated 13/6/1439H, corresponding to 1/3/2018, where the Company's appeal was formally accepted before the Primary Committee for the fiscal years ended 30/9/2008 until 30/9/2010. The resolution No. (1875) endorsed the Appeal Committee's decision to approve the deduction of the Company's contribution to the land of Melissa for the fiscal year ended 30/9/2011, which represents the main item in the controversial differences of fiscal years ended 30/9/2008 until 30/9/2010. The Company approved the majority of the objectionable items for the fiscal year ended 30/9/2011. Therefore, the final zakat assessment for the fiscal year 2011 has not been issued to date, noting that the total differences from the fiscal years from 2008 to 2010 amounted to SR 7.5 million.

The General Secretariat of the Tax Committees in Jeddah has requested during the month of June 2020 from the Company to set a date for the session for the lawsuit filed by the Company against the GAZT for the fiscal years ending from 30 September 2008 till 30 September 2010, and the Company did so and received the date from the General Secretariat for Tax Committees during August 2020, which is 13 October 2020. The session was held online on that date, and the judicial authority issued a decision not to accept the lawsuit for lack of the territorial jurisdiction, and the Company will raise a new lawsuit to the General Secretariat for Tax Committees in Riyadh for these years during October 2020, and during January 2021, it received the date of the session from the General Secretariat of the Tax Committees, and it was held on March 2, 2021, and it rejected the company's objection to zakat assessments for financial years from September 30, 2008 until September 30, 2010, because the company did not file the objection at time. The company has appealed against the decision. the date of the session would be defined later.

d) Zakat status (continued)

On 23 March 2020, the GAZT has requested some detailed and analytical documents and data for the years from 30 September 2015 to 30 September 2019, and the Company has provided them to GAZT during May 2020. During the month of September 2020, GAZT has provided the Company with the initial zakat assessments for the fiscal years 2015 through 2019, and GAZT has requested the Company to provide them - if desired - with documents that could reduce the zakat differences for these years, and the Company has provided GAZT with them during the same month. GAZT has issued the revised zakat assessments for these fiscal years during the month of October 2020, which showed zakat differences amounting to about SR 4.7 million, the company paid the zakat differences for the two years ended on September 30, 2016, and September 30, 2018, total amounted to 1.4 million Saudi riyals, and the company objected to some items of zakat differences for the three years ending on September 30, 2015, 2017, 2019 during December 2020. The unpaid zakat related to these items amounted to about 1.5 million Saudi riyals after the company paid the non-objectionable zakat differences for these three years, which totaled 1.8 million Saudi riyals during the same month. During February 2021, the company received the authority's decision,

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10. ZAKAT (CONTINUED)

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which included a partial acceptance of 375,000 Saudi riyals from one of the differences, and the company objected to the request of the General Secretariat of the Tax Committees in the city of Riyadh on the decision during March 2021, and the invitation was accepted, and the date of the session will be determined later.

Al Yamamah Steel Industries Company received the final zakat assessment for the year ending on September 30, 2020, during the month of October 2021, which showed zakat differences amounting to 9.742 MSR. The company paid an amount of 12,589 SR, and objected to the remaining difference of 9,730 MSR with the authority, and issued bank guarantee in favor of the Authority for half of the value objected to. The session was held during the month of December 2021, and the Authority rejected the company's objection. During January 2021, the company objected to the Authority's decision with the General Secretariat of the Tax Committees.

No assessments have been received for the years from 2012 to 2014.

Al Yamamah Company for Reinforcing Steel Bars

The company submitted its zakat returns for the years from the beginning of the activity until the fiscal year ending on September 30, 2021, and paid the zakat due in those returns, and a final zakat certificate was obtained, valid until January 30, 2023, The company ended its zakat position with the General Authority for Zakat and Income for the years from the date of the company's establishment until the fiscal year ending on September 30, 2019.

11. EARNINGS PER SHARE

11/1 Basic Earnings per share

The calculation of basic earnings / (losses) per share has been based the distributable earnings / (losses) attributable to shareholders of ordinary shares and the weighted average number of ordinary shares outstanding at the date of the financial statements amounting to 50.8 million shares.

	31 December 2021	30 September
	(Unaudited)	2021 (Audited)
EPS attributable to company's shareholders	34,012,035	42,665,235
Shares' weighted average "Basic"	50,800,000	50,800,000
	0,67	0.84

11/2 Diluted Earnings per share

The calculation of diluted earnings / (losses) per share has been based on the profit / (loss) distributable to shareholders on ordinary shares and weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, if any.

During the period there are no diluted shares and therefore the diluted earnings per share is not different from the basic earnings per share.

12. CONTINGENCIES AND CAPITAL COMMITMENTS

- a) On December 31, 2021, the value of the contingent liabilities against the unhedged portion of bank guarantee letters issued by local banks on behalf of the Group amounted to SR 314.27 million (September 30, 2021: SR122 million).

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- b) At December 31, 2021 the contingent liabilities against outstanding letters of credit amounted to SAR 257.47 million (September 30, 2021: SAR 310.47 million) which were issued in the ordinary course of the Group's business.
- c) As on December 30, 2021, the capital commitments related to the projects under implementation amounted to 92.12 million Saudi riyals (September 30, 2021: 110.93 million Saudi riyals).

13. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Transactions with related parties mainly represent purchases and goods and services rendered in accordance with agreed terms which are approved by the management and approved by the

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13. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

General Assembly of shareholders held on 3 Ragab 1442H, corresponding to 15 February 2021 with the following entities and parties:

<u>Transactions with related parties:</u>	<u>Nature of relationship</u>	<u>Nature of transaction</u>	<u>amount of transaction for the three months period ended December 30</u>		<u>Balance as at</u>	
			<u>2021 (Unaudited)</u>	<u>2020 (Audited)</u>	<u>31 December 2021 (Unaudited)</u>	<u>30 September 2021 (Audited)</u>
<u>Under accounts receivable (Note 8):</u>						
Abdulqader Almuhaideb & Sons Company *	Shareholder	Sales	101,189,284	126,471,468	68,078,155	62,900,204
Rashid Abdulrahman Al Rashid & Sons Company **	Shareholder	Sales	455,484	7,735,809	530,638	696,875
Al Mahana Trading Company	Shareholder	Sales	13,756,792	36,115,522	2,735,716	24,515,406
Al Mahanna Steel Group ***	Shareholder	Sales	53,454,644	18,792,676	24,604,058	24,023,146
Madar for Building Materials Company (Previously Al Fozan Building Materials Company)	Subsidiary's shareholder	Sales	9,107,611	4,417,164	7,575,762	2,028,047
Al Mojel Trading Company	Shareholder	Sales	1,244,100	1,455,900	1,430,715	1,378,275
					<u>104,955,044</u>	<u>115,541,953</u>
<u>Under trade payables</u>						
Abdulqader Almuhaideb & Sons Company *	Shareholder	Purchases	23,536	280,657	--	--
Rashid Abdulrahman Al Rashid & Sons Company **	Shareholder	Purchases	--	--	--	--
Al Muhanna Steel Group***	Subsidiary's shareholder	Purchases	--	--	--	--
Al Madar for Building Materials Company (Previously Al Fozan Building Materials Company)			--	69,087	--	--

* Transaction with Abdul Kader Al Muhaideb and Sons Company include Masdar for Building Materials Company and Thabat Contracting Company.

** Transaction with Rashed Abdul Rahman and Sons Company include Saudi Services for Electro Mechanical Works Company.

*** Al Muhanna Steel Group belongs the shareholder and BOD member Muhanna bin Abdullah Al Muhanna.

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13. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

- a) Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any Director (whether executive or otherwise).

The salaries, wages and related costs benefits during the year amounted as follows:

	<u>Nature of transaction</u>	For the three-month period ended 31 December	
		2021	2020
		(Unaudited)	(Unaudited)
Key management personnel	Salaries, allowances and incentives	<u>2,400,203</u>	<u>1,465,233</u>

14. DIVIDENDS

During the period ended 30 December 2021

On Jumada Al-Ula 8, 1443 AH, corresponding to December 12, 2020 AD, the Board of Directors recommended the distribution of cash dividends to shareholders for the fiscal year ending on September 30, 2021 in the amount of 50,800,000 Saudi riyals at 1 Saudi riyal per share, and the recommendation will be presented to the Ordinary General Assembly of shareholders scheduled for 13 Rajab 1443 AH, corresponding to December 30, 2021, and the eligibility for cash dividends will be for shareholders who own shares on the due date and who are registered in the company's shareholder register at the Depository Center at the end of the second trading day following the day of the company's general assembly. Those Dividends disbursed as at January 12, 2022.

15. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: Market risk (including currency risk, fair value and cash flow, interest rate risks and price risk), credit risk and liquidity risk.

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Financial risk management framework

Risk management is carried out by senior management under policies approved by the Board of Directors. Senior management identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The most important types of risk are credit risk, currency risk and fair value and cash flow interest rate risks.

The Board of Directors has overall responsibility for establishment and oversight of the Group's risk management framework. The executive management team is responsible for developing and monitoring the Group's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors through the audit committee.

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15. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk management framework (continued)

Risk management systems are reviewed regularly by the executive management team to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees compliance by management with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Financial instruments carried on the balance sheet include cash and cash equivalents, trade and other receivables, loans, trade and other payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk: Interest rate risk, currency risk and other price risk.

Interest rate risk

The loans obtained by the Group are carried at variable interest rates based at prevailing market interest rates.

	Book value as at 31 December 2021 (Unaudited)	Book value as at 30 September 2021 (Audited)
<u>Variable rate instruments</u>		
Borrowings	531,910,000	492,000,000
	531,910,000	492,000,000

The table below reflects the possible change of 100 basis points in interest rates at the reporting date on profit or loss assuming all other variables are remaining constant.

	Profit / (loss) ended at 31 December 2021 (Unaudited)		Profit / (loss) Ended at 30 September 2021 (Audited)	
	Decrease in basis points of related to commission rates 100 bps	Increase in basis points of related commission rates 100 bps	Decrease in basis points of related to commission rates 100 bps	increase in basis points of related commission rates 100 bps
Borrowings	5,319,100	(5,319,100)	4,920,000	(4,920,000)

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15. FINANCIAL RISK MANAGEMENT (CONTINUED)

Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to fluctuations in foreign exchange rates. The Group is not significantly exposed to fluctuations in foreign exchange rates during its normal course of business, as the Group's core transactions during the period were denominated in Saudi Riyals and US Dollars. Thus, there are no significant risks associated with transactions and balances denominated in US Dollars.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Concentration risk arises when a number of counterparties engaged in similar business activities or activities in the same geographical region or have economic features that would cause them to fail their contractual obligations. To reduce exposure to credit risk, the Group has developed a formal approval process whereby credit limits are applied to its customers, which are based on comprehensive customer ratings and past repayment rates.

The management also continuously monitors the credit exposure related to its customers and makes provision against the expected credit losses. Standing balances of customers are continuously monitored. Cash and cash equivalents are placed with national banks with sound credit ratings. Trade and other receivables are mainly due from local customers stated at their estimated realizable values.

The Group's gross maximum exposure to credit risk is as follows:

	31 December 2021 (Unaudited)	30 September 2021 (Audited)
<u>Financial assets</u>		
Trade receivables	324,717,342	275,064,805
Bank balances	292,157,027	181,361,839
	<u>616,874,369</u>	<u>456,426,644</u>
<u>Financial assets</u>		
Secured *	386,078,537	229,768,792
Unsecured **	230,795,832	226,657,852
	<u>616,874,369</u>	<u>456,426,644</u>

** As at December 31, 2021, the secured financial assets include bank balances and trade receivables in the amount of 93.92 million Saudi riyals secured by bank guarantees (September 30, 2021: 48.41 million Saudi riyals).

** As at December 31, 2021, secured/unsecured financial assets include trade receivables in the amount of SAR 104,955,045 due from related parties and whose maturity dates have not yet passed (September 30, 2021: SAR 115,541,953).

Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell financial assets quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available. The concentrations of liquidity risk may arise from the repayment terms of financial liabilities, sources of borrowings or reliance on a particular market in which to realize liquid assets. The following is the contractual maturities for financial liabilities at the end of the period, which are presented in gross and undiscounted amounts:

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15. FINANCIAL RISK MANAGEMENT (CONTINUED)

	Undiscounted contractual cash flows					
	<u>1 year or less</u>	<u>1 year to 3 years)</u>	<u>3 years or More</u>	<u>Interest accruals for future periods</u>	<u>Total contractual maturity</u>	<u>Total Carrying value</u>
31 December 2021						
<u>Non-derivative financial liabilities</u>						
Loans	497,000,000	10,000,000	24,910,000	2,513,985	534,423,985	531,910,000
Trade payables	63,595,540	--	--	--	63,595,540	63,595,540
Accrued expenses and other payables	52,607,464	--	--	--	52,607,464	52,607,464
Dividends payable	51,370,251	--	--	--	51,370,251	51,370,251
Contracts' losses provision	5,807,780	--	--	--	5,807,780	5,807,780
Lease liabilities	3,892,712	3,992,913	19,945,785	12,475,981	40,307,391	27,831,410
Zakat provision	34,164,892	--	--	--	34,164,892	34,164,892
	<u>708,438,639</u>	<u>13,992,913</u>	<u>44,855,785</u>	<u>14,989,966</u>	<u>782,277,303</u>	<u>767,287,337</u>
30 September 2021						
<u>Non-derivative financial liabilities</u>						
Loans	479,500,000	12,500,000	--	2,893,127	494,893,127	492,000,000
Trade payables	50,374,525	--	--	--	50,374,525	50,374,525
Contracts' losses provision	5,807,780	--	--	--	5,807,780	5,807,780
Dividends Payable	571,439	--	--	--	571,439	571,439
Accrued expenses and other payables	38,869,801	--	--	--	38,869,801	38,869,801
Lease liabilities	2,587,382	4,190,308	21,020,317	13,111,703	40,909,710	27,798,007
	<u>577,710,927</u>	<u>16,690,308</u>	<u>21,020,317</u>	<u>16,004,830</u>	<u>631,426,382</u>	<u>615,421,552</u>

- It is expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts

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15. FINANCIAL RISK MANAGEMENT (CONTINUED)

Capital management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to maintain a strong capital base to support the sustained development of its businesses.

The Group adjusted net debt to net equity ratio was as follows:

	31 December 2021	30 September 2021
	(Unaudited)	(Audited)
	813,252,000	691,722,983
Less: Cash and cash equivalents	(292,157,027)	(181,361,839)
Net obligations	521,094,973	510,361,144
Total equity	746,543,185	763,331,150
Adjusted shareholders' equity	--	--
Net obligations to equity	0,70	0.56

The below table shows the carrying amounts and fair values of the financial assets and liabilities including their levels in the fair value hierarchy.

30 December 2021 (Unaudited)

Financial Assets	Carrying value		Fair value			
	Amortized cost	Total	Level 1	Level 2	Level 3	Total
Trade receivables	324,717,342	324,717,342	--	--	--	--
Cash and cash equivalents	292,157,027	292,157,027	--	--	--	--
	616,874,369	616,874,369	--	--	--	--
Financial liabilities						
Loans and facilities	531,910,100	531,910,100	--	--	--	--
Trade payables	63,595,540	63,595,540	--	--	--	--
Dividends payable	51,370,251	51,370,251	--	--	--	--
Accrued expenses and other payables	52,607,464	52,607,464	--	--	--	--
Contracts' losses provision	5,807,780	5,807,780	--	--	--	--
Zakat provision	34,164,892	34,164,892	--	--	--	--
	739,456,027	739,456,027	--	--	--	--

30 September 2021 (Audited)

Financial Assets	Carrying value		Fair value			
	Amortized cost	Total	Level 1	Level 2	Level 3	Total
Trade receivables	275,064,805	275,064,805	--	--	--	--
Cash and cash equivalents	181,361,839	181,361,839	--	--	--	--
	456,426,644	456,426,644	--	--	--	--
Financial liabilities						
Loans and facilities	492,000,000	492,000,000	--	--	--	--
Trade payables	50,374,525	50,374,525	--	--	--	--
Dividends payables	571,439	571,439	--	--	--	--
Accrued expenses and other payables	38,869,801	38,869,801	--	--	--	--
Zakat provision	30,977,961	30,977,961	--	--	--	--
	612,793,726	612,793,726	--	--	--	--

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16. SIGNIFICANT EVENTS

The coronavirus (“COVID-19”) pandemic has spread across various geographies globally, causing disruption to business and economic activities. COVID-19 has brought about uncertainties in the global economic environment. The financial and monetary authorities, both domestic and international, have announced various support measures across the globe to counter possible adverse implications. The Group has formed a work team to assess the expected impacts on the Group's business inside and outside the Kingdom (if any), and to conduct a preliminary study for the purpose of reviewing and evaluating potential risks related to the raw materials supply chain, human resources, current stock levels, and ensuring the continued operation of production facilities for the Group's companies without interruption.

The uncertainties caused by COVID-19, have required to update the inputs and assumptions used for the determination of expected credit losses as at 31 September 2020. ECLs were estimated based on a range of forecast economic conditions as at that date and considering that the situation is fast evolving,

The Group has considered the impact of higher volatility in the forward-looking macro-economic factors, when determining the severity and likelihood of economic scenarios for ECL determination.

In addition, the Group has taken special considerations regarding the impact of (Covid-19) on the qualitative and quantitative factors when determining whether there are indicators of impairment in the value of non-financial assets, the results of which were reflected in the decline in the value of non-financial assets as at that date.

The Group has taken into consideration the potential effects of the current economic fluctuations in determining the reported amounts of its financial and non-financial assets. These are management's best estimates in light of the information currently available. However, these reported amounts remain highly sensitive to market fluctuations.

The Group's management has made an assessment of its ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the Group continues to prepare the financial statements on the going concern basis.

17. APPROVAL OF THE FINANCIAL STATEMENTS

The consolidated financial statements were authorized for issue by the Board of Directors on 5 Ragab 1443H, corresponding to 6 February 2022.